

REPUBLIC OF SOMALILAND

MINISTRY OF TRADE, INDUSTRY AND TOURISM

SEMI-ANNUAL STATISTICS REPORT

January – June 2021

7th JULY 2021

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1. Introduction

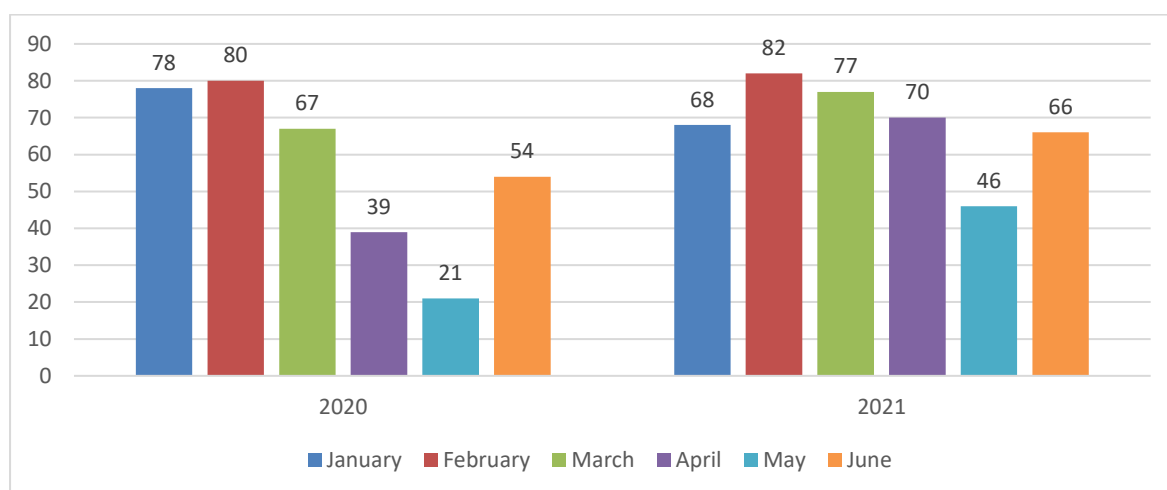
This report depicts and shows the changing patterns of (i) business registrations, (ii) business licenses, (iii) tourist visits (iv) fuel importations and (v) tax exemptions provided to local industries in Somaliland during the first six months of 2021. Illustration is provided on each of these areas in Section 2, such as the number of business registration and licenses by category or locations and tourist visits to Somaliland during this period. Section 3 briefly highlights the summary and main areas of the report.

2. Data analysis

2.1. Business Registrations

The total number of registered businesses in the first 6 months of 2021 were 409. This is significantly higher than the first 6 months of 2020, as the total registrations made were 339. The business registrations have returned to normal in 2021 as result of COVID-19 rules were relaxed in Somaliland. Consequently, registrations during the first half of the year were significantly higher than in the first semester or six months of 2020. In particular, February and March experienced the highest number of business registrations, with 82 and 77 respectively. The below figure explains the patterns of the business registrations for this period (Figure 1)

Figure 1. Business registrations by month (Jan – June 2020, 2021)



Hargeisa is the highest location for the number of business registrations made in the first half year of 2021, accounting for as much as 93% of total business registrations. This was followed by Berbera (3%), Burco (1%), Borama (1%), Laascaanood (1%), and Gabiley (0.24%). All locations have faced drop down in terms of business registrations except Hargeisa which has faced significant increase in business registrations in the first half of the year of 2021 when compared to the same period in 2020 (Table 1).

Table 1. Business registrations by location (Jan - June 2020, 2021)

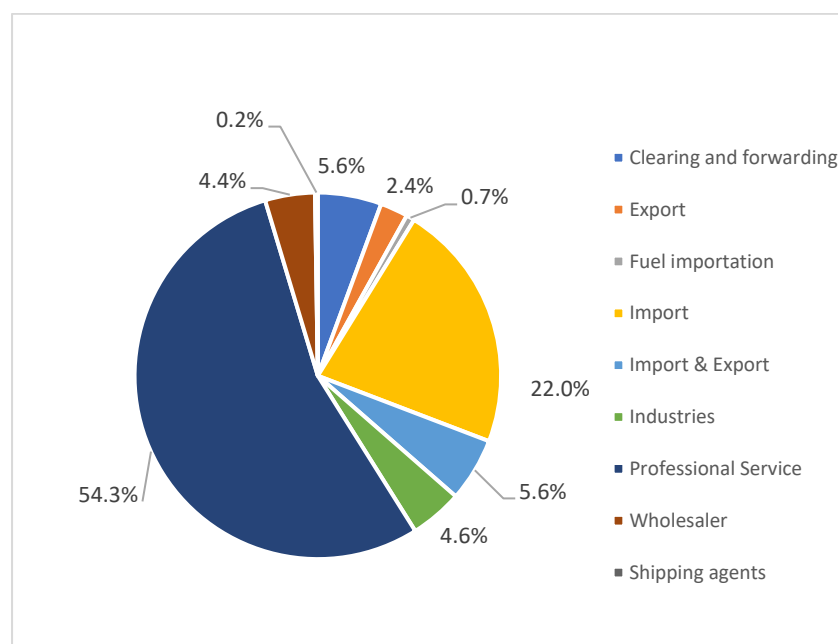
City	2020	2021	Percentage
Hargeisa	297	382	93%
Berbera	22	11	3%
Barco	7	6	1%
Borama	6	6	1%
Laascaanood	5	3	1%
Gabiley	2	1	0.24%
Total	339	409	100%

