

Ministry of Trade, Industry and Tourism

ANNUAL STATISTICS REPORT 2020

10th January 2021

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1. Introduction

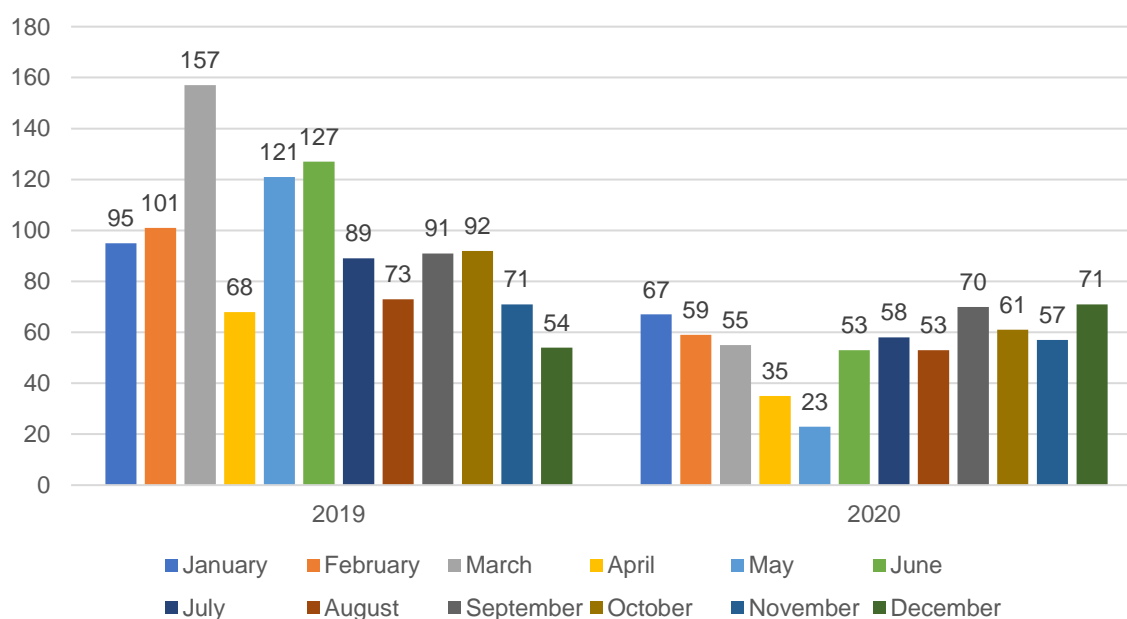
This report summarises the evolution of (i) business registrations, (ii) business licenses, and (iii) tourist visits in Somaliland during the year of 2020. Detail is provided regarding each of these areas, such as the most common nationality of foreign tourists, or the distribution of business registration and licenses by business type. After providing detail on each of these areas, Section 3 briefly highlights the main tenets of the report.

2. Data analysis

2.1. Business Registrations

The total number of registered businesses in 2020 was 662. This is significantly lower than in 2019, when registrations totalled 1139. Business registrations at the beginning of the year were already lower than in 2019, the trend was yet exacerbated during the peak of the COVID-19 crisis, spanning from late March to May. In May registrations plummeted to 23 compared to 121 in April 2019. In June and July, once COVID-19 rules were relaxed in Somaliland, business registrations rebounded to then experience a steady trend throughout the second semester, which witnessed a significantly higher number of registrations than in the first semester. During the second half of the year, September and December experienced the largest number of business registrations, with 70 and 71. December 2020 was the only month of that year with a higher number of registrations than in the same month 2019 (Figure 1).

Figure 1. Business registrations by month (Jan - Dec 2019, 2020)



Most registered businesses were located in Hargeisa, accounting for as much as 90% of total registrations. This was followed by Berbera (4.8%), Burco (1.8%), Borama (1.7%), Gabiley (1.1%), and Laascaanod (0.8%). Laascaanod and Berbera were the only locations which showed a relatively irregular trend in business registrations, with a higher number of registrations in Q1 than in the subsequent quarters. All locations except for Berbera saw business registrations drop in Q2 (Table 1).

