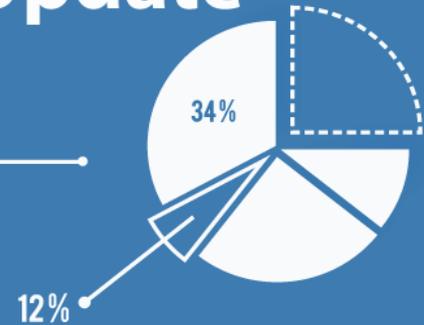


Nigeria Economic Update



Weekly
Digest



Limited Economic Opportunities for Women

The World Bank's Women, Business, and Law (WBL) 2020 index which measures the laws and regulations that affect women's economic opportunity show that Nigeria scores 63.1 out of 100. This is lower than the sub-Saharan Africa regional average of 71 and the same score as the previous year.¹ Nigeria's performance varies across the several legal indicators including laws addressing the constraints to freedom of movement (50), women's decision to work (75), women's pay (50), women's work after marriage (100), women's work after having children (0), constraints on women starting and running a business (75), gender differences in property and inheritance (80), and affecting the size of a woman's pension (75). Improvements in opportunities that accrue to women are underpinned by cultural and social shifts that close gender bias not only in the economy, but also in society and politics. To spur these shifts, the media and Civil Society Organizations (CSOs) should promote gender equal narratives, while the private sector and government should redesign policies to create more and better opportunities for women.

Decrease in Domestic & Foreign Portfolio Investment

Total transactions at the Nigerian Stock Exchange (NSE) decreased by 13.66 percent from N269.24 billion in December 2020 to N232.46 billion in January 2021. This was driven by a fall in both domestic and foreign transactions.² Between the time period, domestic transactions decreased by 7.21 percent from N199.32 billion to N184.94 billion, while foreign transactions decreased by 32.04 percent from N69.92 billion (\$178.44 million) to N47.52 billion (\$120.78 million). The decrease in investment is associated with the cautionary stance being adopted by investors globally in the wake of the COVID-19 pandemic. However, as the vaccine implementation is underway and normalcy returns, these risks are expected to recede and investment is likely to return to pre-COVID levels.

Drop in Migrant Remittances

Using data from the World Bank, a recent report by The Economist Intelligence Unit has estimated that total inflows from Nigerians in diaspora to family and friends back home fell from \$23.8 billion in 2019 to \$20.9 billion in 2020³. This drop represents a 12% decrease in remittance inflows. The decline is linked to the negative impact of the COVID-19 pandemic across the globe. Considering that Nigeria's balance of trade worsened in 2020 due to the fall in oil related export revenues, the decline in migrant remittances could further have negative implications on the country's foreign exchange reserve. It will therefore be important to closely monitor the impact of the Central Bank of Nigeria's ongoing reforms on the modalities for diaspora remittances, both in terms of inflows received and foreign exchange stability/currency valuation.

ECONOMIC SNAPSHOT		
Quarterly Indicators	'20Q3	'20Q4
GDP Growth Rate (%)	- 3.62	0.11
Oil GDP (%)	-13.98	-19.76
Non-oil GDP (%)	-2.51	1.69
Unemployment Rate (%)	NA	NA
Foreign Direct Investment (US \$ Million)	414.79	251.27
Portfolio Investment (US \$Millions)	407.25	35.15
Other Investment (US \$Million)	639.44	783.26
External Debt (FGN & States- N'Trillion)	12.16	NA
Domestic Debt (FGN + States & FCT N'Trillion)	20.04	NA
Manufacturing Capacity utilization (%)	NA	NA
Monthly Indicators	Dec'20	Jan'21
Headline Inflation (%)	15.75	16.47
Food Sub-Index (%)	19.56	20.57
Core Sub-Index (%)	11.37	11.85
External Reserves (End Period) (US\$ Billion)	35.37	36.3
Official Rate Approx. (N/US\$)	379	379
BDC Rate Approx. (N/US\$)	NA	NA
Manufacturing PMI	50.2	NA
Non-Manufacturing PMI	47.6	45.7
Crude Oil Price (US\$/Barrel)	NA	NA
Petrol (PMS-N/litre)	165.70	164.09
Diesel (AGO -N/Litre)	224.37	224.86
Kerosene (HHK -N/Litre)	352.79	350.55
Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)	1,949.75	1,949.02
MPR (%)	11.50	11.5
CRR (%)	27.5	27.5
91 Day T-Bill Rate (%)	NA	NA
Savings Deposit (%)	2.04	NA
Prime Lending (%)	11.35	NA
Maximum Lending (%)	28.31	NA
Narrow Money (N'Million)	15,923,942.49	NA
Broad Money (N'Million)	38,673,641.64	NA
Net Domestic Credit (N'Million)	41,636,319.09	NA
Credit to the Government (Net) (N'Million)	11,469,182.65	NA
Credit to the Private Sector (N'Million)	30,167,136.44	NA
Currency in Circulation (N'Million)	2,908,462.40	NA
FAAC (N'Billion)	160.59	NA

*Revised GDP figures/tentative figure

NA: Not Available

1. World Bank (2021). Women, Business and the Law 2021: Nigeria. Retrieved from, <https://wbl.worldbank.org/content/dam/documents/wbl/2021/snapshots/Nigeria.pdf>
2. NSE (2021). The Nigerian Stock Exchange's Domestic & Foreign Portfolio Investment Report. Retrieved from, http://www.nse.com.ng/market_data-site/other-market-information-site/FPI%20Report/Domestic%20and%20FPI%20Report%20January%202021.pdf
3. The Economist Intelligence Unit (2021). Covid-19 and Migrant Remittances: A Hidden Crisis Looming? Retrieved from, https://www.eiu.com/public/topical_report.aspx?campaignid=covid19remittances