ISS | AFRICAN FUTURES

Somalia
Geographic Futures

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In this entry, we first describe the Current Path forecast for Somalia as it is expected to unfold to 2043, the end of the third ten-year implementation plan of the African Union's Agenda 2063 long-term vision for Africa. The Current Path in the International Futures (IFs) forecasting model initialises from country-level data that is drawn from a range of data providers. We prioritise data from national sources.

The Current Path forecast is divided into summaries on demographics, economics, poverty, health/WaSH and climate change/energy. A second section then presents a single positive scenario for potential improvements in stability, demographics, health/WaSH, agriculture, education, manufacturing/transfers, leapfrogging, free trade, financial flows, infrastructure, governance and the impact of various scenarios on carbon emissions. With the individual impact of these sectors and dimensions having been considered, a final section presents the impact of the Combined Agenda 2063 scenario.

We generally review the impact of each scenario and the Combined Agenda 2063 scenario on gross domestic product (GDP) per person and extreme poverty except for Health/WaSH that uses life expectancy and infant mortality.

The information is presented graphically and supported by brief interpretive text.

All US$ numbers are in 2017 values

Summary

- Current Path forecast
  - Somalia is a low-income country located in the Horn of Africa. The country is also a member of the Intergovernmental Authority on Development (IGAD), an eight-country regional bloc in Africa with ambitions to embark on regional integration and, in November 2023, was admitted into the East African Community (EAC). Jump to forecast: Current Path
  - The population of Somalia was 15.4 million in 2019, and on the Current Path it is forecast to reach 27.6 million by 2043 – a 79.2% increase over the next 24 years. Jump to Demographics: Current Path
  - Somalia's income per capita is one of the lowest in Africa. With a GDP per capita (PPP) of US$850 in 2019, Somalia is ahead only of Central African Republic and Burundi in Africa. On the Current Path, the GDP per capita (PPP) is forecast to increase to US$1 502 by 2043. Jump to Economics: Current Path
  - Based on the $1.90 2011 purchasing power parity poverty line, the poverty rate in Somalia was estimated at 66% in 2019 (9.9 million people). In the Current Path forecast, the extreme poverty rate at US$1.90 is projected to peak at 75.9% in 2025 before gradually declining to 37.5% (10.4 million people) by 2043. Jump to Poverty: Current Path
  - In 2019, Somalia produced 0.4 million tons of carbon, and by 2043 will be producing 2.8 million tons of carbon, an increase of 600% between 2019 and 2043 from a very low base. Jump to Carbon emissions/Energy: Current Path

- Sectoral scenarios
  - The Stability scenario improves security and stability in Somalia. By 2043, the score in the Stability scenario is 0.77, about 26% higher than the Current Path forecast and 8.5% higher than the projected average of 0.71 on the Current Path for African low-income countries. Jump to Stability scenario
  - In 2019, the ratio of the working-age population to dependants stood at 1.02, meaning that there is almost one person of the working-age population for each dependant. On the Current Path, this ratio is forecast to be 1.5 by 2043. In the Demographic scenario, the working-age population to dependants ratio is 1.7 by 2043, which is the minimum ratio on which to expect the materialisation of the demographic dividend. Jump to Demographic scenario
  - Based on the Health/WaSH scenario, life expectancy is estimated to increase to 65.9 years, compared to 65.5 years in the Current Path forecast, by 2043. In the Health/WaSH scenario, life expectancy in Somalia is about five years below the projected average for low-income countries in Africa, at 70.8 years in 2043. Jump to Health/WaSH scenario
  - In the Agriculture scenario, crop yields in Somalia improve from 3.6 tons per hectare in 2019 to about 6.0 tons per hectare in 2043, compared to 5.0 tons in the Current Path forecast. Jump to Agriculture scenario
  - The average years of education for adults aged 15 years and over in Somalia stood at 5.8 years in 2019. On the Current Path, it is projected to improve to 7.6 years by 2043. In the Education scenario, the mean years of education improves by about 0.2 years above the Current Path forecast for 2043. Jump to Education scenario
  - In the Manufacturing/Transfers scenario, the number of poor people by 2043 is forecast to be 8.6 million, equivalent to 31.3% of the population, compared to 10.4 million(37.5% of the population) in the Current Path forecast for that year. Jump to Manufacturing/Transfers scenario
  - Fixed broadband subscriptions were estimated at 2.6 per 100 people in 2019, slightly above the average of 2.3 for low-income countries in Africa. In the Leapfrogging scenario, fixed broadband subscriptions increase to 50 per 100 people by 2043, more than the Current Path forecast of 36.4 subscriptions per 100 people for the same year. Jump to Leapfrogging scenario
  - In the Free Trade scenario, Somalia experiences a trade surplus between 2023 and 2035 before deteriorating to a deficit representing 17.8% of GDP in 2040 and 11.2% in 2043. Jump to Free Trade scenario
  - In the Financial Flows scenario, foreign direct investment (FDI) inflows in 2043 will represent about 2.9% of GDP, compared to 2.4% on the Current Path. Jump to Financial Flows scenario

- In the Infrastructure scenario, the rural population within 2 km of an all-weather road is projected to increase to 46.2% by 2043, slightly above the 44.7% projected by the Current Path forecast for that year. Jump to Infrastructure scenario
- The projected score for government effectiveness in the Governance scenario by 2043 is 1.1. This is 0.1 points higher than the projected score of 1.0 in the Current Path forecast for the same year. Somalia will still have a lower government effectiveness score than the Current Path forecast average of 1.9 for Africa's low-income countries by 2043. Jump to Governance scenario
- The Free Trade and Leapfrogging scenarios have the most significant impact on carbon emissions. Jump to Impact of scenarios on carbon emissions

- Combined Agenda 2063 scenario Jump to Combined Agenda 2063 scenario
  - By 2043, the GDP of Somalia in the Combined Agenda 2063 scenario is US$15.7 billion, larger than in the Current Path forecast.
  - By 2043, the GDP per capita of Somalia in the Combined Agenda 2063 scenario is US$1 995 more than in the Current Path forecast for the same year.
  - By 2043, the extreme poverty rate in Somalia declines to 7.6% (1.98 million people) compared to 37.5% (10.4 million people) in the Current Path forecast.
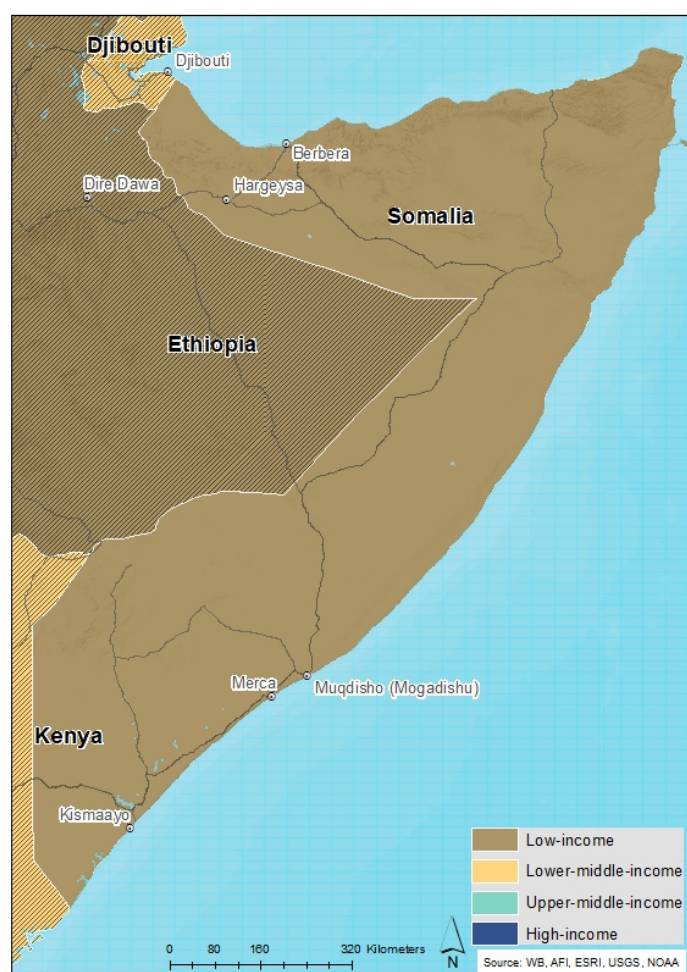
Somalia: Current Path

Somalia: Current Path forecast

Chart 1: Political map of Somalia

This page provides an overview of the critical characteristics of Somalia along its likely (or Current Path) development trajectory. The Current Path forecast from the International Futures forecasting (IFs) platform is a dynamic scenario that imitates the continuation of current policies and environmental conditions. The Current Path is, therefore, in congruence with historical patterns and produces a series of dynamic forecasts endogenised in relationships across crucial global systems. We use 2019 as a standard reference year, and the forecasts generally extend to 2043 to coincide with the end of the third ten-year implementation plan of the African Union's Agenda 2063 long-term development vision.

Somalia is a low-income country located in the Horn of Africa. It is bounded by the Gulf of Aden to the north, by the Indian

Ocean to the east, by Kenya and Ethiopia to the west, and by Djibouti to the northwest. Somalia has a surface area of 637655 km² and a population of more than 15.4 million as of 2019. The country is a member of the Intergovernmental Authority on Development (IGAD), an eight-country regional bloc in Africa with ambitions to embark on regional integration. In November 2023, Somalia was admitted as a member of the East Africa Community (EAC).

Somalia is a country of geographic extremes. The climate is mainly dry and hot, with landscapes of thornbush savanna and semidesert, and the inhabitants of Somalia have developed equally demanding economic survival strategies. Apart from a mountainous coastal zone in the north and several pronounced river valleys, most of the country is extremely flat, with few natural barriers to restrict the mobility of its nomads and their livestock. The Somali people are clan-based Muslims, and about three-fifths follow a mobile way of life, pursuing nomadic pastoralism or agropastoralism.

Since the fall of the Siad Barre regime and the complete collapse of state institutions in 1991, Somalia has been without a viable functioning central government. It represents one of the modern world's most protracted cases of statelessness. Despite many domestic initiatives and the efforts of the international community, Somalia is still profoundly affected by decades of internal conflict. This has largely destroyed the country's economy, security, and judicial institutions. Since 2012, Somalia has had an internationally recognised government with limited capacity to provide security throughout the country. Al-Shabaab effectively controls many rural areas and the supply routes to many towns. Overall, the lack of a political settlement supporting a stable central government and vulnerability to shocks (such as climate-related disasters, locust infestation and floods) jeopardises Somalia's development prospects.
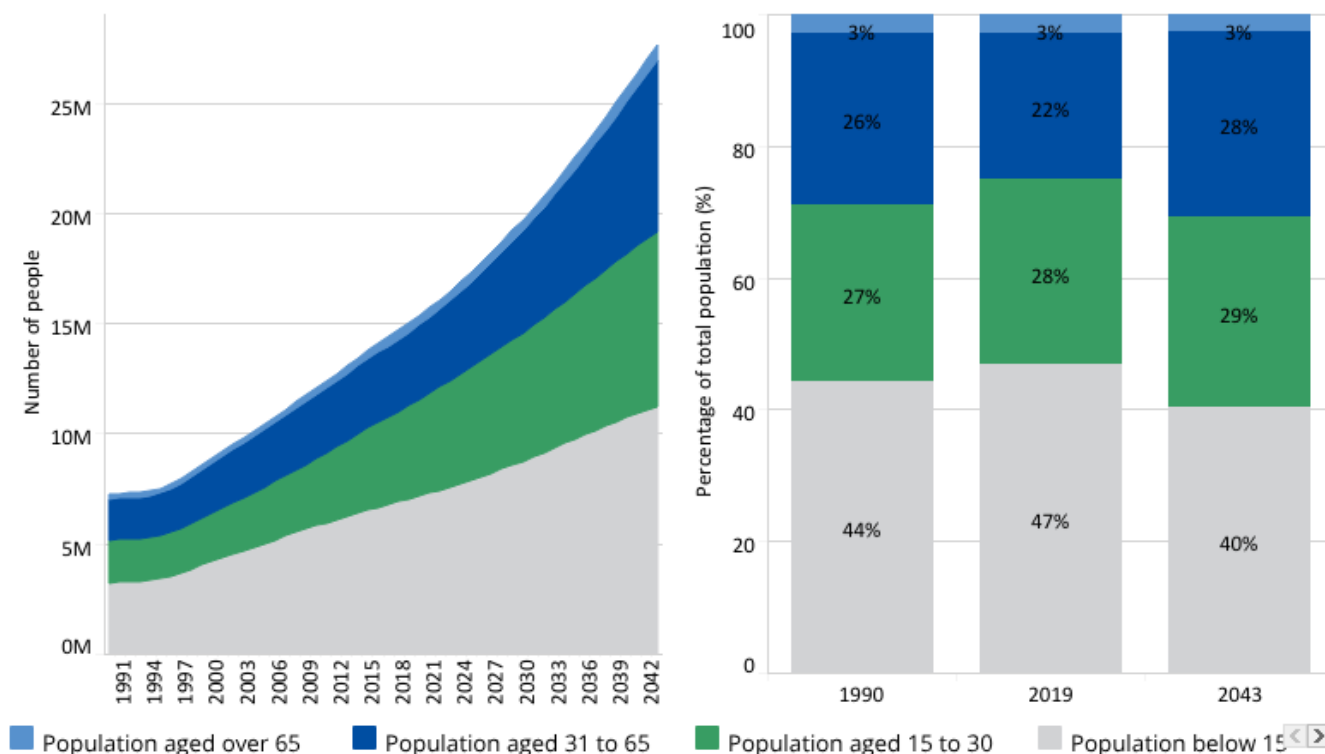
Chart 2: Population structure in CP, 1990–2043
By cohort and % of population

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Somalia ▼

◼ Population aged over 65   ◼ Population aged 31 to 65   ◼ Population aged 15 to 30   ◻ Population below 15 ◁▷

Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate and World Development Indicators population data

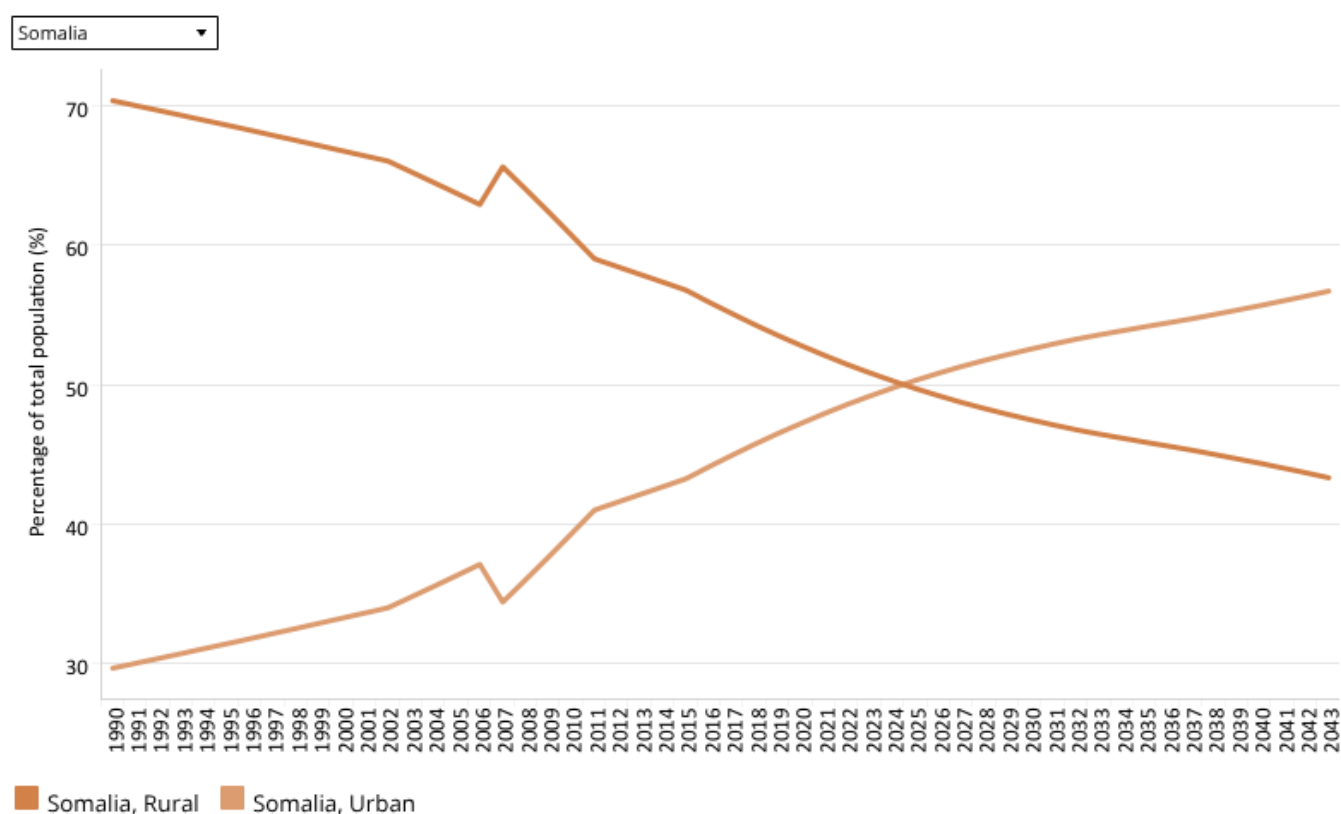⠿ View on Tableau Public   ↶ ↷ ↺ ↻ ▾ | ⬒▾ ⬚ ⪦ Share

The characteristics of a country's population can shape its long-term social, economic and political foundations; thus, a nation's demographic profile indicates its development prospects.

The population of Somalia is growing rapidly. The country has the second-highest total fertility rate (6.1 births per woman) globally after Niger (6.8 births per woman). The population of Somalia was 15.4 million in 2019 and on the Current Path it is forecast to reach 27.6 million by 2043, a 79.2% increase over the next 24 years.

As of 2019, about 2.4 million people in Somalia (17% of the population) were estimated to be displaced primarily due to conflict and climate-related conditions. In addition, some 877 000 Somali refugees live in neighbouring countries, making them one of the largest refugee populations in the world.

Like many countries in sub-Saharan Africa, the population of Somalia is predominantly young, with 28% of it under the age of 30 and 47% under the age of 15 in 2019. This means that a large portion of the population is dependent on the workforce to provide for its needs. On the Current Path, the population under 15 years is expected to decline, but will still constitute 40% of the population by 2043. The share of the elderly (65 and above) has been stable at 3% over time, and is projected to remain 3% by 2043. The structure of Somalia's population is typical of countries with high fertility rate and low life expectancy.

Chart 3: Urban and rural population in CP, 1990–2043
% of population

Somalia ▼

Legend: ■ Somalia, Rural ■ Somalia, Urban

Source: IFs 7.63 initialising from UN World Urbanization Prospects estimate

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Somalia is rapidly urbanising. In 2019, 46.5% of its population resided in urban areas. This is nearly 15 percentage points above the average of 31% for low-income countries in Africa. In the Current Path forecast, the rate of urbanisation in Somalia is projected to increase to 56.7% by 2043, while the size of the rural population will have dropped to 43.3% from 53.5% in 2019.

The search for livelihood opportunities; frequent manmade and natural shocks, including droughts; famines; and insecurity are contributing to displacement and rural–urban migration in Somalia.

If not well managed, urbanisation could lead to problems such as unemployment, poverty, inadequate health, poor sanitation, urban slum expansion and environmental degradation. Somalia's population living in slums (as a percentage of the urban population) was 72.1 % in 2018, down from 73.6 % in 2016.

Good urban planning could foster an inclusive economy by improving service delivery and reducing urban poverty. In addition, adequate and appropriate urban planning is essential to mitigate the impacts of climate change, such as flooding.

Chart 4: Population density map for 2019
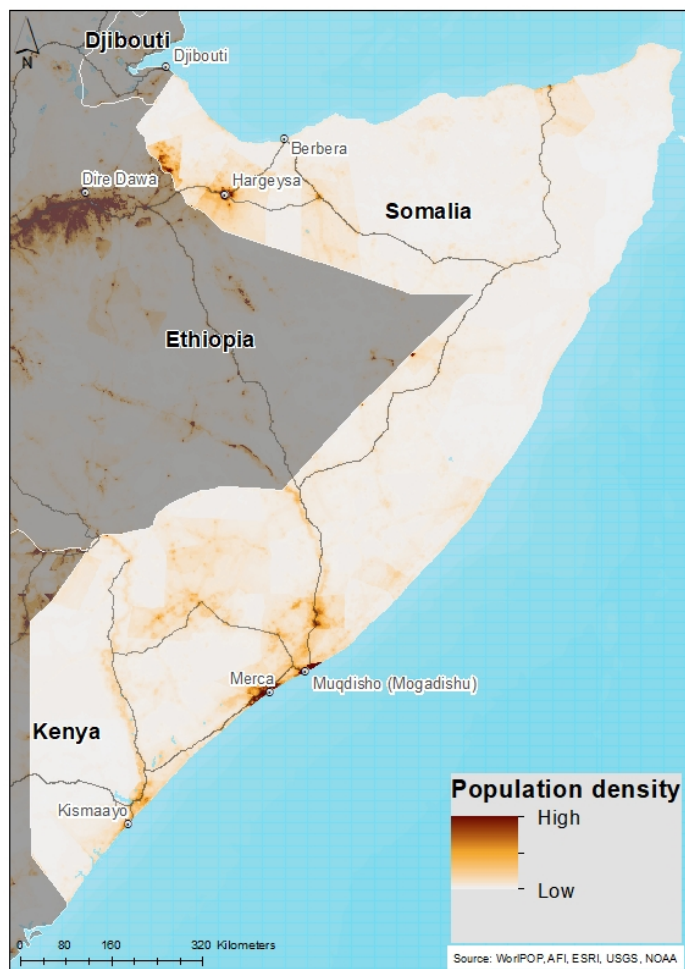
Roughly two-fifths of the Somali population live permanently in settled communities; the other three-fifths are nomadic pastoralists or agropastoralists. The sedentary population chiefly occupies climatically and topographically favourable regions in southern and northwestern Somalia, where rain-fed agriculture is possible and irrigation agriculture can be practised along the rivers. Their settlements consist of large, clustered villages near the rivers and in the central interfluvial area, as well as small hamlets further away. The population is also concentrated in the old trading centres on the coast, including Kismaayo, Baraawe (Brava), Marca, Mogadishu, Berbera and Boosaaso (Bosaso).

The population density of Somalia was 0.24 inhabitants per hectare in 2019, below the average for low-income countries in Africa. The population density is forecast to increase to 0.44 inhabitants per hectare by 2043, below the projected average of 0.74 inhabitants per hectare for Africa's low-income countries.

Chart 5: GDP in CP, 1990–2043
Market exchange rates
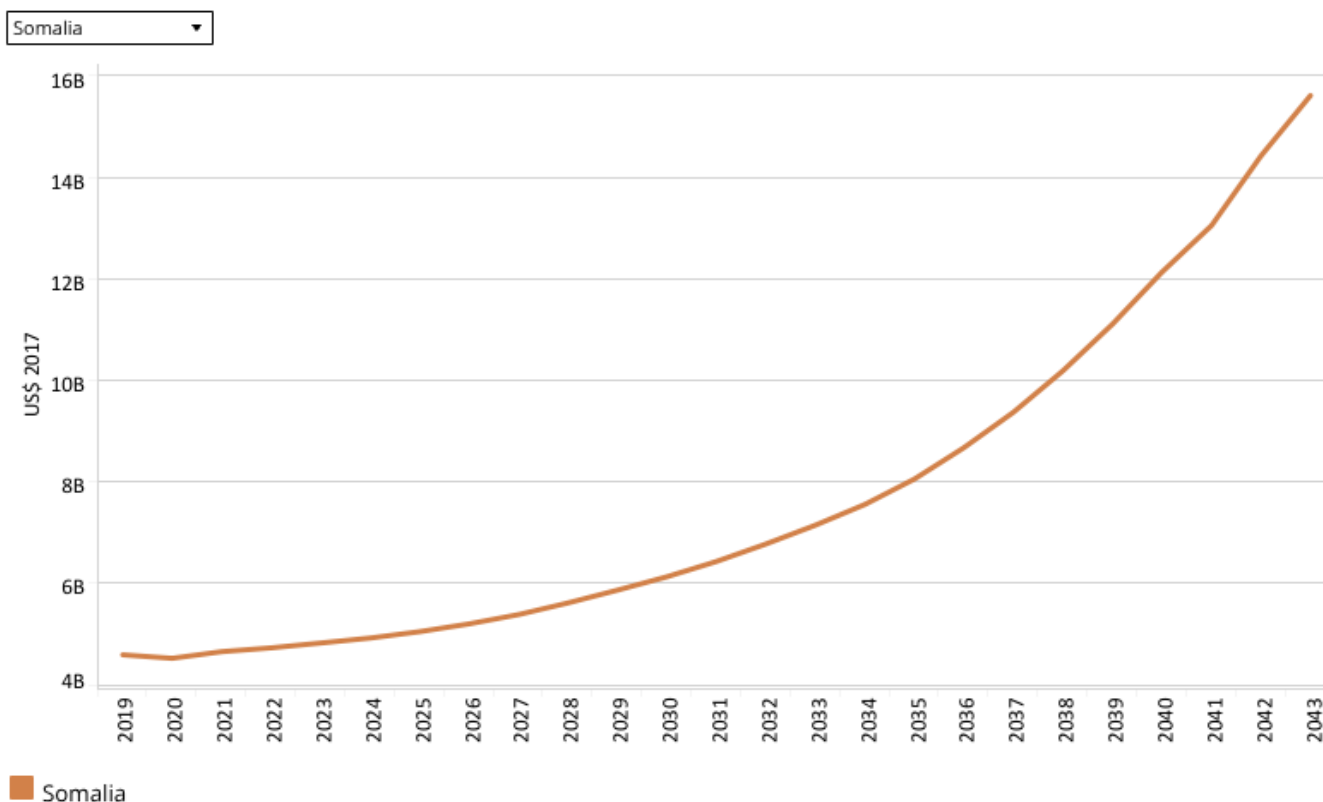
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Somalia ▼

Source: IFs 7.63 initialising from International Monetary Fund World Economic Outlook database

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Years of conflict and political division have destroyed much of the Somali economy. The country's exposure to recurrent shocks and crises, including drought and insecurity, locust infestation and more recently the COVID-19 pandemic poses many challenges for the economy. Agriculture and livestock remain the backbone of the economy, employing about 65% of the labour force. The economy is, however, slowly transitioning from traditional rural pastoralism to urban trade and services. Most economic activities are centred around Mogadishu, the capital city, and security concerns continue to dominate business in the country.

Somalia's economy is also highly dollarised. According to the International Monetary Fund (IMF), about 90% of currency in circulation in the economy is US$, and this makes it difficult for the Central Bank of Somalia to establish effective monetary policy. Following a prolonged drought, the growth rate stood at 2.9% in 2019. A projected growth rate of 3.2% in 2020 was interrupted by a triple crisis of COVID-19, a locust infestation and floods, which caused the economy to contract by 1.5% in 2020.

In 2019, the size of the Somali economy was US$4.6 billion, up from US$2.5 billion in 1990. By 2043, the economy is projected to grow to US$15.6 billion, making it the 41st-largest economy in Africa under the Current Path assumptions for other countries.

Substantial and sustainable economic development in Somalia will be contingent on progress on inclusive politics, security

and the rule of law.