The table below (Table 2) shows the number of business registrations by type of activity, most businesses belonged to the professional services accounting for 54.3%. The Professional services firms exist in many different sub categories. They include business consultants, advertising professionals, architects, accountants, financial advisers, engineers, other consultants, among others. Basically, they can be any organization or profession that offers customized, knowledge-based services to clients. Next to this segment of business registration is import type of business registrations accounting for 22%. These types of importing businesses mean that they import several goods into the country as such food stuff, building materials, household materials, among others. Locally imported goods have grown dramatically over the period. This growth is in conjunction with failures in domestic production which led to an increase of the share of imports in domestic consumption. The remaining share corresponded to clearing forwarding (5.6%), general trade namely imports and exports (5.6%), Industries (4.6%), Wholesalers (4.4%), Export (2.4%), fuel importation (0.7%), and Shipping agencies (0.2%).

Table 2. Business registrations by type of business (Jan - June 2021)

B. Object	Registrations	Percentage
Professional Service	222	54.3%
Import	90	22.0%
Clearing forwarding	23	5.6%
Import and Export	23	5.6%
Industries	19	4.6%
Wholesaler	18	4.4%
Export	10	2.4%
Fuel Importation	3	0.7%
Shipping agents	1	0.2%
Total	409	100%

Figure 2. Business registrations by type of business (Jan - June 2021)

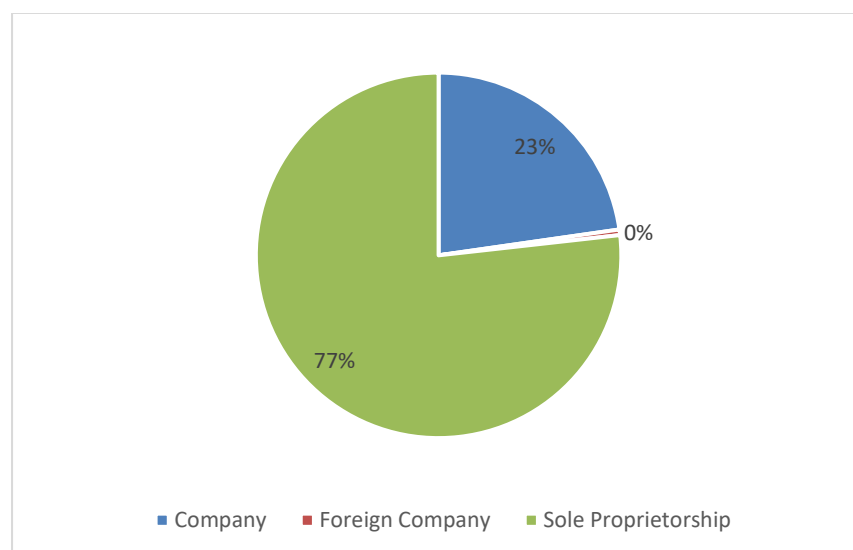


Most of the business registrations made in the first 6 months of the year 2021 were founded in the form of a single-member company (314 out of 409) which means that these types of companies are owned by only individuals who are alone. This one shareholder will hold all of the shares of the company in his/her name. Next to these types of companies are companies founded by more than one person and are Somaliland nationals, accounting for 93 out of 409. Foreign companies are only 2 companies, a very low number.

