



**NIGERIA  
ECONOMIC  
UPDATE**

**Weekly**

**Digest**

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## **Nigeria's public debt stock rose to N87 trillion**

[Data](#) released by the National Bureau of Statistics (NBS) shows that Nigeria's total public debt stock as of the end of the second quarter (Q2) of 2023 stood at N87.4 trillion, doubling the size of the debt in Q2 2022 at N42.5 trillion. On a quarter-on-quarter basis, Nigeria's debt profile rose by N49.85 trillion, with a growth rate of 75.3 percent. In the period under review, the share of external debt was N33.3 trillion, representing 38 percent of total public debt, while domestic debt was N54.1 trillion, representing 62 percent of total debt. While the composition of debt increased, the drivers of the increase differed. External debt increased due to the harmonisation of the exchange rate while domestic debt increased due to the inclusion of Ways and Means Advances in public debt stock. The dollar value of the external debt rose from \$40 billion to \$43 billion, suggesting an increase of 7.7 percent. The naira equivalent increased from N16.6 trillion in Q2 2022 to N33.2 trillion in Q2 2023, indicating an increase of 100%. This implies that the recent harmonisation partly accounts for the increase in total debt with a significant increase in new external debt. The increase in domestic debt was mainly due to the exponential increase in federal government bonds following the inclusion of N22.7 trillion securitised FGN's Ways and Means Advances in public debt stock. The FGN bond increased by 176% from N15.2 trillion in Q2 2022 to N42 trillion in Q2 2023. Public debt, especially the domestic component, would continue to increase without concerted efforts to boost government revenue. The tax system needs to be enhanced to increase tax compliance and reduce revenue leakages. Furthermore, the government needs to be more accountable and transparent in utilising scarce public resources.

## **Rail Transport Revenue Increased in Q2 2023**

According to the rail transport [data](#) released by the National Bureau of Statistics (NBS) in Q2 2023, the volume of goods/cargos transported for Q2 2023 reached 56,029 tons, compared to 31,197 tons in Q2 2022, showcasing a substantial growth trend. Similarly, goods/cargo revenue collected in Q2 2023 was N188.03 million, up by 105.04% from N91.70 million in Q2 2022. The rise in the use of rail for transportation is a positive development given its importance in supply chain and trade. Consequently, there is a need to support the development of the rail transport sector by streamlining procedures, lowering overheads, and optimizing routes to support the increasing demand for the service. Two actions can support the development. First, the government should prioritise constructing new routes while maintaining existing ones and combine rail services with other modes of transportation to enhance rail service coverage. The sub-national government can collaborate in constructing inter-state rail routes, thereby strengthening the movement of people and goods across states, and opening up new locations along the newly constructed rail routes. Second, cutting-edge technology and digital solutions can be implemented in partnership with the private sector to improve ticketing, tracking, and customer satisfaction. These actions are necessary to attract new users of rail transportation while improving the experience of existing users.

## **399 incidents of oil spillage recorded between January and August 2023**

According to the National Oil Spill Detection and Response Agency (NOSDRA), between January and August 2023, 399 incidents of oil spillage occurred in Nigeria, resulting in a loss of 6321 barrels of crude oil. The [report](#) reveals that the spill occurred in the facilities of 28 oil firms, with the highest being Shell Petroleum Development Company, which had 4939.29 barrels of crude oil spilled in 155 incidents, representing 78.1 percent of total spillage. Oil spills have had far-reaching consequences, including fiscal revenue losses, increased expenditure from the cost of cleaning oil spills, environmental damage, increased health risks to local communities, and livelihood disruptions. Furthermore, NOSDRA revealed that about 99.4 percent of the barrels spilled resulted from sabotage and theft, and 87.2 percent of barrels of crude oil spilled were from crude oil pipelines. Consequently, the government should enhance security measures, especially around pipelines and strengthen regulations to ensure companies' adherence. These interventions aim to reduce spillage occurrence, theft, and sabotage by ensuring regular inspections and maintenance of pipelines as well as improving safety and environmental standards.

<b>ECONOMIC SNAPSHOT</b>		
<b>Quarterly Indicators</b>	<b>'22Q4</b>	<b>'23Q1</b>
GDP Growth Rate (%)	3.52	2.31
Oil GDP Growth Rate (%)	-13.38	-4.21
Non-oil GDP Growth Rate (%)	4.44	2.77
Unemployment Rate (%)	NA	NA
Foreign Direct Investment (US \$ Million)	84.23	NA
Portfolio Investment (US \$Millions)	285.26	NA
Other Investment (US \$Million)	691.23	NA
External Debt (FGN & States- N'Trillion)	18.70	19.64
Domestic Debt (FGN + States & FCT N'Trillion)	27.55	30.21
Manufacturing Capacity utilization (%)	NA	NA
<b>Monthly Indicators</b>	<b>May '22</b>	<b>May '23</b>
Headline Inflation (%)	17.71	22.41
Food Sub-Index (%)	19.50	24.82
Core Sub-Index (%)	14.21	19.83
External Reserves (End Period) (US\$ Billion)	38.48	34.09
Official Rate Approx. (N/US\$)	415.15	461.26
BDC Rate Approx. (N/US\$)	NA	NA
Manufacturing PMI	48.9	NA
Non-Manufacturing PMI	49.9	NA
Average Crude Oil Price (US\$/Barrel)	117.17	76.91
Petrol (PMS-N/litre)	173.08	238.11
Diesel (AGO -N/Litre)	238.82	844.28
Kerosene (HHK -N/Litre)	679.54	1,206.05
Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)	3,921.35	4,360.69
MPR (%)	13.0	18.50
CRR (%)	27.5	32.5
T-Bill Rate (%)	2.47	2.98
Savings Deposit Rate (%)	1.37	5.13
Prime Lending (%)	11.96	14.07
Maximum Lending (%)	27.37	28.31
Narrow Money (N'Trillion)	20.56	22.27
Broad Money (N'Trillion)	48.51	55.50
Net Domestic Credit (N'Trillion)	56.51	74.91
Credit to the Government (Net) (N'Trillion)	18.05	30.69
Credit to the Private Sector (N'Trillion)	38.46	44.21
Currency in Circulation (N'Trillion)	3.331	2.527
FAAC (N'Billion)	833.86	NA

NA: Not Available

## **REFERENCES**

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