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Federally Collected Revenue rises by 7.48% in Q3 2024

According to the Central Bank of Nigeria's Q3 2024 economic report, provisional total federally collected revenue increased by 7.48% from the second quarter to ₦6.86 trillion.[1] However, it fell 23.71% short of the target. This rise in revenue was due to larger inflows into the federation account from corporate tax and value-added tax (VAT). Non-oil revenue grew by 19.48% from the previous quarter to ₦5.56 trillion, exceeding the objective by 50.36%. In comparison to the second quarter, oil revenue decreased by 24.72 percent to ₦1.30 trillion, falling 75.39 percent of the target. This decrease in oil revenue is attributed to fewer inflows into the federation account from petroleum profit tax (PPT) and royalties. The quarter saw shut-ins due to failing oil pipelines and infrastructure. While an increase in gross revenue is a positive development for the economy, there is still a need for continued improvement to guarantee funds are accessible for pro-poor and developmental investment. To boost revenue, the government would need to boost crude oil production, reduce oil theft and ensure local refineries are operating properly. Furthermore, the government should make concerted efforts to widen the revenue base and enhance tax administration.

Money Supply increased by 0.90% in November 2024

In November 2024, the Central Bank of Nigeria (CBN) reported a 0.90% growth in money supply (M3) to ₦109.00 trillion, up from ₦108.00 trillion in October. Year-on-year, M3 increased by 51.29% from 72.26 trillion in November 2023. The report further revealed that currency in circulation rose by 7.23% month-on-month to ₦4.88 trillion in November from ₦4.55 trillion in October 2024 and by 45.72 percent year-on-year from ₦3.35 trillion in November 2023. In November 2024, currency outside banks grew by 8.50% month on month to ₦4.65 trillion and by 51.05% year on year. According to the Central Bank's Q3 Economic Report, the increase in money supply (M3) can be attributed to three factors: growth in transferable deposits, other deposits, and currency outside of depository corporations. The constant rise of broad money (M3) has implications for the economy in the sense that it can raise inflationary pressure in the country. Such developments may also impede monetary policy authorities' efforts to contain the country's present inflationary spike. To address the excessive growth in the money supply, the monetary authority can implement a variety of practical measures, the most important of which are higher interest rates and higher reserve requirements. However, given Nigeria's slow-growing economy, a gradual approach may be preferable to aggressive monetary policy. This could include a minor adjustment in interest rates and selective reserve requirements which can improve liquidity and help the economy recover.

Nigeria's Foreign Reserves hits $40.79 billion

According to data from the Central Bank of Nigeria (CBN), Nigeria's total foreign reserves stood at $40.79 billion on December 19, 2024, up 1.24% from $40.29 billion on the same day the previous month. Compared to December 19, 2023, the nation's reserves increased by 24.36 percent from $32.8 billion in the same period in 2024. The data also shows that the reserves hit its highest level on December 10, 2021, when it was at $40.89 billion. This gain in foreign reserves follows a drop below $34 billion earlier in 2024, when reserves were adversely affected by foreign exchange market pressure and global oil market uncertainty. The CBN's policy reforms to increase remittance inflows, as well as its engagements with International Money Transfer Operators (IMTOs) and Nigeria's diaspora, all contributed considerably to the increase in reserves. While an increase in reserves is crucial for economic development, a continuous increase at a desirable level is required to signal the nation's financial strength and stability to investors, resulting in increased foreign investment and economic progress. To boost external reserves, the government must expand exports, maintain sustainable levels of foreign debt, and improve its investment climate.

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 (%)de	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
Narrow Money (N'Trillion)	35.55	34.64
Broad Money (N'Trillion)	108.95	107.66
Net Domestic Credit (N'Trillion)	11.78	11.39
Credit to the Government (Net) (N'Trillion)	42.01	40.04
Credit to the Private Sector (N'Trillion)	75.84	73.94
Currency in Circulation (N'Trillion)	4.31	4.28
FAAC (N'Trillion)	1.28	1.35

NA: Not Available

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