Table 1. Business registrations by location (Jan - Dec 2020)

Location	Q1	Q2	Q3	Q4	Total	Perc
Berbera	11	9	6	6	32	4.8%
Borama	4	1	3	3	11	1.7%
Burco	5	1	3	3	12	1.8%

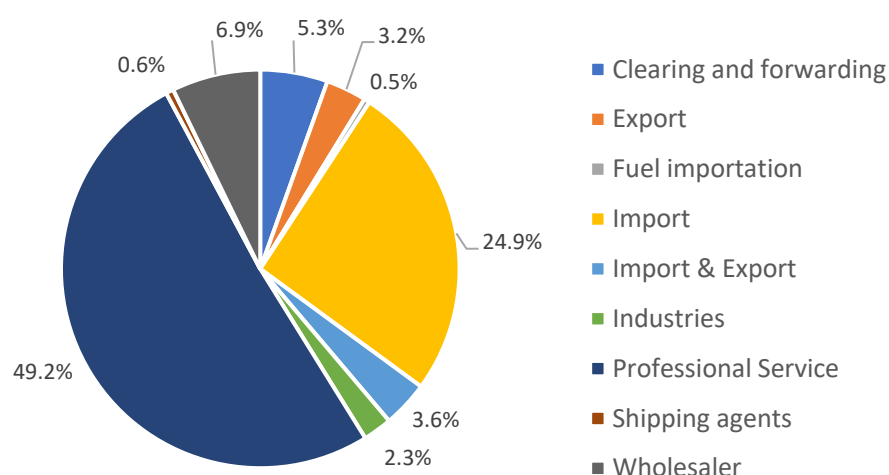
Gabiley	1	1	2	3	7	1.1%
Hargiesa	156	99	166	174	595	89.9%
Laascaanood	4	0	1	0	5	0.8%
Total	181	111	181	189	662	100%

With regard to registered business by type of activity, most businesses belonged to the area of either international trade or services. Trade activities, comprising export, import, export and import, clearing and forwarding, and shipping, accounted for approximately 40% of total registrations. Professional services represented the 51% of total businesses. The remaining share came from industrial firms (2.3%), wholesale (7.2%), and reconnaissance (0.2%) (Figure 2). It is worth noting that both import and export activities witnessed a relatively larger number of registrations in the second semester than in the first semester, including Q1. In contrast, wholesale firm registrations experienced an irregular trend, with high registrations in Q1 and Q3, and low registrations in Q2 and Q4. The remaining business registrations showed a relatively steady trend throughout the year, except for the general decrease in registrations in Q2 due to the COVID-19 crisis (Table 2).

Table 2. Business registrations by type of business (Jan - Dec 2020)

Type of Business	1Q	Q2	Q3	Q4	Total	Perc
Clearing and forwarding	12	6	7	10	35	5.5%
Export	1	2	8	10	21	3.3%
Fuel importation	2	0	0	1	3	0.5%
Import	47	27	33	58	165	25.8%
Import & Export	3	4	11	6	24	3.8%
Industries	4	2	4	5	15	2.3%
Professional Service	85	63	91	87	326	50.9%
Shipping agents	1	3	0	0	4	0.6%
Wholesaler	21	4	18	3	46	7.2%
Reconnaissance	1	0	0	0	1	0.2%
Total	177	111	172	180	640	100%

Figure 2. Business registrations by type of business (Jan - Dec 2020)



2.2. Business Licenses

Business licenses totalled 1400 in 2020, out of which 734 were new licenses and 666 renewed licenses. This is relatively lower than in 2019, when the number of new and renewed business licenses issued was 1587. Similar to business registrations, during the first months of 2020

issued licenses were already lower than in 2019. Again, this trend was severely exacerbated in the second quarter, when licenses dropped to 52, the lowest value in both 2019 and 2020. Despite this reduction, licensing activity recovered in June, so that in Q3 and Q4, the number of issued licenses was slightly higher than in 2019 (829 against 817)(Figure 3). Yet, there was a crucial difference between 2019 and 2020, namely the fact that new licenses accounted for a relatively lower share of total issued licenses in 2020 as compared to 2019. This is, while in 2019 64% of issued licenses were new licenses, in 2020 this number decreased to 52% (Table 3). Therefore, there was a lower number of companies starting their activity in 2020 in comparison to 2019. This is aligned with the trends on business registrations (Section 2.1).