Chart 6: GDP per capita in CP, 1990–2043
Purchasing power parity
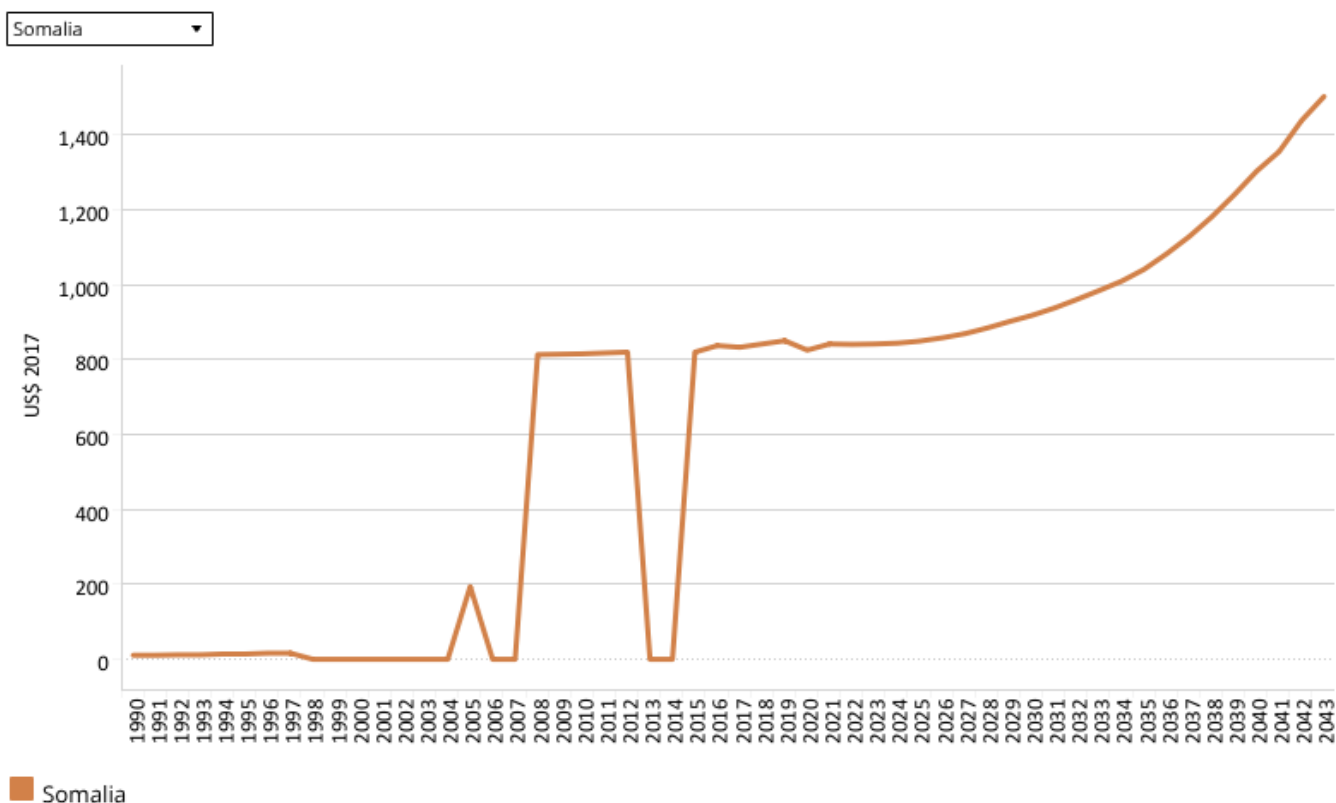
Somalia ▼

Somalia

Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data
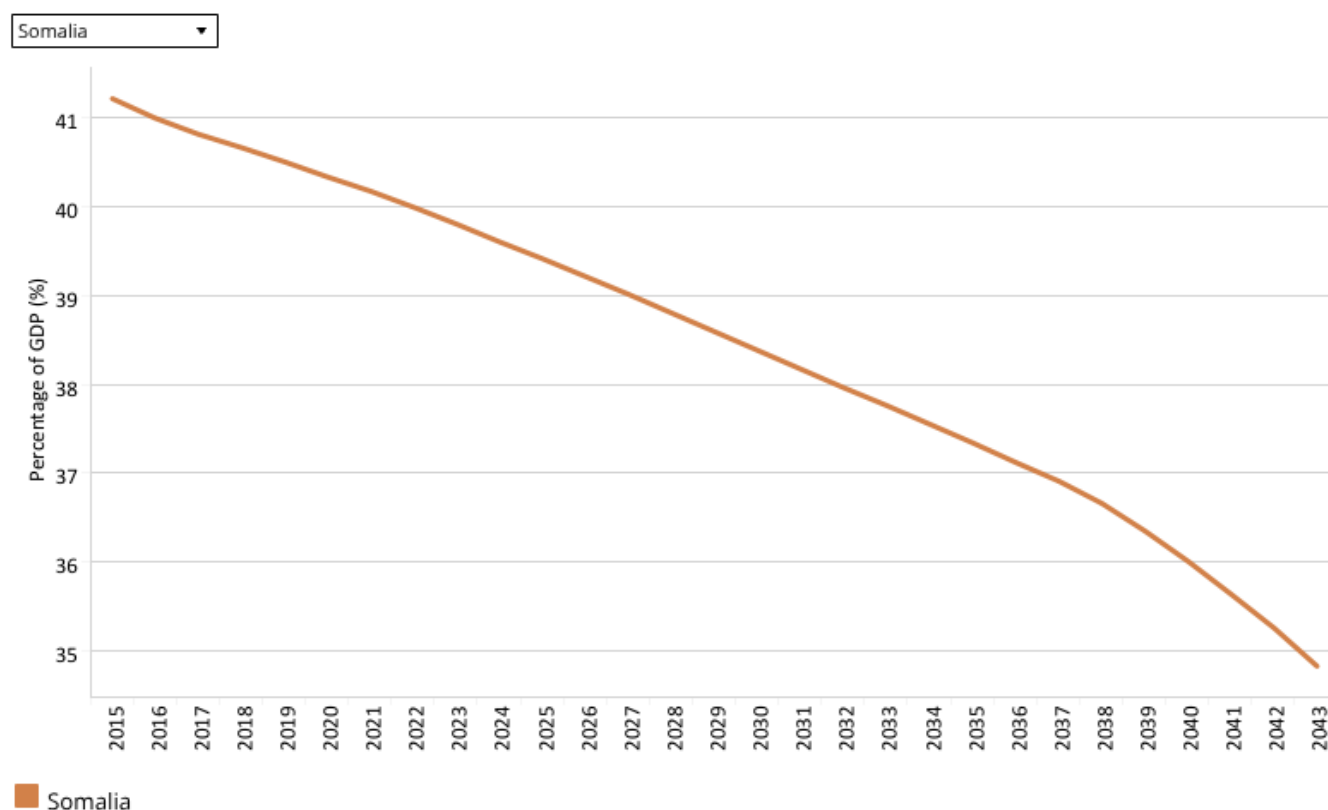
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Although many of the charts in the sectoral scenarios also include GDP per capita, this overview is an essential point of departure for interpreting the general economic outlook of Somalia.

Despite its manifold challenges, Somalia also has several opportunities to grow its economy and improve the living standards of the population. Rapid urbanisation, growing use of digital technologies, and planned investments in sectors such as energy, ports, education and health could support economic growth and job creation, with a positive effect on incomes.

Somalia's income per capita is one of the lowest in Africa. With a GDP per capita (PPP) of US$850 in 2019, Somalia is ahead only of the Central African Republic and Burundi in Africa. It declined to US$825 in 2020 due to the economic slowdown associated with the COVID-19 pandemic. On the Current Path, the GDP per capita (PPP) is forecast to increase to US$1 502 by 2043. This will be US$2 288 lower than the projected average of US$3 790 for low-income countries in Africa in the same year.

Chart 7: Informal sector value in CP, 2015–2043
% of GDP

Somalia ▼

Somalia

Source: IFs 7.63 initialising from UN Economic Commission for Europe [2008]; Elgin and Oztunali [2012]; Schneider and Enste [2012]
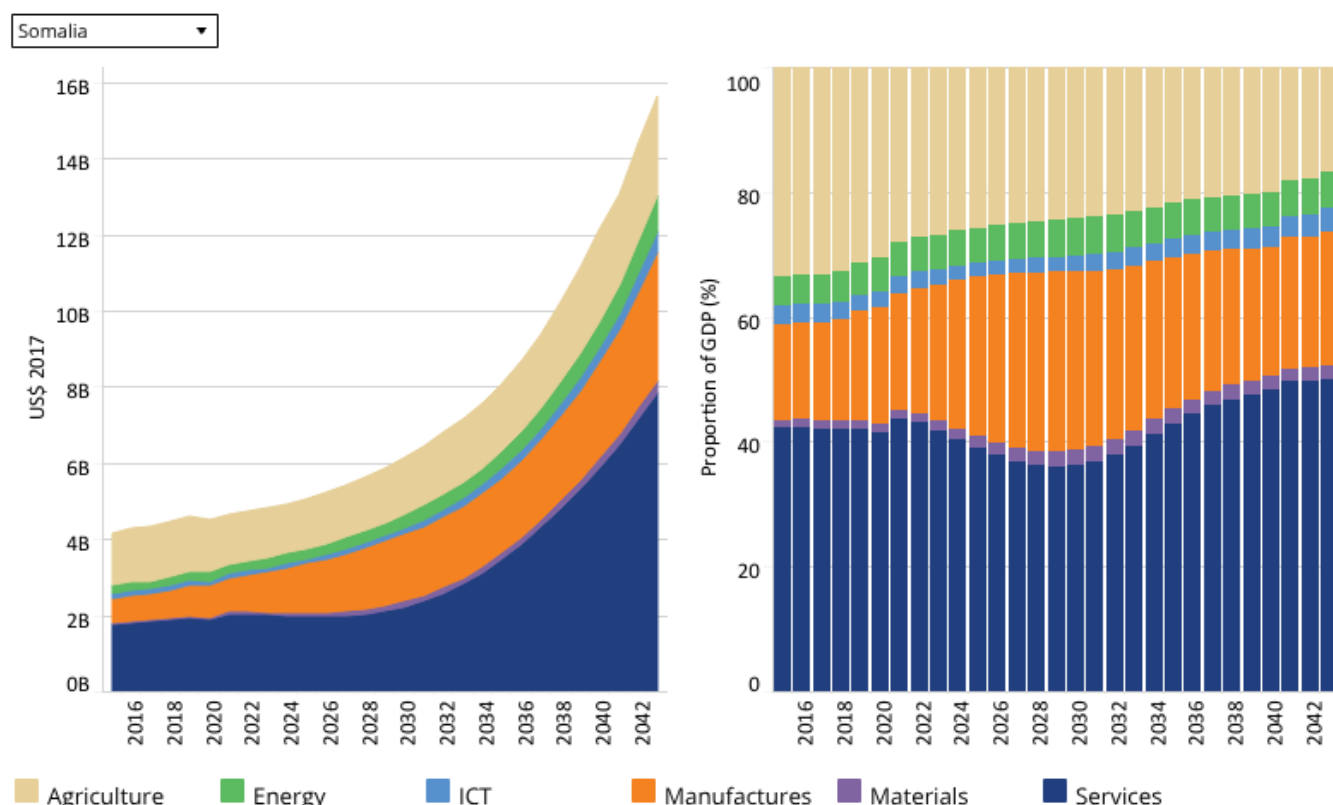
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The informal economy comprises activities that have market value and would add to tax revenue and GDP if they were recorded. Somalia's economy is largely dominated by the informal sector. Most of the population lives below subsistence level and is engaged in small-scale business.

In 2019, the size of the informal economy was equivalent to 40.5% of the country's GDP, and by 2043 it is projected to decline to 34.8%, above the average of 25.8% for low-income countries in Africa.

Although the informal economy provides a safety net for the country's large and growing working-age population, it impedes economic growth and hinders improved economic policies. Reducing informality will allow more people to benefit from better wages and redistributive measures. Therefore, Somalia needs to reduce the size of its informal economy with the least friction possible by reducing the hurdles to registering a business, tackling corruption, and improving the rule of law and access to education, among others.

Chart 8: Value added by sector in CP, 2015–2043
Billions US$ 2017 and % of GDP

Source: IFs 7.63 initialising from International Monetary Fund World Economic Outlook database
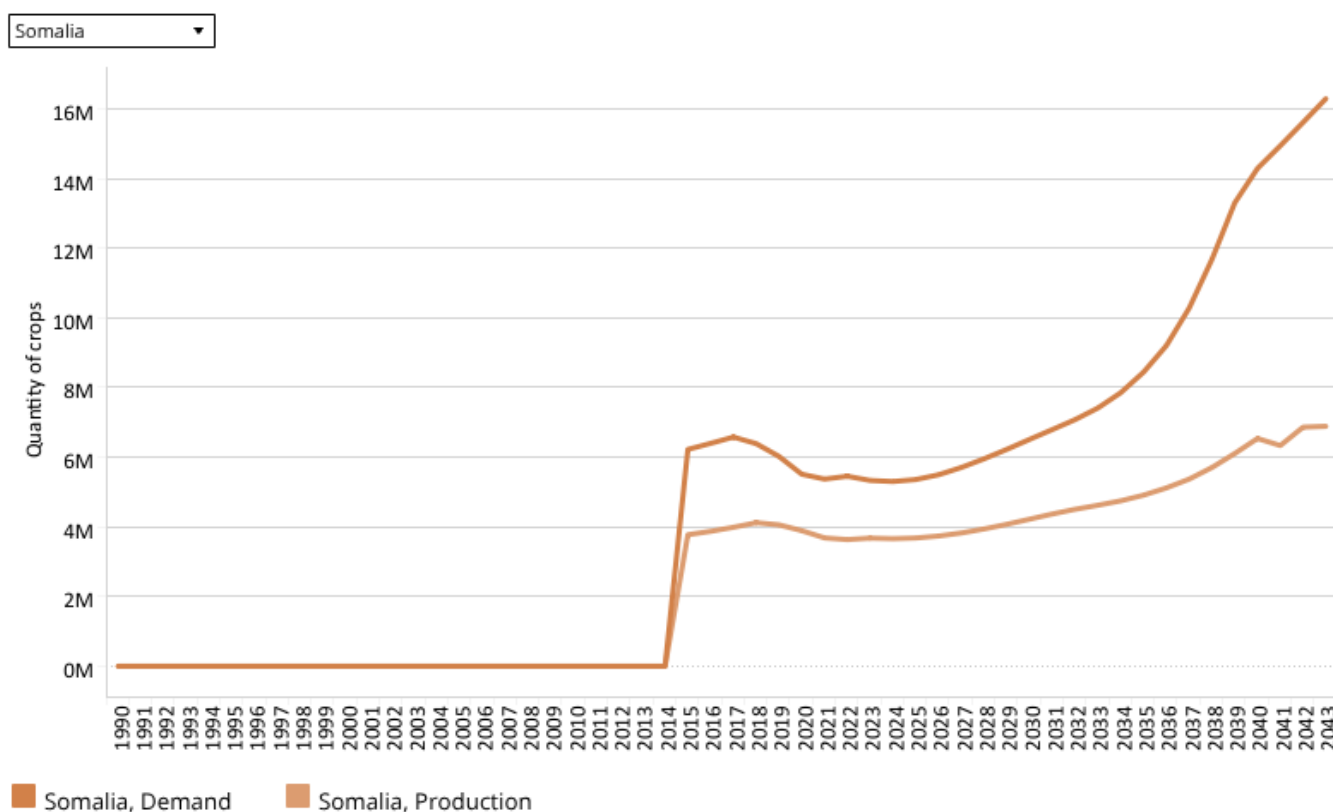
⁂ View on Tableau Public

The IFs platform uses data from the Global Trade and Analysis Project (GTAP) to classify economic activity into six sectors: agriculture, energy, materials (including mining), manufactures, services and information and communications technologies (ICT). Most other sources use a threefold distinction between only agriculture, industry and services, with the result that data may differ.

In 2019, agriculture accounted for 31.3% of the country's GDP (US$1.4 billion), while the service sector represented 42% (US$1.9 billion). Manufacturing makes the third-largest contribution to the country's GDP. In 2019, the manufacturing sector accounted for 17.4% of GDP (US$0.8 billion). The contribution from energy, ICT and materials is marginal: these accounted for 5.2%, 2.6% and 1.4% of GDP respectively in 2019.

On the Current Path, the share of the service sector in GDP is projected to reach 50.1% (US$7.8 billion) by 2043 compared to 21.5% (US$3.4 billion) for the manufacturing sector. As a result of the structural transformation of the economy, the share of agriculture is forecast to decline to 16.6% (US$2.6 billion) by 2043. The contributions of energy, ICT and materials to GDP will still be marginal, at 5.9%, 3.7% and 2.1% respectively in 2043.

Chart 9: Agriculture production/demand in CP, 1990–2043
Crops million tons

Somalia ▼

Somalia, Demand   Somalia, Production

Source: IFs 7.63 initialising from Food and Agriculture Organization Food Balance Sheets

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The data on agricultural production and demand in the IFs forecasting platform initialises from data provided on food balances by the Food and Agriculture Organization (FAO). IFs contains data on numerous types of agriculture but aggregates its forecast into crops, meat and fish, presented in million metric tons. Chart 9 shows agricultural production and demand as a total of all three categories.

Somalia is a fragile state but has huge agriculture and livestock potential. The country's arable land is estimated at 8.5 million hectares, with only 2.3 million hectares under rain-fed agriculture and 630 000 hectares under irrigation.

The major constraints to agriculture production in the country include unstable weather, water scarcity, pests damaging crops, poor transportation, insecurity, and minor constraints such as inability to access and use seed and fertilisers, lack of capital, and inadequate investment in irrigation, which makes farmers very vulnerable to drought. There is also less knowledge and skill among farmers. As a result, food insecurity is a major issue in Somalia.

Agricultural (crop) production in 2019 stood at nearly 4.1 million metric tons, below the demand of 6.02 million metric tons. Across the forecast horizon, the excess demand will continue to increase. In 2043, agricultural production and demand are forecast to be 6.9 million metric tons and 16.3 million metric tons respectively. This is equivalent to excess demand of 9.4 million metric tons, which will likely be met through imports.

Chart 10: Poverty in CP, 2015–2043
Millions of people and % of total population

Somalia ▼ $1.90 ▼

Somalia

Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and PovcalNet World Bank data

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There are numerous methodologies and approaches to defining poverty. We measure income poverty and use GDP per capita as a proxy. In 2015, the World Bank adopted the measure of US$1.90 per person a day (in 2011 international prices), also used to measure progress towards the achievement of Sustainable Development Goal (SDG) 1 of eradicating extreme poverty. To account for extreme poverty in richer countries occurring at slightly higher levels of income than in poor countries, the World Bank introduced three additional poverty lines in 2017:

- US$3.20 for lower middle-income countries

- US$5.50 for upper middle-income countries

- US$22.70 for high-income countries.

Poverty in Somalia is concentrated among nomadic pastoralists and agropastoralists. Estimates by the World Bank show that the average poverty gap in Somalia is 29%, which implies that the average income level of a poor Somali household is 71% of the international poverty line. The leading causes of the persistently high poverty in Somalia are weak governance and insecurity, absence of the rule of law, and conflict and political instability. Without effective control of its territory, Somalia's Ninth National Development Plan, which seeks to promote inclusive growth and poverty reduction, will have limited impact.

Based on the $1.90 2011 purchasing power parity poverty line, the poverty rate in Somalia was estimated at 66% in 2019 (9.9 million people), above the average of 47.7% for low-income countries in Africa. In the Current Path forecast, the extreme poverty rate at US$1.90 is projected to peak at 75.9% in 2025 before gradually declining to 37.5% (10.4 million people) by 2043, still above the projected average of 25.1% for low-income countries in Africa in the same year.
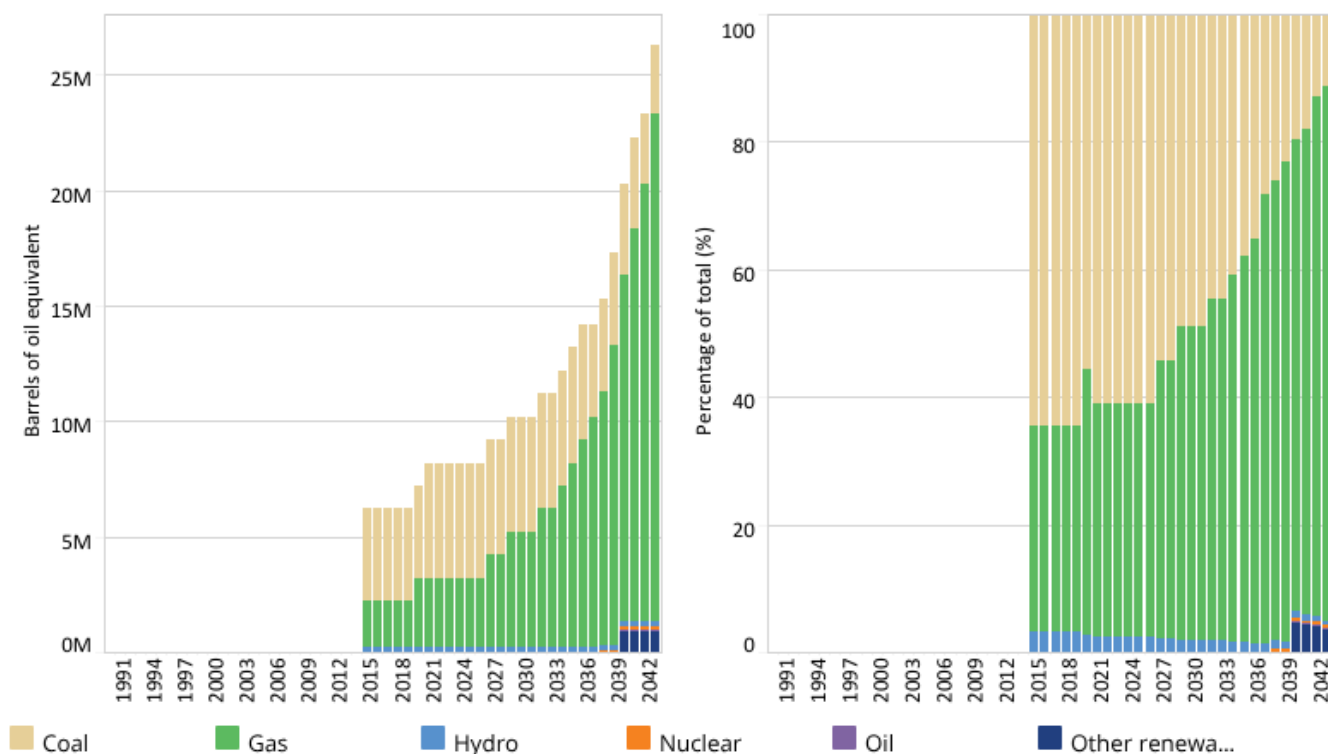
Chart 11: Energy production by type in CP, 1990–2043
Barrels of oil equivalent and % of energy production

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Somalia ▼

Legend: Coal | Gas | Hydro | Nuclear | Oil | Other renewa...

Source: IFs 7.63 initialising from World Energy Outlook data
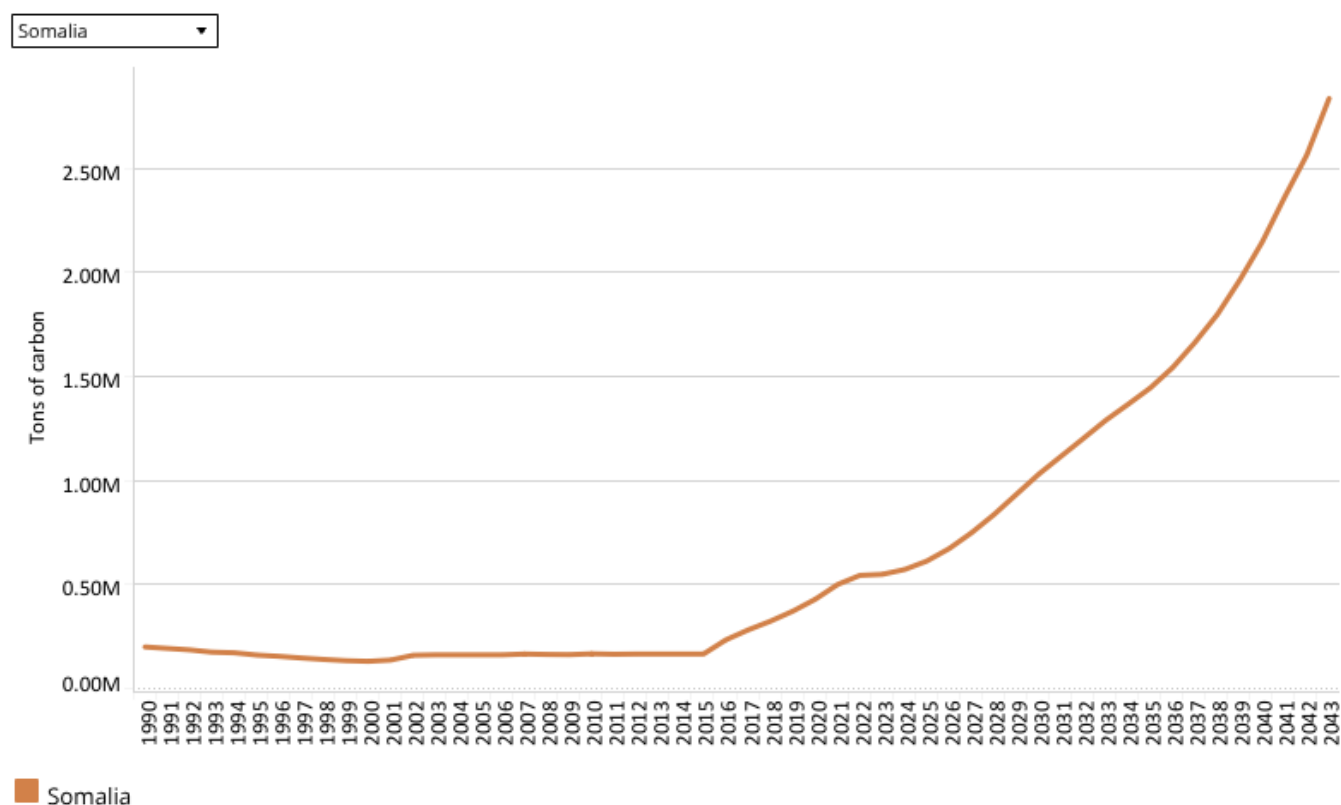
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The IFs platform forecasts six types of energy, namely oil, gas, coal, hydro, nuclear and other renewables. To allow comparisons between different types of energy, the data is converted into billion barrels of oil equivalent. The energy contained in a barrel of oil is approximately 5.8 million British thermal units (MBTUs) or 1 700 kilowatt-hours (kWh) of energy.

Gas and coal power the main energy produced in Somalia. In 2019, coal, gas and hydro accounted for 65%, 32% and 3% of the total energy produced in Somalia respectively. On the Current Path, gas will account for 84% (22 million barrels of oil equivalent) of energy production by 2043, while the share of coal will significantly decline to 11% (3 million barrels of oil equivalent) in the same year. Other renewable sources that are currently at the embryonic stage are forecast to account for 4.0% (1 million barrels of oil equivalent) of total energy production by 2043.

Chart 12: Carbon emissions in CP, 1990–2043
Million tons of carbon (note, not CO_2 equivalent)

Somalia ▼

Somalia

Source: IFs 7.63 initialising from Carbon Dioxide Information Analysis Center data

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Carbon is released in many ways, but the three most important contributors to greenhouse gases are carbon dioxide (CO_2), carbon monoxide (CO) and methane (CH_4). Since each has a different molecular weight, IFs uses carbon. Many other sites and calculations use CO_2 equivalent.

Carbon emissions in Somalia were 0.4 million tons in 2019. On the Current Path, carbon emissions are forecast to reach 2.8 million tons by 2043, an increase of 600% between 2019 and 2043. However, this increase comes from a very low base and Somalia's total emissions in 2043 will only constitute about 0.02% of global carbon emissions.

Developed economies must help Somalia and the many other developing African countries deal with the impact of climate change, which will affect them disproportionately.

Sectoral Scenarios for Somalia

- Stability scenario
- Demographic scenario
- Health/WaSH scenario
- Agriculture scenario
- Education scenario
- Manufacturing scenario
- Leapfrogging scenario
- Free Trade scenario
- Financial Flows scenario
- Infrastructure scenario
- Governance scenario
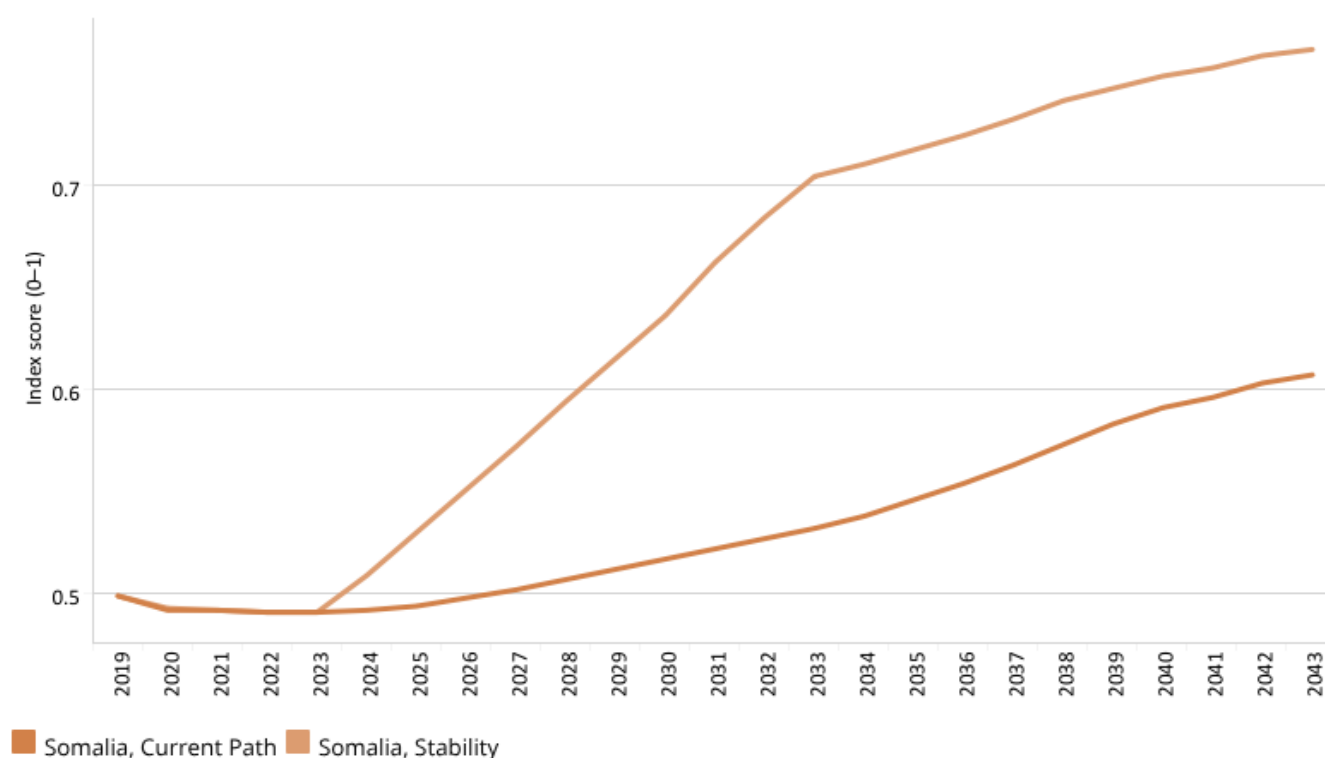- Impact of scenarios on carbon emissions

Stability scenario

Chart 13: Governance security in CP and Stability scenario, 2019–2043
IFs index 0–1

Somalia, Current Path   Somalia, Stability

Source: IFs 7.63 goverance security index using internal war and government risk

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The Stability scenario represents reasonable but ambitious reductions in risk of regime instability and lower levels of

internal conflict. Stability is generally a prerequisite for other aspects of development and this would encourage inflows of foreign direct investment (FDI) and improve business confidence. Better governance through the accountability that follows substantive democracy is modelled separately.

The intervention is explained in here in the thematic part of the website.

Since the fall of the Siad Barre regime and the complete collapse of state institutions in 1991, Somalia has been without a viable functioning central government and represents one of the modern world's most protracted cases of statelessness. Despite many domestic initiatives and the efforts of the international community, Somalia is still deeply affected by decades of internal conflict, which has largely destroyed the country's security, judicial and economic institutions. Since 2012, Somalia has had an internationally recognised government, but with limited capacity to provide security throughout the country. Al-Shabaab effectively controls many rural areas and the supply routes to many towns.

IFs' governance security index ranges from 0 (low security) to 1 (high security). The score for Somalia on the government security index was 0.5 in 2019, compared to 0.64 for African low-income countries. Going forward, both the Current Path forecast and the Stability scenario show improvement in stability in Somalia.

By 2043, the score in the Stability scenario is 0.77, about 26% higher than in the Current Path forecast and 8.5% higher than the projected average of 0.71 on the Current Path for African low-income countries.

A state's capacity to maintain order and stability is one of the most important conditions for development. The government and policymakers in Somalia should take proactive measures towards more social and political stability.

