



**NIGERIA
ECONOMIC
UPDATE**

Weekly

Digest

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IMF projects Nigeria's 2023 total exports as percentage of GDP at 15.51%

According to the International Monetary Fund (IMF) World Economic Outlook [Database](#) (October 2023), Nigeria's total exports as a percentage of GDP for 2023 is projected to rise to 15.51% from 14.47% recorded in 2022. The increase in export as a share of GDP is a welcome development, which needs to be strengthened. An increase in export is associated with several developmental outcomes including employment creation, foreign exchange earnings, and favourable trade balance. To sustain and maximize these benefits, government policies should focus on enhancing trade facilitation, continued investment in trade-related infrastructure, export promotion policies, diversification strategies, strategic currency management, among other policies. These can position Nigeria for long-term economic stability and competitiveness in the global market. It is envisioned that these interventions, supported by research, would enable policy makers achieve their goal of boosting exports.

Nigeria's headline inflation approaches 30%

[Data](#) from the National Bureau of Statistics (NBS) shows that Nigeria's headline inflation rate increased to 27.33% in October 2023 from 26.72% recorded in August 2023 and 21.09% in October 2022. The headline inflation is three times the upper bound inflation target of 9%. The data further show that food inflation stood at 31.52%. Core inflation, which is all item excluding food and energy, rose to 22.58%. Persistent double digit inflation rate erodes household purchasing power at a fast pace, thereby pushing thousands of Nigerians into poverty. If the high inflation, especially food inflation, persists for the next 3 months, insecurity and social unrest would increase at an alarming rate. Prompt action, including implementing social protection programs for the most disadvantaged households and setting up food bank to increase access to quality and nutritional meals, is required from the government. In July, President Tinubu declared state of emergency on food. Three months afterwards, food prices continue the upward trajectory rising from 25.25% in June to 31.52% in October. There is a need for the government to update the nation on the agriculture programme. This is important in unpacking likely drivers of the high food inflation beyond insecurity, flooding, and rising transportation costs. Additionally, the government can offer companies tax breaks and other financial incentives, particularly those about to go out of business due to high cost of operation.

Nigeria's Entertainment and Media Industry projected to grow at a 16.5 percent CAGR by 2027

According to the PricewaterhouseCoopers (PwC) African Entertainment and Media [Outlook 2023-2027](#), Nigeria is among the world's fastest-rising entertainment and media market with an annual revenue growth rate of 12.4% in 2022. The report further projected a revenue surge to \$12.9bn by 2027, indicating a 16.5% anticipated Compound Annual Growth Rate (CAGR) in the industry. The growth projection was attributed to the burgeoning youth population, improved internet connectivity, and mobile technology penetration, which have expanded the reach of media platforms. Furthermore, the projected growth indicates thousands of jobs will be created, and provides opportunities for talent development, and rebranding of national identity. The government should promote an enabling environment for innovation and creativity by providing infrastructure support for digital connectivity. The Lagos state \$100 million film city project is a step in the right direction in unlocking the potential of the entertainment and media market. Other states and the federal government need to develop action plan with industry stakeholders to unlock the industry potential. Additionally, regulatory frameworks that encourage investment, support local content creation, and address piracy concerns and intellectual property protections will be crucial in sustaining the growth of Nigeria's entertainment and media industry.

ECONOMIC SNAPSHOT		
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Quarterly Indicators	'23Q1	'23Q2
GDP Growth Rate (%)	2.31	2.51
Oil GDP Growth Rate (%)	-4.21	-13.43
Non-oil GDP Growth Rate (%)	2.77	3.58
Unemployment Rate (%)	4.1	NA
Foreign Direct Investment (US \$ Million)	47.60	86.03
Portfolio Investment (US \$Millions)	649.28	106.85
Other Investment (US \$Million)	435.76	837.34
External Debt (FGN & States- N'Trillion)	19.64	33.25
Domestic Debt (FGN + States & FCT N'Trillion)	30.21	54.13
Manufacturing Capacity utilization (%)	NA	NA
Monthly Indicators	October '22	October '23
Headline Inflation (%)	21.09	27.33
Food Sub-Index (%)	23.72	31.52
Core Sub-Index (%)	17.46	22.58
External Reserves (End Period) (US\$ Billion)	37.39	33.39
Official Rate Approx. (N/US\$)	438.52	824.99
BDC Rate Approx. (N/US\$)	NA	NA
Manufacturing PMI	NA	NA
Non-Manufacturing PMI	NA	NA
Average Crude Oil Price (US\$/Barrel)	96.57	94.90
Petrol (PMS-N/litre)	195.29	630.63
Diesel (AGO -N/Litre)	801.09	1004.98
Kerosene (HHK -N/Litre)	809.52	1,272.40
Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)	4,483.75	4,562.51
MPR (%)	15.5	18.75
CRR (%)	32.5	32.5
T-Bill Rate (%)	5.68	5.29
Savings Deposit Rate (%)	4.08	5.26
Prime Lending (%)	12.23	14.32
Maximum Lending (%)	28.06	27.24
Narrow Money (N'Trillion)	21.19	25.36
Broad Money (N'Trillion)	65.44	67.18
Net Domestic Credit (N'Trillion)	63.34	92.72
Credit to the Government (Net) (N'Trillion)	22.83	34.12
Credit to the Private Sector (N'Trillion)	40.52	58.6
Currency in Circulation (N'Trillion)	3.228	2.761
FAAC (N'Trillion)	1.26	0.903

NA: Not Available

The September figures for CRR, Narrow money, broad money, T-Bill rate (%), Savings Deposit Rate (%), Prime Lending (%), maximum lending (%), Net domestic credit, credit to the government, and credit to other sectors are retained due to unavailability of data.

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