Figure 3. New and renewed business licenses (Jan - Dec 2019, 2020)

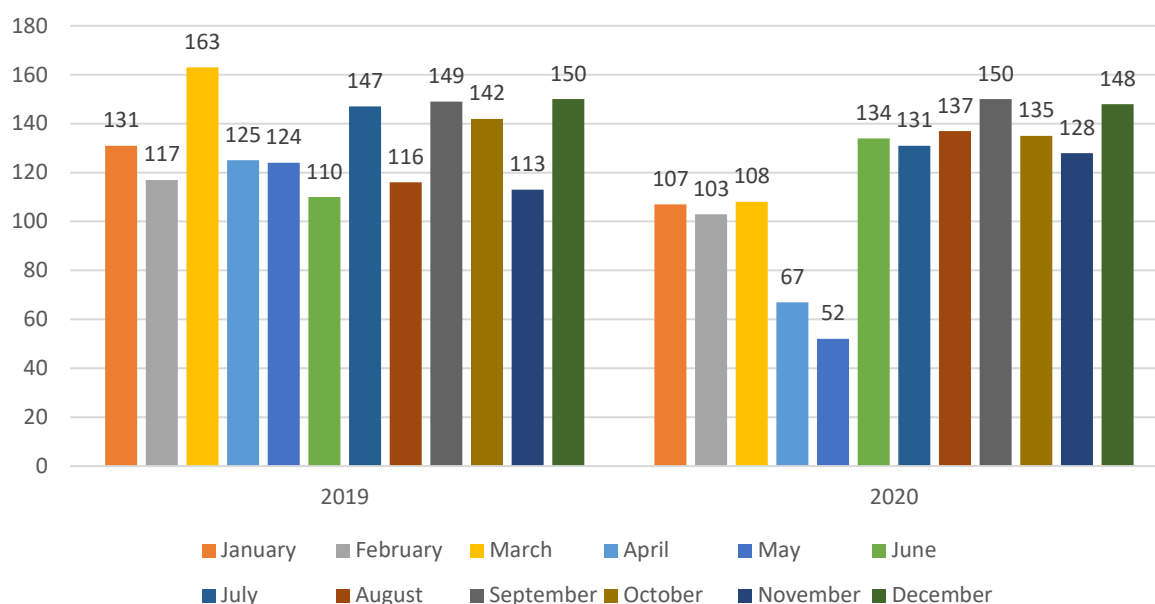


Table 3. Business registrations by month and by new or renewed (Jan - Dec 2020)

Month	New	Renew	Total	Perc
January	82	24	106	7.6%
February	70	33	103	7.4%
March	65	43	108	7.7%
April	38	29	67	4.8%
May	21	31	52	3.7%
June	54	80	134	9.6%
July	57	74	131	9.4%
August	59	78	137	9.8%
September	72	78	150	10.7%
October	66	69	135	9.6%
November	66	62	128	9.1%
December	83	65	148	10.6%
Total	733	666	1399	100%

* 2 missing

Regarding business licenses by location, Hargeisa was the most preferred location of licensed businesses, accounting for 85% of total issued licenses and followed by Berbera (8.5%), Borama (2.6%), Burco (1.9%), Laascaanod/Sool (1.1%), and Wajaale and Gabilay, with 0.6% each. Except for Wajaale, Q2 was the quarter that registered the lowest number of issued licenses for all locations. Apart from Q2, most locations showed a relatively steady trend throughout the remaining parts of the year, except for Hargeisa, Berbera, Laascaanod/Sool. The latter two registered a significantly higher number of issued licenses in the first quarter