Chart 14: GDP per capita in CP and Stability scenario, 2019–2043
Purchasing power parity
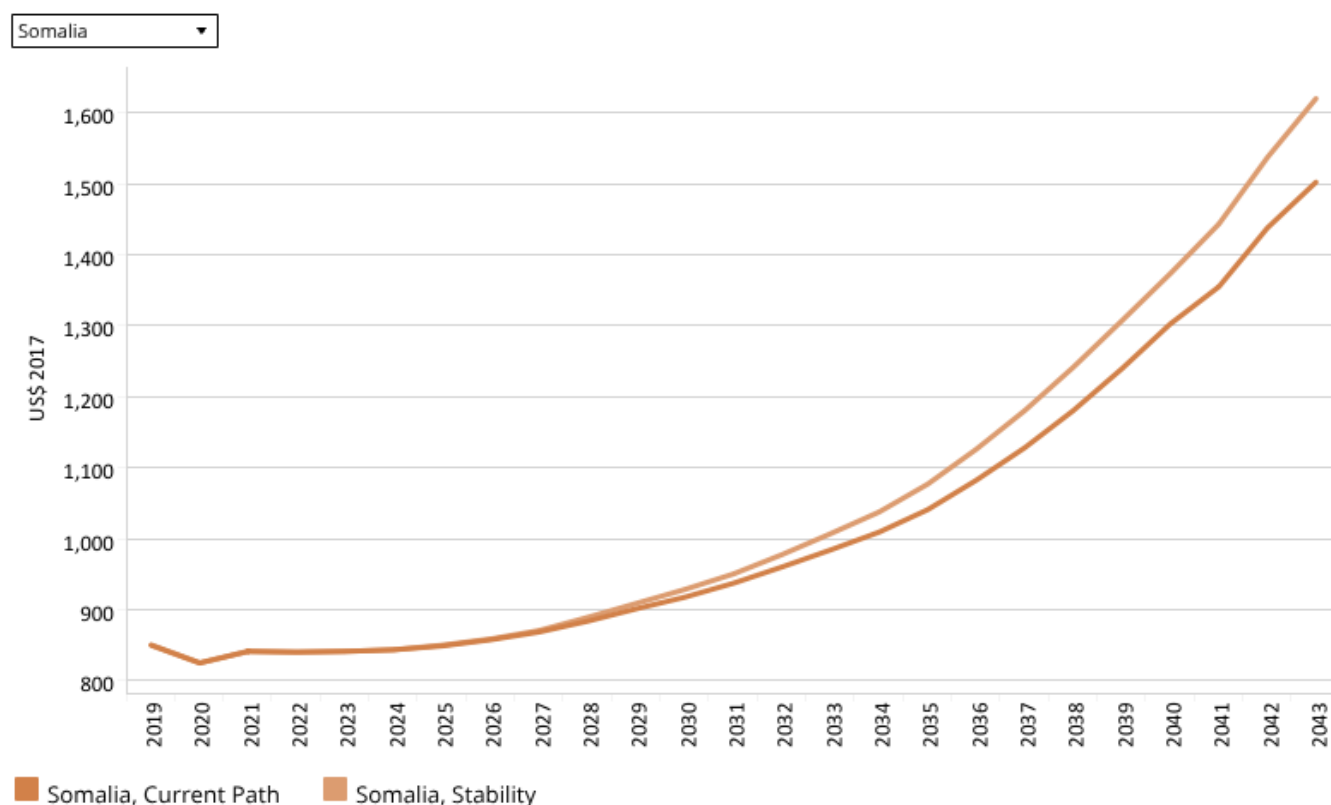
Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

Increased security and stability would encourage greater domestic and foreign investment, positively affecting economic growth.

Thus, by 2033 Somalia's GDP per capita would be US$23 higher in the Stability scenario than in the Current Path forecast for that year. In 2043, the difference would increase to US$118, with Somalia recording a GDP per capita of US$1 620, compared to the Current Path forecast of US$1 502. However, Somalia's GDP per capita in the Stability scenario would still be below the projected average for African low-income countries in 2043.

Chart 15: Poverty in CP and Stability scenario, 2019–2043
Millions of people and % of total population

Somalia, Current Path   Somalia, Stability

Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and PovcalNet World Bank data

Stability and security in a country is an essential condition for economic growth and poverty reduction. When using the low-income countries' extreme poverty threshold of US$1.90, 9.9 million Somalis (66% of the population) were considered to be extremely poor in 2019.

In the Stability scenario, the number of poor people will be 8.4 million (30.4% of the population) in 2043, compared to 10.4 million (37.5% of the population) in the Current Path forecast for that year, a difference of 2.0 million fewer people in extreme poverty. The poverty rate in the Stability scenario (at $1.90 per day) in 2043 is still above the projected average of 25.2% for African low-income countries in the Current Path forecast.

Chart 16: Demographic dividend in CP and Demog scenario, 2019–2043
Ratio of working-age population to dependants

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Somalia ▼

■ Somalia, Current Path   ■ Somalia, Demographic
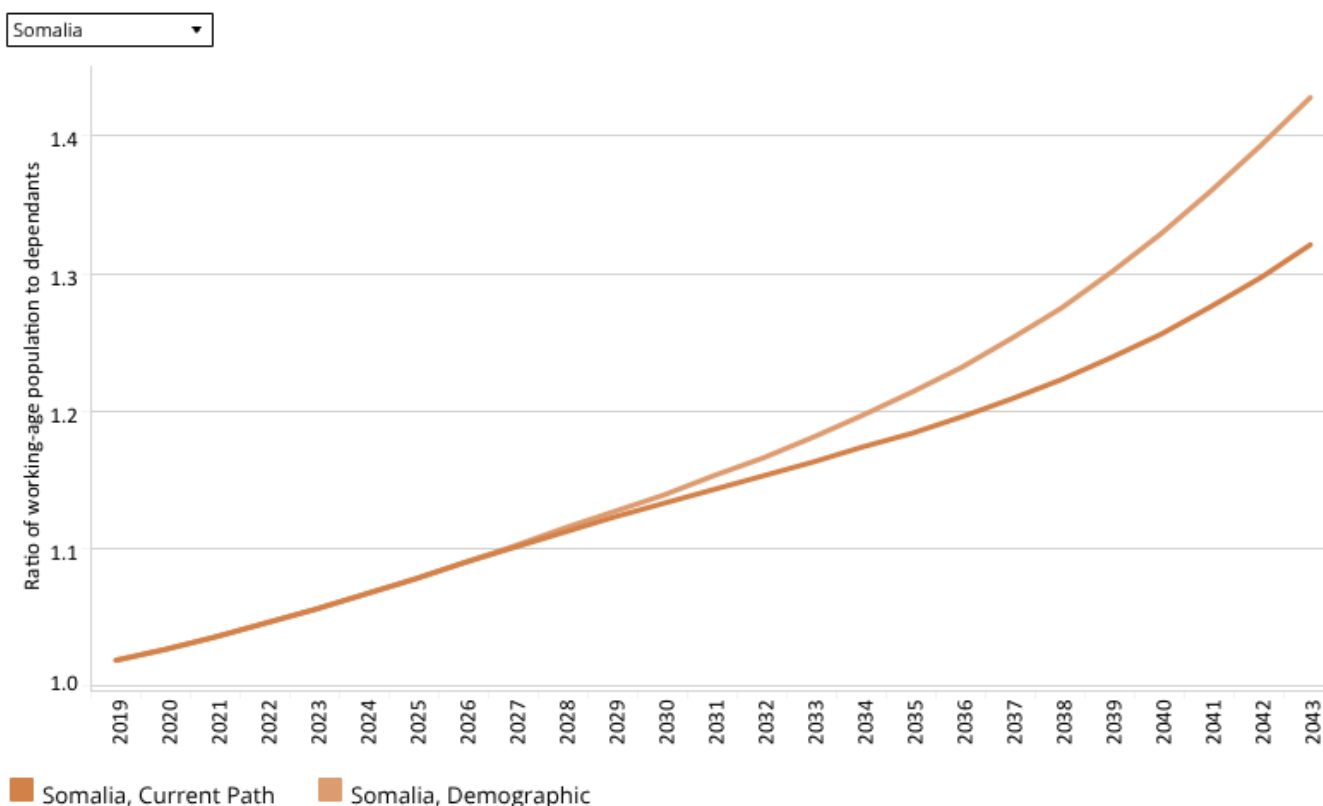
Source: IFs 7.63 initialising from UN Population Division Population Prospects

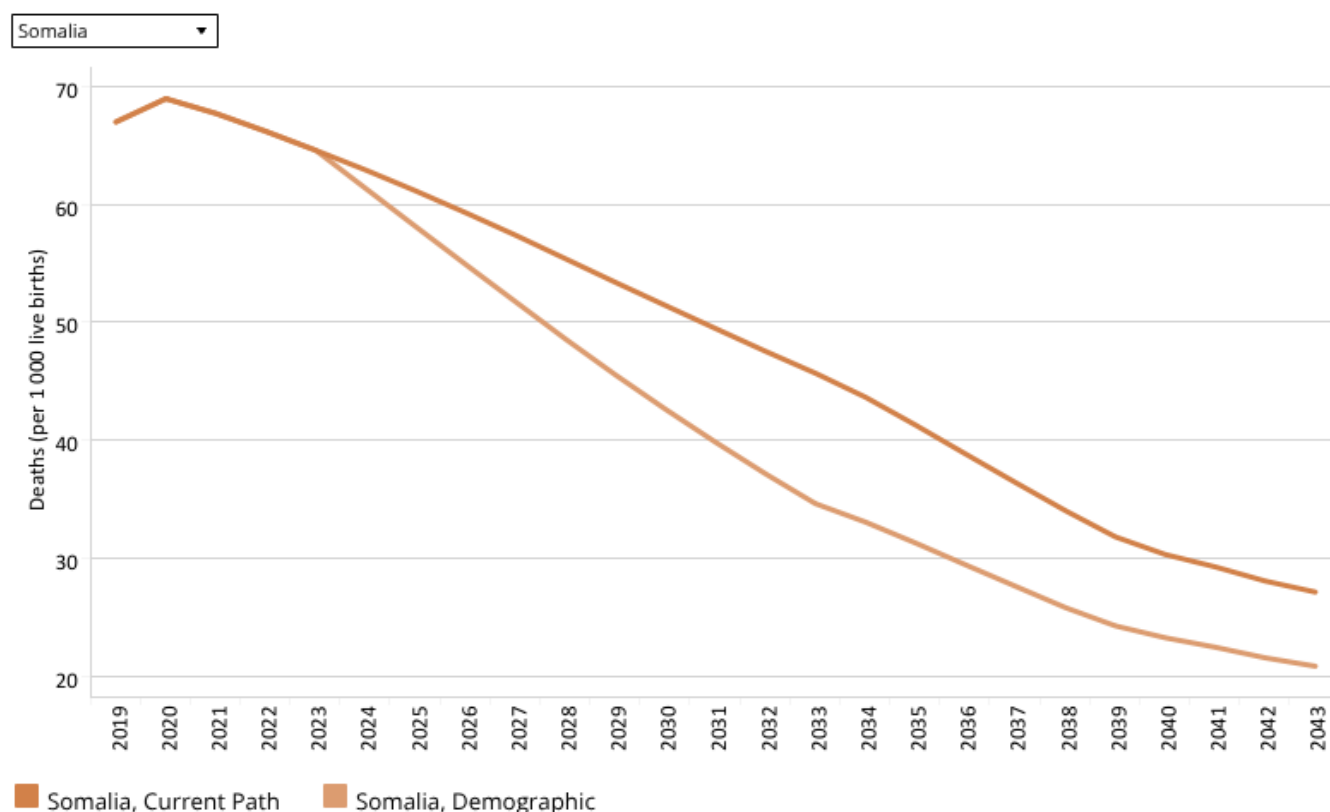⠿ View on Tableau Public   ↺ ↻ ↶ ↷ ▼ | 🖵 ▼ ⛶ ⤳ Share

This section presents the impact of a Demographic scenario that aims to hasten and increase the demographic dividend through reasonable but ambitious reductions in the communicable-disease burden for children under five, the maternal mortality ratio and increased access to modern contraception.

The intervention is explained in here in the thematic part of the website.

Demographers typically differentiate between a first, second and even a third demographic dividend. We focus here on the contribution of the size of the labour force (between 15 and 64 years of age) relative to dependants (children and the elderly) as part of the first dividend. A window of opportunity opens when the ratio of the working-age population to dependants is equal to or surpasses 1.7.

In 2019, the ratio of the working-age population to dependants stood at 1.02, meaning that there is almost one person of the working-age population for each dependant. On the Current Path, it is forecast to be 1.5 by 2043. In the Demographic scenario, the working-age population to dependants ratio is 1.7 by 2043, which is the minimum ratio to expect the materialisation of the demographic dividend. The increasing size of the working-age population in Somalia could be a catalyst for growth if sufficient education and employment are generated to successfully harness this productive power. Or it could turn into a demographic 'bomb', as many people of working age may remain in poverty, potentially creating frustration, social tension and conflict.

Chart 17: Infant mortality in CP and Demog scenario, 2019–2043
Deaths per 1 000 live births

Somalia ▼

■ Somalia, Current Path   ■ Somalia, Demographic

Source: IFs 7.63 initialising from Institute for Health Metrics and Evaluation Mortality Visualization Tool data

⁜ View on Tableau Public   ↺ ↻ ↺ ↻ ▼ | ⊡▼ ⊡ ⋘ Share

The infant mortality rate is the number of infant deaths per 1 000 live births and is an important marker of the overall quality of the health system in a country.

Scarcity of safe water along with food insecurity contribute significantly to child malnutrition, waterborne diseases and, ultimately, high infant mortality in the country.

In 2019, the infant mortality rate in Somalia was 67 deaths per 1 000 live births, above the average of 48.5 for Africa's low-income countries.

The Demographic scenario reduces infant mortality to 34.6 per 1 000 live births, compared to 45.7 in the Current Path forecast by 2033. By 2043, the infant mortality rate will be 21 deaths per 1 000 live births in the Demographic scenario, compared to 27 in the Current Path forecast.

The infant mortality rate in the Demographic scenario is on par with the projected average for low-income countries in Africa by 2043.

Chart 18: GDP per capita in CP and Demog scenario, 2019–2043
Purchasing power parity
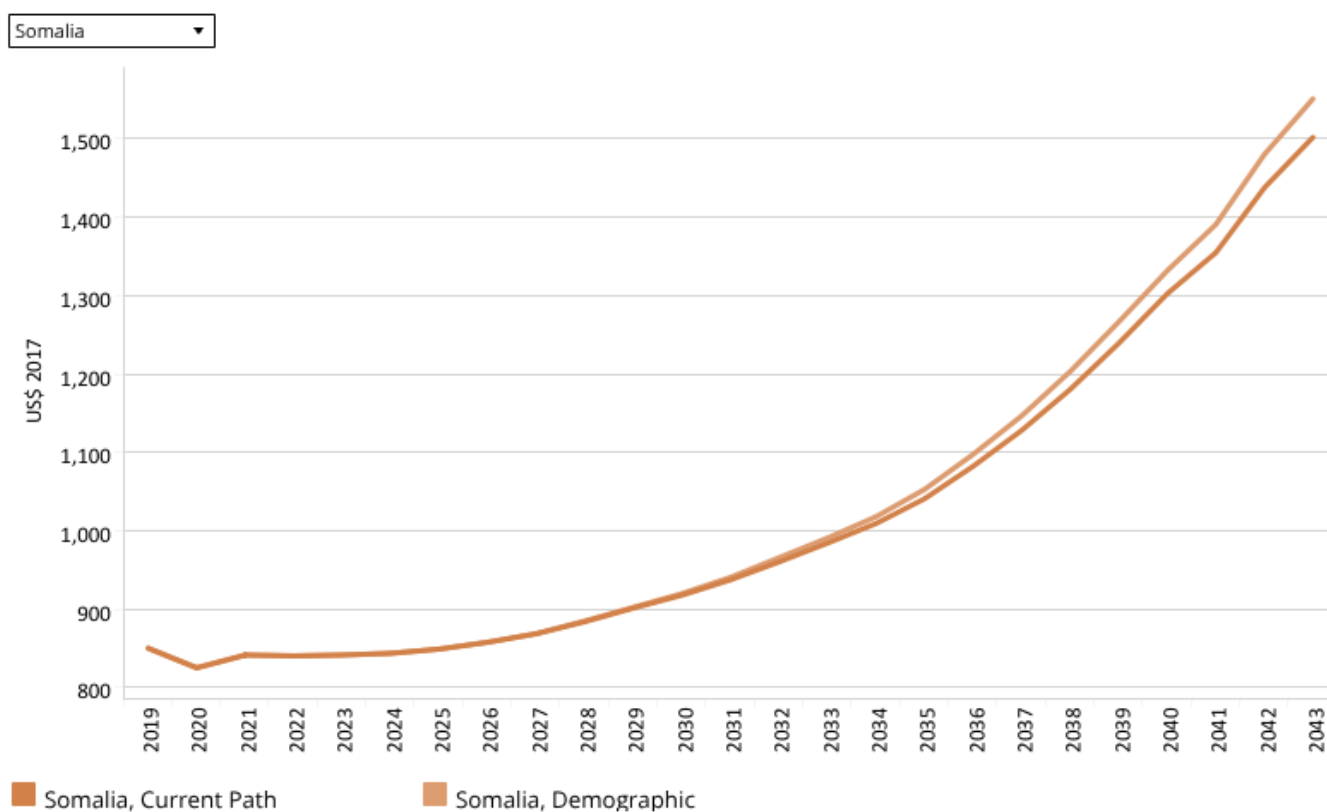
Somalia ▼

■ Somalia, Current Path   ■ Somalia, Demographic

Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data
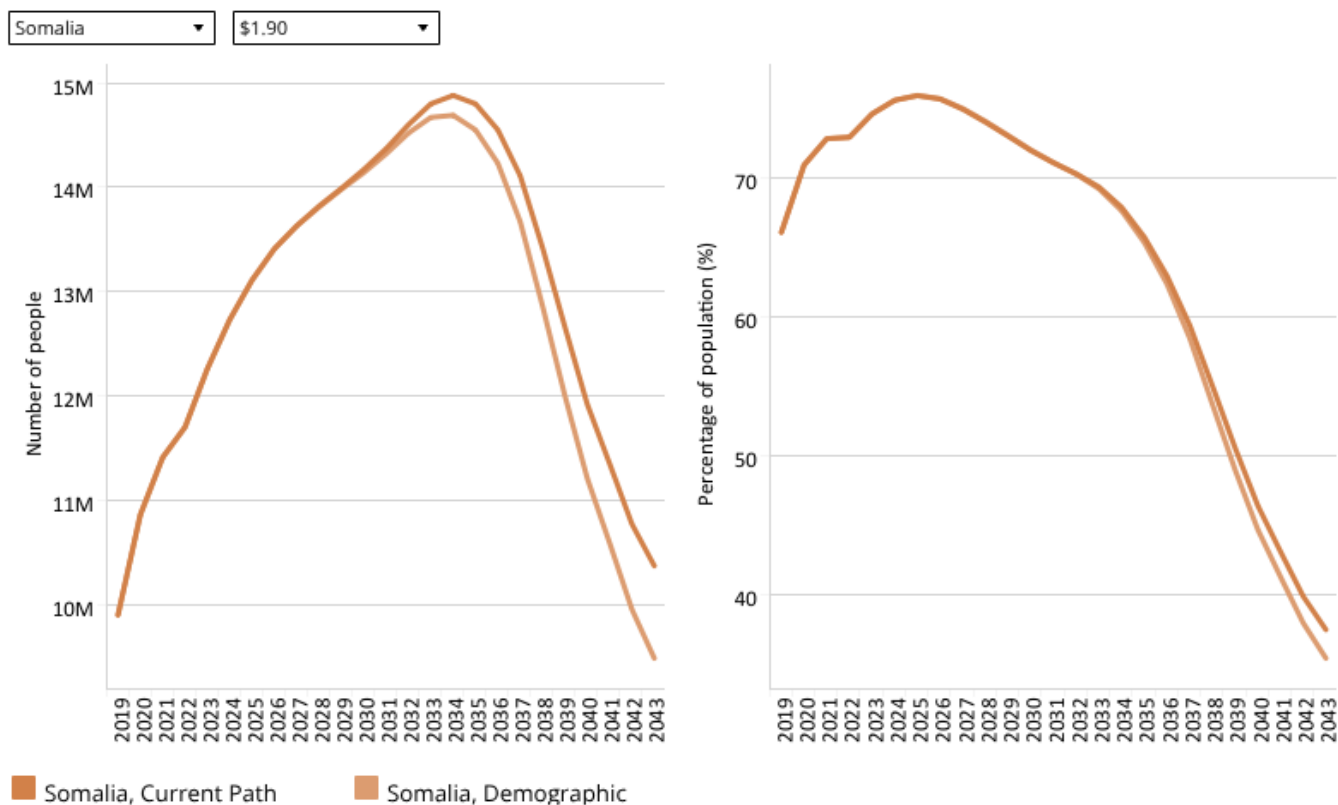
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The Demographic scenario's impact on per capita income is marginal, at US$7 more than the Current Path forecast of US$984 in 2033. By 2043, the average Somali will have about US$49 more than in the Current Path forecast, at US$1 551 – a 3.2% improvement.

However, this would be US$2 239 lower than the average for African low-income countries in the Current Path forecast in 2043.

Chart 19: Poverty in CP and Demog scenario, 2019–2043
Millions of people and % of total population

Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and PovcalNet World Bank data

When using the low-income countries' extreme poverty threshold of US$1.90, 9.9 million people in Somalia (66% of the population) were considered to be extremely poor in 2019. The number of poor people stands at 9.5 million, or 35.5% of the population, by 2043 in the Demographic scenario, compared to 10.4 million or 37.5% of the population in the Current Path forecast for that year – a difference of 0.9 million fewer people in extreme poverty.

The poverty rate in the Demographic scenario in 2043 is above the Current Path forecast average of 25.1% for African low-income countries.

Chart 20: Life expectancy in CP and Health/WaSH scenario, 2019–2043

Somalia | Total

Somalia, Current Path   Somalia, Health/WaSH
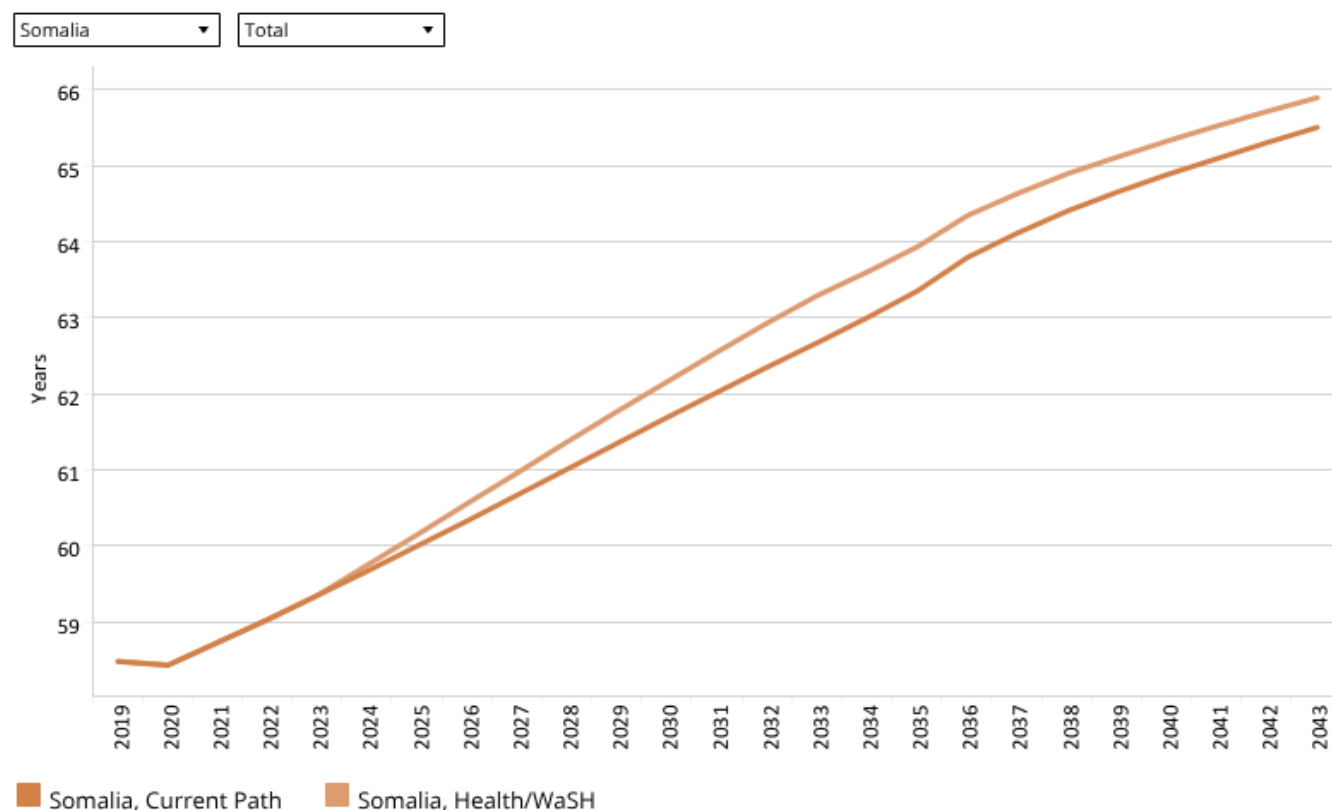
Source: IFs 7.63 initialising from Institute for Health Metrics Evaluation GBD Foresight Tool data

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This section presents reasonable but ambitious improvements in the Health/WaSH scenario, which include reductions in the mortality rate associated with both communicable diseases (e.g. AIDS, diarrhoea, malaria and respiratory infections) and non-communicable diseases (NCDs) (e.g. diabetes), as well as improvements in access to safe water and better sanitation. The acronym WaSH stands for water, sanitation and hygiene.

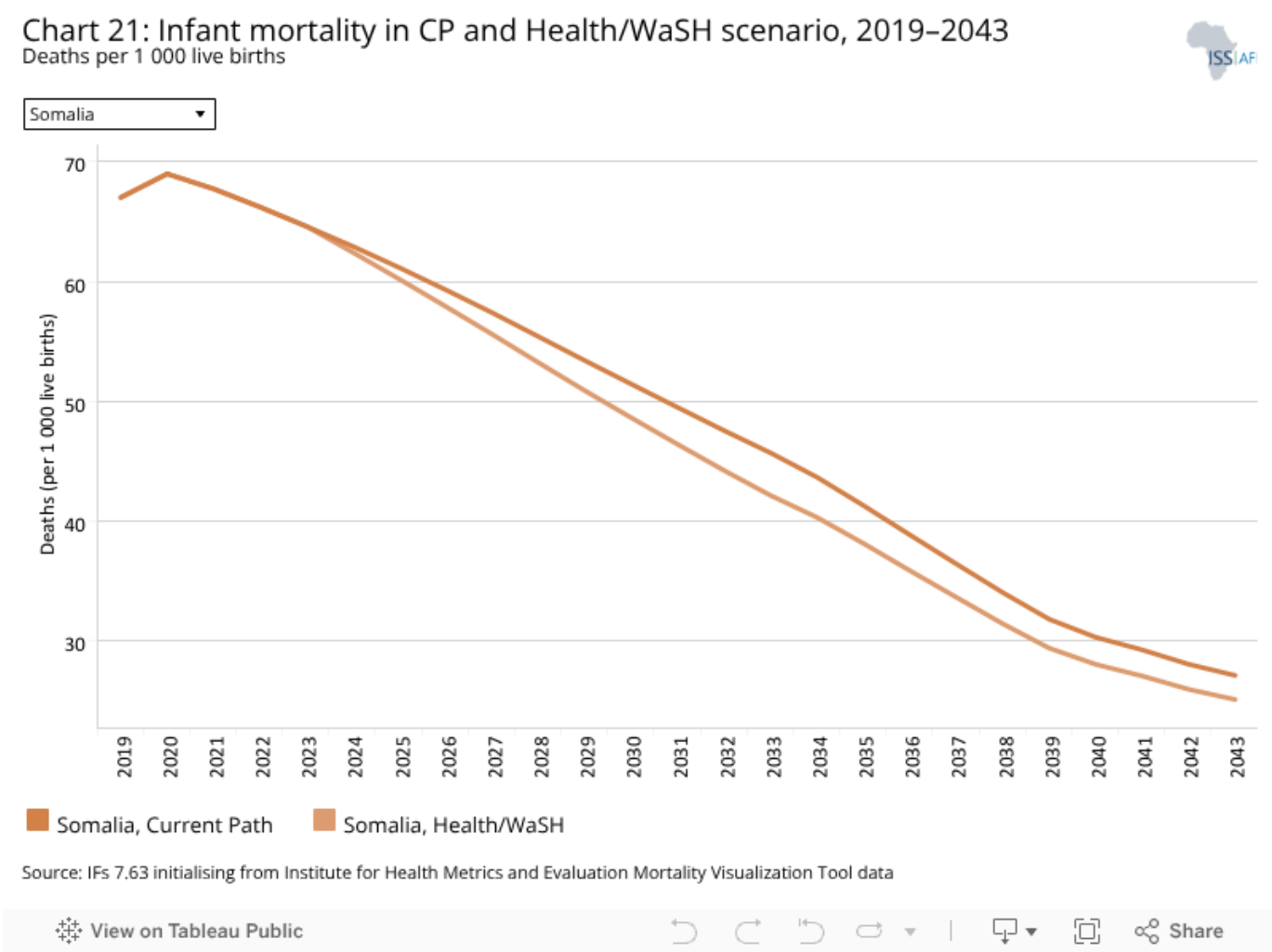The intervention is explained in here in the thematic part of the website.

The quality of a nation's health system can be gauged by indicators such as life expectancy, maternal mortality and infant mortality, among others. Somalia lags behind its low-income peers on several health indicators.

Life expectancy in Somalia was 58.5 years in 2019, below the average of 63.7 years for low-income countries in Africa.

Based on the Health/WaSH scenario, life expectancy is estimated to increase to 65.9 years, compared to 65.5 years in the Current Path forecast, by 2043. In the Health/WaSH scenario, life expectancy in Somalia is about five years below the projected average for low-income countries in Africa, at 70.8 years in 2043.

On average, females have a higher life expectancy at birth – 59 years compared to 57.9 for males in 2019.

In the Health/WaSH scenario, life expectancy at birth for females is projected to be 66.6 years by 2043 compared to 64.8 years for males.

Chart 21: Infant mortality in CP and Health/WaSH scenario, 2019–2043
Deaths per 1 000 live births

Source: IFs 7.63 initialising from Institute for Health Metrics and Evaluation Mortality Visualization Tool data

View on Tableau Public

Access to safe water and sanitation is a major problem in Somalia. About half of Somalia's population does not have access to a basic water source. This increases the prevalence of preventable diseases, including cholera, measles and acute respiratory infections, which increase the infant mortality rate.