Table3: Business registration by ownership Jan-June 2021

Type of Ownership	Registered businesses
Company (with more than 1 person)	93
Foreign Company	2
Single member company	314
Grand Total	409

Figure 3. Business registrations by ownership (Jan – June 2021)



2.2. Business Licenses

Business licenses in the first 6 months (Jan-June 2021) added up to 717, out of which 413 were new licenses and 304 renewed licenses. This is relatively higher than in 2020, when the number of new and renewed business licenses was 571. The number of business licenses have been steadily increasing from January to April 2021, but dropped in May 2021 (83 only), although it is higher than May (52) in 2020. Again, the number of business licenses increased in June 2021 as it stood at 132. March and April 2021 were the highest two months when it comes to the issuance of business licenses, while both of them have been issued with the same number of Business licenses (144 simultaneously).

Figure 4. New and renewed business licenses (Jan - June 2019, 2020)

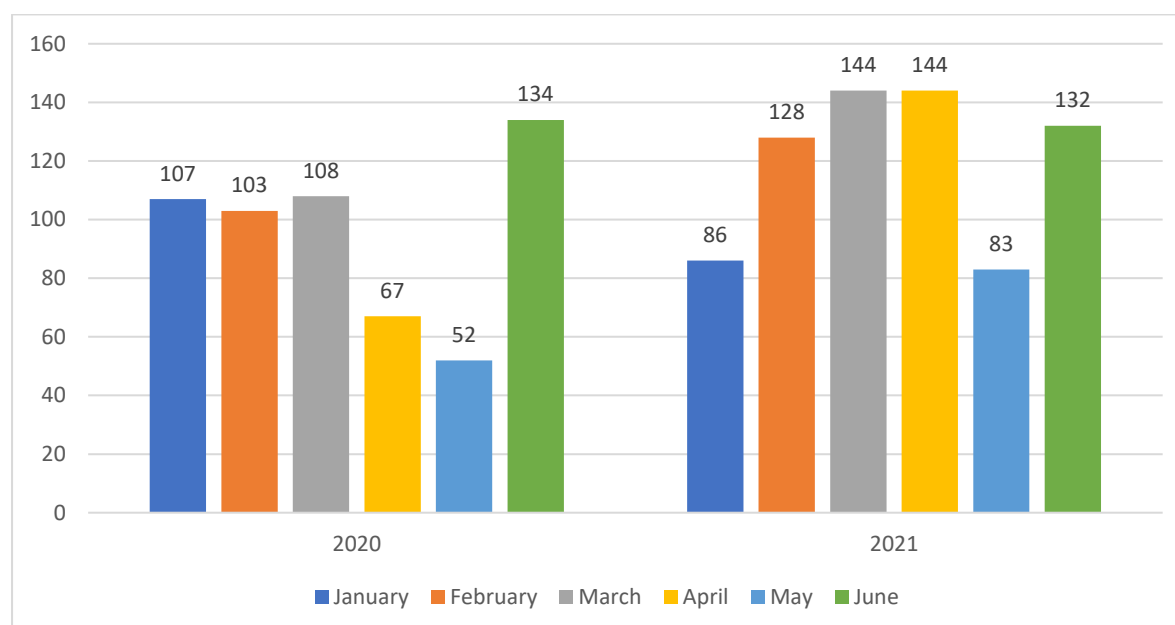


Table 3. Business licenses by month and by new or renewed (Jan - June 2021)

Month	New	Renew	Total	Perc
January	58	28	86	12%
February	82	46	128	18%
March	84	60	144	20%
April	80	64	144	20%
May	46	37	83	12%
June	63	69	132	18%
Total	413	304	717	100%

Figure 4 below shows the comparison between registered businesses and the issuance of new business licenses by month during the first 6 months of the year 2021. Generally speaking, the line graph shows a high correlation between the two trends. In this respect, it is worth noting that new business licenses are slightly higher than business registrations. Monthly disparities indicate that not all businessmen process their business license in the same month in which they register their firm. For example, some businessmen usually registered their business the year before while they take the business license the year after.

Figure 5. Comparison between registered businesses and new license issuances (Jan – June 2021)

