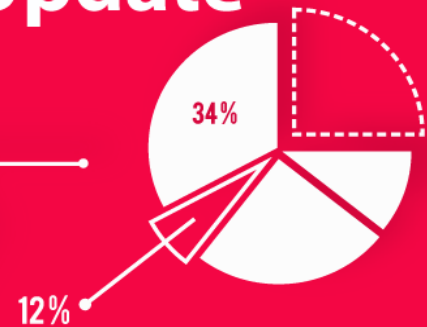




Nigeria Economic Update



Weekly
Digest



Rise in BVN Registration

Registration for Biometric Verification Number (BVN) by bank account owners within the country has surpassed the 40 million mark¹. This rise was recorded by the Nigeria Interbank Settlement Systems (NIBSS) at the end of December 2019. This indicates a consistent growth in BVN registrations from 2018 which within the corresponding month stood at 36.16 million². The CBN is focussed on improving enrolment and has rolled out a BVN lite program which would require minimal information and capture the financially excluded populace within rural communities³. This new policy would improve financial inclusion efforts and aid the NIBSS in achieving the 2020 target of 70 Million BVN registrations. As more Nigerians are captured in the BVN system, banks will be able to effectively assess the credit-worthiness of individuals and organizations and optimally provide credit. The government may consider harmonising the existing identification databases of Nigerians by merging the BVN with the driver's license, voters card, and national identity card. This will enable the government keep track of a wide range of metrics.

Rise in Gender Parity Ranking

The 2020 global gender gap report released by the World Economic Forum (WEF) shows that Nigeria ranks 128 out of 153 countries, indicating a 5-point increase from the 2018 ranking and consequently narrowing the gender gap. This rise towards gender parity was driven by improved economic participation and opportunities of females. Nigeria has so far closed 63.5% of its gender gap⁴ but still stands to improve its efforts in balancing education, health, political and income disparities. This is as the nation continues to underperform against contemporaries within the region like Ghana. Increase in the economic engagement of women has the potential to not only increase household income but also induce stronger economic growth. To further narrow the gender gap, backward religious, cultural and social norms that limit the participation of women in the economy, and hinder girls from accessing education should be eliminated.

Gains in Stock Market

Market indices at the Nigerian Stock Exchange (NSE) Market appreciated at the close of the trading week ended January 3, 2020. The rise saw the All-Share index and market capitalisation rise by 2.09% to close at 26,968.79 and N13.09 trillion respectively⁵. All indices appreciated except the NSE Alternative Securities Market (ASem) index which remained stable. Cornerstone Insurance Plc, Eterna Plc, Royal Exchange Plc, Vitafoam Nig. Plc where the top gainers. Performance across sectors was largely bearish and the strong market performance can be related to increased activities during the beginning of the year. Given the restriction of individuals and local firms to purchase some money market instruments, we expect that the demand for equities will continue to rise in the coming months.

ECONOMIC SNAPSHOT		
Quarterly Indicators	'19Q2	'19Q3
GDP Growth Rate (%)	2.1	2.3
Oil GDP (%)	5.15	6.49
Non-oil GDP (%)	1.64	1.85
Unemployment Rate (%)	NA	NA
Foreign Direct Investment (US \$ Million)	222.89	200.08
Portfolio Investment (US \$Millions)	4,292.89	2,999.50
Other Investment (US \$Million)	1,304.43	2,167.98
External Debt (FGN & States- N'Billion)	8,322	NA
Domestic Debt (FGN + States & FCT N'billion)	17,379	NA
Manufacturing Capacity utilization (%)	184.2	179.7
Headline Inflation (%)	11.61	11.85
Food Sub-Index (%)	14.09	15.34
Core Sub-Index (%)	8.88	9.67
External Reserves (End Period) (US\$ Million)	44,903.03	43,607.80
Official Rate Approx. (N/US\$)	305	307
BDC Rate Approx. (N/US\$)	362	362
Manufacturing PMI	58.2	59.3
Non-Manufacturing PMI	58.2	60.1
Crude Oil Price (US\$/Barrel)	NA	NA
Petrol (PMS-N/litre)	145.00	145.5
Diesel (AGO -N/Litre)	224.96	229.08
Kerosene (HHK -N/Litre)	324.72	NA
MPR (%)	13.5	13.5
CRR (%)	22.5	22.5
91 Day T-Bill Rate (%)	10.03	NA
Savings Deposit (%)	3.93	NA
Prime Lending (%)	15.07	NA
Maximum Lending (%)	30.56	NA
Narrow Money (N'Billion)	10,617.42	10,930.57
Broad Money (N'Billion)	35,450.01	36,478.12
Net Domestic Credit (N'Billion)	34,937.93	35,513.08
Credit to the Government (N'Billion)	9,089.56	9,100.34
Credit to the Private Sector(N'Billion)	25,848.37	26,412.74
Currency in Circulation (N'Billion)	2,055.94	2,203.27
FAAC (N'Billion)	693.52	NA

*Revised GDP figures/tentative figures

NA: Not Available

¹NIBSS (2020). “BVN COUNT”. retrieved from <https://nibss-plc.com.ng/bvn/>

²CBN (2019). “The National Financial Inclusion Strategy, 2018 report”. retrieved from <https://www.cbn.gov.ng/Out/2019/CCD/Annual%20Report%202018%20Financial%20Inclusion.pdf>

³Business Day (2019) “Update: CBN classifies BVN into lite and premium” .Retrieved from; <https://businessday.ng/breaking-news/article/update-cbn-classifies-bvn-into-lite-and-premium/>

⁴World Economic Forum (2020) Global Gender Gap Report 2020, retrieved from; http://www3.weforum.org/docs/WEF_GGGR_2020.pdf

⁵Nigerian Stock Exchange (2020). “STOCK MARKET REPORT FOR JANUARY 3RD 2020” retrieved from http://www.nse.com.ng/market_data-site/other-market-information-site/Week%20Market%20Report/Weekly%20Market%20Report%20for%20the%20Week%20Ended%20%2003-1-2019.pdf

