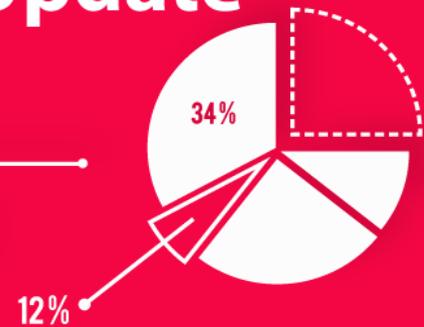




# Nigeria Economic Update



Weekly  
**Digest**



## ***Rise in GDP Growth Rate***

The National Bureau of Statistics (NBS) has reported that the GDP growth rate in Q42019 is 2.55% which is relatively higher than Q32019 GDP growth rate at 2.28% and remains the highest quarter on quarter growth since the 2016 recession<sup>1</sup>. This cumulates to an annual growth rate of 2.27% for 2019. Furthermore, the aggregate GDP for Q42019 stood at N39.5 trillion compared to the aggregate GDP of Q32019 at N37.8 trillion and the corresponding quarter in 2018 at N35.2 trillion. While the non-oil sector shrunk year on year by 0.44%, it contributed 92.68% to Q42019 GDP which is significantly higher than the oil sector's contribution at 8.78%. As the price of Brent crude oil falls below the US\$57 per barrel benchmark in the 2020 budget, this threatens the realism of the budget, thus leading to a slowdown in economic activities. In order to achieve sustainable and significant economic growth, the country's revenue base should be de-linked from oil, and recurrent expenditure in the form of cost of governance should be cut down. This will allow for the increased revenue to be diverted to key sectors including manufacturing and mining sectors.

## ***Improvements in Financial Inclusion***

The Central Bank of Nigeria (CBN) has continued to take steps towards achieving the financial inclusion target of 80% in 2020. Among those steps include the recent account opening week which targeted the rural and remote regions. A total of 87,005 account and mobile wallets were opened within the pilot week of the program, which was administered in Ondo, Ebonyi, Bayelsa, Nasarawa, and Gombe states<sup>2</sup>. Mobile wallet which was targeted to improve financial inclusion among females was successful as 57.7% were female sign-ups. Providing marginalized groups such as rural households and women with financial products and services such as access to savings accounts and loans is an important step towards achieving inclusive economic growth. The CBN should ensure that the process of financial sector development feeds into the financial inclusion strategy by also offering mortgages, insurance and other higher-level financial services that fuel investment, create jobs and stimulate growth.

## ***Decline in Corruption Perception Index***

The recent Corruption Perception Index for 2019 which categorizes countries by their perceived levels of corruption, ranks Nigeria 146 out of 180 countries. Nigeria's position on the Index declined by two positions when compared to the Corruption Perception Index for 2018<sup>3</sup>. The sub-Saharan region scored the lowest among other regions with 32 out of 100 index points<sup>3</sup>. This points to the fact that the region has not made significant gains in the war against corruption despite the African Union's efforts towards ending corruption through the African Union Convention on Preventing and Combatting Corruption. African countries should curb illicit financial flows by eliminating cross-border tax evasion, strengthening anti-money laundering practices, and curtailing trade mispricing alongside learning best practices from top performers within the region such as Seychelles, Botswana and Cabo Verde.

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

\*Revised GDP figures/tentative figures

NA: Not Available



1NBS (2020) Nigerian Gross Domestic Product Report (Q42019) retrieved from:

<https://nigerianstat.gov.ng/download/1066/>

2CBN (2020) Financial Inclusion NEWSLETTER retrieved from :

[https://www.cbn.gov.ng/Out/2020/CCD/newsletterb\\_compressed.pdf/](https://www.cbn.gov.ng/Out/2020/CCD/newsletterb_compressed.pdf/)

3Transparency international (2020) Corruption perception index 2020, retrieved from:

[https://files.transparency.org/content/download/2428/14734/file/2019\\_CPI\\_Report\\_EN.pdf/](https://files.transparency.org/content/download/2428/14734/file/2019_CPI_Report_EN.pdf/)