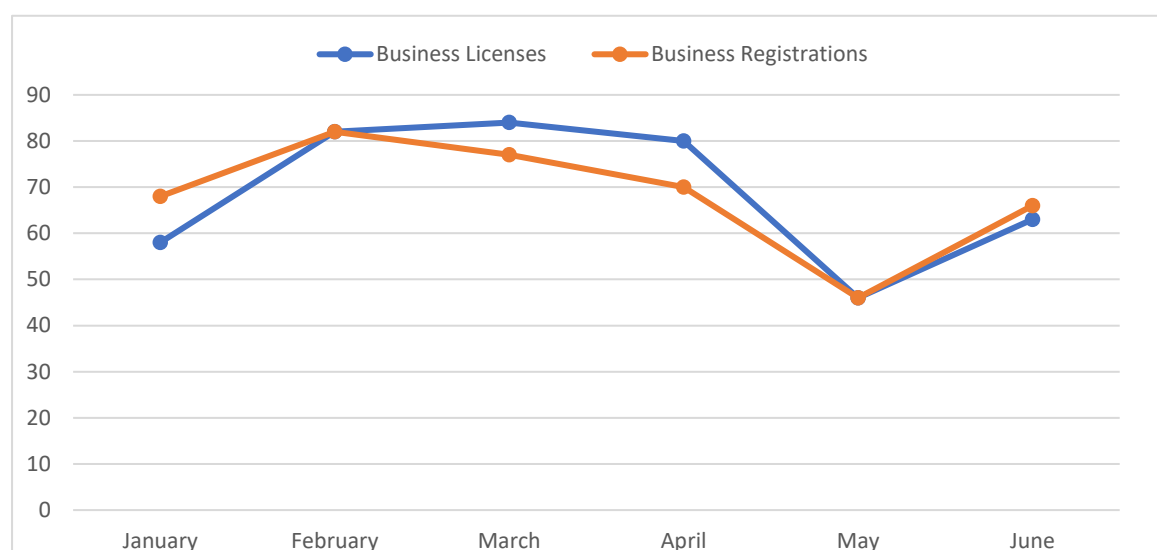


Table 4. Comparison between registered businesses and new license issuances (Jan – June 2021)

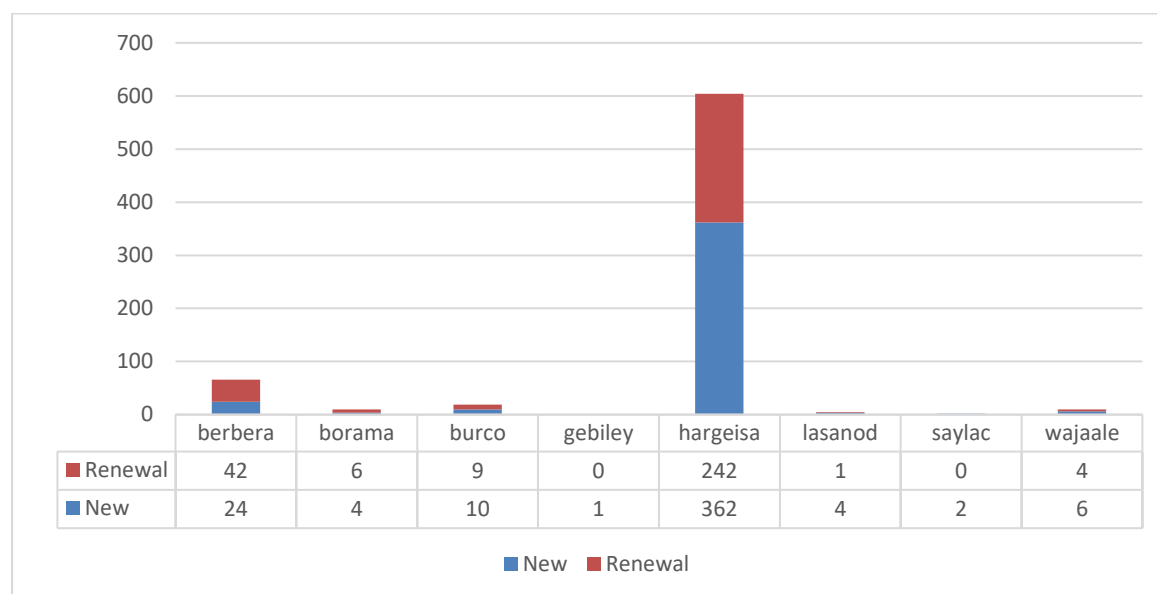
Months	Business Licenses	Business Registrations
January	58	68
February	82	82
March	84	77
April	80	70
May	46	46
June	63	66
Total	413	409

Regarding business licenses by location, Hargeisa was the most preferred location of licensed businesses, accounting for 604 of total issued licenses and followed by Berbera (66), Burco(19), Borama and Wajale have both been issued with the same number (10). The least business licenses have been issued at Saylac (2). Table 4 portrays the data of business licenses issued in the first half year of 2021.

Table 4. Business licenses by location (Jan - June 2021)

City	2020	2021
Hargeisa	447	604
Berbera	70	66
Burco	16	19
Borama	15	10
Wajaale	6	10
Lasanod	12	5
Saylac	0	2
Gebiley	3	1
Blank	2	0
Total	571	717

Figure 6. Business licenses by location, new and renewal (Jan – June 2021)



With regard to business licenses by type of activity, general trading and services accounted for the largest share with 40% and 39% each respectively. The remaining 21% of business types were industries and trade-related activities such as clearance & forwarding, wholesale, shipping and fuel importation, accounting for 7%, 6%, 1%, and 0.3%, respectively, and industrial activities, which represented 6% of total. General trading includes licenses of imports and exports of several goods as such food stuff, building materials, household materials, livestock, minerals among others.

