



**NIGERIA  
ECONOMIC  
UPDATE**

**Weekly**

**Digest**

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*December 30th, 2024. Issue 50*

## **Nigeria's crude oil production increases by 152,000 barrels per day**

Nigeria's oil output, according to OPEC's oil market [report](#), grew by 152,000 barrels per day (bpd) to 1.48 million bpd in November 2024 from 1.33 million bpd in October. As a result, Nigeria regained its position as Africa's largest oil producer and exceeded its OPEC production quota of 1.38 million bpd. However, production remains below the Federal Government's benchmark of 1.78 million bpd in the 2024 budget. The report also revealed that crude oil prices declined by 2.4% month-on-month to \$73.14 per barrel in November 2024. The increase in oil production is attributed to improved security measures in the Niger Delta region and support from joint venture partners. These developments have significant implications for Nigeria. Increased oil output reflects enhanced efficiency in oil exploration and production, partially offsetting revenue losses from declining oil prices. However, despite rising production, falling prices will affect oil revenue. With OPEC set to raise Nigeria's crude oil production quota to 1.5 million bpd in 2025, it is crucial for the government to tackle recurring challenges, such as oil theft, through improved surveillance of oil facilities. Additionally, the government should intensify efforts to strengthen domestic refining capacity, thereby reducing the importation of refined products, which drains foreign reserves.

## **Credit to private sector increases by 2.5%**

Data on money and credit from the Central Bank of Nigeria (CBN) [revealed](#) that credit to the private sector (CPS) increased by 2.5% to ₦75.96 trillion in November 2024, up from ₦74.07 trillion in October 2024. By sector, the services sector accounted for 53% of total credit, followed by industry which accounted for 43% and agriculture accounted for the remaining 4%. Credit growth is expected to positively impact the economy by enhancing and supporting business activities, which might not have happened without a credit facility. However, part of this growth is linked to foreign-denominated loans, which may expose businesses to exchange rate risks, increasing default rates if the domestic currency continues to weaken. Furthermore, the growth in credit, especially in foreign currencies, could contribute to inflationary pressures if it is not matched by a corresponding increase in productive capacity. To address these challenges, the government must implement policies to strengthen the naira by diversifying export earnings by facilitating the exportation of non-oil items. Moreover, there is a need for the government to incentivise financial institutions to lend to the agricultural sector to increase its share of credit from the current 4% to over 15%. The government can co-design a risk-sharing facility with financial institutions to de-risk investment in the agricultural sector

## **Nigeria's Foreign Reserves hits \$40.79 billion Nigeria's energy generation increases by 7.68% in Q3 2024**

The Electricity on Demand [report](#) by the Nigerian Electricity Regulatory Commission (NERC) revealed that in the third quarter of 2024, energy generation stood at 9,450.76 GWh, marking a 674.21 GWh increase from the 8,776.55 GWh recorded in the previous quarter. Average hourly energy generation also rose by 6.51% quarter-on-quarter, from 4,018.57 MWh in Q2 2024 to 4,280.24 MWh/h. This increase in energy generation was driven by enhanced generation capacity. The average generation capacity of nineteen out of the twenty-eight grid-connected power plants grew by 16.04%, rising from 4,395.77 MW in Q2 2024 to 5,100.90 MW in the quarter under review. This growth is expected to result in improved energy supply, as higher generation capacity can reduce power outages, enhance energy reliability for businesses and households, and promote better utilization of existing infrastructure. It can also stimulate economic growth and foster job creation in related sectors such as construction, manufacturing, and services. In response, the government should review existing laws with a view of amending those that deter private sector participation in the energy sector to boost generation and modernization of the distribution systems. Also, the government need to invest in upgrading and expanding transmission networks to ensure a more reliable electricity supply. Additionally, there is a need to invest in renewable energy projects that promote hybrid (solar, wind, and hydro) energy solutions in grid-connected plants.

<b>ECONOMIC SNAPSHOT</b>	+	
<b>Quarterly Indicators</b>	<b>‘24Q2</b>	<b>‘24Q3</b>
<b>GDP Growth Rate (%)</b>	3.19	3.46
<b>Oil GDP Growth Rate (%)</b>	10.15	5.17
<b>Non-oil GDP Growth Rate (%)</b>	2.80	3.37
<b>Unemployment Rate (%)</b>	4.3	NA
<b>Foreign Direct Investment (US \$ Million)</b>	29.83	NA
<b>Portfolio Investment (US \$Millions)</b>	1404.70	NA
<b>Other Investment (US \$Million)</b>	1169.97	NA
<b>External Debt (FGN &amp; States- N<sup>o</sup>Trillion)</b>	NA	NA
<b>Domestic Debt (FGN + States &amp; FCT N<sup>o</sup>Trillion)</b>	NA	NA
<b>Manufacturing Capacity Utilization (%)</b>	14.1	NA
<b>Imports (N<sup>o</sup>Billion)</b>	12.47	14.67
<b>Exports (N<sup>o</sup>Billion)</b>	19.41	20.48
<b>Total trade (N<sup>o</sup>Billion)</b>	31.89	35.16
<b>Trade balance (N<sup>o</sup>Billion)</b>	6.94	5.81
<b>Crude oil Export (N<sup>o</sup>Billion)</b>	14.55	13.40
<b>Non-Crude Oil Export (N<sup>o</sup>Billion)</b>	4.85	7.08
<b>Non-Oils Export (N<sup>o</sup>Billion)</b>	1.77	2.50
<b>Monthly Indicators</b>	<b>September 24’</b>	<b>October 24’</b>
<b>Headline Inflation (%)</b>	32.70	33.88
<b>Food Sub-Index (%)</b>	37.77	39.16
<b>Core Sub-Index (%)</b>	27.43	28.37
<b>External Reserves (End Period) (US\$ Billion)</b>	38.35	40.2
<b>Official Rate Approx. (N/US\$)</b>	1,617.21	1,617.21
<b>BDC Rate Approx. (N/US\$)</b>	NA	NA
<b>Manufacturing PMI</b>	50.5	46.9
<b>Non-Manufacturing PMI</b>	NA	NA
<b>Average Crude Oil Price (US\$/Barrel)</b>	76.05	74.45
<b>Petrol (PMS-N/litre)</b>	1,030.46	1,184.83
<b>Diesel (AGO -N/Litre)</b>	1, 418.83	1, 441.28
<b>Kerosene (HHK -N/Litre)</b>	1,957.44	2,017
<b>Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)</b>	6,699.63	6,915.69
<b>MPR (%)</b>	27.25	27.50
<b>CRR (%)</b>	45.00	50.00
<b>T-Bill Rate (%)</b>	16.91	18.0
<b>Savings Deposit Rate (%)</b>	6.79	6.79
<b>Prime Lending (%)</b>	16.75	17.01
<b>Maximum Lending (%)</b>	30.21	29.93
<b>Narrow Money (N<sup>o</sup>Trillion)</b>	35.55	34.64
<b>Broad Money (N<sup>o</sup>Trillion)</b>	108.95	107.66
<b>Net Domestic Credit (N<sup>o</sup>Trillion)</b>	11.78	11.39
<b>Credit to the Government (Net) (N<sup>o</sup>Trillion)</b>	42.01	40.04
<b>Credit to the Private Sector (N<sup>o</sup>Trillion)</b>	75.84	73.94
<b>Currency in Circulation (N<sup>o</sup>Trillion)</b>	4.31	4.28
<b>FAAC (N<sup>o</sup>Trillion)</b>	1.28	1.35

NA: Not Available

## REFERENCES

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