



**NIGERIA  
ECONOMIC  
UPDATE**

**Weekly**

**Digest**

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## [Selected Food Price Watch June](#)

**2024**

The latest [report](#) on the Cost of a Healthy Diet (CoHD) in Nigeria by the National Bureau of Statistics (NBS) shows that the national average CoHD rose to N1,241 in June 2024, representing a 19.2% increase from N1,041 recorded in May. The cost of a healthy diet is the most affordable combination of locally available food items that meet the global food dietary guidelines and is used to measure physical and economic access to diets. The data suggests that an average Nigerian needs to spend a minimum of N1,241 to access a healthy diet. The average CoHD has witnessed a steady rise since January 2024, with vegetables, legumes and starchy staples driving the increase. In June, fruits and vegetables were the most expensive food groups in terms of price per calorie, making up just 7% and 17% of the calories in the Healthy Diet Basket, but 11% and 17% of the overall CoHD, respectively. Regionally, the South West Zone reported the highest average daily Cost of a Healthy Diet (CoHD) at N1,545, with the South South Zone following at N1,376 per day, and the North West Zone having the lowest average CoHD at N956 per day. This variation highlights the differences in product availability and market prices across these regions. The rise in CoHD is consistent with food inflation. In June, food inflation rose to 40.87%. Several factors contribute to high CoHD including insecurity in food-producing areas, and disruptions in the food supply chain. To tackle the issue, the government needs to enhance investment in agriculture by supporting farmers, implementing social safety nets, and improving food distribution networks. Additionally, addressing insecurity comprehensively will enable farmers to return to their farms. Financial institutions should also be encouraged to increase funding for agricultural businesses, boosting local production and making healthy food more affordable and accessible to Nigerians.

## [Credit to the Private Sector falls by](#)

**1.59%**

In its recent Money and credit [statistics](#), the Central Bank of Nigeria (CBN) revealed that banks' credit to the private sector declined month-on-month (MoM) by 1.59 percent from N74.31 trillion in May 2024 to N73.12 trillion in June 2024. Year-on-Year, it rose by N20.31 trillion (38.45 percent) from N52.81 trillion recorded in June 2023. The data further shows that credit to the government fell by 1.1 percent from N28.37 trillion in May 2024 to N28.05 trillion in June 2024. The credit to the private sector and the government resulted in a net domestic credit of N101.17 trillion, representing a 1.46 percent MoM fall compared to N102.68 trillion in May 2024. The decline in credit to the private sector indicates a slowdown in investment which could have been caused by the high cost of borrowing arising from an increase in the Monetary Policy Rate in the country. The CBN Monetary Policy Committee has increased the MPR rate four times since January 2024 from 18.75% to 26.75% in July, an increase of 800 basis points. The decline in credit to the government will reduce the risk of the crowding-out effect of government borrowing in the domestic financial market. In addition, the government needs to ensure optimal utilisation of borrowed funds. This can be achieved by strengthening mechanisms that would enhance transparency and accountability in the debt management process. Since investment is an important component of GDP, low investment implies lower future GDP growth. Hence, there is a need to ensure that firms have access to financing.

## [Average Price of Cooking Gas fell by 6.1% in June 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 5kg cylinder of Liquefied Petroleum Gas (Cooking Gas) fell by 6.10% month-on-month from N7,418.45 in May 2024 to N6,966.03 in June 2024. However, it rose by 71.23% year-on-year when compared to N4,068.26 in June 2023. Zonal analysis revealed that the South-West region had the highest average retail price for refilling a 5kg cylinder of cooking gas at N7,241.67, followed by the North-Central at N7,096.51, with the North-West having the lowest at N6,660.20. At the state level, Osun recorded the highest average price at N7,800.00, followed by Edo at N7,750.00 and Ebonyi at N7,590.79. Conversely, Yobe had the lowest price at N6,062.50, with Jigawa at N6,144.44 and Anambra at N6,338.75. The month-on-month decline in prices can be attributed to the ban by the federal government on the export of cooking gas which has increased the volume available in the domestic market. However, the year-on-year increase reflects low production to meet high domestic and foreign demands, and inflationary pressures which arise from multiple factors including high transportation costs, and currency depreciation. While the ban is yielding positive results in terms of price reduction, the government needs to consider additional measures to boost production for domestic demand and foreign markets. The ban should be viewed as a temporary intervention. Otherwise, the policy might discourage firms interested in investing for export, given the high demand for renewable energy including LNG in the global automobile industry.

<b>ECONOMIC SNAPSHOT</b>		
<b>Quarterly Indicators</b>	<b>'23Q4</b>	<b>'24Q1</b>
GDP Growth Rate (%)	3.46	2.98
Oil GDP Growth Rate (%)	12.11	5.70
Non-oil GDP Growth Rate (%)	3.07	2.80
Unemployment Rate (%)	5	NA
Foreign Direct Investment (US \$ Million)	183.97	119.18
Portfolio Investment (US \$Millions)	309.76	2075.9
Other Investment (US \$Million)	594.74	1605.41
External Debt (FGN & States- N'Trillion)	97.34	56.02
Domestic Debt (FGN + States & FCT N'Trillion)	87.91	65.65
Manufacturing Capacity Utilization (%)	NA	9.98
<b>Monthly Indicators</b>	<b>May 24'</b>	<b>June 24'</b>
Headline Inflation (%)	33.95	34.19
Food Sub-Index (%)	40.66	40.87
Core Sub-Index (%)	27.04	27.40
External Reserves (End Period) (US\$ Billion)	32.69	34.19
Official Rate Approx. (N/US\$)	1432.81	1481.33
BDC Rate Approx. (N/US\$)	NA	NA
Manufacturing PMI	52.1	50.1
Non-Manufacturing PMI	NA	NA
Average Crude Oil Price (US\$/Barrel)	84.01	83.64
Petrol (PMS-N/litre)	769.62	750.17
Diesel (AGO -N/Litre)	1403.96	1462.98
Kerosene (HHK -N/Litre)	1450.35	1,555.11
Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)	7418.45	6,966.03
MPR (%)	26.25	26.25
CRR (%)	45.0	45.0
T-Bill Rate (%)	16.44	16.37
Savings Deposit Rate (%)	6.68	6.67
Prime Lending (%)	15.54	15.85
Maximum Lending (%)	28.67	29.11
Narrow Money (N'Trillion)	33.38	36.77
Broad Money (N'Trillion)	99.23	101.34
Net Domestic Credit (N'Trillion)	10.26	10.11
Credit to the Government (Net) (N'Trillion)	28.37	28.05
Credit to the Private Sector (N'Trillion)	74.31	73.1
Currency in Circulation (N'Trillion)	39.65	40.48
FAAC (N'Trillion)	2.19	2.48

NA: Not Available

## REFERENCES

1. NBS (2024). *Cost of Healthy Diet June 2024*. Retrieved from: <https://nigerianstat.gov.ng/elibrary/read/1241541>
2. CBN (2024). *Money and Credit Statistics*. Retrieved from: <https://www.cbn.gov.ng/rates/mnycredit.asp>
3. NBS (2024). *Liquefied Petroleum Gas (Cooking Gas) Price Watch (June 2024)*. Retrieved from: <https://nigerianstat.gov.ng/elibrary/read/1241540>