



**NIGERIA  
ECONOMIC  
UPDATE**

**Weekly**

**Digest**

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## Rising food prices intensify pressure on Nigerian households

The National Bureau of Statistics (NBS) Selected Food Price Watch [report](#) for September 2024 indicates that the price of 1kg of brown beans rose to ₦2,738, reflecting a 6.3% month-on-month increase from ₦2,574 in August 2024. Similarly, the average price of 1kg of local rice increased by 4.57% month-on-month, from ₦1,831 in August to ₦1,914 in September 2024. Garri, a staple in many Nigerian households, saw a 4.08% increase from ₦1,124 in August to ₦1,170 in September 2024. At the state level, food price variability shows that Bauchi recorded the highest price for 1kg of beans at ₦3,450, while Adamawa had the highest price for 1kg of garri at ₦1,800. The highest price for 1kg of rice was recorded in Kogi at ₦2,688, while Benue reported the lowest at ₦1,229. Depreciation of the naira has raised the cost of imported food items and agricultural inputs like fertilizers and machinery. The recent surge in fuel prices has increased transportation costs for food distribution across the country, with these expenses being passed on to consumers, ultimately affecting the welfare and standard of living of the average Nigerian. To mitigate these impacts, the government should consider policies that provide targeted subsidies or tax incentives for transporting essential food items, easing the transport burden on farmers and distributors. There is also a pressing need for measures to stabilize the naira, such as strengthening currency reserves and reducing parallel market activities, which would help lower the cost of agricultural inputs and machinery.

## Nigeria's oil production declines by 27,000 barrels per day

According to the Organisation of Petroleum Exporting Countries (OPEC) October Monthly Oil Market [Report](#), Nigeria's oil production in September 2024 decreased by 27,000 barrels per day (bpd), from 1.35 million bpd in August to 1.32 million bpd. This decline has negative economic implications and moves Nigeria further away from OPEC's 2024 production benchmark of 1.38 million bpd, remaining significantly lower than the federal government's 2024 quota of 1.78 million bpd. The report also indicates that crude oil prices fell by \$4.82 (6.1%), standing at \$73.59 per barrel in September 2024, down from \$78.41 in August. The fall in production may be attributed to challenges such as oil bunkering, illicit refining, crude oil theft, and other production-related issues affecting the oil sector. The decline in crude oil production is likely to reduce government revenue, resulting in budget deficits, increased national debt, a further widening trade balance deficit, and foreign exchange shortages. The government should consider investing in advanced technology for tracking oil production and strengthening security measures around oil facilities to address these challenges effectively. Implementing these actions would help stabilize oil production and improve Nigeria's economic stability.

## Transport fare increases

According to the National Bureau of Statistics' recent Transport Fare Watch [report](#), the average fare paid by commuters for bus journeys within cities per drop increased by 3.45% month-on-month (MoM), from ₦869 in August to ₦899 in September 2024. Similarly, the average fare for intercity bus journeys per drop rose by 0.22% MoM, from ₦7,159 in August 2024 to ₦7,175 in September 2024. On a year-on-year basis, intercity fares increased by 21.26% from ₦5,917 in September 2023. Air travel fares also recorded a 0.8% MoM increase, rising from ₦123,700 in August to ₦124,693 in September 2024. The fare for Okada (motorcycle) transport, saw a 1.4% MoM increase, from ₦524 in August 2024 to ₦532 in September 2024. This consistent rise in transport fares is primarily due to the removal of fuel subsidies, which led to higher fuel and energy-related costs. Additionally, rising insecurity on major roads has further contributed to increased transport costs, as drivers often avoid these routes or incur additional expenses for security measures. Rising transport costs could lead to an increase in the price of goods and services transported interstate over long distances. Likewise, rising transport costs would reduce the purchasing power and disposable income of the average Nigerian. To address these challenges, the government should consider stabilizing fuel prices, strengthening public transport infrastructure, and enhancing security measures to protect lives and property on major roads across Nigeria.

<b>ECONOMIC SNAPSHOT</b>		
<b>Quarterly Indicators</b>	<b>'24Q1</b>	<b>'24Q2</b>
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	NA
Portfolio Investment (US \$Millions)	2075.59	NA
Other Investment (US \$Million)	1605.41	NA
External Debt (FGN & States- N'Trillion)	56.02	NA
Domestic Debt (FGN + States & FCT N'Trillion)	65.65	NA
Manufacturing Capacity Utilization (%)	9.98	14.1
Imports (N'Billion)	13.97	12.47
Exports (N'Billion)	19.16	19.41
Total trade (N'Billion)	33.13	31.89
Trade balance (N'Billion)	5.19	6.94
Crude oil Export (N'Billion)	15.48	14.55
Non-Crude Oil Export (N'Billion)	3.68	4.85
Non-Oils Export (N'Billion)	1.77	1.94
<b>Monthly Indicators</b>	<b>July 24'</b>	<b>August 24'</b>
Headline Inflation (%)	33.40	32.15
Food Sub-Index (%)	39.53	37.52
Core Sub-Index (%)	27.47	27.58
External Reserves (End Period) (US\$ Billion)	36.79	36.57
Official Rate Approx. (N/US\$)	1555.89	1586.43
BDC Rate Approx. (N/US\$)	NA	NA
Manufacturing PMI	49.2	49.9
Non-Manufacturing PMI	50.3	NA
Average Crude Oil Price (US\$/Barrel)	87.27	82.88
Petrol (PMS-N/litre)	770.54	830.46
Diesel (AGO -N/Litre)	1379.48	1,406.05
Kerosene (HHK -N/Litre)	1769.86	1,847.59
Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)	5974.55	6,430.02
MPR (%)	26.75	26.75
CRR (%)de	45.00	45.00
T-Bill Rate (%)	16.99	18.3
Savings Deposit Rate (%)	6.74	6.75
Prime Lending (%)	15.89	17.01
Maximum Lending (%)	28.89	29.89
Narrow Money (N'Trillion)	35.27	34.94
Broad Money (N'Trillion)	106.26	107.19
Net Domestic Credit (N'Trillion)	94.49	10.58
Credit to the Government (Net) (N'Trillion)	19.00	31.15
Credit to the Private Sector (N'Trillion)	75.48	74.73
Currency in Circulation (N'Trillion)	40.53	41.44
FAAC (N'Trillion)	2.68	2.27

NA: Not Available

1. National Bureau of Statistics, Selected food price watch September 2024.  
Retrieved from: <https://nigerianstat.gov.ng/elibrary/read/1241575>
2. Organisation of the Petroleum exporting countries, Monthly oil market report.  
Retrieved from: [https://www.opec.org/opec\\_web/en/publications/338.htm](https://www.opec.org/opec_web/en/publications/338.htm)
3. National Bureau of Statistics, Transport fare watch September 2024. Retrieved from: <https://nigerianstat.gov.ng/elibrary/read/1241576>