Table 5. Business licenses by type of business (Jan – June 2021)

sector	2021	Percentage
General trading	288	40%
Services	283	39%
Clearance	49	7%
Industry	45	6%
Wholesale	40	6%
Shipping	10	1%
Fuel importation	2	0.3%
Total	717	100%

Figure 5. Business licenses by type of business (Jan - June 2021)

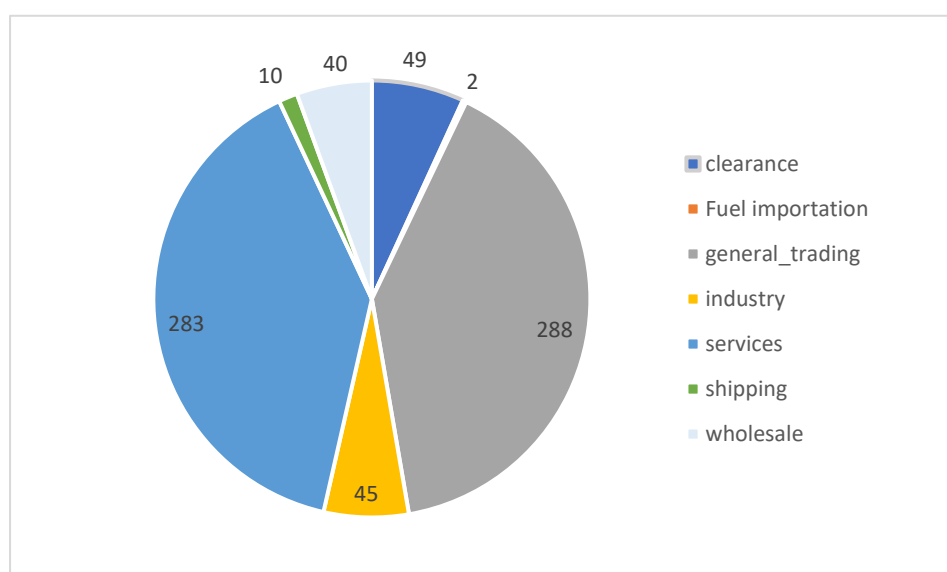


Table 6 shows the evolution of new and renewed business licenses by business type and month. The general trading and professional services are both highest when it comes to the new licenses issued in the first six months of 2021. The general trade (import and export) stands at 288 while the services category stands at 283. Fuel importation is the least type of license issued in this period as only two new licenses issued.

Table 6. New business licenses by business type and month (Jan - June 2021)

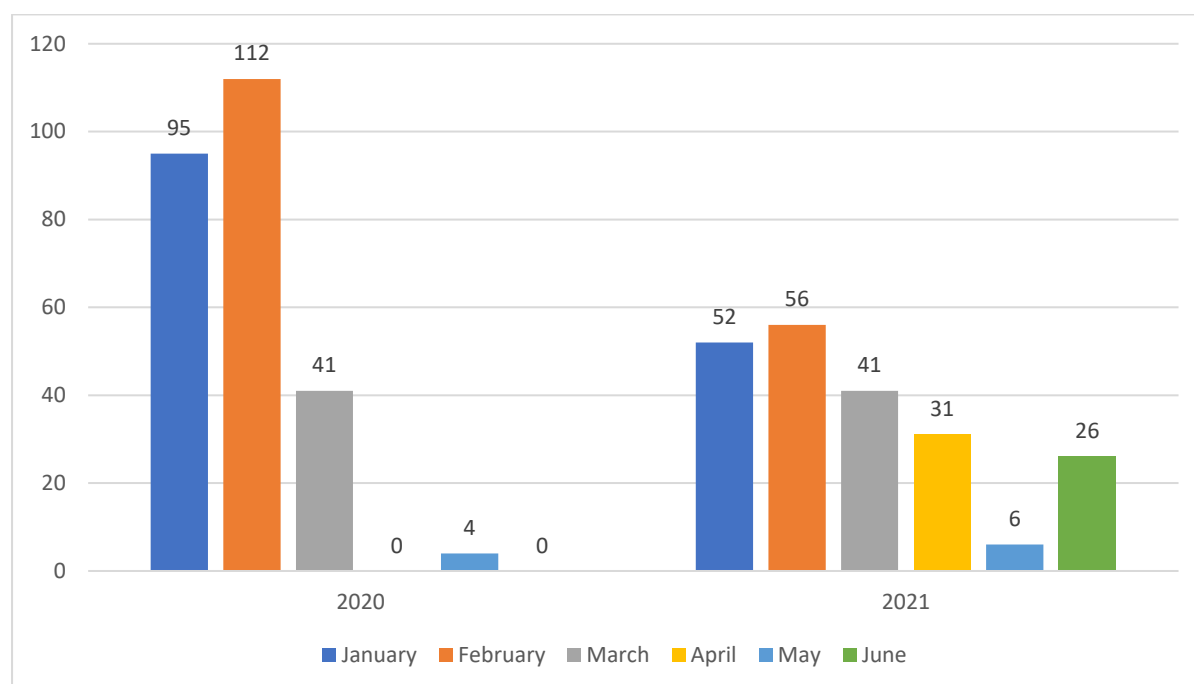
Business category	January	February	March	April	May	June	Total
G. Trade	34	42	57	57	33	65	288
Services	32	61	57	53	38	42	283
Clearance	7	4	13	16	3	6	49
Industry	6	8	4	9	5	13	45
Wholesale	5	9	10	9	2	5	40
Shipping	2	2	3	0	2	1	10
Fimportation	0	2	0	0	0	0	2
Grand Total	86	128	144	144	83	132	717

