



**NIGERIA
ECONOMIC
UPDATE**

Weekly

Digest

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Selected food price watch October

According to the National Bureau of Statistics' Food Price Watch [Report](#) for October, the average price of 1 kg of locally produced brown beans increased to ₦2,798, a 2.19% month-on-month increase from ₦2,738 in September 2024. The price of 1 kg of local rice increased by 137.32% year-on-year, from ₦819.42 in October 2023 to ₦1,944.64 in October 2024. The price of 1 kg of tomatoes grew by 2.45% month-on-month, from ₦1,430 in September to ₦1,465 in October 2024. A geopolitical analysis indicated that South-East and South-West had the highest average prices of 1 kg of rice at ₦2,915 and ₦2,879 respectively, while the North-East had the lowest price at ₦1,763. The North-Central and South-East regions had the highest agricultural egg pricing standing at ₦2,294, while the South-West had the lowest average price standing at ₦2,472. The continuous rise in staple food prices remains a major source of inflation and welfare loss in Nigeria. This increase is due to rising production and transportation costs caused by a mix of factors, such as the removal of fuel subsidies, exchange rate liberalisation, and the high cost of borrowing. Rising food prices pose serious dangers to the Nigerian economy, including increased poverty as households struggle to meet their dietary and nutritional requirements. The rising cost of living also increases the danger of social unrest, with dissatisfaction potentially prompting protests in multiple states. To tame the pace of food price increases, the government must address security issues in rural areas plagued by banditry and insurgency, which have hampered farming activity. Furthermore, investing in agricultural technology to increase food production is critical for increasing food production and lowering prices.

Nigerian GDP grew by 3.46% in the third quarter of 2024

The National Bureau of Statistics' [report](#) showed that in the third quarter of 2024, Gross Domestic Product (GDP) grew by 3.46%, representing a 0.92 percentage point rise from the 2.54% recorded in Q3 2023. The non-oil sector, the largest contributor to GDP, grew by 3.37% in Q3 2024. Growth in the non-oil sector was driven by financial institutions, information and communication technology, agriculture, and trade, among other sectors. The non-oil sector's contribution to the GDP in Q3 2024 was 94.43%, slightly lower than the 94.52% recorded in the previous quarter. The oil sector contributed 5.57% to total GDP in Q3 2024, an improvement from the 5.07% recorded in the previous quarter. The oil sector grew by 5.17%. The services sector, the main driver of GDP growth in Q3 2024, grew by 5.19% and contributed 53.58% to the aggregate GDP. While the growth performance in Q3 is an improvement over the earlier quarters in the year, it is below the 3.76% growth projection in the 2024 budget. The underperformance is largely due to the growth performance in agriculture and the industries. Agricultural sector grew at 1.14% and the industrial sector grew at 2.18%. To achieve an average growth rate of 3.76% in 2024, the government needs to boost production levels in agriculture and industries. The government needs to address inefficiencies in the energy sector, particularly in electricity generation, remains critical for long-term economic growth and sustainability.

Unemployment falls to 4.3% in Q2 2024

According to the National Bureau of Statistics' Q2 Labour Force Survey, the unemployment rate in the second quarter of 2024 was 4.3%, down by 1.0% from 5.3% in the first quarter of 2024. Similarly, the youth unemployment rate fell from 8.4% in the first quarter to 6.5% in the second quarter of 2024, a reduction of 1.9% percentage point. From a gender perspective, the female unemployment rate was 5.1% and it is higher than the male unemployment rate of 3.4%. Also, the unemployment rate is higher in metropolitan areas than in rural areas. While the urban unemployment rate was 5.2%, the rural unemployment rate was 2.8%, indicating that urban labour market pressures remained persistent. The slight decrease in unemployment in the second quarter occurred due to an increase in self and informal employment. According to the NBS, 85.6% of the Nigerian population is self-employed. These individuals run their own enterprises, either as sole proprietors or partnerships. Heavy reliance on self-employment has several economic consequences, including low productivity, inadequate social safeguards, and vulnerability to economic shocks. Also, without the provision of supportive systems such as credit access, training and infrastructure, sole proprietorship business, that constitutes a large percentage of self and informal jobs would remain at subsistence level. The government must engage in structural improvements to encourage the creation of formal employment. This includes incentivising labour-intensive industries, such as manufacturing, as well as assisting small and medium-sized businesses by enhancing finance availability and offering platforms for capacity development.

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^o	September 24^o
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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