



**NIGERIA  
ECONOMIC  
UPDATE**

**Weekly**

**Digest**

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## **Headline Inflation rose to 32.70% in September 2024**

The National Bureau of Statistics (NBS) Consumer Price Index (CPI) and inflation [statistics](#) show that average prices rose in September 2024. Headline inflation increased to 32.17%, up by 0.55% from 32.15% in August 2024. Food and non-alcoholic beverages represented 16.94% of the overall headline index. Food inflation increased to 37.77%, up by 0.25% from 37.52% in August 2024. The cost of food and beverage goods such as rice, beans, yam, beer and vegetable oil increased year on year, contributing to food inflation. However, core inflation, which excludes volatile agricultural items, decelerated to 27.43% from 27.58% in August. For several months, inflation has been on the rise, due to several factors, including the weak currency which contributed to high fuel prices and imported household item costs. The continued increase in inflation has the potential to worsen citizens' quality of life and push many more into poverty. While the Central Bank has attempted to tame inflation by increasing the monetary policy rate by 850 basis points since January 2024 from 18.75% to 27.25% in September, the rate hike has been ineffective in bringing the inflation to the policy target of 21.4%. There is need for complementary structural policies to anchor inflation expectation and reduce inflation rate.

## **PMS Price rose to N1030.46 per Litre in September 2024**

According to the National Bureau of Statistics' (NBS) Premium Motor Spirit (petrol) price watch [report](#), the price of fuel rose to N1030.46 per litre in September, marking the first time petrol prices in Nigeria were above the N1,000 mark. According to this report, the price of petrol increased by 64.55% year-on-year from the N626.21 per litre recorded in September 2023 and by 24.08% month-on-month from the N830.46 recorded in August 2024. At the zonal level, the North-West region had the highest retail price for fuel at N1,036.52, followed by the North-Central region at N1,035.67, while the North-East zone had the lowest price at N1,014.55 per litre. The continuous rise in fuel costs following the elimination of subsidies in May 2023, as well as the deregulation of the downstream industry, all contributed to the increase in the cost of petrol. The high price of PMS raised transportation costs, further contributing to the rise in inflation. This development is likely to further increase living costs, potentially straining already shrinking household budgets, particularly for low-income earners, and worsening the poverty situation. Hence, it is important for the government to mitigate the impact of the rising cost of fuel by investing in alternative energy sources, especially renewable energy. Additionally, the government should widen the coverage of social safety nets.

## **Cooking Gas Price rose by 1.49% in September 2024**

According to the Liquefied Petroleum Gas (LPG)/Cooking Gas [Price Watch](#) of the National Bureau of Statistics (NBS), the average retail price for refilling a 5 kg cylinder of liquefied petroleum gas (cooking gas) increased by 4.19% month-on-month from N6,430.02 in August 2024 to N6,699.63 in September 2024. However, it rose by 59.90% year-on-year when compared to N4,189.96 in September 2023. Zonal analysis revealed that the North-East had the highest price for refilling a 5-kg cylinder of cooking gas at N6,929.02, followed by the South-East at N6,893.47 and the North-West at N6,382.30. At the state level, Rivers recorded the highest average price for refilling a 5-kg cylinder of cooking gas at N7,271.88 and Borno at N7,089.72. Conversely, Kebbi had the lowest price at N5,950.00, with Kano at N6,133.33 and Benue at N6,143.52. Unchecked inflation negatively impacted the price increase. The rising cost of cooking gas significantly challenges the livelihood of Nigerians, necessitating government intervention to lessen the burden on low-income households. Specifically, there is a significant need for increased support for local gas production, a reduction in taxes and levies on local gas production, and the promotion of alternative cooking energies sources for households.

| <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                     | 29.83                        |
| Portfolio Investment (US \$Millions)                       | 2075.59                    | 1404.70                      |
| Other Investment (US \$Million)                            | 1181.25                    | 1169.97                      |
| External Debt (FGN & States- N <sup>3</sup> Trillion)      | 56.02                      | NA                           |
| Domestic Debt (FGN + States & FCT N <sup>3</sup> Trillion) | 65.65                      | NA                           |
| Manufacturing Capacity Utilization (%)                     | 9.98                       | 14.1                         |
| <b>Monthly Indicators</b>                                  | <b>July 24<sup>7</sup></b> | <b>August 24<sup>7</sup></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 (%)  | 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 <sup>3</sup> Trillion)                     | 35.27                      | 34.94                        |
| Broad Money (N <sup>3</sup> Trillion)                      | 106.26                     | 107.19                       |
| Net Domestic Credit (N <sup>3</sup> Trillion)              | 94.49                      | 10.58                        |
| Credit to the Government (Net) (N <sup>3</sup> Trillion)   | 19.00                      | 31.15                        |
| Credit to the Private Sector (N <sup>3</sup> Trillion)     | 75.48                      | 74.73                        |
| Currency in Circulation (N <sup>3</sup> Trillion)          | 40.53                      | 41.44                        |
| FAAC (N <sup>3</sup> Trillion)                             | 2.68                       | 2.27                         |

NA: Not Available

## REFERENCES

1. National Bureau of Statistics, CPI and Inflation Report September 2024. Retrieved from: <https://nigerianstat.gov.ng/elibrary/read/1241570>
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3. National Bureau of Statistics, Liquefied Petroleum Gas (Cooking Gas) Price Watch (September 2024). Retrieved from: <https://nigerianstat.gov.ng/elibrary/read/1241574>