



**NIGERIA
ECONOMIC
UPDATE**

Weekly

Digest

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Average price of cooking gas rose by 3% in October 2024

The National Bureau of Statistics' Liquefied Petroleum Gas (LPG)/Cooking Gas Price [Watch](#) for October 2024 showed a 3.2% month-on-month increase in the average cost of refilling a 5 kg cylinder, from N6,699 in September to N6,915 in October. Similarly, the average retail price of refilling a 12.5 kg LPG cylinder rose by 2.58%, from N16,313 in September 2024 to N16,743.55 in October 2024. According to state-level analysis, Borno state recorded the highest petrol prices at N7,939, followed by Yobe state at N7,580, and Benue state at N7,578, while Katsina state had the lowest prices at N6,270, followed by Zamfara state at N6,410, and Delta state at N6,427. The month-on-month increase in petrol prices can be ascribed to global market fluctuations and supply chain interruptions, which have increased the cost of importing LPG. This increase in cooking gas costs has a detrimental impact on household welfare nationwide, particularly for low- and middle-income families that spend a significant portion of their income on cooking fuel. As a result, some households may resort to more polluting options like firewood or charcoal. To remedy this, the government should expand investments in natural gas exploration within the country to minimise cooking gas imports and encourage domestic production. Additionally, the government should implement interim cooking gas subsidies to provide immediate aid to affected households and promote the use of clean energy

Nigerian public debt stock records a 10.38% growth rate

According to the National Bureau of Statistics' Nigeria Domestic and Foreign Debt [Report](#) for the second quarter of 2024, the country's public debt stock, which includes both external and domestic debt, increased by 10.38% quarter-on-quarter, from N121.67 trillion in the first quarter of 2024 to N134.30 trillion in the second quarter of 2024. The report shows that total domestic debt stood at N71.22 trillion (53.03% of total debt stock) while external debt amounted to N63.07 trillion (46.96%). At the state level, Lagos had the highest domestic debt in Q2 2024, totalling N885.99 billion, followed by Rivers with N389.20 billion. Jigawa state had the lowest domestic debt, at N1.82 billion. In addition, Lagos State had the highest external debt at \$1.20 billion followed by Kaduna State with \$640.99 million. Yobe recorded the lowest external debt with \$20.49 million. This surge in debt was caused by persistent budget deficits which have been above 3% since 2020. These deficits are frequently financed through borrowing, resulting in increased debt levels. Furthermore, low crude oil production amidst high global oil prices has resulted in low earnings from the oil industry, leaving a financial deficit that the government finances through borrowing. Rising debt might have serious consequences for the Nigerian economy, including the diversion of scarce revenue to service debt, resulting in low investment in critical sectors of the economy. To remedy this, the government should encourage private sector investment in the oil industry to boost domestic production by streamlining regulatory procedures, removing bottlenecks, and offering growth incentives. Furthermore, it is critical to undertake fiscal discipline and expenditure management measures, such as increasing spending efficiency, strengthening budget planning and implementation, improving revenue collection and blocking tax leakages.

Nigeria's crude oil production increases by 9,000 barrels per day

According to OPEC's oil market [report](#), Nigeria's oil output grew by 9,000 barrels per day (bpd) in October 2024 from 1.32 million bpd in September to 1.33 million bpd. While this rise is encouraging, it falls short of Nigeria's OPEC quota of 1.38 million bpd for 2024, and the government's 1.78 million bpd target in the 2024 budget. This modest rise in crude oil production can be attributed to the government's recent efforts, in partnership with security agencies, to combat oil theft and pipeline vandalism. The rise in average daily crude oil production in October could have a favourable impact on the Nigerian economy, as increased production will improve oil exports, resulting in increased foreign exchange earnings and stronger foreign reserves. Lower-than-expected oil production might reduce realisable revenue from the oil sector and could impede budgetary spending on critical items. To increase oil output and maximise Nigeria's oil resources, the government should reinforce security measures against crude oil theft, such as increased collaboration with security agencies and investments in modern monitoring systems. Given the instability and challenges in the oil sector, the government should strengthen efforts to boost non-oil revenue sources. Hence, the government needs to implement tax reforms that would help widen the tax base and increase efficiency in tax collection.

ECONOMIC SNAPSHOT	+	
Quarterly Indicators	‘24Q1	‘24Q2
GDP Growth Rate (%)	2.98	3.19
Oil GDP Growth Rate (%)	5.70	10.15
Non-oil GDP Growth Rate (%)	2.80	2.80
Unemployment Rate (%)	5.3	NA
Foreign Direct Investment (US \$ Million)	119.18	29.83
Portfolio Investment (US \$Millions)	2075.59	1404.70
Other Investment (US \$Million)	1181.25	1169.97
External Debt (FGN & States- N^oTrillion)	56.02	NA
Domestic Debt (FGN + States & FCT N^oTrillion)	65.65	NA
Manufacturing Capacity Utilization (%)	9.98	14.1
Imports (N^oBillion)	13.97	12.47
Exports (N^oBillion)	19.16	19.41
Total trade (N^oBillion)	33.13	31.89
Trade balance (N^oBillion)	5.19	6.94
Crude oil Export (N^oBillion)	15.48	14.55
Non-Crude Oil Export (N^oBillion)	3.68	4.85
Non-Oils Export (N^oBillion)	1.77	1.94
Monthly Indicators	August 24’	September 24’
Headline Inflation (%)	32.15	32.70
Food Sub-Index (%)	37.52	37.77
Core Sub-Index (%)	27.58	27.43
External Reserves (End Period) (US\$ Billion)	36.57	38.35
Official Rate Approx. (N/US\$)	1,586.43	1,617.21
BDC Rate Approx. (N/US\$)	NA	NA
Manufacturing PMI	49.9	50.5
Non-Manufacturing PMI	NA	NA
Average Crude Oil Price (US\$/Barrel)	82.88	76.05
Petrol (PMS-N/litre)	830.46	1,030.46
Diesel (AGO -N/Litre)	1,406.05	1, 418.83
Kerosene (HHK -N/Litre)	1,847.59	1,957.44
Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)	6,430.02	6,699.63
MPR (%)	26.75	27.25
CRR (%)de	45.00	45.00
T-Bill Rate (%)	18.3	16.91
Savings Deposit Rate (%)	6.75	6.79
Prime Lending (%)	17.01	16.75
Maximum Lending (%)	29.89	30.21
Narrow Money (N^oTrillion)	34.94	35.55
Broad Money (N^oTrillion)	107.19	108.95
Net Domestic Credit (N^oTrillion)	10.58	11.78
Credit to the Government (Net) (N^oTrillion)	31.15	42.01
Credit to the Private Sector (N^oTrillion)	74.73	75.84
Currency in Circulation (N^oTrillion)	4.14	4.31
FAAC (N^oTrillion)	1.20	1.28

NA: Not Available

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