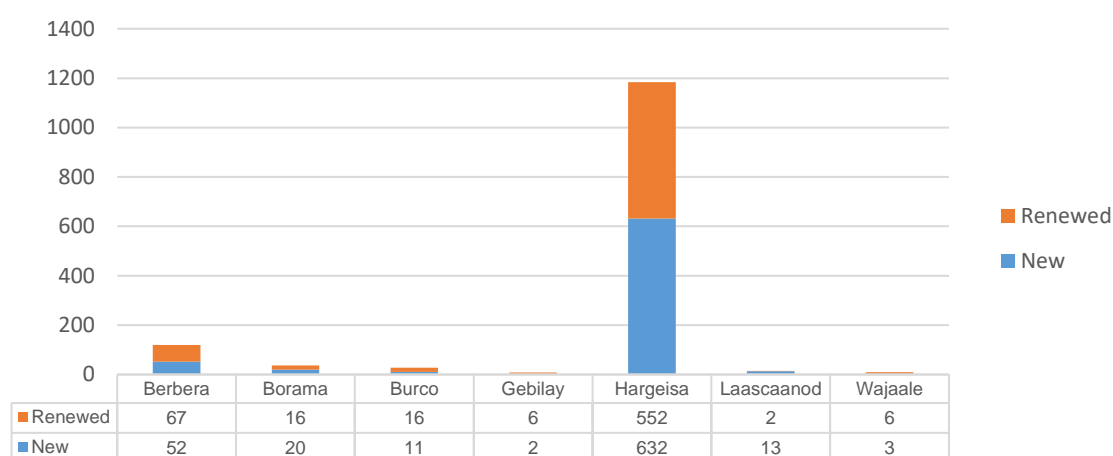
than in subsequent quarters. On the contrary, Hargeisa experienced a much higher number of issued licenses in quarters 3 and 4 as compared to quarter 1.

Table 4. Business licenses by location (Jan - Dec 2020)

City	Q1	Q2	Q3	Q4	Total	Perc
Berbera	44	26	25	24	119	8.5%
Borama	9	6	10	11	36	2.6%
Burco	8	8	6	5	27	1.9%
Gebilay	2	1	3	2	8	0.6%
Hargeisa	240	206	371	366	1183	84.7%
Laascaanod/Sool	12	0	2	1	15	1.1%
Wajaale	0	6	1	2	9	0.6%
Total	315	253	418	411	1397	100%

**there are 2 missing for 1 we know city we don't know month, other one we don't know if new or renew

Figure 4. Business licenses by location (Jan - Dec 2020)



Looking at business licenses by type of activity, general trading and services accounted for the largest share with 44% and 37% each. The remaining 19% of business types were trade related activities such as clearance and forwarding, shipping, fuel importation, and wholesale, accounting for 5.1%, 2.1%, 0.7%, and 6.7% each, and industrial activities, which represented the 4.6% over total. With regard to the fluctuation of business licenses throughout the year, except for Q2, licenses by business type showed a relatively steady trend (Table 5). Only general trading and wholesale activities experienced a more irregular trend. The former experienced a much larger number of licenses issued in the second semester as compared to the first semester. Regarding wholesale activities, licenses dropped from Q1 to Q2, to then increase in Q3 and drop one last time in Q4.

Table 5. Business licenses by type of business and quarter (Jan - Dec 2020)

Type of Business	Q1	Q2	Q3	Q4	Total	Perc
Clearance	18	15	17	21	71	5.1%
General trading	105	111	198	201	615	44.0%
Fuel importation	4	2	1	3	10	0.7%
Industry	13	18	21	13	65	4.6%
Services	134	83	144	152	513	36.7%
Shipping	9	8	8	5	30	2.1%
Wholesale	34	15	29	16	94	6.7%
Grand Total	317	252	418	411	1398	100%

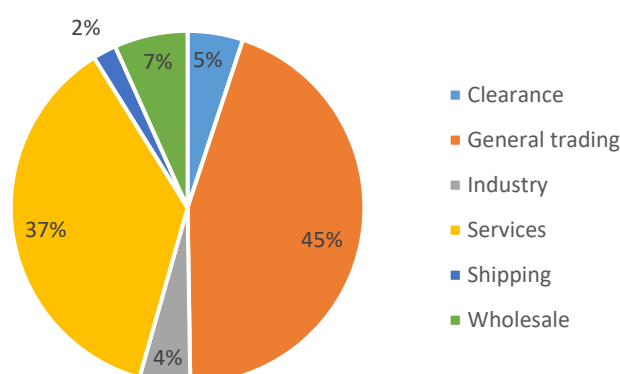
Table 6 shows the evolution of new business licenses business type and month. While general trading and service licenses still accounted for the largest share of total licenses, in the case

of new licenses service activities increased their share over total new licenses to almost 50%, while general trading's share decreased to 32%. Regarding the monthly trend, it is worth noting that 20% of new wholesale licenses were issued in one month, namely January. Also, while the number of new licenses issued in Q3 and Q4 recovered from the drop experienced in Q2, it was still similar to the new issued licenses during Q1, only higher for general trading activities, for which all three October, November, and December, witnessed higher numbers than any other of the first six months of the year.

