

Petroleum Statistics

Available data from the National Bureau of Statistics indicates a decline in oil and other petroleum production between 2015 and 2016. Crude oil production fell by 16 percent, from 777.5 million barrels in 2015 to 656.8 million barrels in 2016¹. This is also indicative of the number of exploratory rig count that fell from 15 rigs to 8 rigs in 2016. Similarly, Gas production declined by 10 percent to 2,711 million one thousand standard cubic feet (mscf) in 2016. The significant decline in crude oil and petroleum production, brings to perspective the extent of the damage caused on production pipelines by militants in the Niger Delta region in 2016. It is therefore important to invest national resources in maintaining domestic peace and security, especially in resource-rich regions of the country.



Fiscal Focus

Latest media highlights reveal that the recently signed 2018-2020 Medium Term Expenditure Framework and Fiscal Strategy Paper contains higher review for parameters relative to 2017. Precisely, the framework on which the 2018 appropriation bill is to be drawn, projects growth rate at 3.5%, 4.5%, and 7% for 2018, 2019, and 2020 fiscal years respectively². Key indicators: oil price, oil production and exchange rate is projected at \$45, 2.3 mbpd and N305/\$. Therefore, the feasibility of the proposed fiscal strategy is dependent on sustained positive economic performance and the recovery of indicators upon which the projections are based. Positively, global crude oil prices have risen above the \$45 benchmark (presently at \$52) and it may remain above \$45 on account of OPECs restrictions on oil production and decreased oil supply from US. Thus, the growth projections for 2018 may be realized if increases in oil prices is complemented with a swift implementation of the Economic Recovery and Growth Plan (ERGP) –as it is strategically directed at tackling critical non-oil sector issues in the country.



External Reserve

Provisional statistics from the CBN indicates that the External reserves rose from \$26.1 billion in January 2017 to \$30.3 billion as at the end of June 2017³ – a 16 percent increase within 2017H1. Albeit several forex interventions and dollar sales by the CBN since January 2017, the reserve continued to rise likely at the backdrop of moderation in oil price, complimented by rising domestic oil production during the review period. Thus, the steady rise in reserve has contributed largely to the sustained appreciation and relative stability of the Naira at all forex market segments. To maintain this, efforts geared towards improving oil supply should be increased. Additionally, tackling the factors that impede the competitiveness of exports would go a long way towards diversification of the export basket and eventually an increase in external reserves.



Exchange Rate

The naira appreciated (week-on-week) at most forex market segments, following CBN's intervention of \$195 million into the Foreign exchange market during the week⁴. Although, Parallel market rate moderated slightly by 0.5 percent to exchange at N367/\$⁵, the Naira strengthened at the Investors & Exporters Forex Window (by No.45 to N364.78/\$), a channel which has attracted about \$4 billion foreign investment between April and July, 2017⁶. The appreciation of the naira if sustained would lead to a decline in the level of inflation in the economy. However, given that an increase in the value of the naira incentivizes an increase in imports, it is important for fiscal and monetary authorities to collaborate to inhibit a rise in import levels to avoid a greater trade deficit.



ECONOMIC INDICATORS

QUARTERLY ECONOMIC INDICATORS	2016Q3	2016Q4	2017Q1
GDP Growth Rate (%)	-2.34*	-1.73*	-0.52
Oil GDP (%)	-23.04*	-17.70*	-11.64
Non-Oil GDP (%)	0.03	-0.33	0.72
Unemployment Rate (%)	13.9	14.2	NA
Underemployment Rate (%)	19.7	21.0	NA
Foreign Direct Investment (US \$'Million)	340.64	344.63	211.38
Portfolio Investment (US \$'Million)	920.32	284.22	313.61
Other Investments (US \$'Million)	561.16	920.03	383.28
External Debt (FGN & States - N'Billion)	3,535.58	3,478.91	4,229.96
Domestic Debt (FGN - N'Billion)	10,845.22	11,058.20	11,971.34
Manufacturing Capacity Utilisation (%)	48.4	48.5	53.7
MONTHLY ECONOMIC INDICATORS	Apr-2017	May-2017	June-2017
Headline Inflation (%)	17.24	16.25	16.1
Food Sub-Index (%)	19.30	19.27	19.91
Core Sub-Index (%)	14.80	13.00	12.5
External Reserve (US\$ Million)	30,749.28	29,811.85	30,340.96
All Share Index (Points)	25,758.51	29,498.31	33,117.48
Market Capitalization (N' Billion)	8,912.90	10,197.73	11,452.12
Exchange Rate (BDC - N/US\$)	392.89	384.48	366.25
Official Rate (N/US\$)	306.05	305.54	305.72
Manufacturing PMI	51.1	52.5	52.9
Non-Manufacturing PMI	49.5	52.7	54.2
Crude Oil Price(US\$/Barrel)	52.94	50.57	47.42
Petrol (PMS - N/litre)	149.9	150.57	150.3
Diesel (AGO - N/litre)	229.25	216.3	210.42
Kerosene (NHK - N/litre)	280.80	303.29	287.3
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 (%)	13.58	13.5	13.5
Savings Deposit (%)	4.24	4.08	4.08
Prime Lending (%)	17.44	17.58	17.59
Maximum Lending (%)	30.31	30.75	30.94
Narrow Money (N'Billion)	9,760.42	10,184.90	9,883.82
Broad Money (N'Billion)	21,712.98	21,975.34	21,674.21
Net Domestic Credit (N'Billion)	27,534.71	26,758.77	26,921.03
Credit to Government (N'Billion)	5,591.83	4,828.05	4,942.47
Credit to Private Sector (N'Billion)	2,194.29	2,193.07	2,197.86
Currency in Circulation (N'Billion)	1,975.81	1,897.92	1,873.54
FAAC (N' Billion)	496.39	418.8	462.4

*Revised GDP figures

NA: Not Available

¹National Bureau of Statistics (2017). “Selected Petroleum Statistics: Oil and Gas Production, Drilling and Development (2012-2016)”. Retrieved August 15, 2017.

<http://www.nigerianstat.gov.ng/>

²Guardian (2017). “FEC approves MTEF for 2018-2020 to grow economy”. Accessed August 15, 2017. <https://guardian.ng/news/fec-approves-mtef-for-2018-2020-to-grow-economy/>

³CBN (2017). “The Movement in Reserves”. Accessed August 15, 2017.

<http://www.cbn.gov.ng/IntOps/Reserve.asp>

⁴Vanguard (2017). “CBN boosts Forex market with \$195m”. Accessed August 16, 2017.

<http://www.vanguardngr.com/2017/08/cbn-boosts-forex-market-195m/>

⁵Abokifx (2017). “Lagos Black Market Rate”. Accessed August 16, 2017.

https://abokifx.com/ratetypes/?rates=lagos_previous

⁶Nigeria Circle (2017). “CBN Forex Window Attracts \$4b From Foreign Investors In 3 Months – Banker’s Committee”. Accessed August 17, 2017.

<https://nigeriacircle.com/news/economy/cbn-forex-window-attracts-4b-from-foreign-investors-in-3-months-bankers-committee/>