In Somalia, the infant mortality rate was 67 deaths per 1 000 live births in 2019. The Health/WaSH scenario reduces the infant mortality rate to 42 deaths per 1 000 live births, compared to 46 in the Current Path forecast by 2033.

By 2043, the infant mortality rate in the Health/WaSH scenario is 25 deaths per 1 000 live births, compared to 27 in the Current Path forecast.

The infant mortality rate in the Health/WaSH scenario is still above the projected average of 21 deaths per 1 000 live births for African low-income countries by 2043.

Agriculture scenario

Chart 22: Yield/hectare in CP and Agric scenario, 2019–2043
Pre-loss levels

Somalia ▾

Somalia, Current Path   Somalia, Agriculture
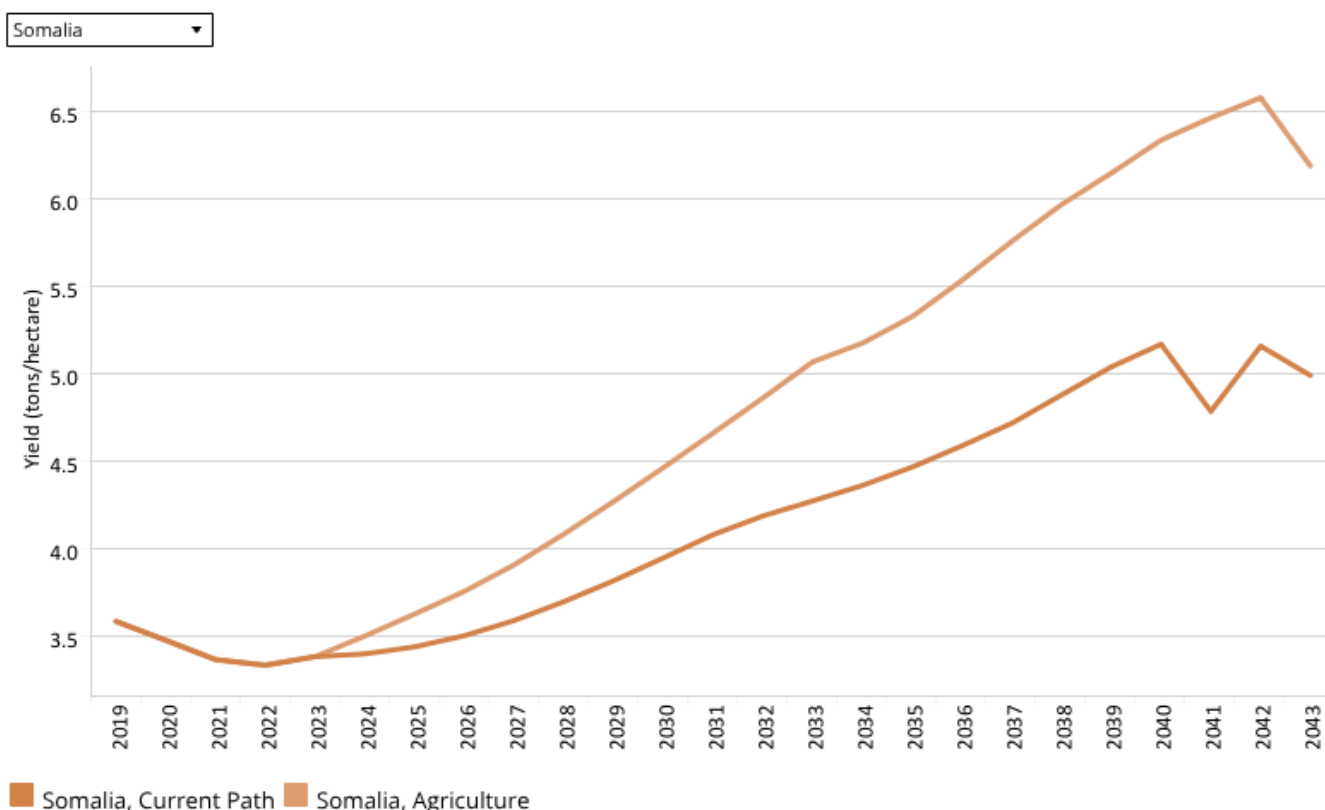
Source: IFs 7.63 initialising from FAOSTAT on-line statistical service data

⸬ View on Tableau Public   ↺ ↻ ↺ ↻ ▾ | ☐▾ ☐ ⁰₀ᵒ Share

The Agriculture scenario represents reasonable but ambitious increases in yields per hectare (reflecting better management and seed and fertiliser technology), increased land under irrigation and reduced loss and waste. Where appropriate, it includes an increase in calorie consumption, reflecting the prioritisation of food self-sufficiency above food exports as a desirable policy objective.

The intervention is explained in here in the thematic part of the website.

The data on yields per hectare (in metric tons) is for crops but does not distinguish between different categories of crops.

A thriving agriculture sector is crucial to long-term peace and development in Somalia. Up to 65% of the country's labour force is employed in the agriculture sector. However, levels of crop and vegetable production in the country remain low. Like other Horn of Africa countries, farmers in Somalia rely heavily on rainfed crop production, meaning that erratic or delayed rains can result in poor harvests. A lack of availability and access to quality seed and planting materials constrains crop yields.

In the Agriculture scenario, crop yields in Somalia improve from 3.6 tons per hectare in 2019 to about 6.0 tons per hectare in 2043, compared to 5.0 tons in the Current Path forecast. By 2043, average crop yields in the Agriculture scenario are above the projected average for low-income Africa, at 3.5 tons per hectare in the Current Path forecast for that year.

Chart 23: Agriculture imports in CP and Agric scenario, 2019–2043
Net imports for meat, crops and fish, % of demand

Somalia ▾

■ Somalia, Current Path   ■ Somalia, Agriculture
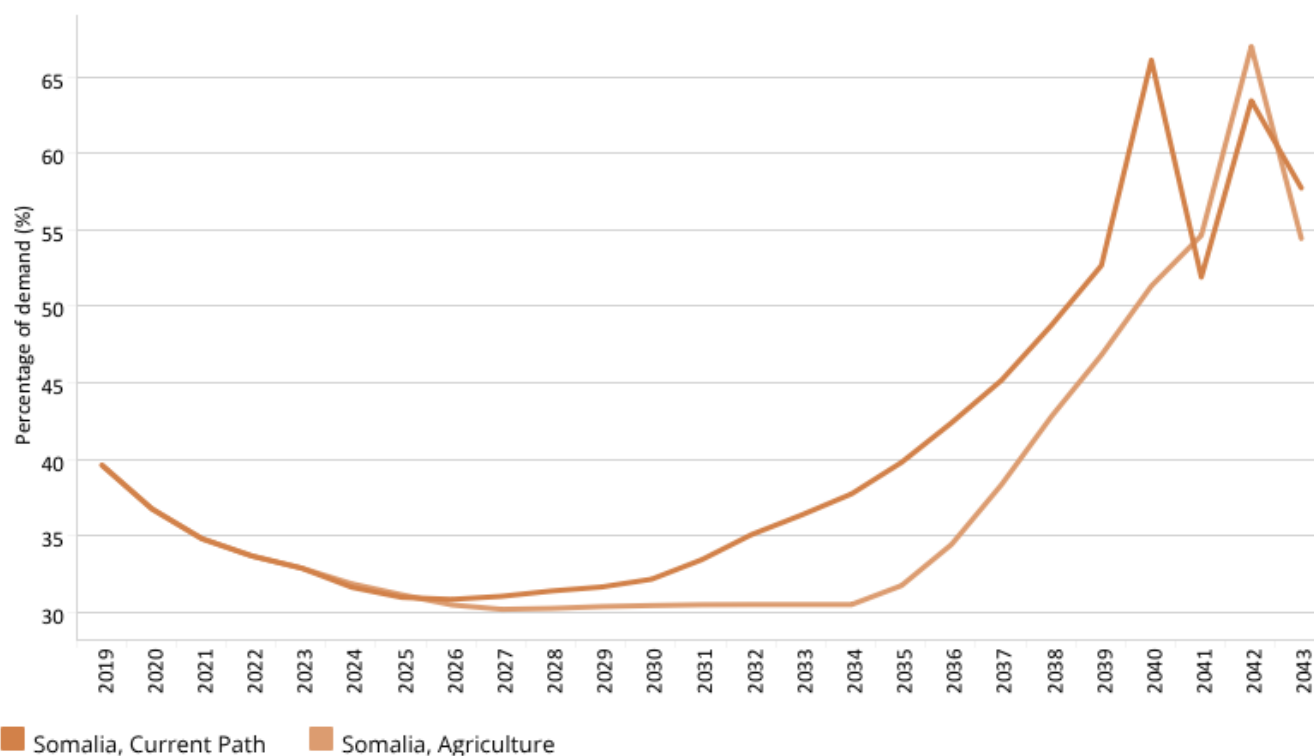
Source: IFs 7.63 initialising from Food and Agriculture Organization Food Balance Sheets data

⁜ View on Tableau Public   ↶ ↷ ↺ ↻ ▾ | ⬓ ▾ ⧉ ⓧ Share

Without significant efforts to improve agricultural production, the current low crop yield will continue to make Somalia a net food importer for the foreseeable future. Agricultural imports in Somalia, mainly of food, have risen by 18 times to stand at US$1.5 billion annually – up from $82 million in the late 1980s, with local crop production meeting only 22% of per capita cereal needs.

In the Current Path forecast, the agricultural import dependence will be about 57.7% of total agricultural demand by 2043. However, in the Agriculture scenario, agricultural import dependence bottoms out at 30.5% of total demand before increasing to 54.4% in 2043, driven by rapid population growth.

## Chart 24: GDP per capita in the CP and Agric scenario, 2019–2043
Purchasing power parity
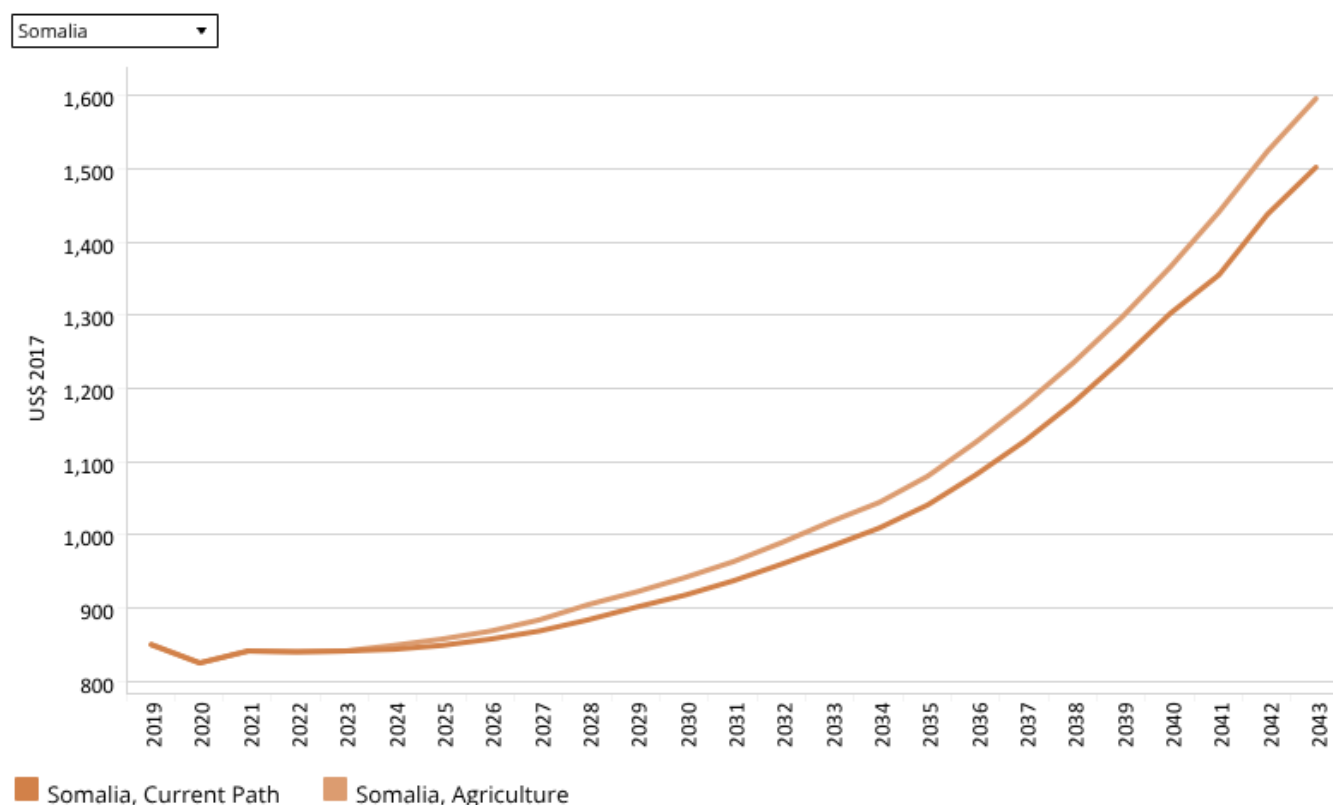
Somalia ▼

■ Somalia, Current Path   ■ Somalia, Agriculture

Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

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The Agriculture scenario has a positive impact on GDP per capita in Somalia. By 2043, the Agriculture scenario improves GDP per capita by about US$94 compared to the Current path forecast, meaning the average Somali will be earning US$1 596 by then. This is, however, US$2 194 lower than the projected average for low-income countries in Africa in 2043.

Chart 25: Poverty in CP and Agric scenario, 2019–2043
Millions of people and % of total population
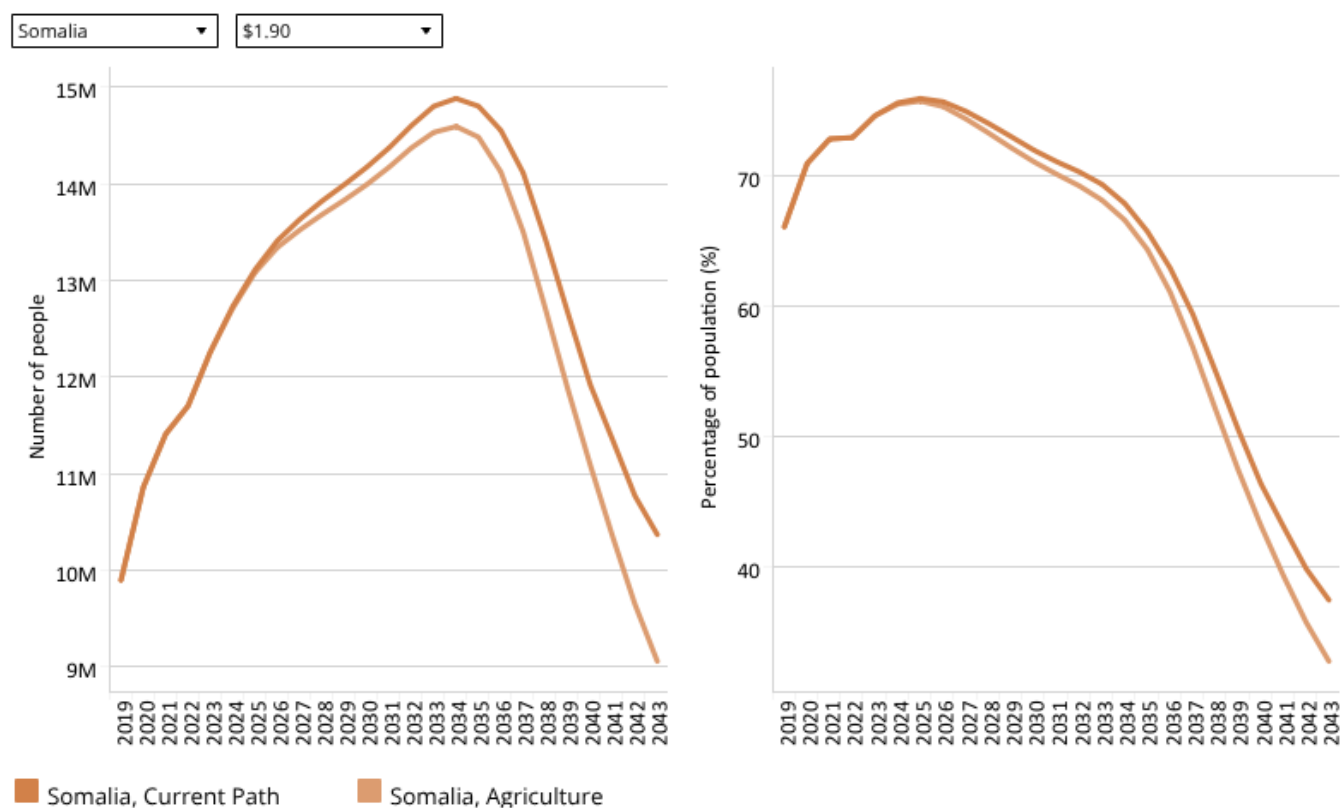
| Somalia ▾ | $1.90 ▾ |

■ Somalia, Current Path   ■ Somalia, Agriculture

Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and PovcalNet World Bank data

⊹ View on Tableau Public   ↶ ↷ ↺ ↻ ▾ | ⬇▾ ▣ ⦾ Share

The agriculture sector is a crucial lifeline for millions of people in Somalia. Using the US$1.90 per person per day extreme poverty threshold, by 2043 the poverty rate in the Agriculture scenario is 32.8% – compared to 37.5% in the Current Path forecast for the same year. This is equivalent to 1.3 million fewer people living in extreme poverty.

Further development in the agriculture sector is a viable option to reduce poverty in Somalia. More investment in the sector will increase consumption and income, and even pave the way for agro-industry, positively affecting growth and poverty reduction.

Education scenario

Chart 26: Mean years of education in CP and Educ scenario, 2019–2043
Mean years of adult (+15) education

| Somalia ▼ | Total ▼ |

■ Somalia, Current Path ■ Somalia, Education
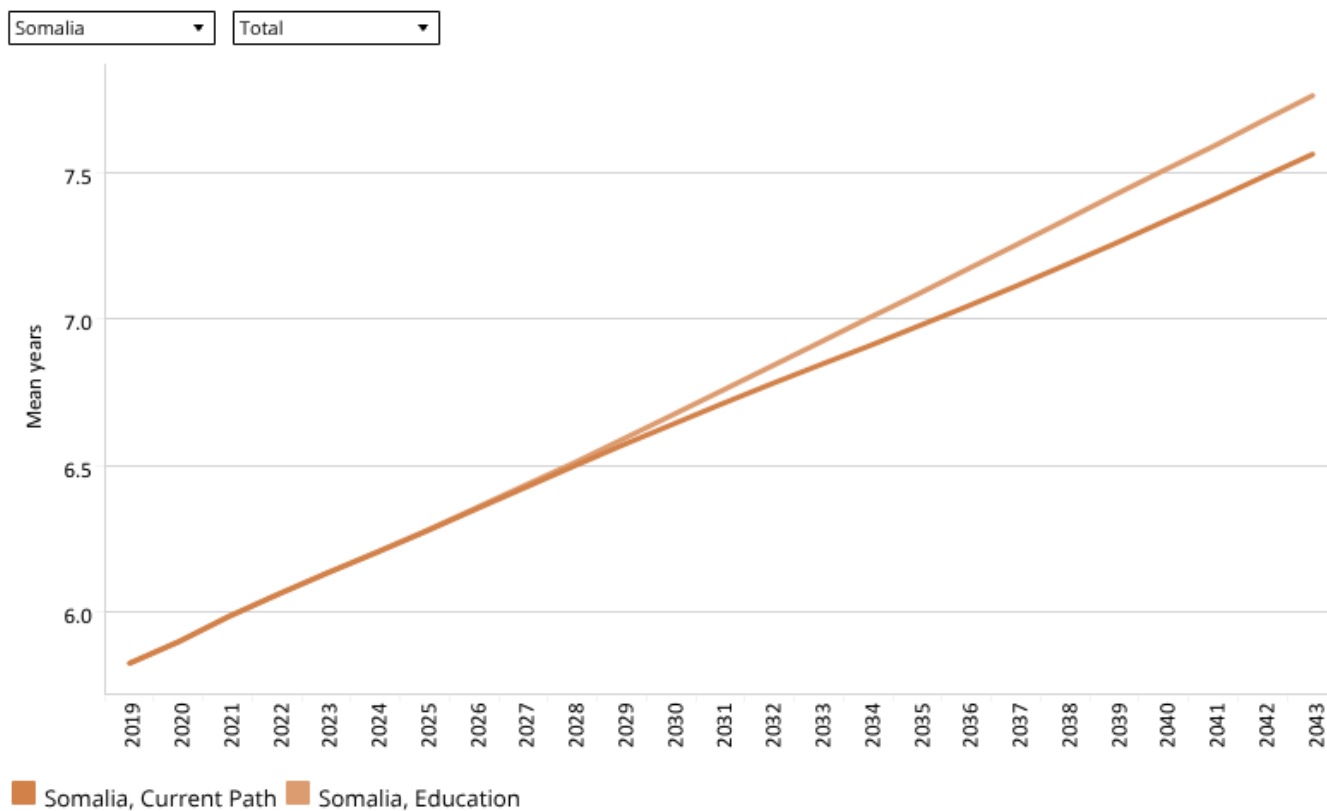
Source: IFs 7.63 initialising from Barro-Lee data

⁑ View on Tableau Public   ↶ ↷ ⇤ ⇥ ▾ | ⬇▾ ⬚ ⤳ Share

The Education scenario represents reasonable but ambitious improved intake, transition and graduation rates from primary to tertiary levels and better quality of education. It also models substantive progress towards gender parity at all levels, additional vocational training at secondary school level and increases in the share of science and engineering graduates.

The intervention is explained in here in the thematic part of the website.

Many young Somalians are struggling to receive a proper education, even at primary level. However, awareness and assistance are increasing to help Somali children gain access to better educational opportunities to ensure a better quality of life.

The average years of education in the adult population (aged 15 years and older) is a good indicator of the stock of education in a country. The average years of education for adults aged 15 years and over in Somalia stood at 5.8 years in 2019, and in the Current Path forecast this is projected to improve to 7.6 years by 2043. This is about 1.5 years above the average for low-income countries in Africa. Technically, this means that most people in Somalia will have primary education by 2043. In the Education scenario, the mean years of education improves by about 0.2 years above the Current Path forecast for 2043.

In the education scenario, mean years of education for males reaches 8.8 versus 6.7 for males by 2043, highlighting the true gender gap in education in Somalia.

Chart 27: Education quality in CP and Educ scenario, 2019–2043
Average test scores for primary and secondary learners
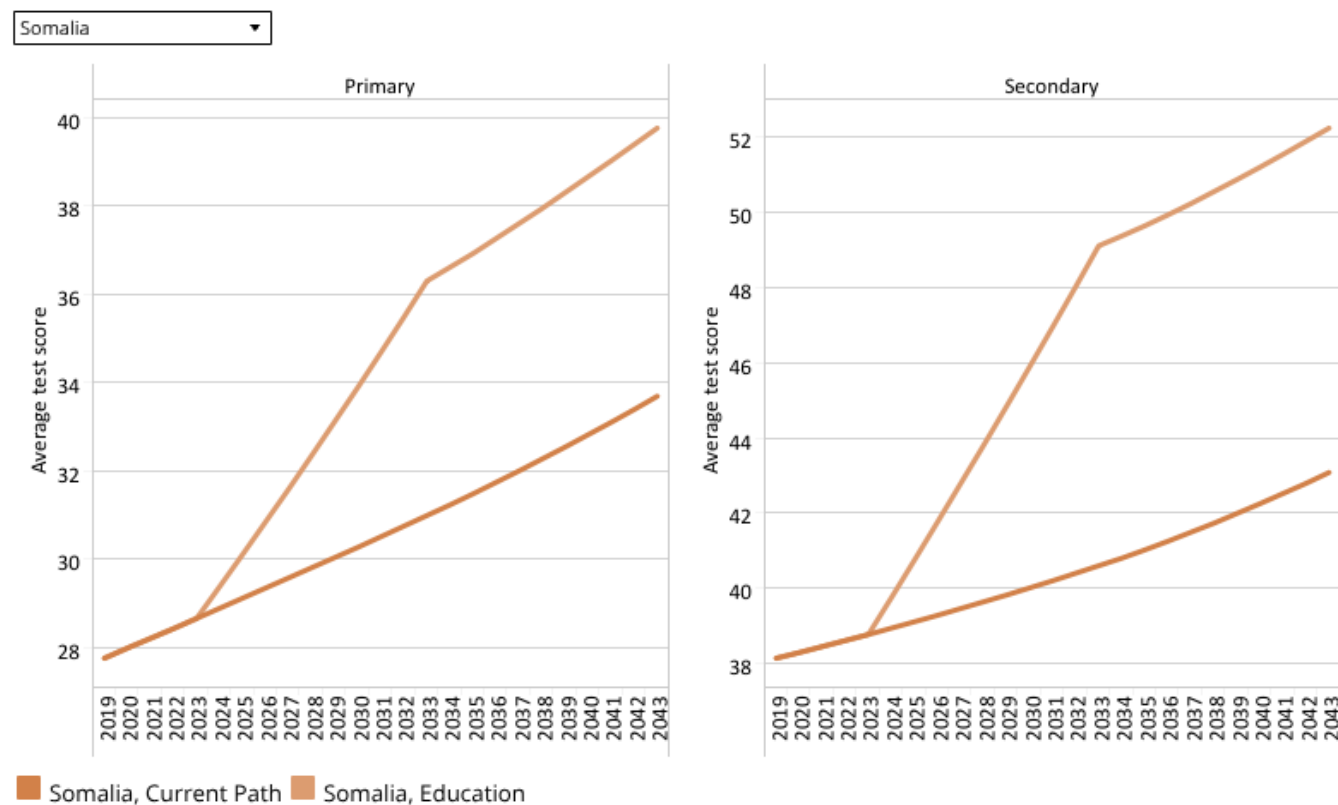
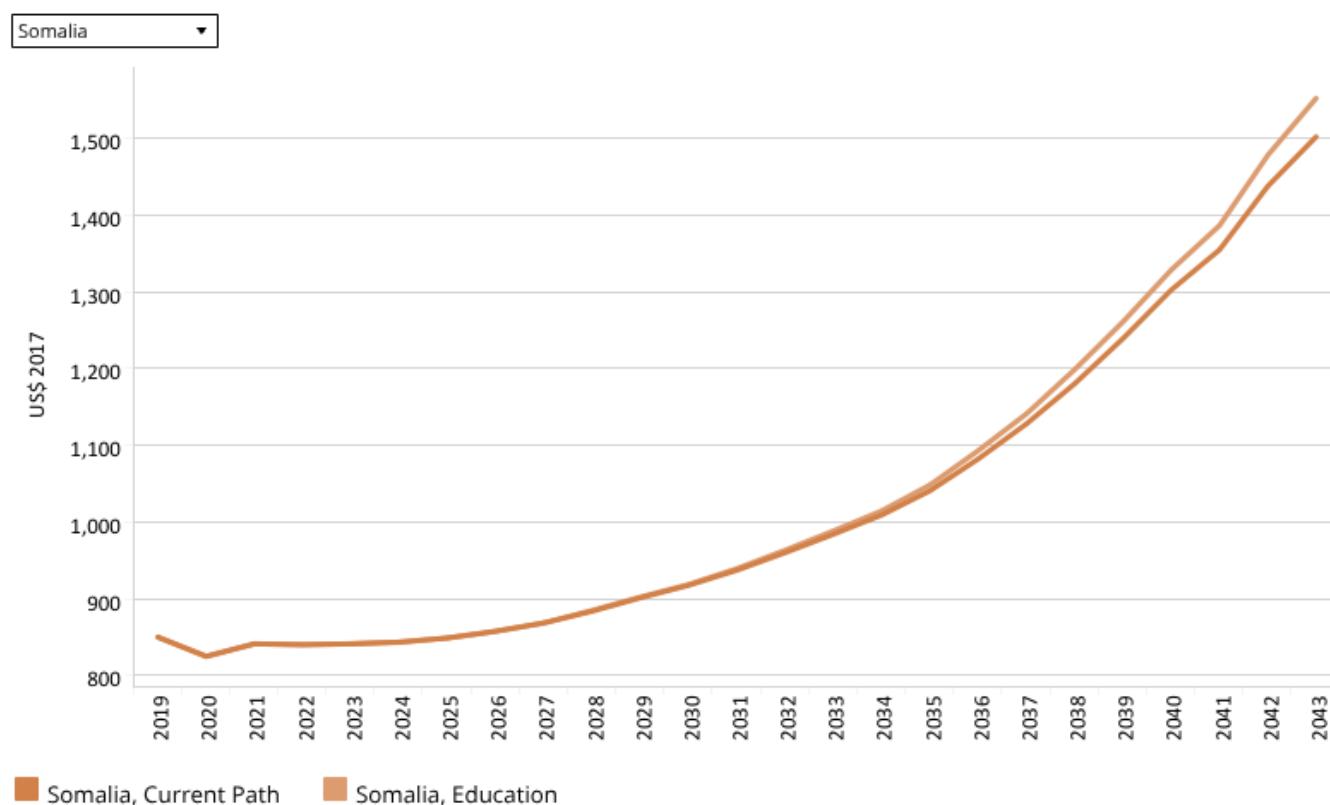Source: IFs 7.63 initialising from World Bank EDSTATS

In the Education scenario, the score for the quality of primary education improves from 27.8 out of a possible 100 in 2019 to 39.8 in 2043, an 19% increase compared to the Current Path forecast of 33.7 in the same year.

The score for the quality of secondary education goes from 38.1 in 2019 to 52.2 in 2043 in the Education scenario, a 21% improvement compared to the Current Path forecast of 43.1 in 2043.

Quality education is crucial for economic development. It allows the country to increase its current added value and create tomorrow's technological innovations. Thus, authorities in Somalia should accelerate reforms to improve the quality of education in the country.

Chart 28: GDP per capita in CP and Educ scenario, 2019–2043
Purchasing power parity

Somalia ▼

■ Somalia, Current Path   ■ Somalia, Education

Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

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By 2043, the Education scenario will increase GDP per capita by about US$50 above the US$1 502 in the Current Path forecast, an increase of 3.3 %.

Investment in education significantly impacts economic growth, but it takes time to materialise. For instance, it will take more than a decade for a child enrolled in primary school to contribute meaningfully to the economy.