Table 6. New business licenses by business type and month (Jan - Dec 2020)

Type of Business	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Clearance	3	1	5	2	1	3	1	3	4	6	2	4	35
General trading	22	19	20	7	6	19	21	18	20	26	26	30	234
Fuel importation	1	2	1	0	1	1	1	0	0	0	2	1	10
Industry	1	0	3	4	2	0	3	0	2	1	2	3	21
Services	36	43	29	22	10	25	27	29	37	33	31	43	365
Shipping	0	1	1	0	0	3	0	0	0	0	0	0	5
Wholesale	19	4	6	2	1	3	4	9	9	0	3	2	62
Grand Total	82	70	65	37	21	54	57	59	72	66	66	83	732

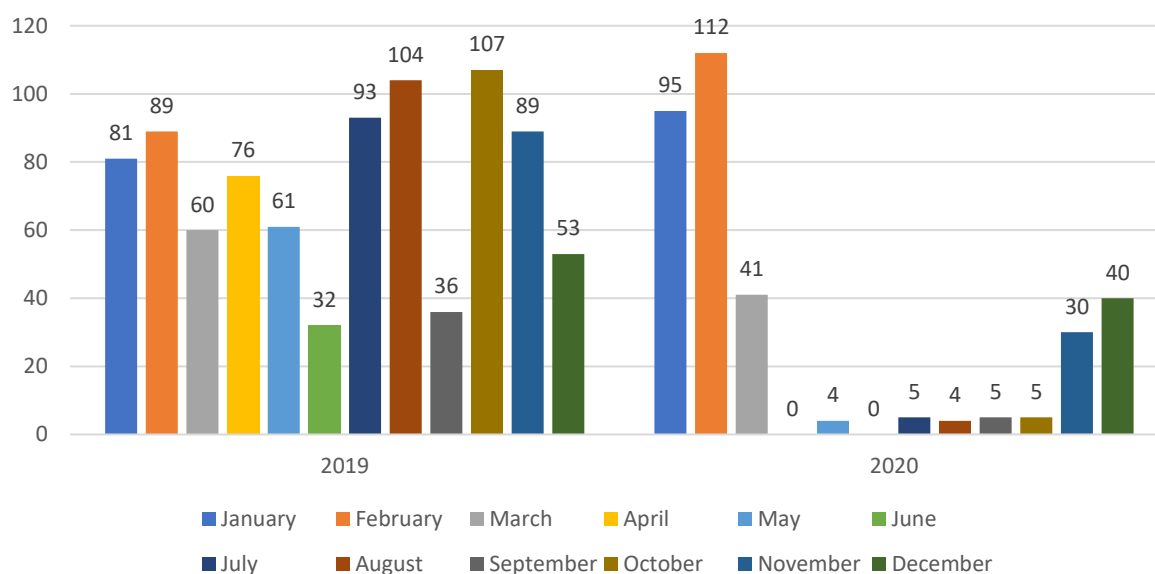
Figure 5. Business licenses by type of business (Jan - Dec 2020)



2.3. Tourism

The number of tourists in 2020 was 342. This number was far lower than in 2019, when the number of tourists totalled 881. At the beginning of the year, there were more tourists visiting Somaliland sites than in 2019, but with the start of the COVID-19 crisis numbers dropped to between zero and five from April to October. This is mainly due to international travel restrictions around the world, amongst other hurdles posed by the pandemic locally and internationally. November and December experienced a relatively rebound in the number of tourists, with 30 and 40 each, which was still lower than in the same months of 2019. Out of the 342 tourists, 82% visited Laas Geel and 18% visited other sites in Somaliland.

Figure 6. Tourists by month (Jan - Dec 2019, 2020)



The total number of foreign tourists 207, 61% of total. Out of these tourists, 90% came from the Americas or Europe. The remaining 10% was distributed as follows: Asia (6%), Africa (3%), Middle East (1%), Oceania (1%). Looking at the number of tourists by country of origin, 9 out of the top 10 countries of origin are from either North America or Europe. The top 3 countries of origin were the US, the UK and Finland.

