



**NIGERIA
ECONOMIC
UPDATE**

Weekly

Digest

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Naira appreciates by 7.62% post launching of EFEMS

According to the [Central Bank of Nigeria \(CBN\)](#), the Naira appreciated by 7.62 percent from ₦1661.12 to a US Dollar on 2nd December 2024 to ₦1534.56 to a US Dollar on 3rd January 2025. Since the unification of exchange rates in June 2023, the Naira has been fluctuating. In 2024, the local currency lost about 41 percent of its value against the dollar in the official market, despite a rise in external reserves in the same period. The recent appreciation of the Naira comes a month after the implementation of the Electronic Foreign Exchange Matching System (EFEMS), which was officially launched on 2nd December 2024 to reduce speculation and enhance transparency in Nigeria's foreign exchange market. With a strengthened domestic currency, it is expected that prices would fall in the short term, especially given that Nigeria is a highly import-dependent country. If the appreciation is sustained over time, it enables the country to concurrently service foreign currency-denominated debts and supply demanded liquidity in the foreign exchange market. To ensure a stable and strong Naira, there is a need to maintain sustainable debt levels, reduce reliance on imports, and boost foreign reserves by increasing exports. Also, there is a need to create a business-friendly climate for foreign investors to attract foreign exchange inflow.

Remittance Inflows through IMTOs surge by 63.7% in nine months

The Central Bank of Nigeria (CBN) in its [Q3 2024 statistical bulletin](#) revealed that International Money Transfer Operator (IMTO) inflows surged by 63.7% in the first nine months of 2024. Inflows rose from \$2.33 billion in the first nine months of 2023 to \$3.82 billion in the same period in 2024. April had the most year-on-year increase, as inflows rose from \$254.26 million in April 2023 to \$466.11 million in the same month in 2024, representing an 83 percent increase. The data further shows that July 2024 had the highest month-on-month increase, with inflows rising by 41.85 percent to \$552.94 million. This increase in remittances comes after a series of reforms and policy actions taken by the CBN in 2024, such as changes to the rules for IMTOs (aimed at making them more competitive) and diaspora engagement. This increase in remittance inflows would boost foreign exchange and increase household income and consumption in the short term. While the increase in remittances is a positive development for the economy, a sustained increase in remittances is more desirable to increase the availability of foreign exchange. An effective measure of improving inflow of remittances could be encouraging remittance via IMTOs through attractive incentives for inflows. Also, there is a need to strengthen trust in IMTOs by ensuring they deliver quality service through a very robust regulatory framework that guides the processes and provides security of funds.

Nigerian All-Shares Index rises by 1.42%

The Nigeria Exchange (NGX) weekly market [report](#) for the week which ended on 3rd January 2025 shows that trading ended on a positive note. The report revealed an appreciation of the NGX All-Share Index (ASI) by 1.42 percent, with the index closing at 103,586.33 points, up from 102,133.30 points in the previous week. The NGX Insurance Index had the most notable weekly surge, rising by 26.91 percent to 847.59 points. By quantity traded, the financial services industry led with 1.751 billion shares valued at ₦17.079 billion traded, contributing 66.88 percent to the total equity turnover volume. The services industry followed, with 205.807 million shares worth ₦1.829 billion traded, contributing 7.87 percent to the total equity turnover volume. The ICT sector followed closely, constituting 7.26 percent of quantity traded, with a turnover of 189.938 million shares worth ₦1.844 billion. This positive start to 2025 if sustained overtime implies that there is a growing desire for Nigerian stocks among portfolio investors. To ensure sustained investor confidence, there is a need to enhance macroeconomic stability and improve the investment climate through exchange rate stability, maintaining sustainable debt levels, ensuring transparency and availability of financial information, which will all strengthen the confidence which investors have in the Nigerian exchange market.

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

NA: Not Available

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