Chart 29: Poverty in CP and Educ scenario, 2019–2043
Millions of people and % of total population

| Somalia ▼ | $1.90 ▼ |

Somalia, Current Path   Somalia, Education

Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and PovcalNet World Bank data

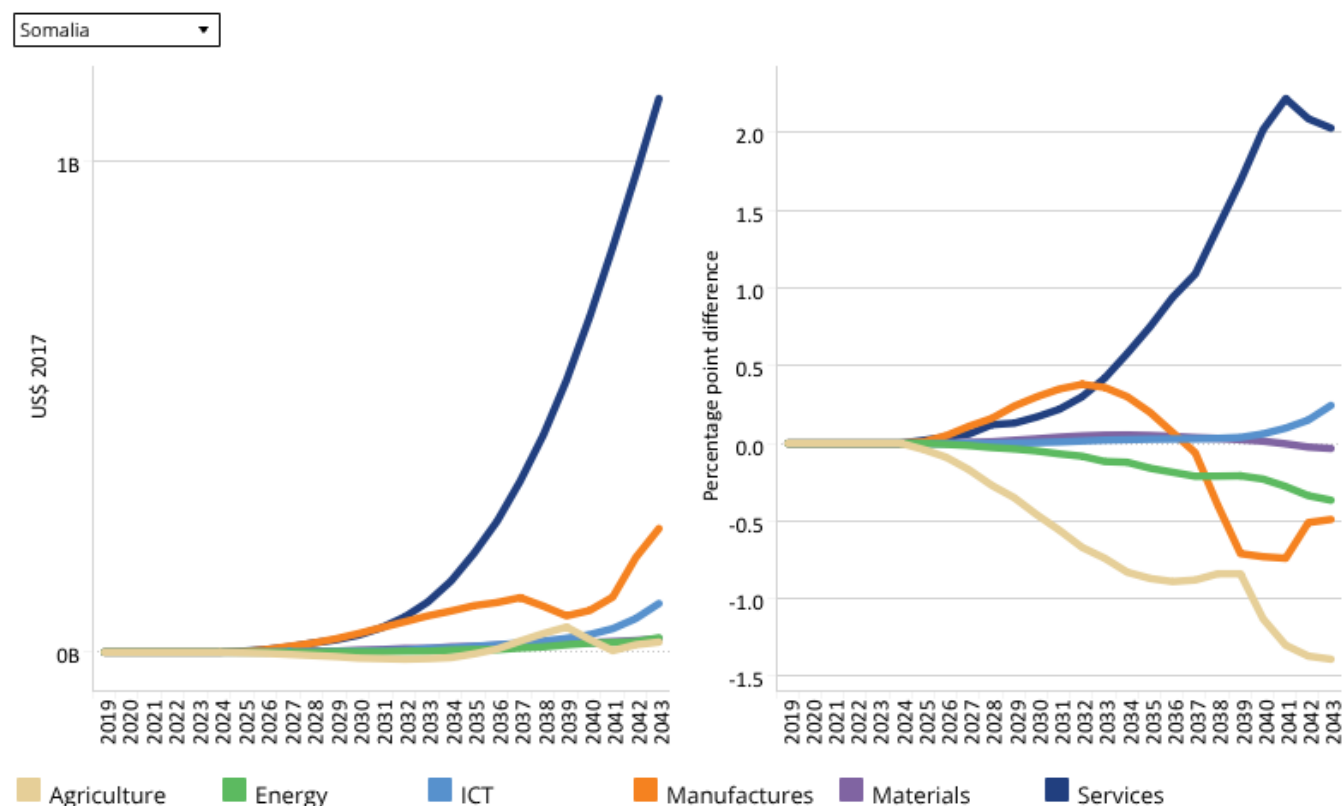⊹ View on Tableau Public   ↺ ↻ ↺ ↻ ▼ | ⬇▼ ▭ ⋘ Share

Education is an important tool for reducing poverty; it improves the employment and income prospects of the poor segment of society. By 2043, Somalia will record a poverty rate of 35.4% (9.7 million people) in the Education scenario, compared to 37.5% (10.4 million people) in the Current Path forecast. This means 0.7 million fewer people will live in extreme poverty than in the Current Path forecast for 2043.

Manufacturing scenario

Chart 30: Value added by sector in CP and Manufac/Transfers scenario, 2019–2043

Absolute and % point difference GDP

Somalia

Source: IFs 7.63 initialising from International Monetary Fund World Economic Outlook database

⠿ View on Tableau Public ↺ ↻ ↺ ↻ ▾ | ⬇▾ ⬚ ⤳ Share

The Manufacturing/Transfers scenario represents reasonable but ambitious manufacturing growth through greater investment in the economy, investments in research and development, and promotion of the export of manufactured goods. It is accompanied by an increase in welfare transfers (social grants) to moderate the initial increases in inequality that are typically associated with a manufacturing transition. To this end, the scenario improves tax administration and increases government revenues.

The intervention is explained in here in the thematic part of the website.

Chart 30 should be read with Chart 8 that presents a stacked area graph on the contribution to GDP and size, in billion US$, of the Current Path economy for each of the sectors.

In absolute terms, the contribution of the service sector to GDP has the highest improvement compared to the Current Path forecast in 2043. It is forecast to become US$1.1 billion larger than in the Current Path forecast. The service sector is followed by manufacturing, with its contribution of US$0.3 billion above the Current Path in 2043.

As a percentage of GDP, the share of the service sector in GDP is 2.03 percentage points larger in the scenario than in the Current Path forecast in 2043. ICT follows, 0.24 percentage points above the Current Path forecast. The contribution of agriculture, energy and manufacturing are 1.4, 0.4 and 0.5 percentage points respectively below the Current Path forecast

by 2043.

Chart 31: Gov welfare transfers in CP and Manufac/Transfers scenario, 2019–2043
Billions US$ 2017
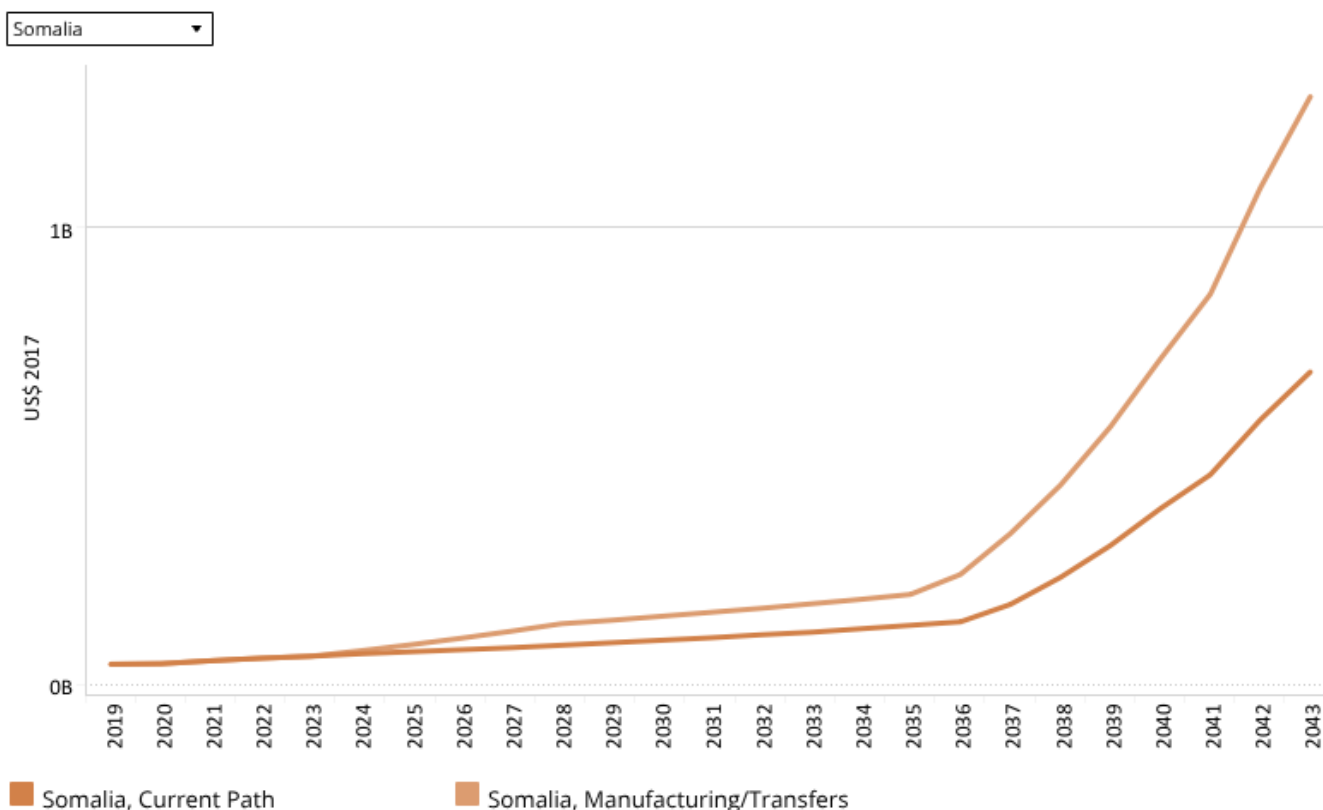
Somalia, Current Path Somalia, Manufacturing/Transfers

Source: IFs 7.63 initialising from World Development Indicators data

Compared to the Current Path forecast, the Manufacturing/Transfers scenario increases household transfers and welfare by 85.7% in 2043 from a very low base. This represents US$0.6 billion more than the Current Path forecast of US$0.7 billion. These transfers will be needed to address the initial increase in poverty that is often associated with investment in the manufacturing sector. Industrialisation is funded by an initial crunch in consumption, which increases poverty in the first few years. However, these efforts stimulate inclusive growth with a greater impact on poverty alleviation in the long run.

To make the social safety net programmes more effective at reducing poverty, better targeting and efficient approaches are critical.

Chart 32: GDP per capita in CP and Manufac/Transfers scenario, 2019–2043
Purchasing power parity
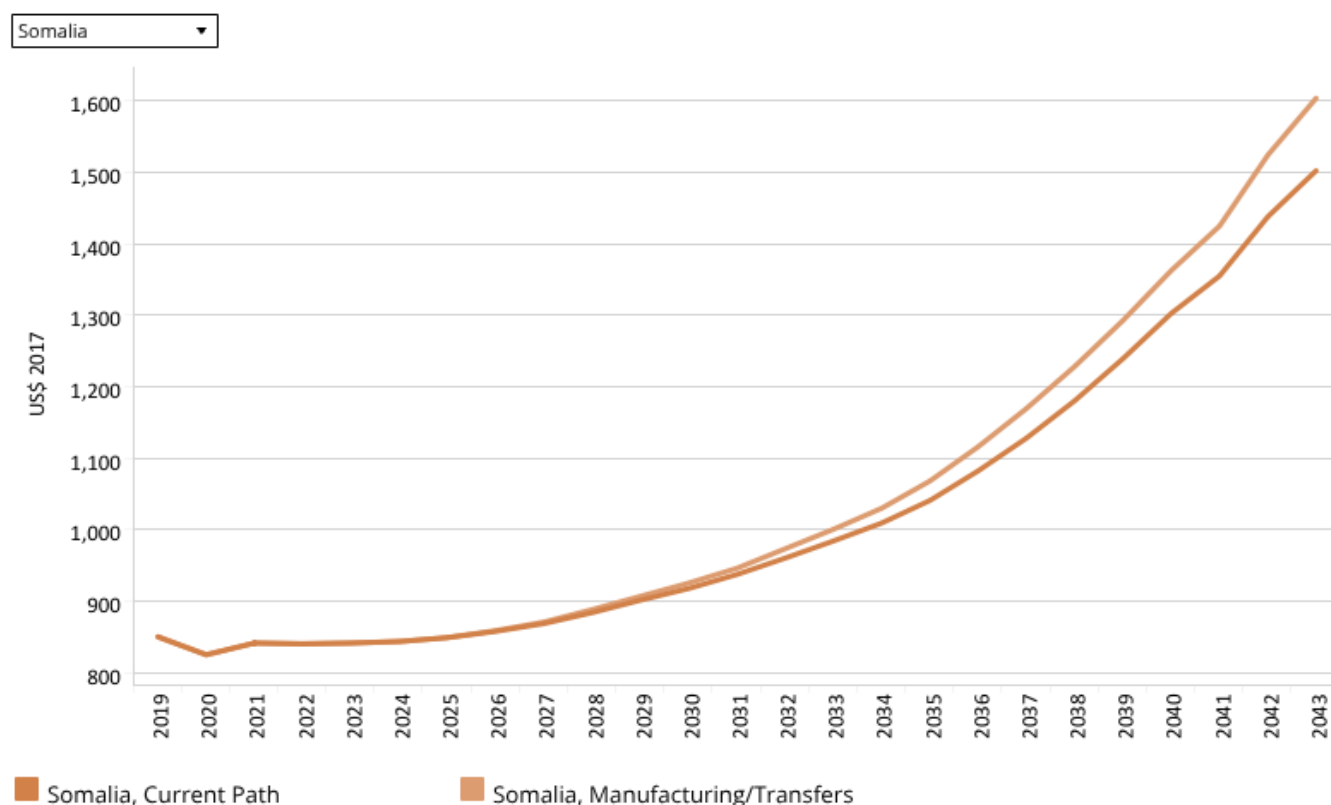
Somalia ▼

Somalia, Current Path   Somalia, Manufacturing/Transfers

Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data
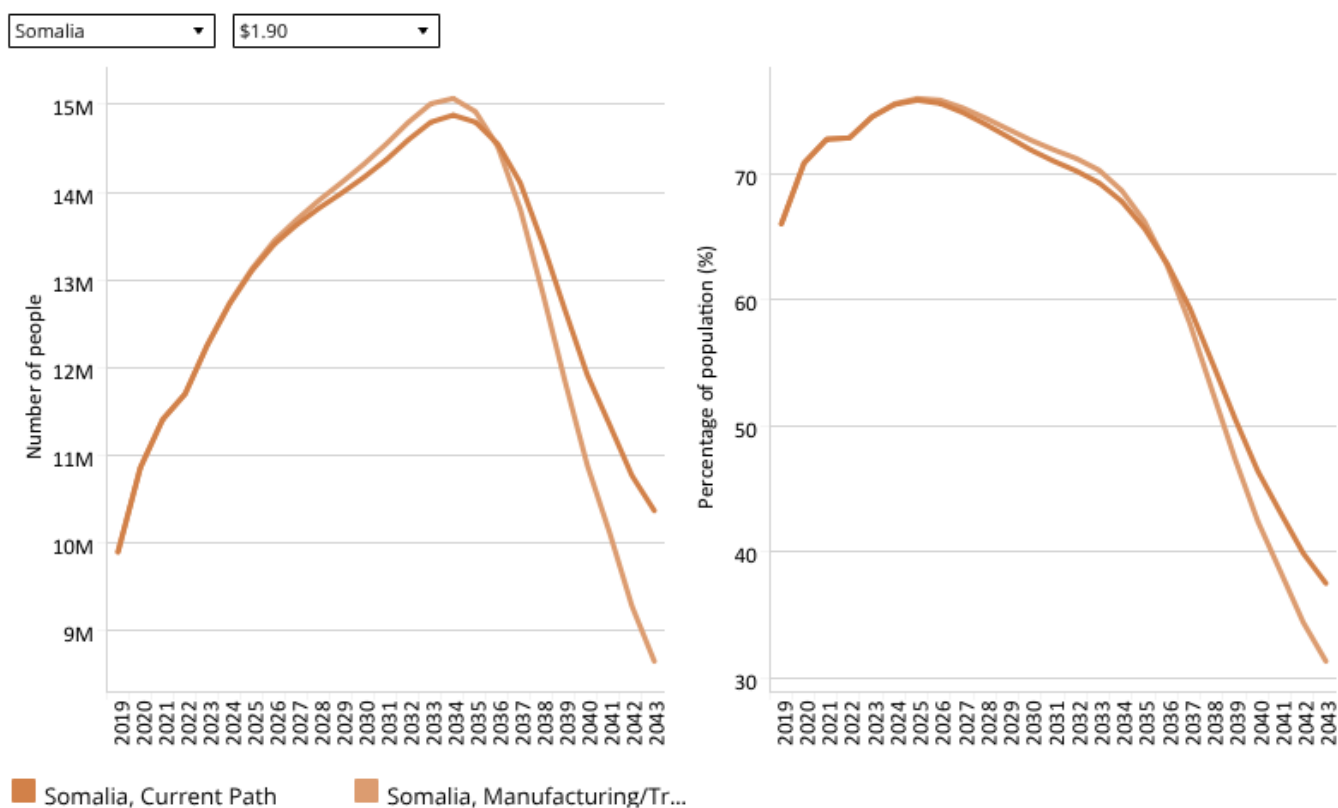
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In the Manufacturing/Transfers scenario, GDP per capita is US$101 higher than the Current Path forecast of US$1 502 by 2043, an increase of 6.7%.

Manufacturing is important for economic growth due to its backward and forward linkages with other sectors and its ability to transform the productivity structures across an economy. Thus, a robust manufacturing sector is crucial for sustained growth and significantly improves the population's living standard.

Chart 33: Poverty in CP and Manufac/Transfers scenario, 2019–2043
Millions of people and % of total population

Somalia | $1.90

Somalia, Current Path **Somalia, Manufacturing/Tr...**

Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and PovcalNet World Bank data
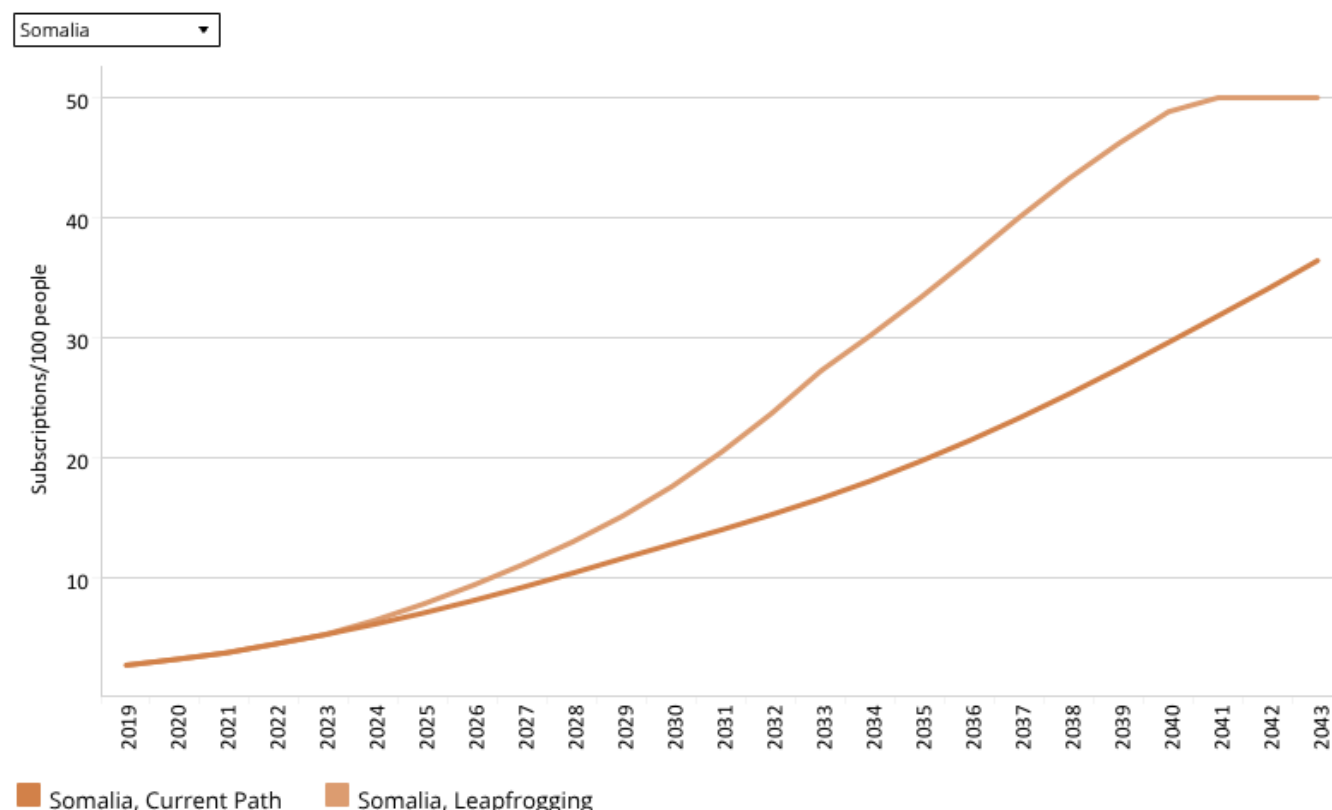
⁜ View on Tableau Public | Share

At the poverty threshold of US$1.90, 9.9 million people in Somalia (66% of the population) were considered to be extremely poor in 2019. The number of poor people by 2043 is forecast to be 8.6 million, equivalent to 31.3% of the population, in the Manufacturing/Transfers scenario compared to 10.4 million (37.5% of the population) in the Current Path forecast for that year. This means that the materialisation of the Manufacturing/Transfers scenario could lead to 1.8 million fewer poor people than the Current Path forecast in 2043.

Chart 34: Fixed broadband access in CP and Leapfrogging scenario, 2019–2043
Subscriptions per 100 people

ISS|AFI

Somalia ▼

■ Somalia, Current Path   ■ Somalia, Leapfrogging

Source: IFs 7.63 initialising from International Telecommunication Union data

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The Leapfrogging scenario represents a reasonable but ambitious adoption of and investment in renewable energy technologies, resulting in better access to electricity in urban and rural areas. The scenario includes accelerated access to mobile and fixed broadband and the adoption of modern technology that improves government efficiency and allows for the more rapid formalisation of the informal sector.

The intervention is explained in here in the thematic part of the website.

Fixed broadband includes cable modem Internet connections, DSL Internet connections of at least 256 KB/s, fibre and other fixed broadband technology connections (such as satellite broadband Internet, ethernet local area networks, fixed-wireless access, wireless local area networks, WiMAX, etc.).

During the civil war, the public telecommunication infrastructure in Somalia was almost entirely dismantled. The mobile sector currently has seven private networks (Golis Telecom, Hormuud Telecom, NationLink Telecom, Somtel, Telcom, Telesom and Amtel) that boost the ICT sector, along with submarine cables. Fixed broadband subscriptions were estimated at 2.6 per 100 people in 2019, slightly above the average of 2.3 for low-income countries in Africa.

In the Leapfrogging scenario, fixed broadband subscriptions increase to 50 per 100 people by 2043, more than the Current Path forecast of 36.4 subscriptions per 100 people for the same year.

Chart 35: Mobile broadband access in CP and Leapfrogging scenario, 2019–2043
Subscriptions per 100 people
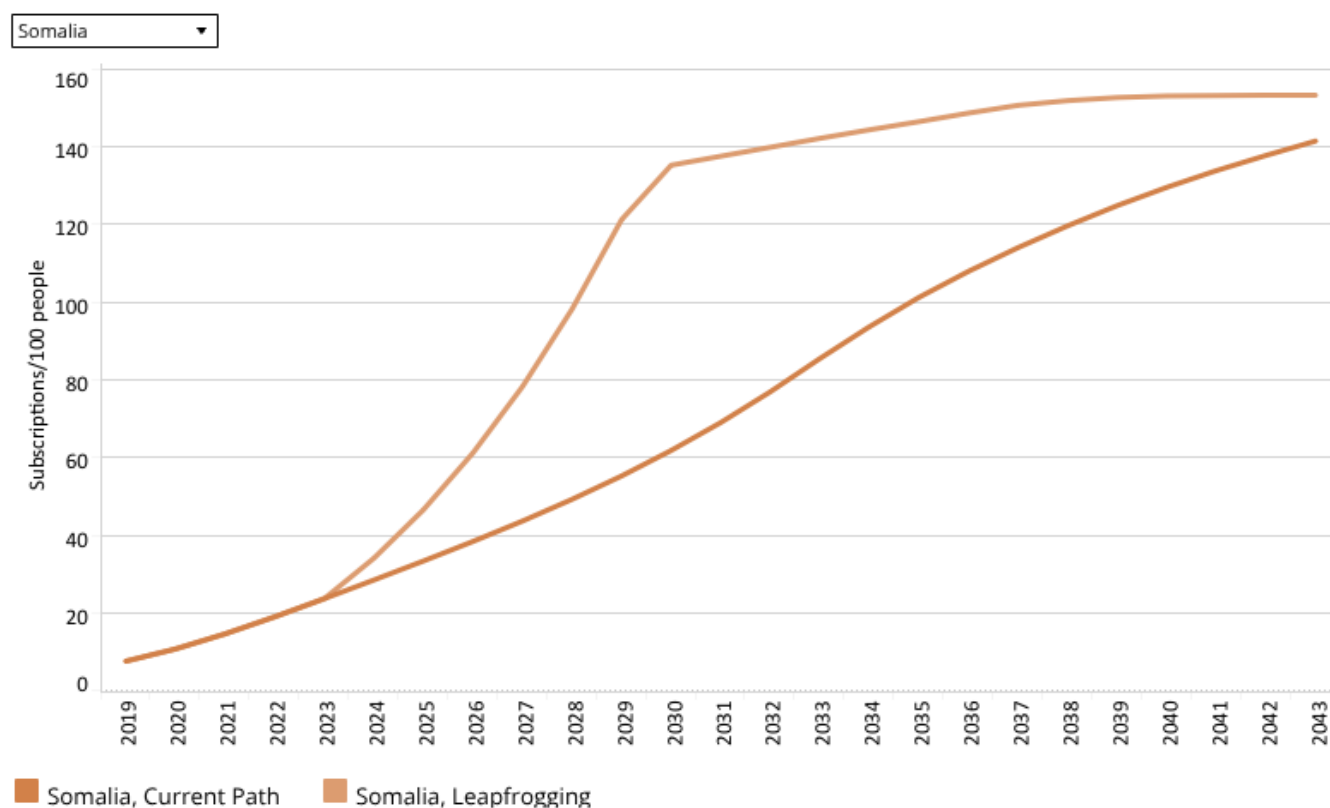
Somalia ▼

■ Somalia, Current Path   ■ Somalia, Leapfrogging

Source: IFs 7.63 initialising from International Telecommunication Union data

⁘ View on Tableau Public   ↺ ↻ ↶ ↷ ▼ | ⬇▼ ⧉ ⤳ Share

Mobile broadband refers to wireless Internet access delivered through cellular towers to computers and other digital devices.

Mobile broadband subscriptions in Somalia were estimated at 7.6 per 100 people in 2019, significantly below the average of 22.9 for low-income Africa.

In the Leapfrogging scenario, mobile broadband subscriptions per 100 people is set to increase to 153.2 by 2043, about 12 subscriptions higher than in the Current Path forecast for 2043.

Chart 36: Electricity access in CP and Leapfrogging scenario, 2019–2043
Millions of people and % of population
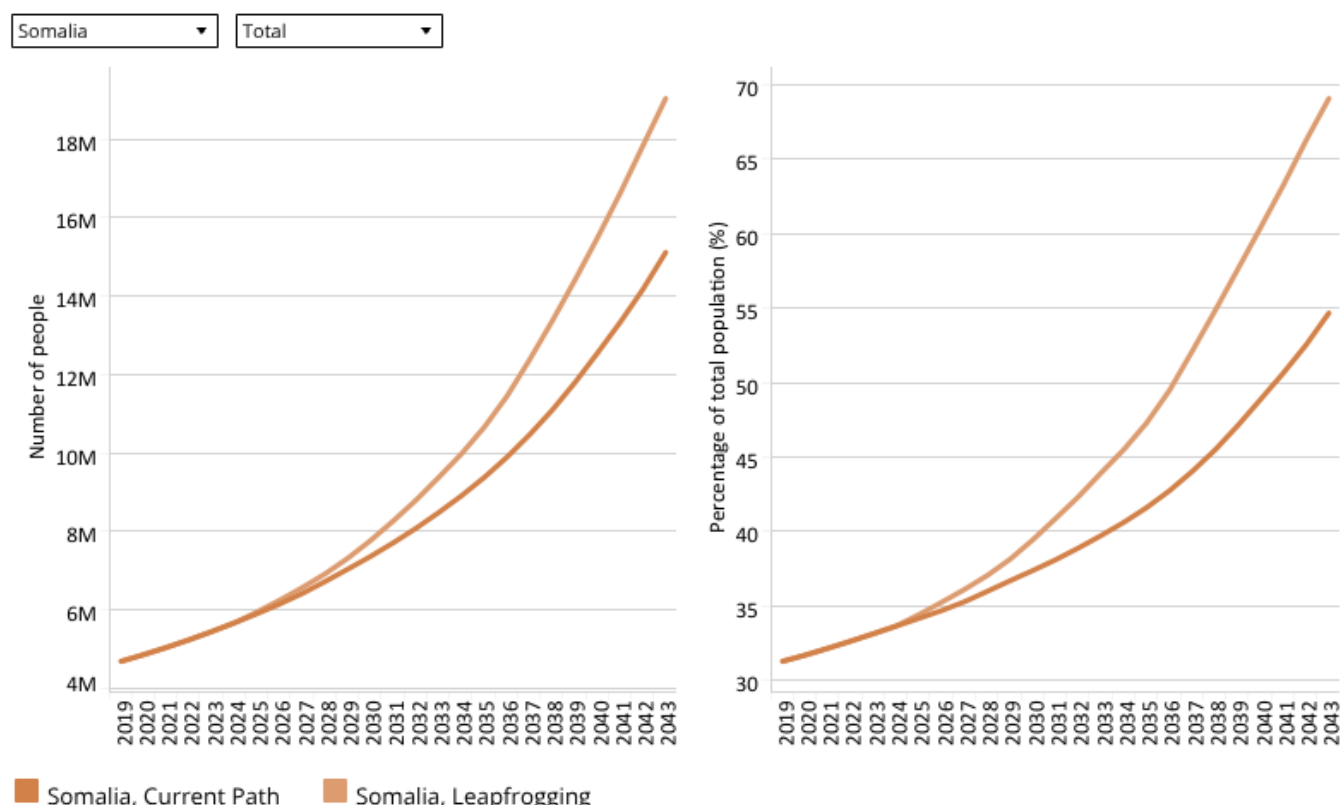
Somalia ▼   Total ▼

■ Somalia, Current Path   ■ Somalia, Leapfrogging

Source: IFs 7.63 initialising from World Development Indicators data

⁙ View on Tableau Public   ↶ ↷ ↺ ↪ ▾ | 🖵▾ ⛶ ⋗ Share

The number of people in Somalia who had access to electricity in 2019 was 4.7 million, representing 31.3% of the total population. This is slightly below the average of 32.2% for low-income countries in Africa.