Figure 7. Foreign tourists by region (Jan - Dec 2020)

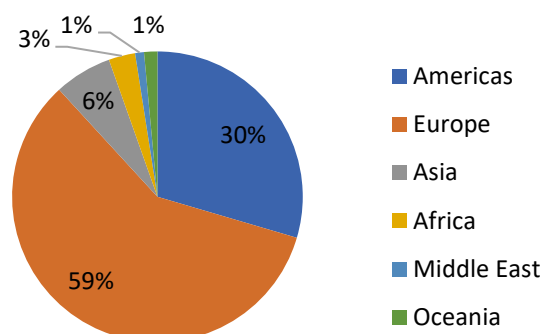
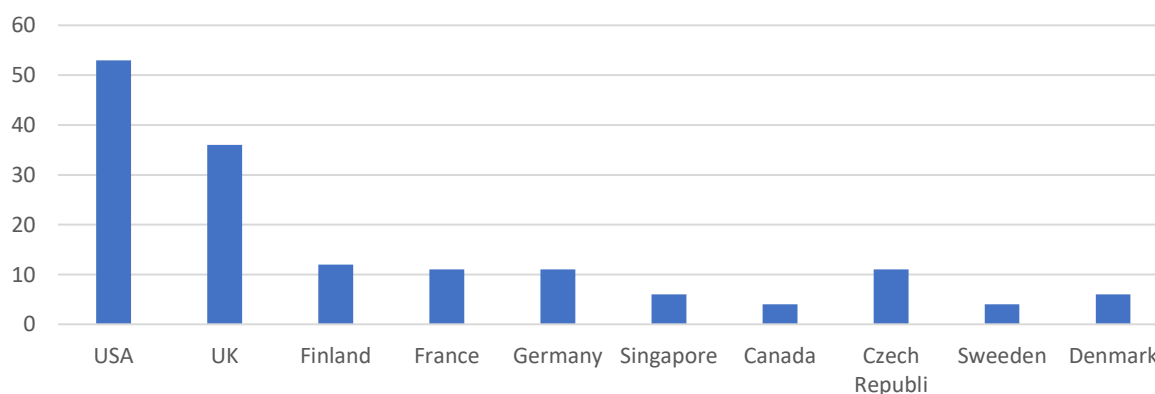


Figure 8. Foreign tourists by country of origin, top 10 countries (Jan - Dec 2020)



3. Summary

This report has summarised the data collected by the MoTIT during 2020 on the following areas: business registrations, business licenses, and tourist visits.

Business registrations totalled 662, almost half of those recorded in 2019. May was the month with the lower number of registrations with 23 only. In the second semester, registrations recovered to reach a year-high in December, with a total of 71 businesses registered at the MoTIT. As usual, Hargeisa accounted for the largest share of total businesses location with 90%, and trading and services were the most important activities carried out by registered businesses, adding up to 91% of total registered businesses.

Business licenses issued totalled 1400, 734 new licenses and 666 renewed licenses. This is slightly lower than in 2019, when the MoTIT issued 1587 business licenses. There was a key difference between 2019 and 2020, namely the fact that new licenses accounted for a larger share of total licenses in 2019 with 62%, as compared to 2020, with 52%. This is aligned with the lower number of registered businesses. Again, more than 80% of total businesses licensed were located in Hargeisa, and the main activities were trade (44% of total) and services (37%).

Finally, tourist numbers experienced a dramatic decline due to the pandemic. Albeit starting the year with values higher than in the first months of 2019, from April to October no month recorded more than 5 tourists, with some months (April, June) recording zero tourists. 82% of visitors went to Laas Geel, and 61% of tourists were foreigners. Out of foreign tourists, 90% came from the Americas and Europe.

2020 was a year marked by the COVID-19 pandemic and its social and economic impacts. The trends of business licenses, registrations, and tourism were not alien to these shocks and saw their trends worsen. The impact on business registrations and licenses was concentrated between late March and June/July, while tourist numbers did not increase until November, and by December 2020 the sector had still not recovered its pre-crisis trend.