

Unemployment/Underemployment

Quarterly unemployment data from NBS shows an increase in unemployment and underemployment rates for 2016Q3. Notably, unemployment rate increased (Quarter on Quarter) by 0.6 percentage points to 13.9 percent, while underemployment rate increased by 0.4 percentage points to 19.7 percent¹. Given that about 187,000 jobs were created in 2016Q3², however, this was not adequate to offset the overwhelming rise in labour force – hence, the increase in the unemployment rate in the reporting period. A rise in the spate of unemployment is envisaged given the continuous decline in output growth since the first quarter of 2016. Recessionary outlook of the economy has lowered general income as well as doused new investment activities in the economy resulting to operation scale-down in terms of material and manpower inputs among firms operating in the economy. Going forward, there is need to create higher economic opportunities to tackle the ongoing recession in order to enhance the nation's economic prosperity and promote citizens' wellbeing.



Purchasing Managers' Index

Purchasing Managers' Index, reversed its declining trend after contracting for eleven months in the year 2016- translating to expansion/increase in the Manufacturing and Non-Manufacturing sectors in December 2016. Specifically, Manufacturing PMI grew by 13 percent to 52.0 index points, while Non-manufacturing PMI rose by 10 percent to 47.1 index points³. This significant increase may have been triggered by seasonal factors, particularly seasonal demand/production prompted by the yuletide and end-of-the-year periods. Thus, it is unlikely that the upward trend in PMI would be sustained without complementary and coordinated fiscal-monetary policy interventions to improve economic activities and lift the economy out of the present recession.



FAAC

The Federal Accounts Allocation Committee disbursed N386 billion in November 2016⁴ relative to N420 billion shared in October 2016. In the review month, statutory revenue of N206 billion was allocated to the three tiers of government in the hierarchical ratio 53:27:21, including the 13 percent derivation for oil producing states. Federation revenue slowed at the backdrop of shut-ins and shut-downs of pipelines for repairs/maintenance due to severe sabotage in the year⁵. Going forward, innovative strategy should be devised towards tackling impediments to oil production so as to enhance oil revenue base while inward-looking approach needs be implemented towards restructuring government revenue away from oil in the medium term.



External Reserve

The external reserve increased week-on-week by 2 percent to \$26.3 billion on January 6, 2017⁶. The increase was likely triggered by continued marginal rise in crude oil price, which moderated oil revenue in the review week. The recent rise in crude oil price is likely to be maintained in the short term given the recent oil production cut deal by OPEC members. Thus, the Nigerian government should target short term increase in crude oil production to fully take advantage of Nigeria's exemption from oil production cut and potential rise in oil prices.



ECONOMIC INDICATORS

QUARTERLY ECONOMIC INDICATORS	2016Q1	2016Q2	2016Q3
GDP Growth Rate (%)	-0.36	-2.06	-2.24
Oil GDP (%)	-1.89	-17.48	-22.01
Non-Oil GDP (%)	-0.18	-0.38	0.03
Unemployment Rate (%)	12.10	13.10	13.9
Underemployment Rate (%)	19.10	19.30	19.7
Foreign Direct Investment (US \$'Million)	174.46	184.29	340.64
Portfolio Investment (US \$'Million)	271.04	337.31	920.32
Other Investments (US \$'Million)	265.47	520.57	561.16
External Debt (FGN & States - N'Billion)	2,205.35	3,187.11	NA
Domestic Debt (FGN - N'Billion)	9,970.05	10,606.33	NA
Manufacturing Capacity Utilisation (%)	52.70	50.70	NA
MONTHLY ECONOMIC INDICATORS			
	Sep-2016	Oct-2016	Nov-16
Headline Inflation (%)	17.85	18.3	18.5
Food Sub-Index (%)	16.60	17.1	17.2
Core Sub-Index (%)	17.70	18.1	18.2
External Reserve (US\$ Million)	23,806.51	23,689.87	25,081.22
All Share Index (Points)	27,964.84	27,663.26	25,333.39
Market Capitalization (N' Billion)	9,606.00	9,501.79	8,720.80
Exchange Rate (BDC - N/US\$)	431.10	462.03	415.36
Official Rate (N/US\$)	305.23	305.21	305.18
Manufacturing PMI	42.50	44.1	46.00
Non-Manufacturing PMI	41.00	43.4	42.80
Crude Oil Price(US\$/Barrel)	47.43	51.00	45.25
Petrol (PMS - N/litre)	146.30	145.90	146.7
Diesel (AGO - N/litre)	192.69	187.25	195.67
Kerosene (NHK - N/litre)	288.68	292.73	282.86
MPR (%)	14.00	14.00	14.00
Private Sector CRR (%)	22.50	22.50	22.50
Public Sector CRR (%)	22.50	22.50	22.50
91 Day T-Bill Rate (%)	14.00	13.96	13.99
Savings Deposit (%)	4.05	4.08	4.28
Prime Lending (%)	17.09	17.10	17.06
Max Lending (%)	27.49	27.69	28.53
Narrow Money (N'Billion)	9,949.39	10,023.62	NA
Broad Money (N'Billion)	22,133.48	22,275.51	NA
Net Domestic Credit (N'Billion)	26,341.47	26,774.68	NA
Credit to Government ((N'Billion)	3,748.84	3,705.05	NA
Credit to Private Sector ((N'Billion)	22,592.63	23,069.64	NA
Currency in Circulation (N'Billion)	1,794.29	1,825.66	NA

¹National Bureau of Statistics (2016). "Unemployment Report Q3 2016". Retrieved from, <http://nigerianstat.gov.ng/report/481>

² National Bureau of Statistics (2016). "Job Creation Report". Retrieved from, <http://nigerianstat.gov.ng/report/488>

³CBN (2016). "PMI Report for December 2016". Retrieved from, http://www.cbn.gov.ng/Out/2016/SD/PMI_Report_December%202016.pdf

⁴Vanguard (2016). "FAAC disburses N386bn to FG, States, LGs in November 2016". Accessed January 9, 2017.

<http://www.vanguardngr.com/2016/12/faac-disburses-n386bn-fg-states-lgs-november-2016/>

⁵ Vanguard (2016). "FAAC disburses N386bn to FG, States, LGs in November 2016". Accessed January 9, 2017.

<http://www.vanguardngr.com/2016/12/faac-disburses-n386bn-fg-states-lgs-november-2016/>

⁶CBN (2016). "External Reserve". Accessed January 11, 2017.

<http://www.cbn.gov.ng/IntOps/Reserve.asp?MoveDate=1/11/2017%208:24:04%20AM>