



**NIGERIA
ECONOMIC
UPDATE**

Weekly

Digest

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Food inflation hits 30.64% in September 2023

According to the National Bureau of Statistics (NBS) Consumer Price Index (CPI) and inflation [report](#), Nigeria's headline inflation increased to 26.72% in September 2023. This value was 0.92% points higher than 25.80% recorded in the preceding month of August 2023. On a year-on-year basis, the headline inflation rate was 5.94% points higher compared to the rate recorded in September 2022, which was 20.77%. In the month under review, core inflation rose to 21.84%, transport inflation to 27.18% and food inflation to 30.64%. Double-digit inflation reduces purchasing power and the standard of living. Tackling inflation necessitates a strategic readjustment towards strengthening domestic sectors to satisfy local demand and reduce import dependence. Nigeria is facing food insecurity, with food inflation reaching 30.64%, implying that a strategic focus on improving agricultural resilience and increasing food production is critical to taming food inflation. Thus, government must strengthen security measures in conflict-prone areas to enable uninterrupted farming activities, introduce irrigation projects to ensure all-year farming and provide farmers with essential resources such as fertilizers and disease-resistant seedlings to boost agricultural productivity and, as a result, food supply.

24 Million Nigerians reported homeless

According to [data](#) from the World Population Review, Nigeria has the world's second highest number of homeless people. 24 million Nigerians do not have homes, accounting for nearly 10% of the total population. The statistics exclude those not living in a proper home with access to some of the most basic services. Several factors contribute to the high number of homeless persons, including a shortage of affordable housing options, land ownership and usage, economic exploitation, and unequal distribution of wealth and resources within the country. Homelessness is widening social inequality and vulnerability to health issues, which could worsen the humanitarian crisis in the country. Hence, there is an urgent need to prioritize the construction of affordable housing units tailored to the needs of low-income earners, in order to make homeownership accessible to all. In addition, to ensure renters' rights and stabilise the housing market, robust legal protections for tenants, such as safeguards against forced evictions and arbitrary rent increases, should be implemented. Furthermore, the government should enforce land use policies that encourage equitable land allocation for housing purposes, while also addressing land access and ownership issues. Collectively, these measures can help mitigate the housing crisis, improve living conditions, and create a more equal and stable housing market in Nigeria.

PMS Price moderate at N626 in September 2023

[Data](#) from the National Bureau of Statistics revealed that the average retail price paid by consumers for Premium Motor Spirit (Petrol) for September 2023 was N626.21 per litre, a 0.08% decrease from N626.70 recorded in August 2023. With an average retail price of N665.56, Taraba State had the highest Petrol price, followed by Borno and Benue State, at N657.37 and N641.29, respectively. Conversely, Rivers had the lowest average retail prices for Petrol at N602.55, followed by Delta and Jigawa States, with N605.88 and N617.42, respectively. The gap between the state with the highest and lowest prices is about N55, which reflects the cost of transporting petroleum from the southern part of the country to the Northern part. Year-on-year, PMS rose by over 226.75% from N191.65 per litre recorded in September 2022. The surge in price is due to the decision of the government to stop fuel subsidies as envisioned in the Petroleum Industry Act (PIA). High crude oil prices in the international markets and currency depreciation partly contributed to high PMS prices. Immediate policy actions are required to cushion the effects of high PMS prices on household welfare. The worse-hit households should be protected through targeted cash transfers. A part of the savings from fuel subsidies could be used to improve transportation infrastructure and increase public buses, which might cushion the increase in transportation costs. The government needs to be transparent with the use of savings from fuel subsidies to gain public trust.

ECONOMIC SNAPSHOT		
Quarterly Indicators	'22Q4	'23Q1
GDP Growth Rate (%)	3.52	2.31
Oil GDP Growth Rate (%)	-13.38	-4.21
Non-oil GDP Growth Rate (%)	4.44	2.77
Unemployment Rate (%)	NA	NA
Foreign Direct Investment (US \$ Million)	84.23	NA
Portfolio Investment (US \$Millions)	285.26	NA
Other Investment (US \$Million)	691.23	NA
External Debt (FGN & States- N'Trillion)	18.70	19.64
Domestic Debt (FGN + States & FCT N'Trillion)	27.55	30.21
Manufacturing Capacity utilization (%)	NA	NA
Monthly Indicators	May '22	May '23
Headline Inflation (%)	17.71	22.41
Food Sub-Index (%)	19.50	24.82
Core Sub-Index (%)	14.21	19.83
External Reserves (End Period) (US\$ Billion)	38.48	34.09
Official Rate Approx. (N/US\$)	415.15	461.26
BDC Rate Approx. (N/US\$)	NA	NA
Manufacturing PMI	48.9	NA
Non-Manufacturing PMI	49.9	NA
Average Crude Oil Price (US\$/Barrel)	117.17	76.91
Petrol (PMS-N/litre)	173.08	238.11
Diesel (AGO -N/Litre)	238.82	844.28
Kerosene (HHK -N/Litre)	679.54	1,206.05
Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)	3,921.35	4,360.69
MPR (%)	13.0	18.50
CRR (%)	27.5	32.5
T-Bill Rate (%)	2.47	2.98
Savings Deposit Rate (%)	1.37	5.13
Prime Lending (%)	11.96	14.07
Maximum Lending (%)	27.37	28.31
Narrow Money (N'Trillion)	20.56	22.27
Broad Money (N'Trillion)	48.51	55.50
Net Domestic Credit (N'Trillion)	56.51	74.91
Credit to the Government (Net) (N'Trillion)	18.05	30.69
Credit to the Private Sector (N'Trillion)	38.46	44.21
Currency in Circulation (N'Trillion)	3.331	2.527
FAAC (N'Trillion)	833.86	NA

NA: Not Available

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1. NBS (2023). CPI and Inflation Report September 2023. Retrieved from <https://nigerianstat.gov.ng/elibrary/read/1241397>
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3. NBS (2023). Federal Account Allocation Committee (FAAC) (June 2023 Disbursement). Retrieved from <https://nigerianstat.gov.ng/elibrary/read/1241394>