2.3. Tourism

The total number of tourists in the first half of the year 2021 was 212. This number is slightly lower than in 2020, as the number of tourists recorded were 252. At the beginning of the year 2021, there were more tourists visiting Somaliland's sites. However, the numbers plunged to a lower scale in the later months as it recorded only 6 tourists in May 2021 and 26 tourists in June 2021. This is mainly due to the measures taken as a response to the COVID-19 pandemic, most importantly international travel restrictions.

Tourism is one of the sectors most affected by the Covid-19 pandemic, impacting economies, livelihoods, public services and opportunities. All parts of its vast value-chain have been affected. However, as countries gradually lift travel restrictions and tourism slowly restarts, in the next few months there will be an increase in the number of foreign tourists visit the country. Figure7 illustrates the comparative analysis of the tourists to Somaliland in the first half of the years 2020 and 2021.

Figure 7. Tourists by month (Jan - June 2020, 2021)



The number of foreign tourists was 150, 71% of the total in the first half of the year 2021. Whereas the local tourists account for 62, 29%. Between 2020 and 2021, the number of foreign tourists has increased from 68% to 71% whereas local tourists have decreased from 32% to 29%.

Table 7. Tourists by origin (Jan - June 2020, 2021)

Origin	2020	2021	2020	2021
Foreigner	172	150	68%	71%
Local	80	62	32%	29%
Total	252	212	100%	100%

Figure 8. Foreign tourists by region (Jan - June 2021)

