

Nutrition and Health - 2018

Recently released 2018 National Nutrition and Health Survey (NNHS) reveals that only 64 percent of children in Nigeria are growing healthily and are not stunted or frail¹. The survey stated that the prevalence of stunting is 32 percent and has remained above 30 percent since 2014. Several states have been worse hit with states in the north-west and north-east recording prevalence above 40 percent- the WHO critical levels. Also, the water and sanitation indicators are sub-optimal with only 57 percent and 47 percent of households reported to have access to a clean source of water supply and improved sanitation facility respectively. The appalling nutrition and health outcomes are closely connected to several challenges including conflict and food deficit particularly in the Northern region. Considering the growth in population, these outcomes may worsen if allocation to the sector is not improved. Improving food security by deploying low cost and efficient technology should improve nutrition levels in children.



Crude Oil Price - 2018 H2

The Brent crude suffered a major price setback in November as data reveals a remarkable 31 percent month-on-month decline. At \$59.4 per barrel², oil price plummeted from more than \$86 per barrel sold in October³ – the lowest price in one year. Rising U.S. oil supply has fueled persistent concerns about a global surplus, and fears that economic headwinds could lessen demand has drawn down prices⁴. The fall in price however, is capable of sending jitters across oil producing countries, including Nigeria – the falling price poses as a potential challenge to the 2018 budget implementation, a budget that is hinged on an oil price benchmark of \$51 per barrel. To reduce the exposure to oil price shocks, mobilizing domestic revenue through tax as well as harnessing relatively untapped sectors such as solid minerals should be focused on.



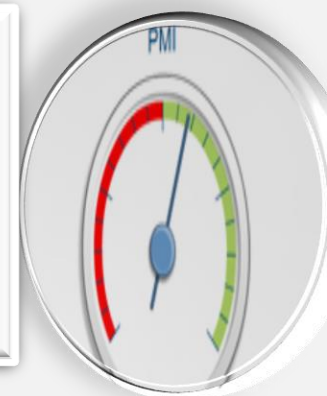
Monetary Policy - 2018 H2

The Monetary Policy Committee held the policy rate and other policy instruments constant for the 14th consecutive time, at its last meeting for the year 2018. The MPC voted to retain the MPR at 14 percent, CRR at 22.5 percent, Liquidity ratio at 30 percent and asymmetric corridor of +200/-500 basis points around the MPR⁵. The committee factored that the hold position is an expression of confidence in various policy regimes and administrative measures deployed by the apex bank that have spurred some level of improvements in major macroeconomic indicators. In essence, policies such as the special window created for investors and exporters will determine the tightening or loosening of the monetary policy rates.



Information and Communication Technology Sector - 2018

Foreign Direct Investment (FDI) into the Information and Communication sector increased by 25 percent in three years - from \$32 billion in 2015 to \$40 billion in 2018⁶. Improved performance in the sector, as reflected in the enhanced infrastructural capacity, subscription, broadband penetration and tele-density, may have triggered the boost in foreign investors' confidence. Nevertheless, the recent dispute between MTN and the Central Bank of Nigeria may have a negative impact on FDI inflows to the sector going forward. Regulation to the extent that it discourages investment should be avoided particularly in this period of unimpressive economic growth.



Compiled by the Information and Data Management (IDM) Unit, CSEA

ECONOMIC SNAPSHOT		
Quarterly Indicators	'18Q1	'18Q2
GDP Growth Rate (%)	1.95	1.5
Oil GDP (%)	14.77	-3.95
Non-oil GDP (%)	0.76	2.05
Unemployment Rate (%)	NA	NA
Foreign Direct Investment (US \$ Million)	246.62	261.4
Portfolio Investment (US \$Millions)	4,565.09	4,119.5
Other Investment (US \$Million)	1,491.93	1,132.8
External Debt (FGN & States- N'Billion)	6,746.27	6,750.91
Domestic Debt (FGN + States & FCT N'billion)	15,960.92	15,628.76
Manufacturing Capacity utilization (%)	NA	NA
Monthly Indicators	Sept'18	Oct'18
Headline Inflation (%)	11.28	11.26
Food Sub-Index (%)	13.31	13.28
Core Sub-Index (%)	9.8	9.9
External Reserves (End Period) (US\$ Million)	44,306.10	41,995.24
Official Rate Approx. (N/US\$)	305	305
BDC Rate Approx. (N/US\$)	362	362
Manufacturing PMI	56.2	56.8
Non-Manufacturing PMI	56.5	57.0
Crude Oil Price (US\$/Barrel)	NA	NA
Petrol (PMS-N/litre)	147.3	147.2
Diesel (AGO -N/Litre)	211.64	216.75
Kerosene (HHK -N/Litre)	297.28	307.23
MPR (%)	14	14
CRR (%)	22.5	22.5
91 Day T-Bill Rate (%)	11.00	10.94
Savings Deposit (%)	4.07	4.07
Prime Lending (%)	16.59	16.53
Maximum Lending (%)	30.77	30.67
Narrow Money (N'Billion)	10,681.49	11,130.26
Broad Money (N'Billion)	25,277.07	25,713.71
Net Domestic Credit (N'Billion)	25,971.82	26,633.16
Credit to the Government (N'Billion)	3,411.35	3,909.43
Credit to the Private Sector(N'Billion)	22,560.47	22,723.73
Currency in Circulation (N'Billion)	1,926.382	1,956.009
FAAC (N'Billion)	698.71	NA

*Revised GDP figures/tentative figures

NA: Not Available

¹National Bureau of Statistics (2018). “NATIONAL NUTRITION AND HEALTH SURVEY (NNHS) 2018”. Retrieved from, <https://nigerianstat.gov.ng/elibrary>

²The Guardian (2018). “Oil price plummets to low not seen since October 2017”. Accessed November 26, 2018. <https://www.theguardian.com/business/2018/nov/23/oil-price-falls-brent-crude-cost-barrel-oversupply-concerns>

³The Guardian (2018). “Oil prices rise as Saudi Arabia signals production cut”. Accessed November 26, 2018. <https://www.theguardian.com/business/2018/nov/12/oil-prices-saudi-arabia-production-opeckhalid-al-falih>

⁴The Guardian (2018). “Oil price plummets to low not seen since October 2017”. Accessed November 26, 2018. <https://www.theguardian.com/business/2018/nov/23/oil-price-falls-brent-crude-cost-barrel-oversupply-concerns>

⁵CBN (2018). “Central Bank of Nigeria Communiqueno.121 of The Monetary Policy Committee Meeting of Wednesday 21st And Thursday 22nd November, 2018”. Retrieved from, <https://www.cbn.gov.ng/Out/2018/MPD/Central%20Bank%20of%20Nigeria%20Communique%20No.%20121%20of%20the%20MPC%20Meeting%20Held%20on%20November%2021%20and%2022,%202018.pdf>

⁶Punch (2018). “ICT sector attracted \$8bn FDI in 3 years — Minister”. Accessed November 26, 2018. <https://punchng.com/ict-sector-attracted-8bn-fdi-in-3-years-minister/>