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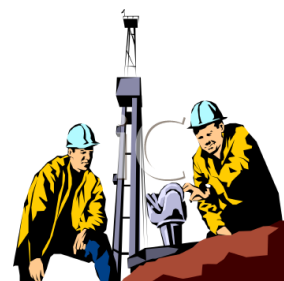
Macro-economy

Recently released World Economic Outlook by the International Monetary Fund (IMF) projects economic activities to increase significantly in developing countries- especially Nigeria. Annual real output is expected to grow by 0.8 percent in 2017 from the contraction of 1.5 percent in 2016¹. Improvement in economic activities is hinged on prospective favorable effects of continued increase in commodity export price (Crude oil is expected to increase to \$55 per barrel in 2017 compared to \$46 in 2016). Given that outlook of positive economic growth is anchored on improvement in commodity prices, the projected economic recovery appears bleak. Going forward, greater attention should be directed towards the development of the non-oil sector; essentially, diversification strategies that prioritize the non-oil sector as engine of growth remains critical to sustainable growth in the near term.



Crude Oil Production

OPEC Monthly market report indicates slight reduction in Nigeria's domestic crude production for the month of March, 2017 comparative to February, 2017. Crude oil production dropped by 30,000 barrels to 1.55 million barrels/per day (according to independent sources) and by 157,000 barrels to 1.3 million barrels (according to direct sources)⁴. The slight drop could be attributable to the shut-down of Bonga oil field by Shell Oil Company in March 2017, due to maintenance operations – prompting a production loss of approximately 200,000 barrels per day⁵. The possible implication is a slight decline in government's crude oil revenue in the month of March, buttressing the need to deepen efforts at fostering non-oil sources of revenue.



Power Sector

The Nigeria Power Sector report by the NBS shows that power generation increased in 2017Q1. On average, twenty-three power plants generated 3,687 MW of energy between January and March 2017 – a Quarter-on-Quarter increase of 45 percent⁶. Notably, daily energy generation peaked at 5,846 MW in January, 2017 - this followed increased gas supply to GENCOS⁷, which reflected moderation in pipeline vandalism. However, in order to sustain the momentum and improve power generation in the near term there is need to explore other sources. To the extent that clean energy can be ensured, government can tap into cheaper electricity generation from coal. This can be combined with the relatively expensive and cleaner off-grid renewable energy.



Exchange Rate

The Naira appreciated by 4.9 percent at Bureau De Change market to close the week (April 21, 2017) at N390/\$, from N410/\$ at the beginning of the week. This reflected huge supply of forex by the apex bank in the review week (CBN sold a total amount of \$380 million - \$280 million forward sales and \$100 million to authorized dealers). The gradual appreciation of the naira in the near is hinged on the stability in crude oil production; thus, the need to continue to foster peace in the Niger Delta region. In addition, supporting agricultural and manufacturing industry growth would be critical in maintaining exchange rate stability in the long term.



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

ECONOMIC INDICATORS

QUARTERLY ECONOMIC INDICATORS	2016Q2	2016Q3	2016Q4
GDP Growth Rate (%)	-2.06	-2.24	-1.30
Oil GDP (%)	-17.48	-22.01	-12.38
Non-Oil GDP (%)	-0.38	0.03	-0.33
Unemployment Rate (%)	13.10	13.9	NA
Underemployment Rate (%)	19.30	19.7	NA
Foreign Direct Investment (US \$'Million)	184.29	340.64	344.63
Portfolio Investment (US \$'Million)	337.31	920.32	284.22
Other Investments (US \$'Million)	520.57	561.16	920.03
Total Revenue (FG) (N' Billion)	977.82	1,185.52	NA
Total Expenditure (FG) (N' Billion)	1,407.38	1,344.71	NA
FG Fiscal (Deficit)/Surplus (N' Billion)	429.56	159.19	NA
MONTHLY ECONOMIC INDICATORS	Jan-2017	Feb-2017	Mar-2017
Headline Inflation (%)	18.72	17.78	17.26
Food Sub-Index (%)	17.82	18.53	18.44
Core Sub-Index (%)	17.90	16.00	15.4
External Reserve (US\$ Million)	28,592.98	29,975.38	29,996.38
All Share Index (Points)	26,036.24	25,329.08	25,516.34
Market Capitalization (N' Billion)	8,972.99	8,765.92	8,828.96
Exchange Rate (BDC - N/US\$)	493.29	494.7	429.48
Official Rate (N/US\$)	305.20	305.31	306.4
Manufacturing PMI	48.20	44.6	47.7
Non-Manufacturing PMI	49.40	44.5	47.1
Crude Oil Price(US\$/Barrel)	55.01	46.39	52.13
Petrol (PMS - N/litre)	148.7	149.8	149.4
Diesel (AGO - N/litre)	240.52	249.38	234.55
Kerosene (NHK - N/litre)	433.84	352.42	311.56
MPR (%)	14	14	14
Private Sector CRR (%)	22.5	22.5	22.5
Public Sector CRR (%)	22.5	22.5	22.5
91 Day T-Bill Rate (%)	13.95	13.75	NA
Savings Deposit (%)	4.22	4.22	4.23
Prime Lending (%)	16.91	17.13	17.43
Maximum Lending (%)	28.88	29.26	30.18
Narrow Money (N' Billion)	11,267.71	10,212.65	9,955.24
Broad Money (N' Billion)	23,380.94	22,365.65	22,024.98
Net Domestic Credit (N' Billion)	26,627.28	26,771.07	27,472.69
Credit to Government (N' Billion)	4,284.26	4,408.656	NA
Credit to Private Sector (N' Billion)	2,234.30	2,2362.41	NA
Currency in Circulation (N' Billion)	1,994.58	1,978.887	1,983.63
FAAC (N' Billion)	465*	514.15	NA

*Provisional Figures (Subject to change)

NA: Not Available

*Financial Markets Dealers Quote; Over-The-Counter

¹International Monetary Fund (2017). “World Economic and Financial Surveys: World Economic Outlook April 2017”. Retrieved from,

<https://www.imf.org/en/Publications/WEO/Issues/2017/04/04/world-economic-outlook-april-2017>

²FMDQ (2017). “OTC Monthly”. Retrieved from,

<https://www.fmdqotc.com/wp-content/uploads/2017/04/OTC-Monthly-March-2017.pdf>

³CBN database

⁴ OPEC (2017). “OPEC Monthly Oil Market Report”. Retrieved from,

http://www.opec.org/opec_web/static_files_project/media/downloads/publications/MOMR%20April%202017.pdf

⁵This Day (2017). “Shell Shuts Down 225,000bpd Bonga Deepwater Field for Maintenance”. Accessed April 23, 2017,

<https://www.thisdaylive.com/index.php/2017/03/07/shell-shuts-down-225000bpd-bonga-deepwater-field-for-maintenance/>

⁶National Bureau of Statistics. “Daily Energy Generation Q1 2017”. Retrieved from,

<http://nigerianstat.gov.ng/report/543>

⁷Nigeria Electricity Hub (2017). “Electricity Grid Hits 4,000 Megawatts as 2017 Begins”. Accessed April 25, 2017.

<http://www.nigeriaelectricityhub.com/2017/01/06/electricity-grid-hits-4000-megawatts-as-2017-begins/>