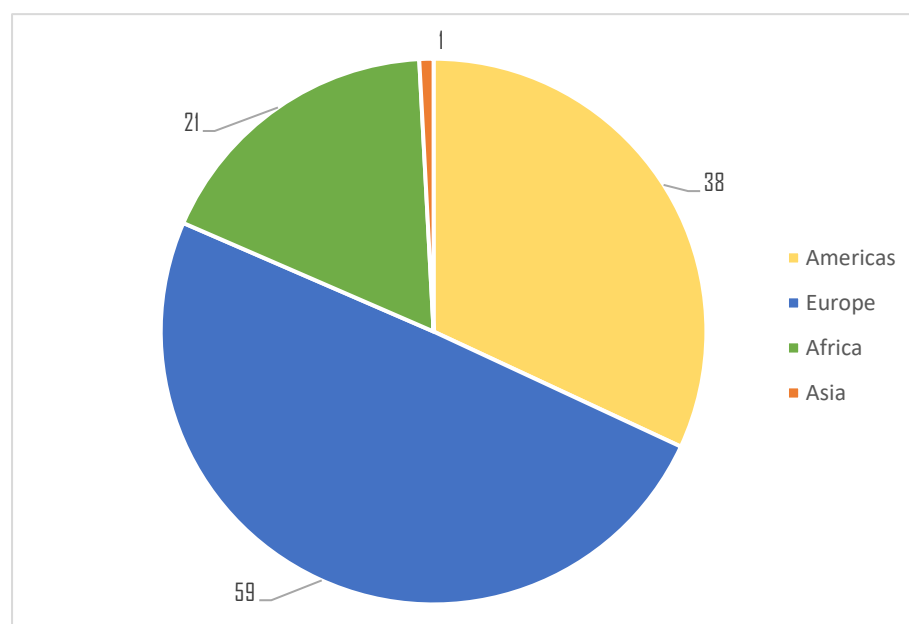
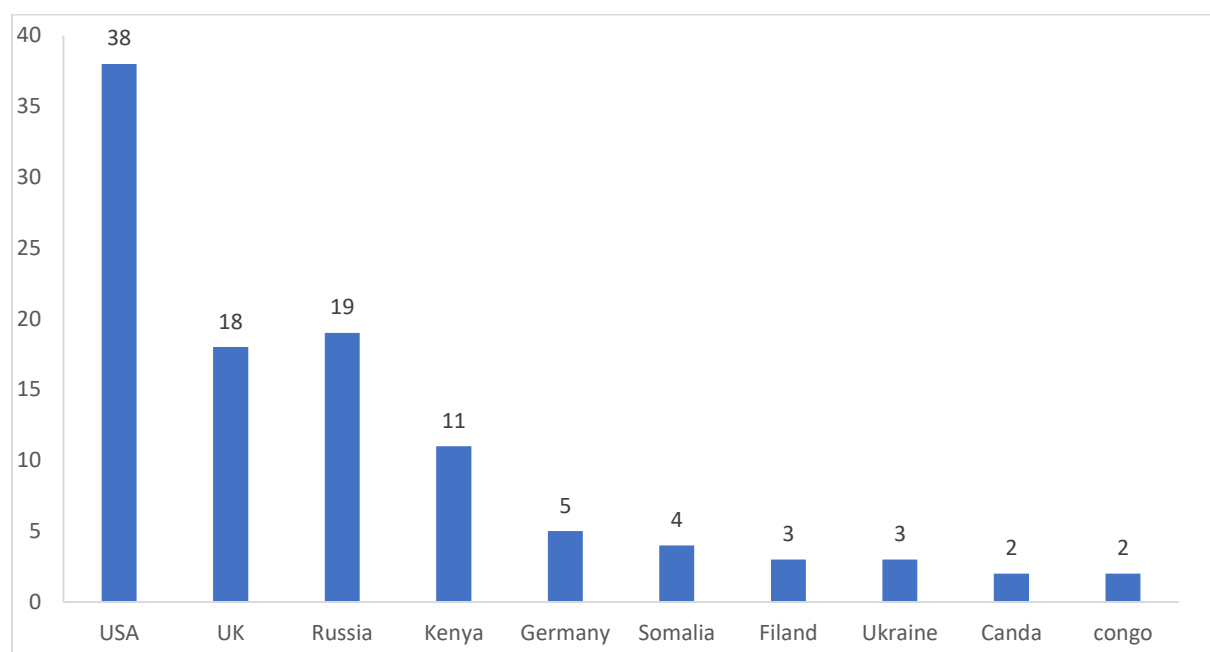


Figure 9. Foreign tourists by country of region, top 10 countries (Jan – June 2021)



2.4. Industries Tax exemptions

Figure 10. Local factories received tax exemption, (Jan – June 2021)