Access to electricity is also skewed towards urban areas. In 2019, 52.9% of the urban population had access to electricity, compared to a measly 12.9% in rural areas.

In the Leapfrogging scenario, 69.1% of the people in Somalia (19 million people) will have access to electricity by 2043. This is about nine percentage points above the Current Path forecast average of 60.5% for African low-income countries in the same year.

By 2043, 85.9% of the urban population will have access to electricity in the Leapfrogging scenario, compared to 76.2% in the Current Path forecast.

Regarding the population in the rural areas, 47.3% of them will have access to electricity by 2043 in the Leapfrogging scenario compared to only 26.9% in the Current Path forecast for the same year.

Chart 37: GDP per capita in CP and Leapfrogging scenario, 2019–2043
Purchasing power parity
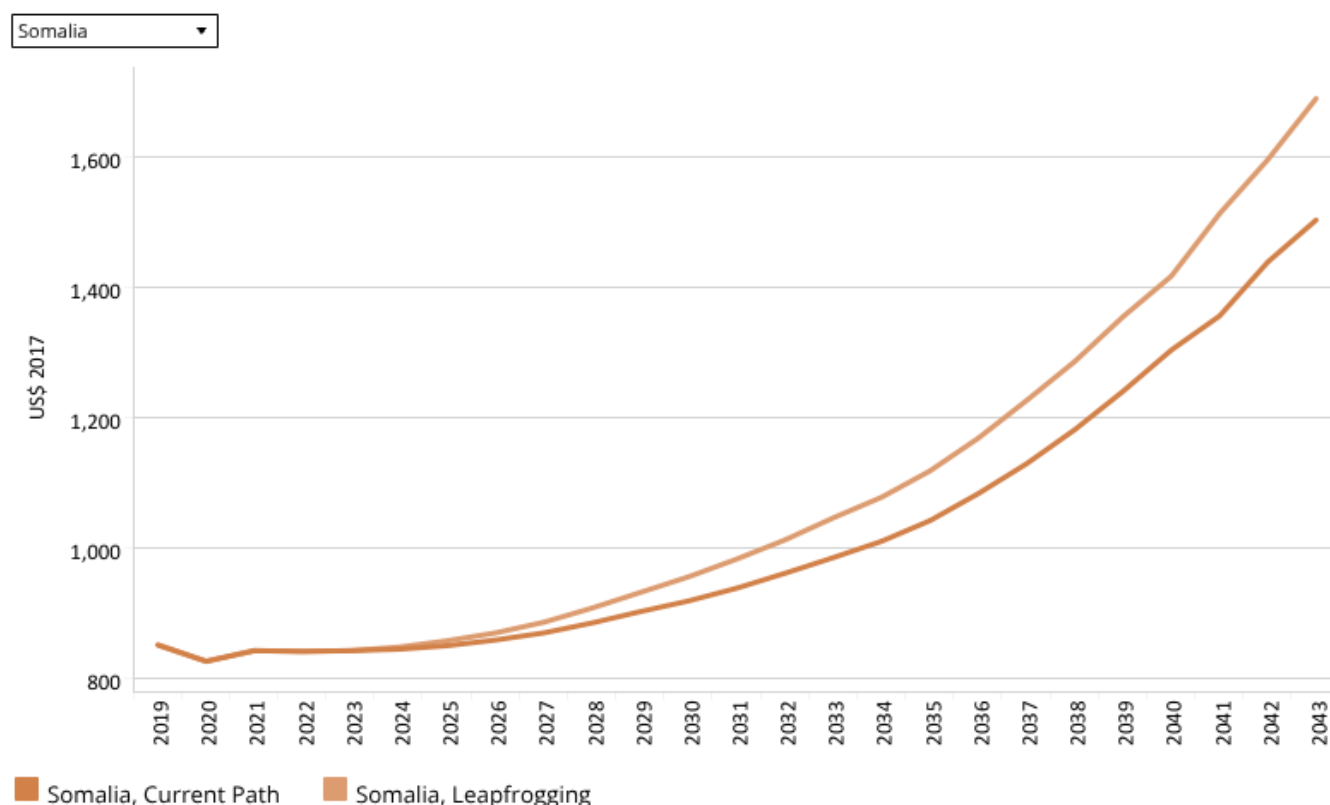
Somalia ▾

Somalia, Current Path Somalia, Leapfrogging

Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

⊹ View on Tableau Public   ↶ ↷ ↺ ↻ ▾ | 🖵▾ ⛶ ⋘ Share

Widespread access to electricity and high-speed Internet can improve a country's socio-economic outcomes. Broadband can increase productivity, reduce transaction costs and optimise supply chains, positively affecting economic growth.

By 2033, GDP per capita in the Leapfrogging scenario will be US$1 045, compared to US$984 in the Current Path forecast – a difference of US$61. In 2043, this difference will grow to US$186. The GDP per capita in the Leapfrogging scenario is, however, US$2 102 lower than the projected average for low-income countries in Africa in 2043.

Chart 38: Poverty in CP and Leapfrogging scenario, 2019–2043
Millions of people and % of total population

Somalia ▼ $1.90 ▼

■ Somalia, Current Path   ■ Somalia, Leapfrogging

Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and PovcalNet World Bank data
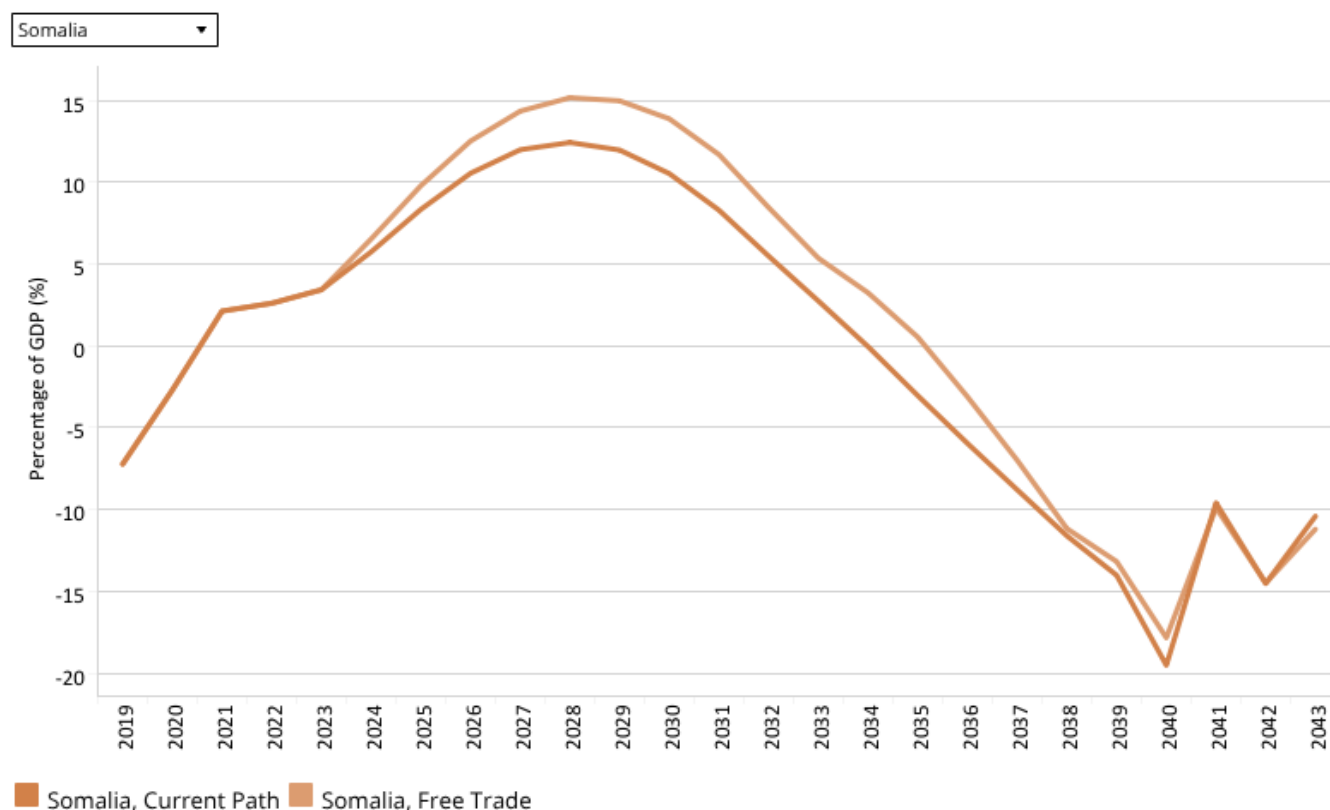
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In the Leapfrogging scenario, the number of poor people in 2043 is 8.8 million, representing 32.2% of the population. This is roughly 1.6 million fewer poor people than in the Current Path forecast for the same year. In the Leapfrogging scenario, the poverty rate is still higher than the projected average for Africa's low-income countries in 2043.

Free Trade scenario

Chart 39: Trade balance in CP and Free Trade scenario, 2019–2043
% of GDP

Somalia, Current Path ■ Somalia, Free Trade

Source: IFs 7.63 initialising from World Development Indicators data

The Free Trade scenario represents the impact of the full implementation of the African Continental Free Trade Area (AfCFTA) by 2034 through increases in exports, improved productivity and increased trade and economic freedom.

The intervention is explained in here in the thematic part of the website.

The trade balance is the difference between the value of a country's exports and its imports. A country that imports more goods and services than it exports in terms of value has a trade deficit, while a country that exports more goods and services than it imports has a trade surplus.

Livestock, bananas, skins, fish, charcoal, frankincense and scrap metal constitute Somalia's main exports. According to UNCTAD data, in 2019 Somalia's top five export destinations were Yemen, India, Japan, Bulgaria and Turkey, while imports were from China, India, Turkey, Malaysia, Indonesia, Brazil, Pakistan and the US. The absence of a stable customs authority, the poor quality of road and port infrastructure, as well as high levels of insecurity are some of the main factors that impede Somalia's participation in international trade.

In 2019, Somalia's trade deficit was equivalent to 7.2% of its GDP. In the Current Path forecast, Somalia records a trade surplus between 2021 and 2033, before deteriorating again to a record deficit equivalent to 19.5% of GDP in 2040 and 10.41% in 2043. In the Free Trade scenario, trade follows similar trends: a trade surplus between 2023 and 2035, then a

deterioration to a deficit, representing 17.8% of GDP in 2040 and 11.2% in 2043.

In sum, the Free Trade scenario improves Somalia's trade balance in the short to medium term. However, with the removal of trade restrictions, following trade liberalisation, Somalia's trade deficit increases as it becomes easier to import while the weak export sector of the country faces intense competition.

However, the trade balance alone is not a viable indicator for concluding that Somalia will be a loser in implementing AfCFTA, as other indicators need to be considered.

Chart 40: GDP per capita in CP and Free Trade scenario, 2019–2043
Purchasing power parity
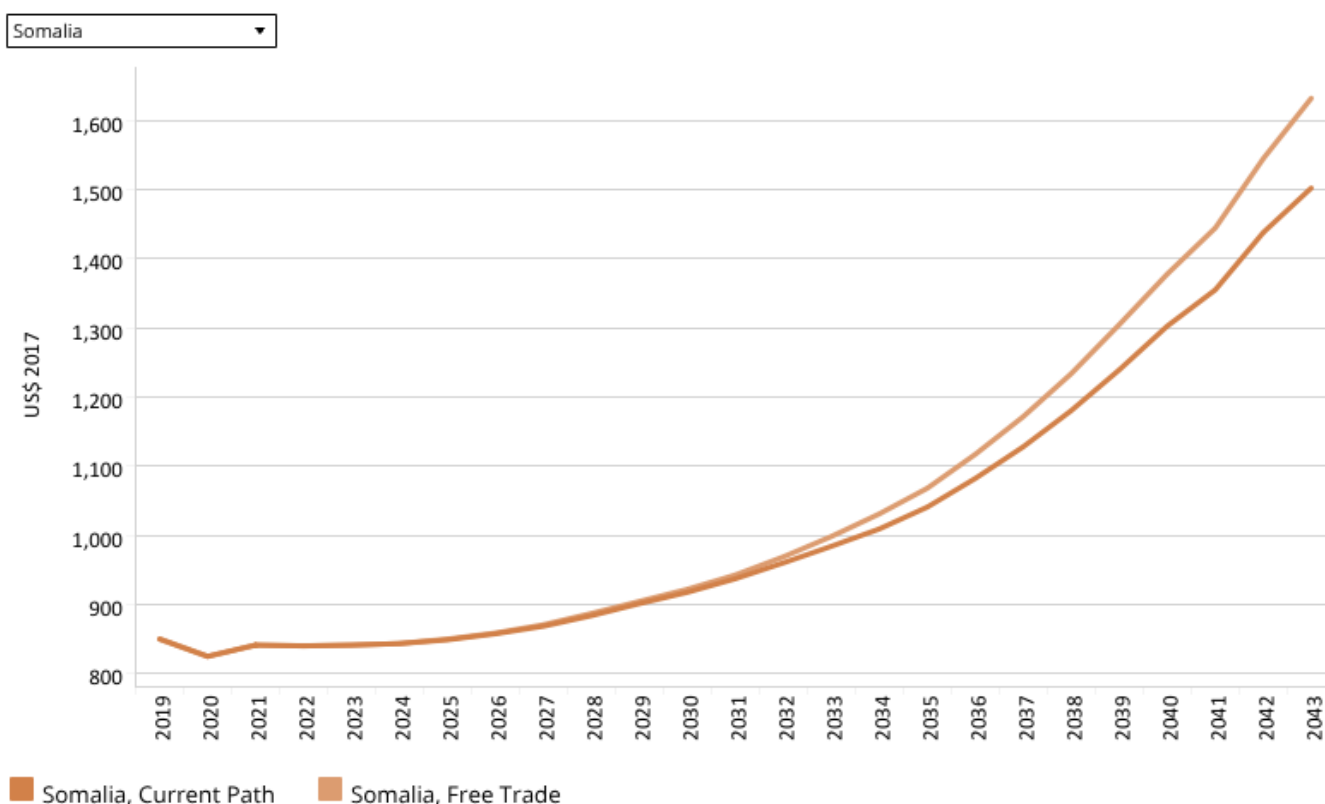
Somalia ▼

Somalia, Current Path   Somalia, Free Trade

Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

Generally, trade liberalisation improves productivity through competition and technology diffusion, stimulating growth and raising income levels.

In the Current Path forecast, GDP per capita increases from US$850 in 2019 to US$1 502 in 2043 – but would be US$1 632 in the Free Trade scenario, an increase of US$130 above the Current Path forecast for that year. This shows that the full implementation of the AfCFTA will enhance economic growth in Somalia.

Chart 41: Poverty in CP and Free Trade scenario, 2019–2043
Millions of people and % of total population

| Somalia ▼ | $1.90 ▼ |

Somalia, Current Path   Somalia, Free Trade

Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and PovcalNet World Bank data

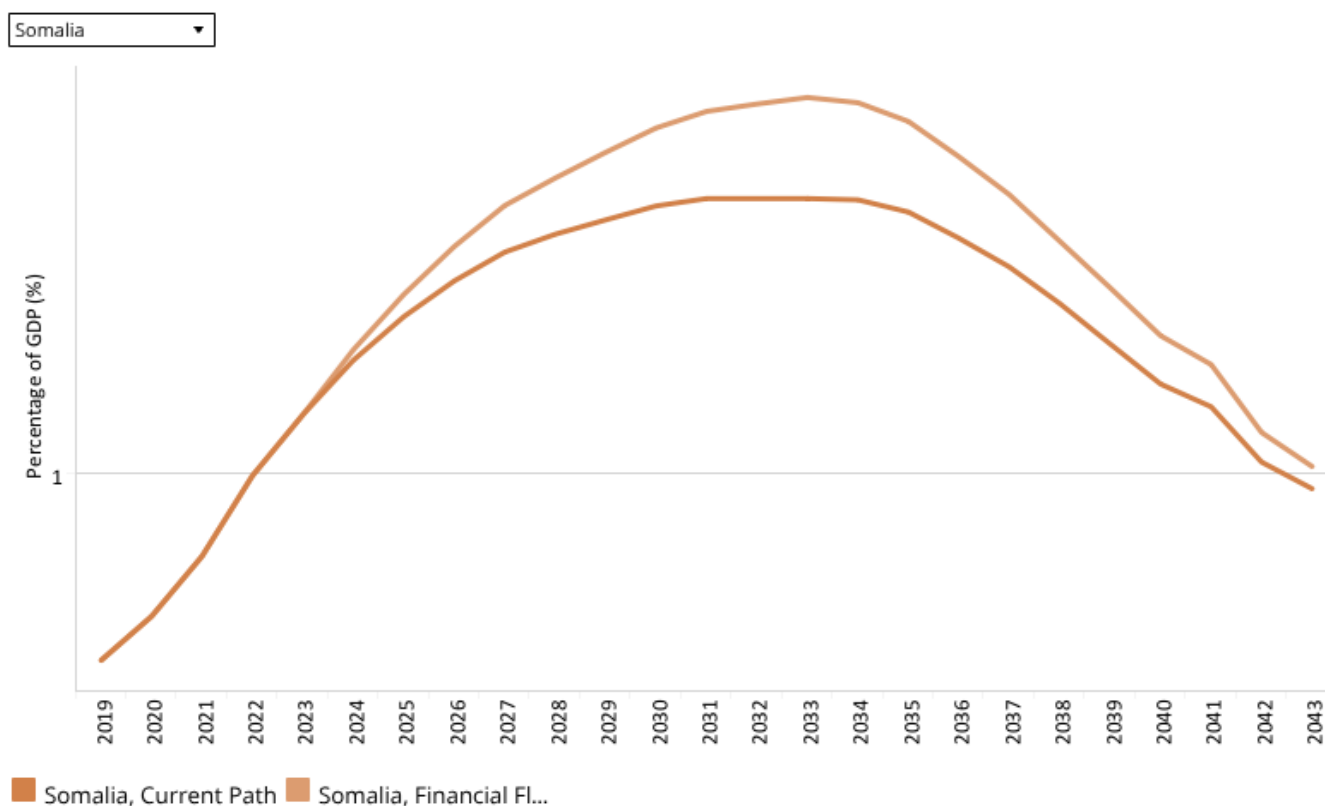⠿ View on Tableau Public   ↶ ↷ ↺ ↻ ▼ | ⊡▼ ⬚ ⤬ Share

The implementation of the African Continental Free Trade Agreement (AfCFTA) will reduce poverty in the long term after initially increasing it due to the redistributive effects of trade. A continental free trade agreement that reduces tariffs and non-tariff barriers across Africa will increase competition among countries in primary commodities and low-tech manufacturing exports. Countries with inefficient, high-cost manufacturing sectors might be displaced as the AfCFTA is implemented, thereby pushing up poverty rates. In the long term, as the economy adjusts and produces and exports its comparatively advantaged goods and services (those with a lower relative cost), poverty rates will decline.

The poverty rate at $1.90 in the Free Trade scenario will be 32.9% in 2043, compared to 37.5% in the Current Path forecast. This is equivalent to about 1.3 million fewer poor people living in extreme poverty than in the Current Path forecast. The full implementation of the AfCFTA will improve growth, raise incomes and reduce poverty in Somalia. In 2043, the projected poverty rate in the Free Trade scenario of 32.9% % is, however, above the average of 25.1% in the Current Path forecast for low-income Africa.

Financial Flows scenario

Chart 42: Foreign aid in CP and Financial Flows scenario, 2019–2043
% of GDP

Somalia ▼

Percentage of GDP (%)

■ Somalia, Current Path ■ Somalia, Financial Fl...

Source: IFs 7.63 initialising from Development Assistance Committee of the OECD data, and World Bank and OECD GNI estimates.

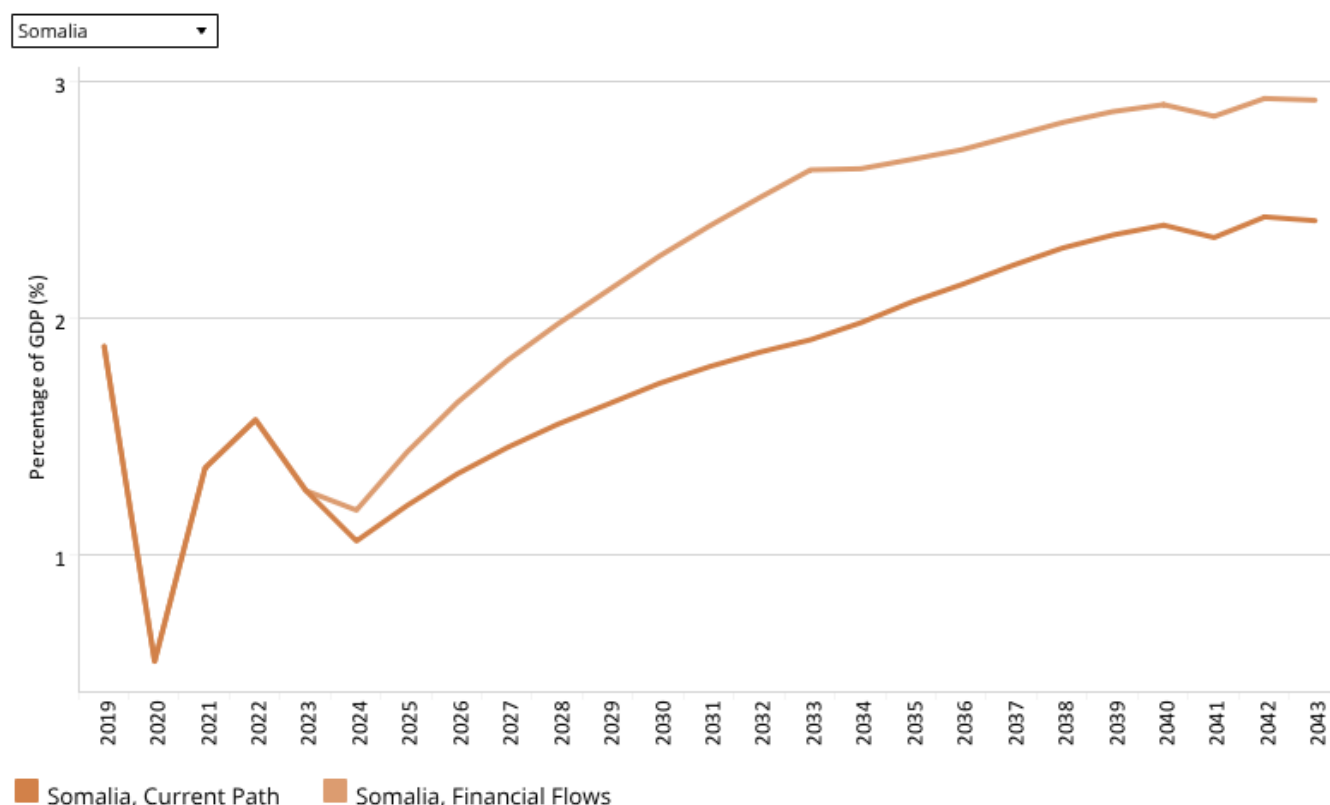⁙ View on Tableau Public   ↺ ↻ ↺ ↻ ▾ | ⬓▾ ⛶ ⌁ Share

The Financial Flows scenario represents a reasonable but ambitious increase in worker remittances and aid flows to poor countries and an increase in the stock of foreign direct investment (FDI) and additional portfolio investment inflows to middle-income countries. We also reduced outward financial flows to emulate a reduction in illicit financial outflows.

The intervention is explained in here in the thematic part of the website.

Due to scarce domestic resource availability, Somalia remains highly dependent on aid and remittances. Aid to Somalia has increased fourfold, from US$26.9 million in 2015 to US$124.6 million in 2018. Turkey, the World Bank and the EU are the major sources of grants for the country.

In 2019, IFs estimated aid flows to Somalia at 0.57% of GDP, significantly above the average of 8.5% of GDP for low-income Africa. In the Financial Flows scenario, foreign aid flows to Somalia will account for 1% of GDP by 2043, above the Current Path forecast of 0.9% and below the average of 3.8% for low -income countries in Africa.

Chart 43: Inflow of FDI in CP and Financial Flows scenario, 2019–2043
% of GDP

Somalia ▼

■ Somalia, Current Path ■ Somalia, Financial Flows

Source: IFs 7.63 initialising from International Monetary Fund World Economic Outlook database

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The poor business climate, recurrent political instability and conflicts deter foreign investment inflows into Somalia. In the 2020 Doing Business report by the World Bank, Somalia ranked 190th out of 190 countries. In 2019, FDI inflows represented 1.9% of the country's GDP, significantly below the average for African low-income countries, which was 4.3% of GDP in 2019.

In the Financial Flows scenario, FDI inflows in 2043 will represent about 2.9% of GDP compared to 2.4% on the Current Path.

FDI can act as a catalyst for economic growth and development as it brings much-needed capital and technology to recipient countries. The authorities in Somalia should improve stability and make the necessary reforms to attract more FDI, especially manufacturing FDI.

Chart 44: Remittances in CP and Financial Flows scenario, 2019–2043
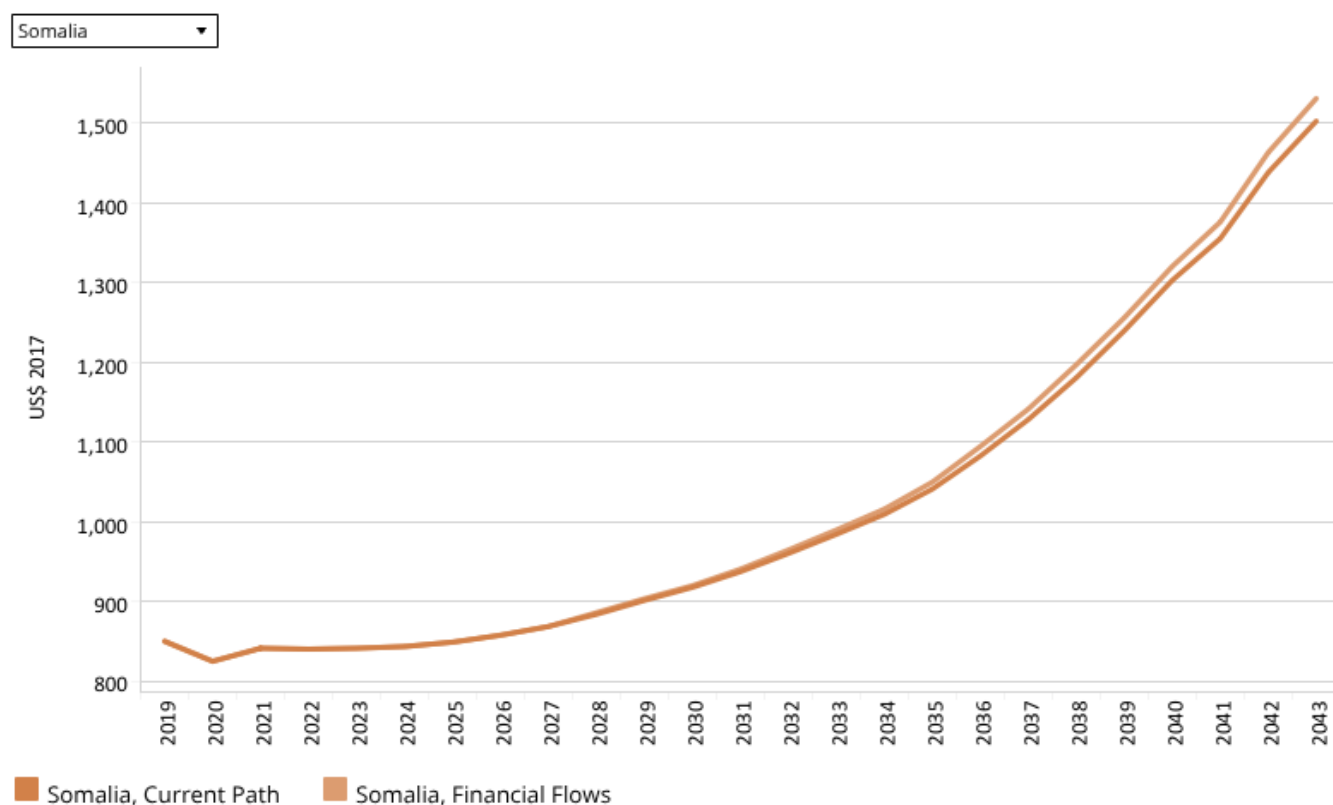Billions US$ 2017 and % of GDP

Somalia

Somalia, Current Path Somalia, Financial Flows

Source: IFs 7.63 initialising from World Development Indicators data

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Somalia is a net recipient of remittances. Net remittances amounted to 0.5 % of GDP in 2019. Across the forecast horizon, Somalia will likely remain a net recipient of remittances. In the Financial Flows scenario, total net remittances to Somalia are 0.2% of GDP by 2043, compared to 1.15% of GDP in the Current Path forecast for 2043.

Chart 45: GDP per capita in CP and Financial Flows scenario, 2019–2043
Purchasing power parity

Somalia ▼

■ Somalia, Current Path ■ Somalia, Financial Flows

Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

⁙ View on Tableau Public

In the Financial Flows scenario, Somalia's GDP per capita increases from US$850 in 2019 to US$1 530 in 2043, which is US$28 higher than the Current Path forecast for the same year. Overall, the financial flows scenario has a modest impact on GDP per capita in Somalia. FDI can boost growth and development through capital accumulation and technology transfer, but has not yet reached the level that would make it a game-changer in the country.

