CSEA
CENTRE FOR THE STUDY OF THE ECONOMIES OF AFRICA

Weekly Digest

July 20th, 2024. Issue 25

Average CoHD rises to N1,041

In its most recent report, the National Bureau of Statistics (NBS) reported that the national average cost of a healthy diet (CoHD) for May 2024 has risen to N1,041 per day, up 0.6% from N1,035 the previous month.The CoHD is the least expensive combination of locally accessible food items that match global consistent food-based dietary and nutritional recommendations, implying that an average Nigerian spends N1,041 per day to maintain a balanced diet. On a regional basis, the South-East region had the highest cost per adult per day, at N1,189, compared to N919 in the North-West region. At the state level, Ebonyi, Abia, and Anambra had the highest expenses (N1,225, N1,215, and N1,205, respectively), while Yobe, Jigawa, and Kano had the lowest costs (N907, N899, and N898). These variances emphasize the differences between states in agricultural output, product availability, and market prices. The CoHD has been rising consistently alongside general and food inflation, with starchy staples, legumes, nuts, and seeds driving the increase. To combat the upward movement in CoHD, the government should increase investment in agriculture through farmer assistance programmes. These initiatives would boost domestic food production, which in turn, is expected to reduce the price of food items and increase households' access to nutritious food.

Nigeria's All-Commodity Terms of Trade (ToT) Index drops by 0.12% in Q1 2024

According to the NBS Commodity Price Indices and Terms of Trade report for the first quarter of 2024, the All Products Terms of Trade (ToT) Index fell by 0.12% between January and March 2024. During the same period, the All-Commodity Group Import Index climbed by 0.51%. The Import Index increased primarily because of higher import costs for vehicles, aircraft, and parts (+0.63%), plastic, rubber, and articles (+0.57%), mineral products (+0.89%), construction materials (+0.86%), and paper products (+0.79%). Similarly, between January 2024 and March 2024, the All-Commodity Group Export Index rose by 0.39%, driven by increases in export prices for mineral products (+0.75%), chemical and related products (+0.62%), plastic and rubber products (+0.39%), and vegetable products (+0.36%). The decline in Terms of Trade for Q1 2024 arises because the import index increase (0.51%) is higher than the growth in the export index (0.39%). The All-Commodity Terms of Trade (ToT) Index assesses a country's trade power by comparing the prices it receives for its exports to those it pays for its imports. It expresses how much a country can buy in imports from its exports. It indicates how much a country can spend on imports with its exports. A decline in the ToT index indicates that either export prices have fallen relative to import costs or import prices have risen relative to export prices. To improve the terms of trade, the government should prioritize policies that increase the productivity of export products, to earn higher prices. Also, importers should be provided with negotiation training to equip them with the skills to keep import prices low.

40.2 Million Nigerian Households Engaged in Agricultural Activities

According to the NBS National Agricultural Sample Census report, roughly 40.2 million agricultural families in Nigeria participate in various agricultural activities. According to the survey, 91% of agricultural households cultivated crops, with 35% focusing solely on crop cultivation and 48% raising livestock. Furthermore, 16% of families in 2022 raised cattle, 41.2% raised goats, 42.5% raised fowl, and only 5% are involved in fishing. These data points indicate the prevalence of agriculture among Nigerian households and the diversity of their engagement in the agricultural industry. However, it is critical to empower these households to fully realize their potential and increase their contribution to the economy. Government policies should prioritize increasing crop yields, providing resources for animal production, and boosting support for underserved industries such as fisheries. These steps would not only improve general rural lives, but also strengthen Nigeria's position in dealing with the country's current acute food crisis.

ECONOMIC SNAPSHOT		
Quarterly Indicators	**'23Q4**	**'24Q1**
GDP Growth Rate (%)	3.46	2.98
Oil GDP Growth Rate (%)	12.11	5.70
Non-oil GDP Growth Rate (%)	3.07	2.80
Unemployment Rate (%)	5	NA
Foreign Direct Investment (US $ Million)	183.97	NA
Portfolio Investment (US $Millions)	309.76	NA
Other Investment (US $Million)	594.74	NA
External Debt (FGN & States- N'Trillion)	97.34	NA
Domestic Debt (FGN + States & FCT N'Trillion)	87.91	NA
Manufacturing Capacity Utilization (%)	NA	9.98
Monthly Indicators	**April '24**	**May '24**
Headline Inflation (%)	33.69	33.95
Food Sub-Index (%)	40.53	40.66
Core Sub-Index (%)	26.84	27.04
External Reserves (End Period) (US$ Billion)	32.41	32.69
Official Rate Approx. (N/US$)	1236.55	1432.81
BDC Rate Approx. (N/US$)	NA	NA
Manufacturing PMI	NA	52.10
Non-Manufacturing PMI	NA	NA
Average Crude Oil Price (US$/Barrel)	92.79	NA
Petrol (PMS-N/litre)	701.24	769.62
Diesel (AGO -N/Litre)	1415.06	1403.96
Kerosene (HHK -N/Litre)	1439.64	1450.35
Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)	6521.58	7418.45
MPR (%)	24.75	26.25
CRR (%)	45	NA
T-Bill Rate (%)	16.24	NA
Savings Deposit Rate (%)	6.29	NA
Prime Lending (%)	15.54	NA
Maximum Lending (%)	29.49	NA
Narrow Money (N'Trillion)	33.81	NA
Broad Money (N'Trillion)	96.97	NA
Net Domestic Credit (N'Trillion)	92.89	NA
Credit to the Government (Net) (N'Trillion)	19.97	NA
Credit to the Private Sector (N'Trillion)	72.91	NA
Currency in Circulation (N'Trillion)	39.22	3.97
FAAC (N'Trillion)	2.19	2.32

NA: Not Available

REFERENCES

1. NBS. (2024). *Cost of Healthy Diet May 2024*. Retrieved from https://nigerianstat.gov.ng/elibrary/read/1241526
2. NBS. (2024). *Commodity Price Indices and Terms of Trade (Q1 2024)*. Retrieved from https://nigerianstat.gov.ng/elibrary/read/1241524
3. NBS. (2024). *National Agricultural Sample Census (NASC) Report 2022*. Retrieved from https://nigerianstat.gov.ng/elibrary/read/1241525