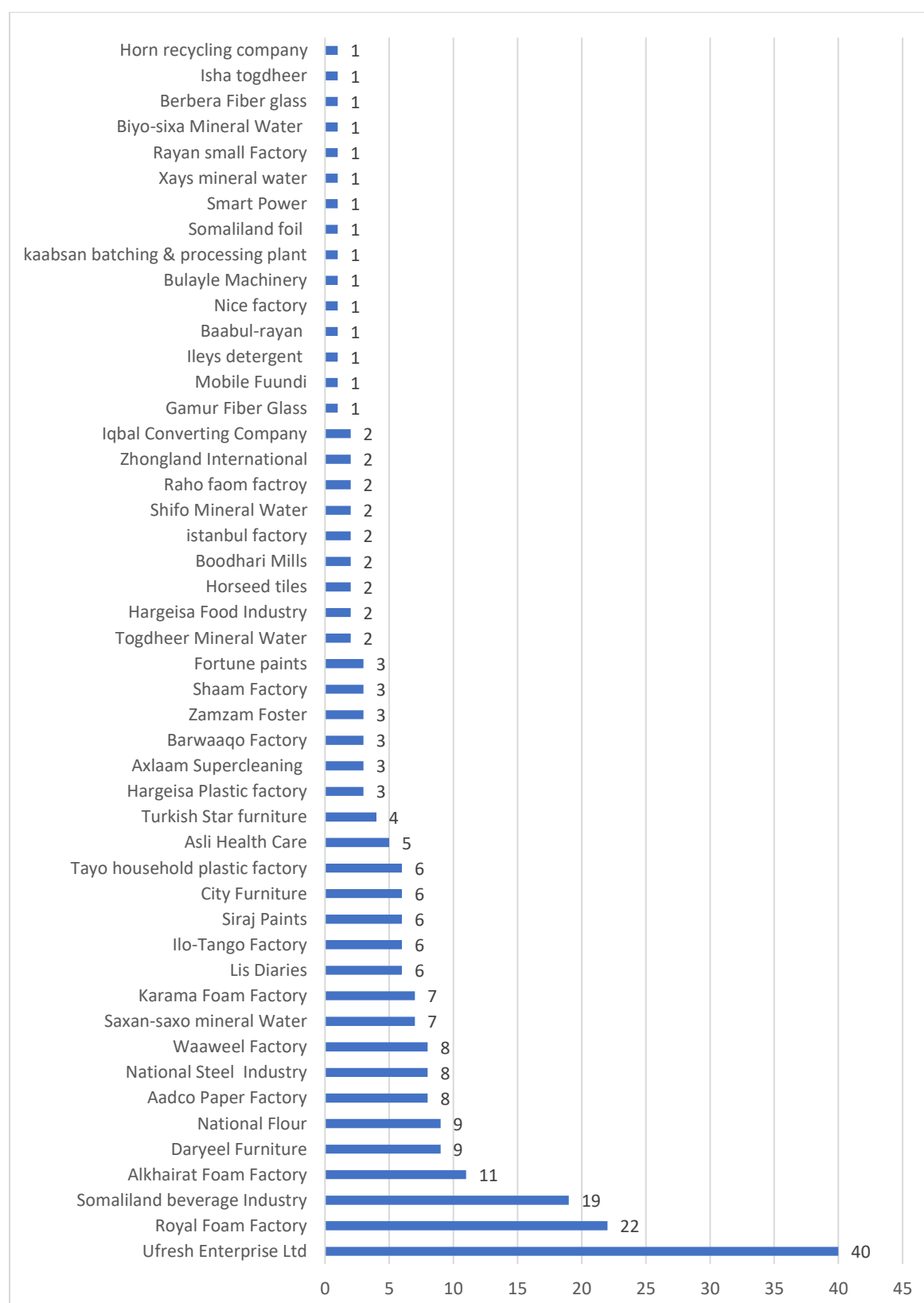


Figure 10 above shows the number of local industries which have received raw material importation tax exemptions. In the last six months (January-June 2021), a total of 49 local industries have applied tax exemptions for their raw materials where all have been given with the tax exemptions as requested. Ufresh Enterprise which is a beverage producing factory is the most frequent factory that has received tax exemptions for the past 6 months. It has received 40 times, while the next highest factories received tax exemptions are Royal Foam Factory (22), SBI (19) and Alkhairat Foam factory (11).

3. Summary

This report illustrates the data collected by the MoTIT during the first six months of 2021 on the following areas: business registrations, business licenses, and tourist visits.

Business registrations totalled 409 in the first semester of the 2021. This is significantly higher than in the first 6 months of 2020, as the total registrations made were 339. May was the month with the lowest number of registrations with 46. In the first 6 months of 2021, business registrations recovered from the pandemic which has negatively impacted in the year 2020. As usual, Hargeisa accounted for the largest share of businesses' location with 93% of total, and trading and services were the most important activities carried out by registered businesses, adding up to approximately 93% of total.

Business licenses in the first 6 months (Jan-June 2021) reached up to 717, out of which 413 were new licenses and 304 renewed licenses. This is relatively higher than in 2020, when the number of new and renewed business licenses was 571. The number of business licenses have experienced an increase from January to April 2021, but plummeted in May 2021 (83 only), although that is still higher than in May 2020 (52). Again, the number of business licenses increased in June 2021 and it stood at 132. March and April 2021 were the highest two months when it comes to the issuance of business licenses, while both of them have been issued with the same number of business licenses (144 simultaneously).

On the other hand, the Ministry has provided 49 local industries with tax exemptions for many times, as include some industries given 40 times with tax exemptions (i.e. Ufresh Enterprise Ltd).

Lastly, tourist numbers dramatically declined. This is due to the crisis caused by the COVID-19 epidemic. Albeit the year started with lower values than in the first months of 2020, from January to April the number of visitors to the country has been steadily increasing. This is the result of relaxation measures of the pandemic. As countries have relaxed measures of COVID-19 due to the medications and vaccinations discovered. The number of foreign tourists in this period was 150, 71% of the total. Whereas the local tourists accounted for 62, 29%. Between 2020 and 2021, foreign tourists have increased from 68% to 71% whereas the local tourists have decreased from 32% to 29%.