Chart 46: Poverty in CP and Financial Flows scenario, 2019–2043
Millions of people and % of total population
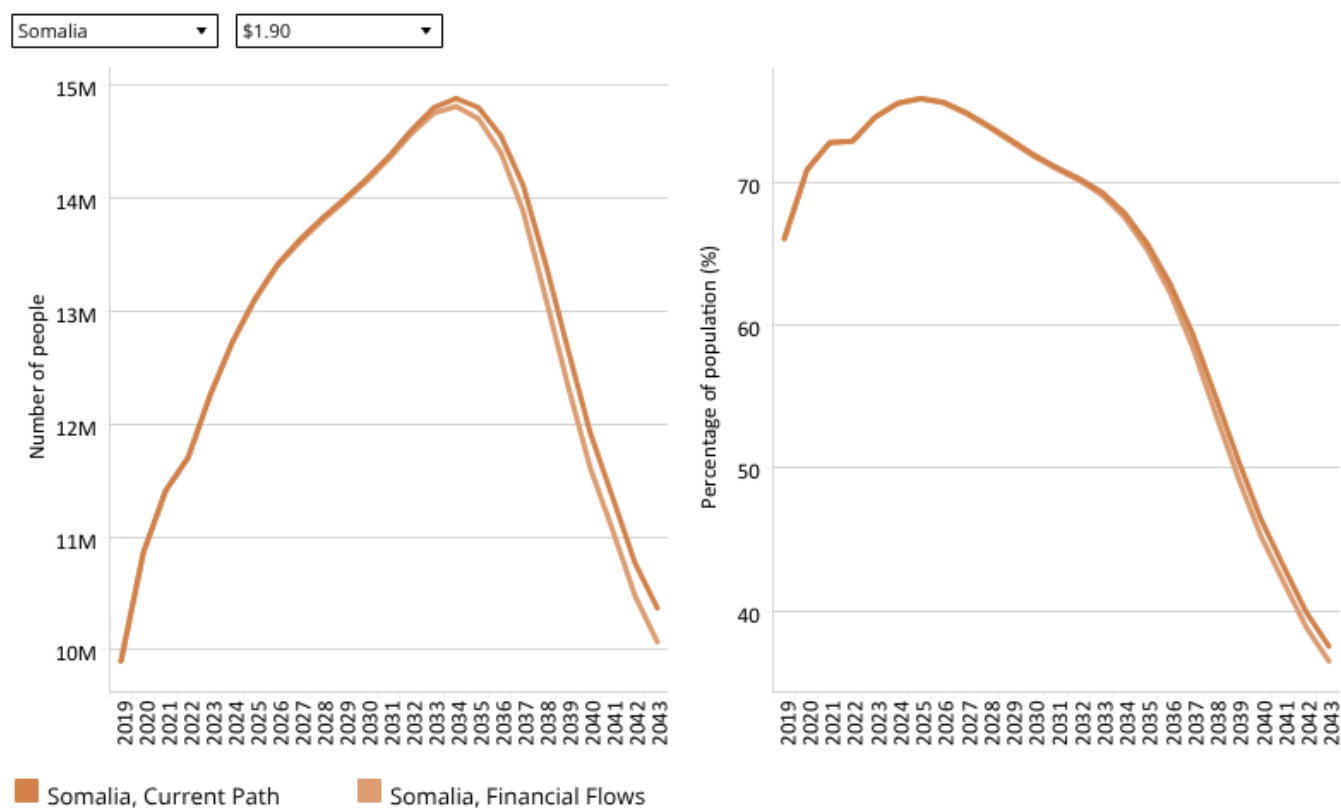
Somalia $1.90

Somalia, Current Path   Somalia, Financial Flows

Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and PovcalNet World Bank data

⊹ View on Tableau Public

Trade openness will reduce poverty in the long term after initially increasing it due to the redistributive effects of trade. Most African countries export primary commodities and low-tech manufacturing products, and therefore a continental free trade agreement (AfCFTA) that reduces tariffs and non-tariff barriers across Africa will increase competition among countries in primary commodities and low-tech manufacturing exports. Countries with inefficient, high-cost manufacturing sectors might be displaced as the AfCFTA is implemented, thereby pushing up poverty rates. In the long term, as the economy adjusts and produces and exports its comparatively advantaged (lower relative cost) goods and services, poverty rates will decline.

The Financial Flows scenario reduces the number of extremely poor people in Somalia by only 0.33 million by 2043, compared to the Current Path forecast, using the US$1.90 poverty threshold.
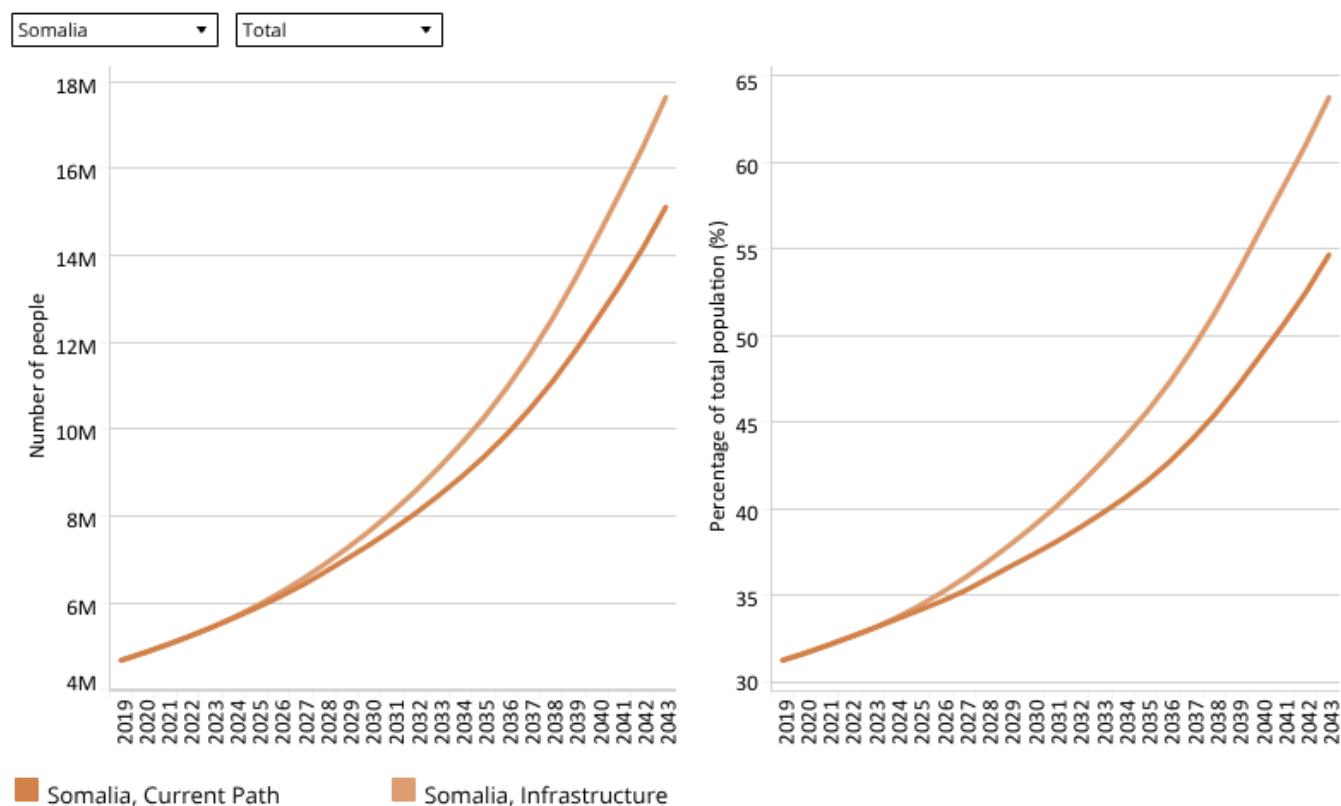
Whereas 66% of Somalia's population lived in extreme poverty in 2019, by 2043 it would be 36.5% in the Financial Flows scenario compared to 37.5% in the Current Path forecast.

Infrastructure scenario

Chart 47: Electricity access in CP and Infrastructure scenario, 2019–2043
Millions of people and % of population

Somalia ▼   Total ▼

■ Somalia, Current Path   ■ Somalia, Infrastructure

Source: IFs 7.63 initialising from World Development Indicators data

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The Infrastructure scenario represents a reasonable but ambitious increase in infrastructure spending across Africa, focusing on basic infrastructure (roads, water, sanitation, electricity access and ICT) in low-income countries and increasing emphasis on advanced infrastructure (such as ports, airports, railway and electricity generation) in higher-income countries.
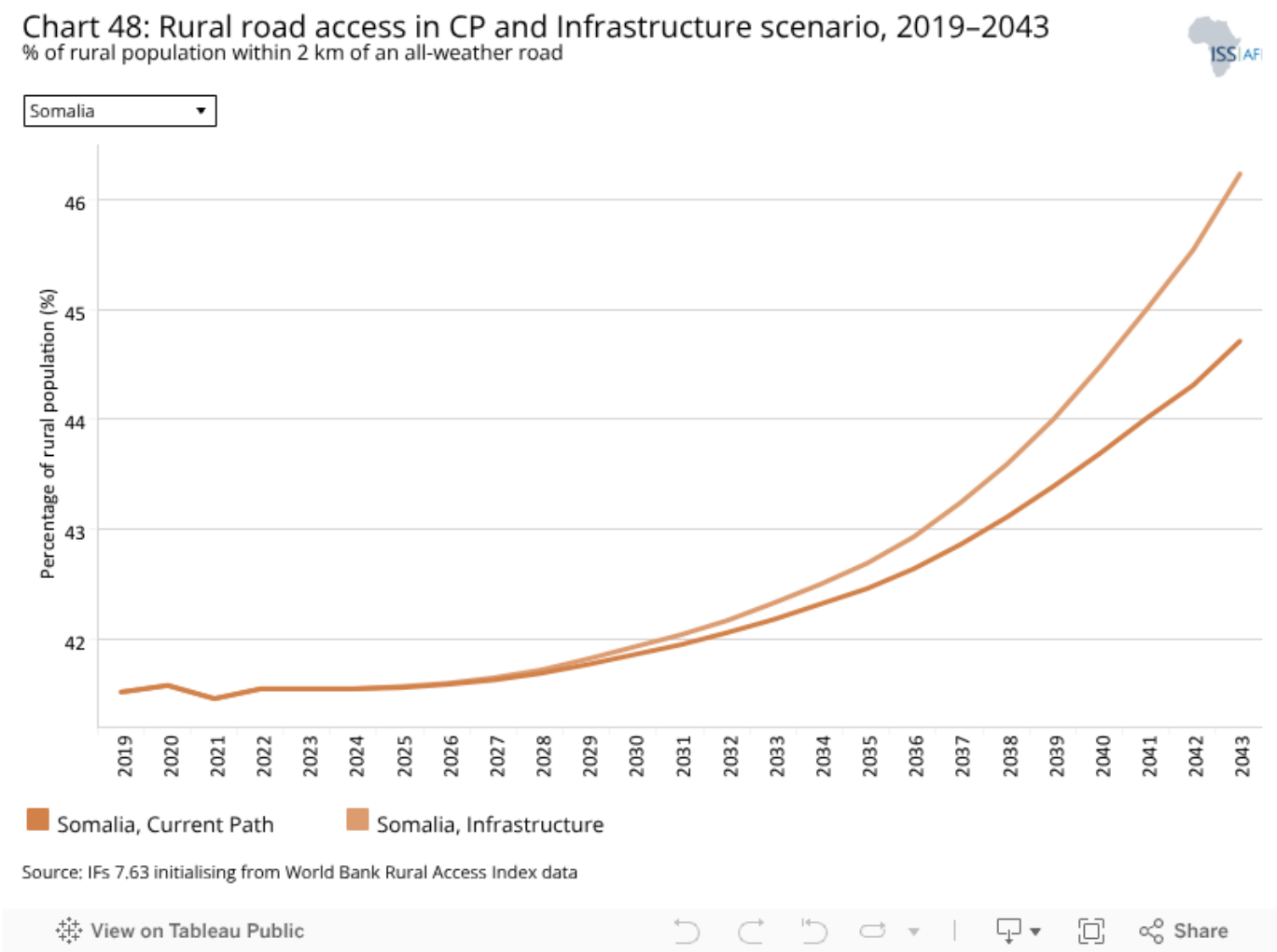
Note that health and sanitation infrastructure is included as part of the Health/WaSH scenario and that ICT infrastructure and more rapid uptake of renewables are part of the Leapfrogging scenario. The interventions there push directly on outcomes, whereas those modelled in this scenario increase infrastructure spending, indirectly boosting other forms of infrastructure, including that supporting health, sanitation and ICT.

The intervention is explained in here in the thematic part of the website.

Somalia's energy sector faces significant challenges due to a weak regulatory environment, lack of sufficiently trained labour, weak infrastructure, insecurity and political instability, among others. The country's national electricity grid collapsed during the civil war in 1991 and electricity is now provided by private firms. Despite the recent progress made by the private sector in increasing electricity production and distribution, annual electricity consumption per capita in Somalia is among the lowest in Africa.

In 2019, the total number of people with access to electricity in Somalia was about 4.7 million, representing 31.3% of the population. The Infrastructure scenario increases it to 17.6 million in 2043, constituting 63.7% of the population. This is above the projected value of 15.1 million, representing 54.6% of the population, in the Current Path forecast.

In the Infrastructure scenario, by 2043 it is projected that 77.4% of the urban population in Somalia will have access to electricity, compared to 76.2% in the Current Path forecast. However, only 46.2% (5.5 million people) and 26.9% (3.23 million people) of the rural population in the Infrastructure scenario and Current Path forecast respectively will have access to electricity in 2043, indicating the disparity in access to electricity between Somalia's urban and rural population.

Chart 48: Rural road access in CP and Infrastructure scenario, 2019–2043
% of rural population within 2 km of an all-weather road

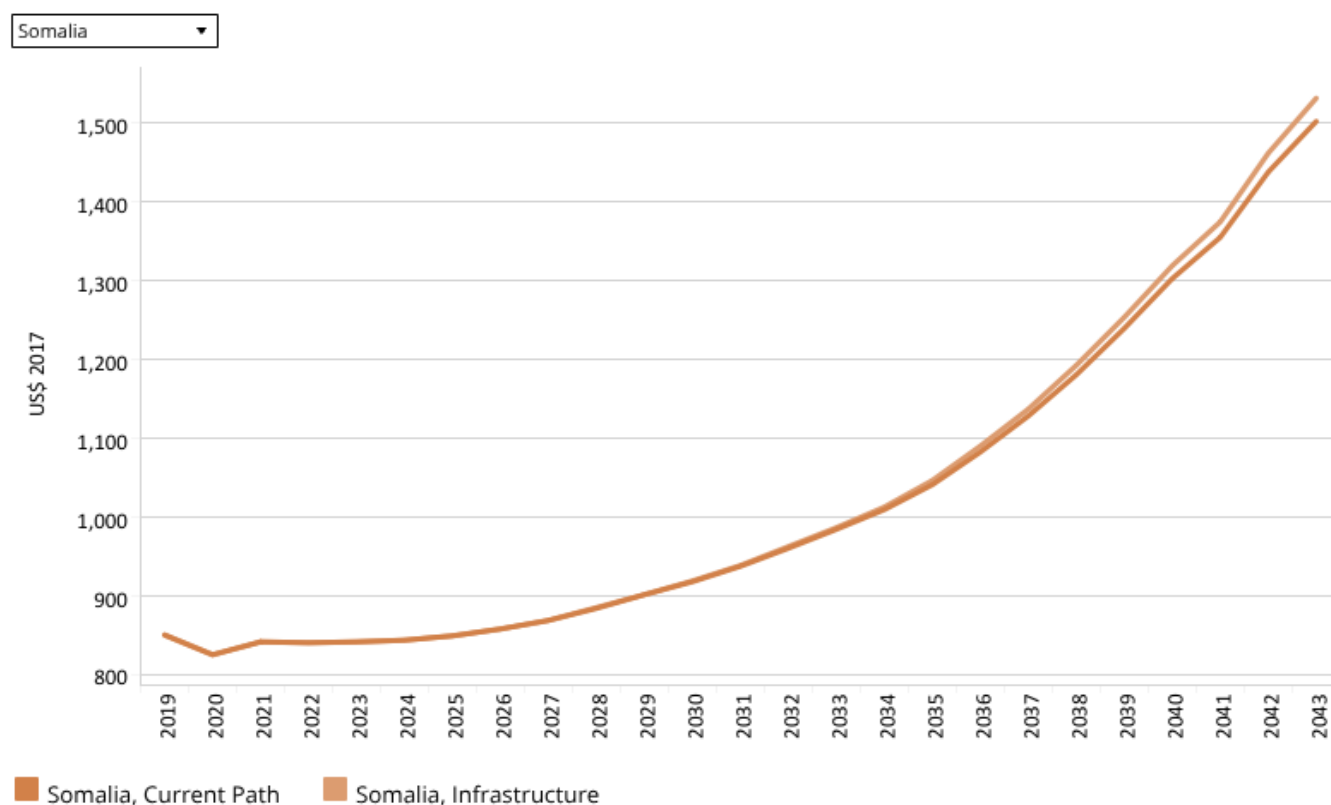Source: IFs 7.63 initialising from World Bank Rural Access Index data

Indicator 9.1.1 in the Sustainable Development Goals refers to the proportion of the rural population who live within 2 km of an all-season road and is captured in the Rural Access Index.

Accessibility to rural areas spurs on socio-economic development and improves the rural population's living standards. Better rural roads facilitate trade between rural and urban areas. For instance, they enable the rural population to enjoy products from nearby urban areas while allowing the urban population to more easily access agricultural products supplied by rural areas.

As of 2019, 41.5% of the rural population in Somalia resided within 2 km of all-weather roads, slightly above the average of 43% for low-income African countries. In the Infrastructure scenario, it is projected to increase to 46.2% by 2043, slightly above the 44.7% projected by the Current Path forecast for that year.

Chart 49: GDP per capita in CP and Infrastructure scenario, 2019–2043
Purchasing power parity

Somalia, Current Path   Somalia, Infrastructure

Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

Quality infrastructure enables business and industry development, and increases efficiency in the delivery of social services. Critical basic infrastructure such as roads and electricity play a vital role in achieving sustainable and inclusive economic growth. Infrastructure shortage impedes higher productivity and growth.

Somalia's GDP per capita is forecast to rise to US$1 531 by 2043 in the Infrastructure scenario. This is only US$29 more than the Current Path forecast for the same year, and below the Current Path forecast average of US$3 790 for African low-income countries.

Chart 50: Poverty in CP and Infrastructure scenario, 2019–2043
Millions of people and % of total population

Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and PovcalNet World Bank data

In the infrastructure scenario, the extreme poverty rate is projected to decline from 66% in 2019 to 36.6% in 2043. This is equivalent to 10.1 million poor people in 2043, compared to 10.4 million in the Current Path forecast. This suggests that 0.3 million fewer people will be living in extreme poverty in the Infrastructure scenario than in the Current Path forecast for the same year. By 2043, the extreme poverty rate of 36.6% in the Infrastructure scenario is higher than the projected Current Path forecast average of 25.1% for African low-income countries.

Chart 51: Gov effectiveness in CP and Governance scenario, 2019–2043
World Bank quality index score for government effectiveness

Somalia ▼

■ Somalia, Current Path   ■ Somalia, Governance
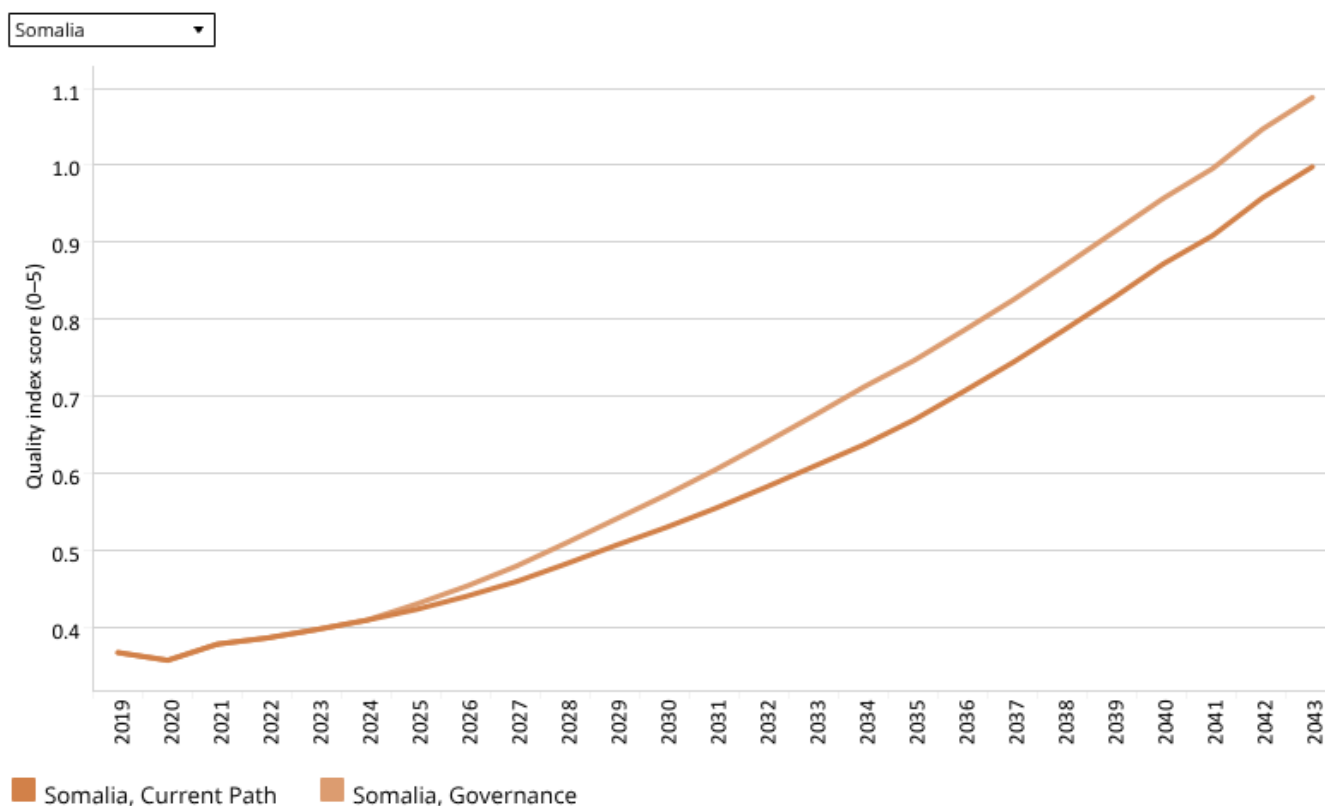
Source: IFs 7.63 initialising from Kaufmann, Kraay and Mastruzzi (2010) data

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The Governance scenario represents a reasonable but ambitious improvement in accountability and reduces corruption, and hence improves the quality of service delivery by government.

The intervention is explained in here in the thematic part of the website.

As defined by the World Bank, government effectiveness 'captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies'.
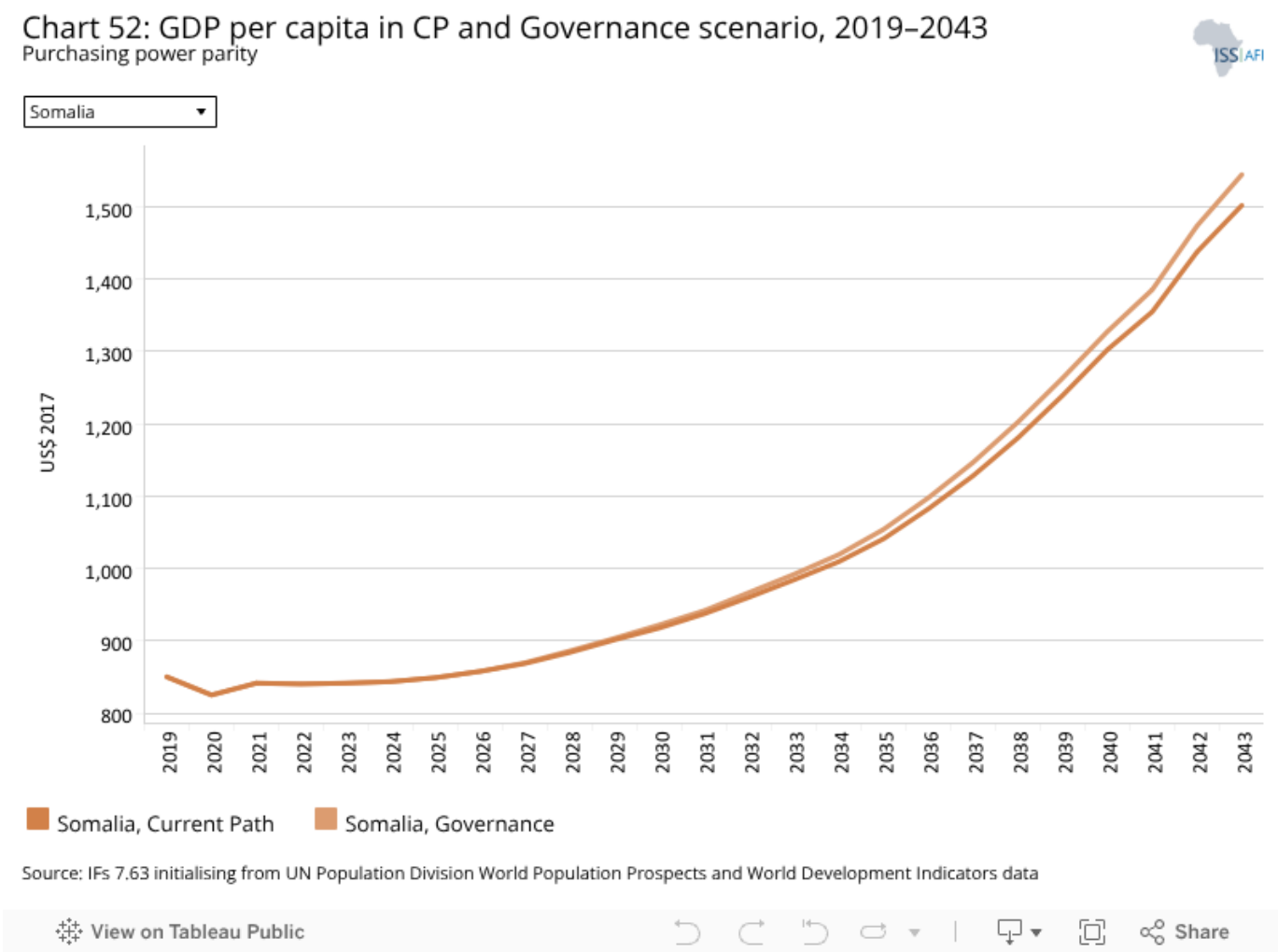
Chart 51 presents the impact of the interventions in the Governance scenario on government effectiveness.

Since the fall of the Siad Barre regime and the complete collapse of state institutions in 1991, Somalia has been without a viable functioning central government. Since 2012, Somalia has had an internationally recognised government, but with limited capacity to provide services throughout the country. The rampant corruption and the absence of the rule of law have weakened state capacity in Somalia. The country is ranked as the world's most corrupt globally by Transparency International. Somalia has the worst governance in Africa according to the Ibrahim Index.

In the Current Path forecast and Governance scenario, the government effectiveness score for the country is projected to

increase. The score for Somalia in 2019 was 0.37 (out of a maximum of 5).

The projected score for government effectiveness in the Governance scenario by 2043 is 1.1. This is 0.1 points higher than the projected score of 1.0 in the Current Path forecast for the same year. Somalia will still have a lower government effectiveness score than the Current Path forecast average of 1.9 for African low-income countries by 2043.

Chart 52: GDP per capita in CP and Governance scenario, 2019–2043
Purchasing power parity

Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

Critical determinants of growth depend on governance and the institutional settings in a country.

In the Governance scenario, Somalia's GDP per capita is projected to increase to US$1 545 in 2043, which is US$43 more than the Current Path forecast for the same year. This figure is, however, lower than the Current Path forecast average of US$3 790 for low-income countries in Africa for the same year.

Chart 53: Poverty in CP and Governance scenario, 2019–2043
Millions of people and % of total population

Somalia ▼ $1.90 ▼

■ Somalia, Current Path   ■ Somalia, Governance
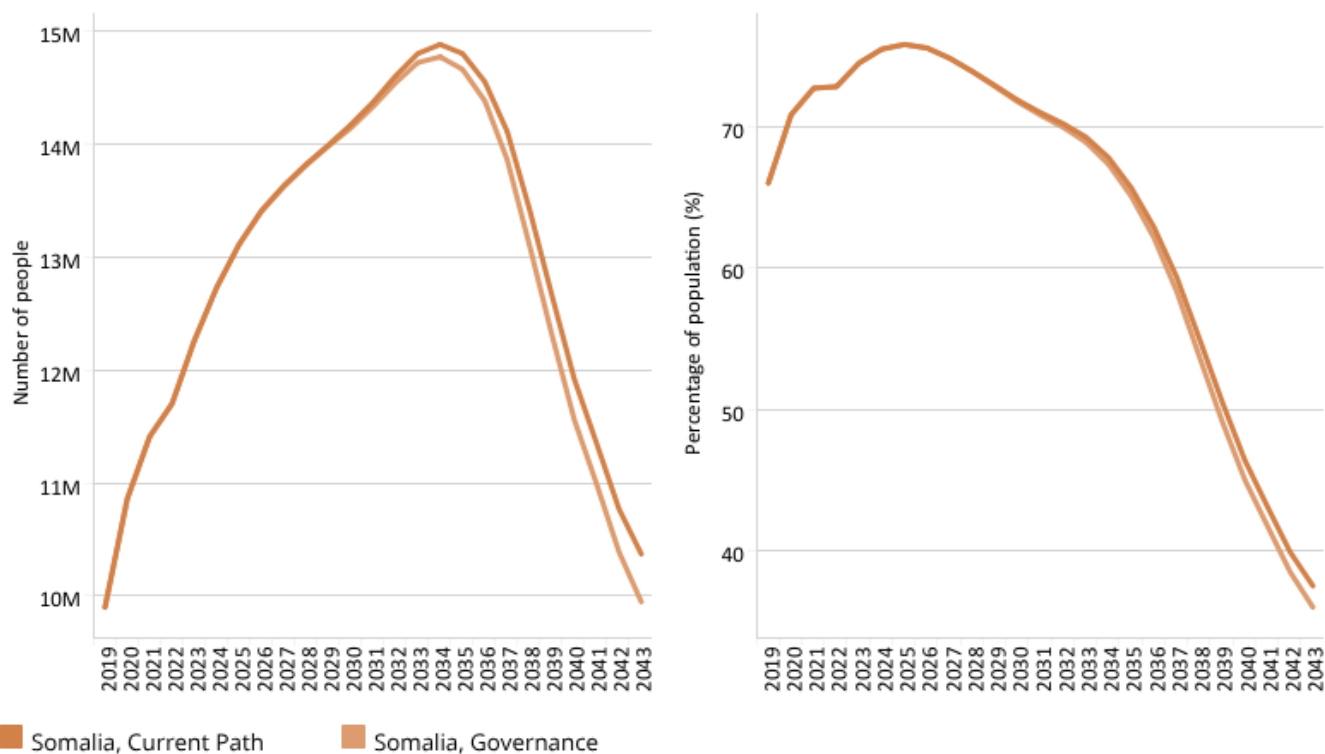
Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and PovcalNet World Bank data

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Using the US$1.90 poverty threshold for low-income countries, the poverty rate in Somalia is projected to decline to 36% in 2043 in the Governance scenario, 1.5 percentage points below the Current Path forecast in 2043. This equates to 0.45 million fewer people being poor than in the Current Path forecast by 2043.

Impact of scenarios on carbon emissions

Chart 54: Carbon emissions in CP and scenarios, 2019–2043
Million tons of carbon (note, not CO₂ equivalent)
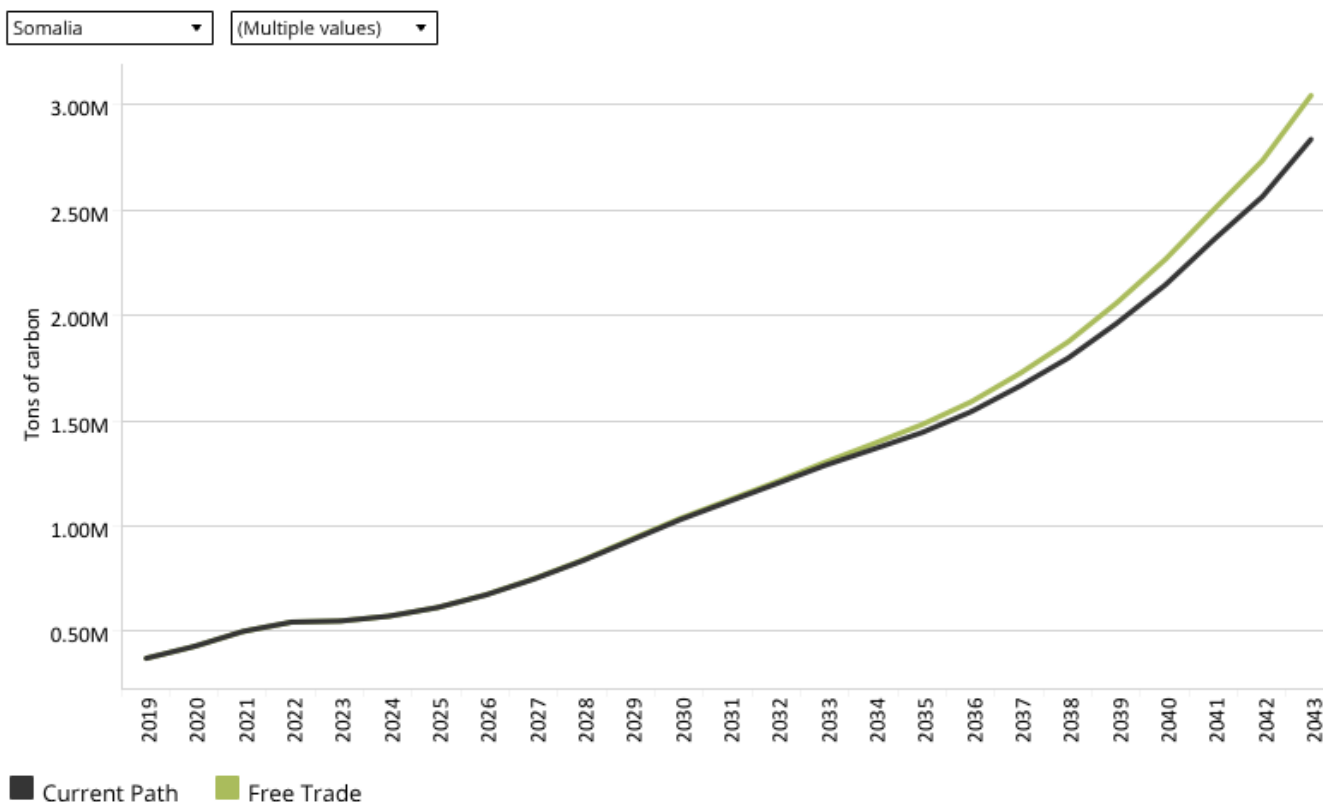
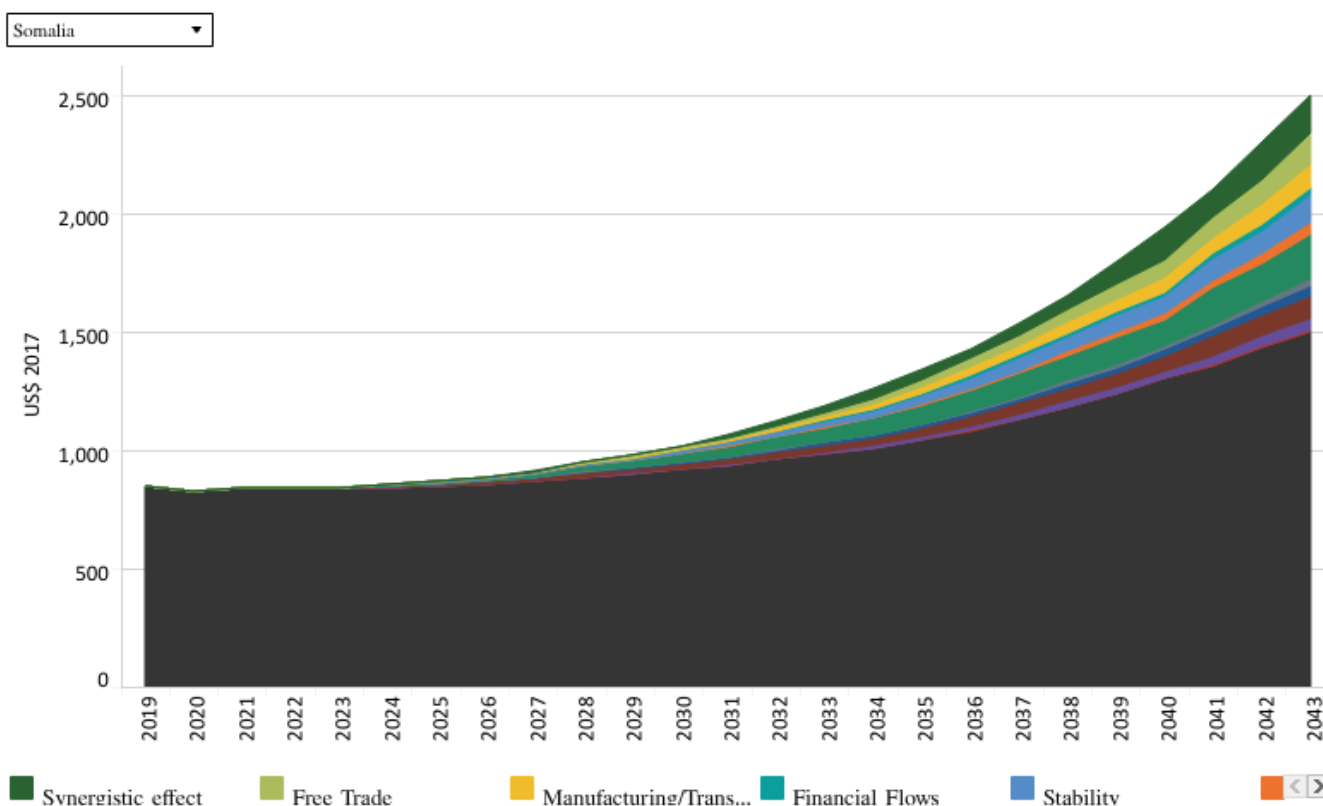Source: IFs 7.63 initialising from Carbon Dioxide Information Analysis Center data

This section presents projections for carbon emissions in the Current Path for Somalia and the 11 scenarios. Note that IFs uses carbon equivalents rather than CO2 equivalents.

In 2019, Somalia released about 0.4 million tons of carbon, and in the Current Path forecast it will release 2.8 million tons by 2043, an increase of 600%. Although carbon emissions are set to increase as economic activity increases, Somalia's carbon emissions come off a very low base. Like many developing countries, the country will suffer disproportionately from climate change, to which it has contributed very little. Nonetheless, the country must reduce its carbon emissions and move towards renewable energy for sustainable growth to mitigate climate change.

The Free Trade and Leapfrogging scenarios have the most significant impact on carbon emissions. The Demographic scenario has the lowest level of carbon emissions. The reduction in population growth curtails population pressure on the utilisation of resources, and hence minimises environmental degradation. Except for the Demographic scenario, the quantity of carbon emissions in all the scenarios is higher than the Current Path forecast in 2043. By 2043, the carbon emissions range from 3.1 million tons for the Leapfrogging scenario to 2.8 million tons in the Demographic scenario.

Chart 55: GDP per capita in CP and scenarios, 2019–2043
Additional GDP per capita per scenario, purchasing power parity

Somalia

Legend: Synergistic effect | Free Trade | Manufacturing/Trans... | Financial Flows | Stability

Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data
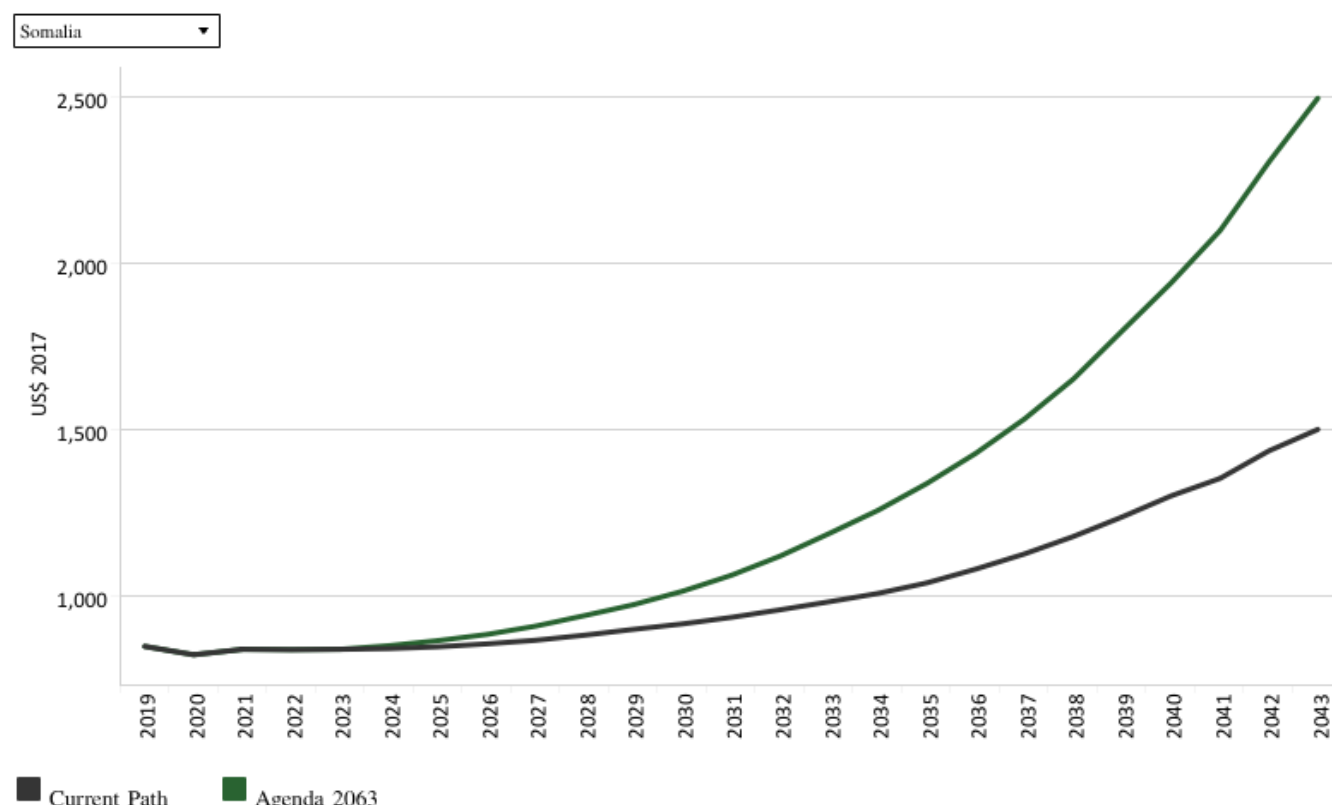
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The Combined Agenda 2063 scenario consists of the combination of all 11 sectoral scenarios presented above, namely the Stability, Demographic, Health/WaSH, Agriculture, Education, Manufacturing/Transfers, Leapfrogging, Free Trade, Financial Flows, Infrastructure and Governance scenarios. The cumulative impact of better education, health, infrastructure, etc. means that countries get an additional benefit in the integrated IFs forecasting platform that we refer to as the synergistic effect. Chart 55 presents the contribution of each of these 12 components to GDP per capita in the Combined Agenda 2063 scenario.

The synergistic effect on Somalia's GDP per capita is estimated to be US$160.3 by 2043, meaning that the combination of all the sectoral scenarios, or a coordinated policy push across all the sectors, could result in additional gains in GDP per capita of US$160.3.

The scenario with the most significant impact on GDP per capita by 2043 is the Leapfrogging scenario, followed by the Free Trade scenario. The Infrastructure scenario has the least impact on GDP per capita. This suggests that, in the long run, increasing digitisation and trade liberalisation will improve human and economic development the most in Somalia.

Chart 56: GDP per capita in CP and Combined scenario, 2019–2043
Purchasing power parity

Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

Whereas Chart 55 presents a stacked area graph on the contribution of each scenario to GDP per capita as well as the additional benefit or synergistic effect, Chart 56 presents only the GDP per capita in the Current Path forecast and the Combined Agenda 2063 scenario.

In the Combined Agenda 2063 Scenario, the government of Somalia makes a concerted effort to remove the binding constraints to growth and inclusive development.

The Combined Agenda 2063 scenario has a much greater impact on GDP per capita than the individual thematic scenarios.

By 2033, the GDP per capita of South Somalia in the Combined Agenda 2063 scenario is US$205 larger than in the Current Path forecast, and by 2043 it amounts to US$2 497, US$995 more than in the Current Path forecast for that year.

The Combined Agenda 2063 scenario shows that a policy push across all the development sectors is necessary to achieve sustained growth and development in Somalia.

Chart 57: Poverty in CP and Combined scenario, 2019–2043
Millions of people and % of total population
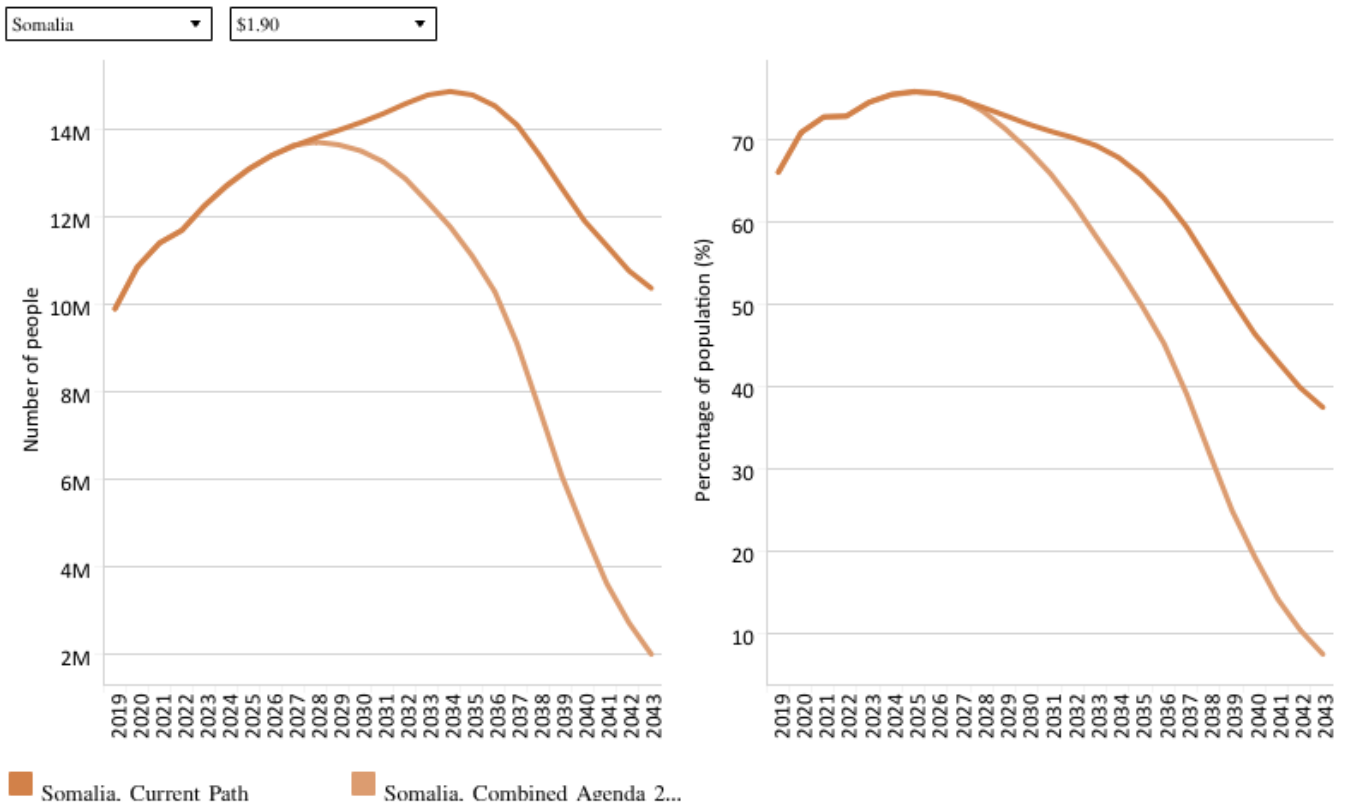
| Somalia ▼ | $1.90 ▼ |

■ Somalia. Current Path ■ Somalia. Combined Agenda 2...

Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and PovcalNet World Bank data
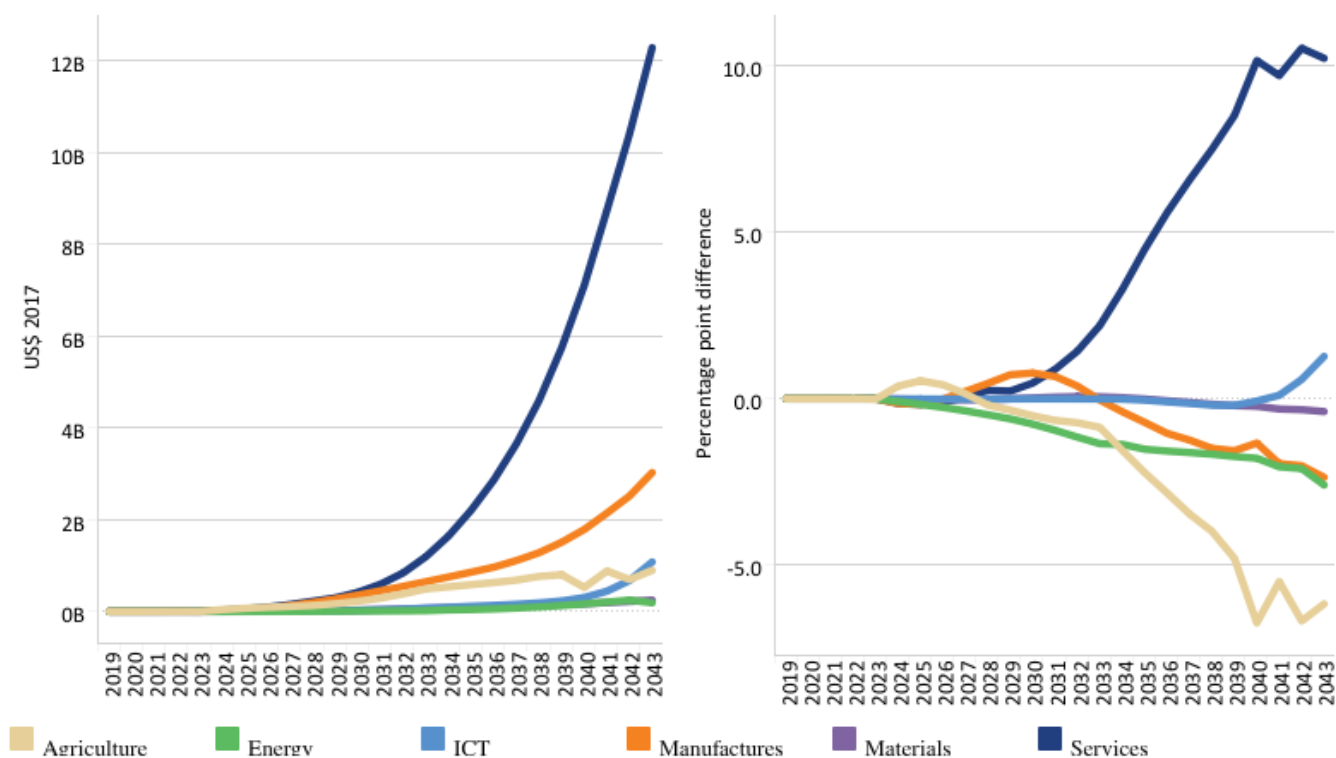
⁘ View on Tableau Public   ↶ ↷ ↺ ↻ ▾ | ⬇▾ ⬚ ⦵ Share

In the Combined Agenda 2063 scenario, by 2033 58.3% of Somalia's population will be living in extreme poverty compared to 69.3% in the Current Path forecast. This represents about 2.46 million fewer poor people than in the Current Path forecast. By 2043, the extreme poverty rate declines to 7.6% (1.98 million people), compared to 37.5% (10.4 million people) in the Current Path forecast – a reduction of 8.4 million people. The Combined Agenda 2063 scenario shows that a concerted policy push across all the development sectors could significantly reduce poverty in Somalia.

Chart 58: Value added by sector in CP and Combined scenario, 2019–2043
Absolute and % point difference GDP

Source: IFs 7.63 initialising from International Monetary Fund World Economic Outlook database

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See Chart 8 to view the Current Path forecast of the sectoral composition of the economy.

In absolute terms, the service sector sees the most significant improvement compared to the Current Path, with its value in the Combined Agenda 2063 scenario US$12.3 billion larger than in the Current Path forecast for 2043. The service sector is followed by the manufacturing sector, with a value in the Combined Agenda 2063 scenario that is US$3.0 billion larger than in the Current Path forecast by 2043.

The contribution of agriculture, materials, ICT and energy to GDP in the Combined Agenda 2063 scenario is respectively US$0.9 billion, US$0.2 billion, US$1.1 billion and US$0.2 billion larger than in the Current Path forecast by 2043.

As a percentage of GDP, the contribution of the service sector in the Combined Agenda 2063 scenario is 10.2 percentage points larger than in the Current Path forecast for 2043, while the contribution of the manufacturing sector in the Combined Agenda 2063 is 2.4 percentage points lower than in the Current Path forecast. The contribution of agriculture is 6.7 percentage points below that of the Current Path forecast in 2043, indicating the structural transformation of the economy.

Chart 59: GDP in CP and Combined scenario, 2019–2043
Billions US$ 2017, market exchange rates

Somalia. Current Path Somalia. Combined Agenda 2...
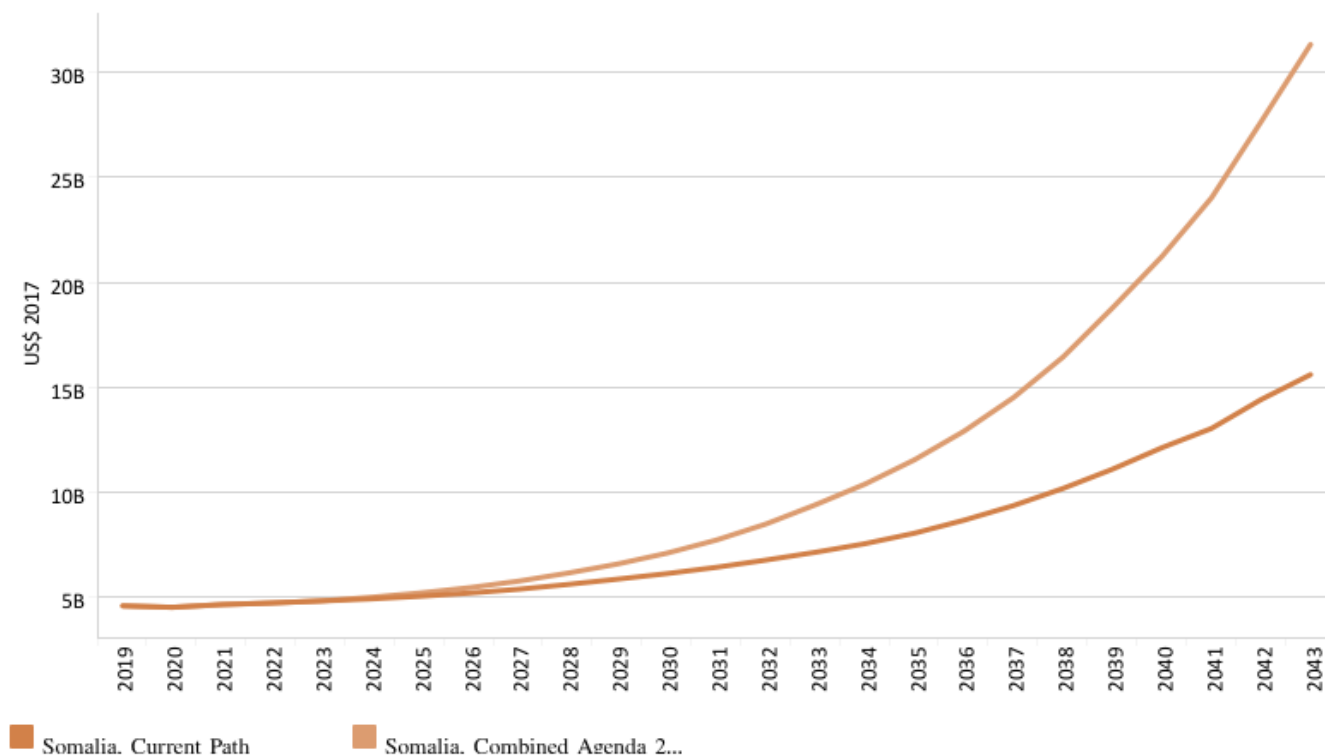
Source: IFs 7.63 initialising from International Monetary Fund World Economic Outlook database

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The Combined Agenda 2063 scenario dramatically impacts Somalia's economic (GDP) expansion. In the Combined Agenda 2063 scenario, the size of the economy is projected to expand from US$4.6 billion in 2019 to US$31.3 billion in 2043. In 2043, Somalia's GDP in the Combined Agenda 2063 scenario is US$15.7 billion larger than in the Current Path forecast for the same year.
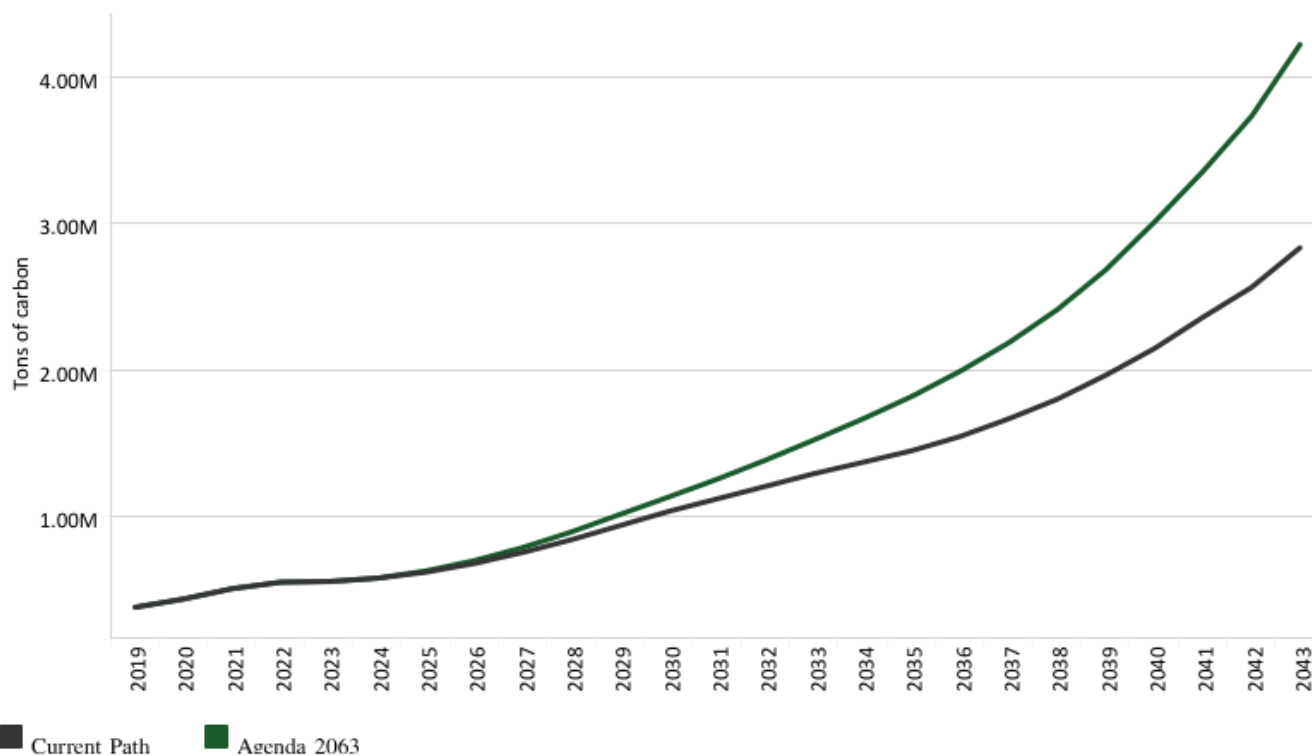
The Combined Agenda 2063 scenario shows that a policy push across all development sectors is a viable approach to achieving sustained growth in Somalia.

Chart 60: Carbon emissions in CP and Combined scenario, 2019–2043
Million tons of carbon (note, not CO₂ equivalent)

Somalia ▾

Current Path   Agenda 2063

Source: IFs 7.63 initialising from Carbon Dioxide Information Analysis Center data

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The Combined Agenda 2063 scenario significantly impacts carbon emissions, albeit from a very low base, due to the increased economic activity it causes.

In 2043, carbon emissions in the Combined Agenda 2063 scenario are 1.4 million tons, which is higher than in the Current Path Forecast.

The realisation of the Combined Agenda 2063 scenario would stimulate high economic growth and significantly reduce poverty in Somalia, but the cost in terms of environmental degradation will be relatively high.

To mitigate the environmental impact of the Combined Agenda 2063 scenario, its implementation should be accompanied by concrete steps to accelerate the green energy transition.

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Dr Kouassi Yeboua previously worked as a Senior Researcher at AFI, where he led significant ISS studies on the long-term development prospects of the Democratic Republic of Congo, the Horn of Africa, Nigeria, Malawi, and Mozambique. His research focuses on development economics, macroeconomics, gender, and economic modeling. He holds a PhD in Economics.

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