



**NIGERIA
ECONOMIC
UPDATE**

Weekly

Digest

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Deposit insurance coverage rises by 900%

The Nigeria Deposit Insurance Corporation (NDIC) has [reviewed](#) upward the maximum deposit insurance coverage for various deposit-taking financial institutions licensed by the Central Bank of Nigeria (CBN). The increase was approved by the Interim Management Committee (IMC) of the corporation at its 18th meeting on the 24th April, 2024. For Deposit Money Banks (DMBs), the insurance coverage was increased by 900% from N500,000 to N5,000,000; Microfinance Banks (MFBs) by 900% from N200,000 to N2,000,000; Primary Mortgage Banks (PMBs) by 300% from N500,000 to N2,000,000; Payment Service Banks (PSBs) by 300% from N500,000 to N2,000,000 and Mobile Money Operators (MMOs) subscribers by 900% from N500,000 to N5,000,000 per subscriber. The corporation, in a press statement, explained that the new increase now covers 98.98% of total depositors and 25.37% of total deposits for DMBs while that of MFBs covers 99.27% of total depositors and 34.43% of total deposits. For the PMBs, the coverage covers 99.34% of total depositors and 21.04% of total deposits while for Payment Service Banks (PSBs), 99.99% of total depositors would be covered which makes up 43.10% of total deposits. This development comes on the heels of the CBN's recent revision of minimum capital requirements for the commercial, merchant, and non-interest banks in the country. This increase is in pursuance of the corporation's commitment to increasing public confidence, depositor's protection, promoting financial inclusion and ensuring financial stability of the system. NDIC should monitor and evaluate the effectiveness of the increased deposit insurance coverage, communicate it widely to depositors, collaborate with stakeholders to ensure adequacy and maintain a resilient financial ecosystem for depositor protection.

Average Cost of Healthy Diet up by 4.7%

The latest [report](#) on the Cost of a Healthy Diet (CoHD) in Nigeria by the NBS shows that the national average CoHD rose to N982 in March 2024, representing a 4.7% increase from the cost in the previous month, N938. The cost of a healthy diet is the most affordable combination of locally available food items that meet the global food dietary guidelines. The data suggests Nigerians would need to spend N982 for a healthy diet. At the state level, Ekiti, Lagos, and Abia states had the highest cost which stood at N1330, N1249, and N1215 respectively while Katsina recorded the lowest cost, followed by Sokoto and Zamfara State with N739, N758, and N766 respectively. This disparity reflects the differences in product availability, and market prices within these states. Factors contributing to this rise include the rise in general inflation to 33.69% in April, food inflation to 40.53%, insecurity in food-producing regions, disruptions in the food supply chain, and increased transportation costs as the average fare paid by commuters increased by 49.55% YoY. To mitigate effects of high cost of healthy diet including acute hunger, malnutrition and rise in complex health issues, urgent policy action is needed. The government should focus on both short-term solutions like providing targeted food price subsidies and long-term solution such as increased investments in agricultural inputs and improved security in food producing areas to improve agricultural productivity, and output level, which in turn, is expected to lower the cost of a healthy diet.

Prices of Nigerian staples surge over 150%

The continuous increase in food inflation now at 40.2% has further worsened the welfare of Nigerians, as food becomes more expensive. The latest Selected Food Prices [Watch](#) for March 2024 by the National Bureau of Statistics (NBS) showed that the average price of 1kg of locally produced rice stood at N1340.74. This represents an increase of about 152.93% YoY from N530.08 recorded in March 2023 and a 9.63% increase MoM. The report also highlighted that the average price of 1kg of beef boneless increased by 73.78% YoY from N2479.61 to N4309.16 and 17.91% MoM; Beans brown also increased by 106.78% YoY from N596.96 in March 2023 to N1234.40 in March 2024 and 4.79% MoM. Furthermore, average price of 1kg of garri and Yam tuber rose by 112.34% and 141.25% YoY and 3.66% and 5.87% MoM, respectively. The report showed that the highest average price of 1kg rice was recorded in Niger state at N1,699 and the lowest recorded in Benue State at N985.83 per kg. Beef boneless was sold at N5,500 in Kwara being the highest and the lowest at N3,400 in Benue State. Rice, Beans and Garri are the most patronized food items in Nigeria and the continuous increase in their prices threatens food security for many Nigerians, potentially leading to increased hunger and malnutrition. The government, should therefore, prioritize policies and interventions that will boost domestic food production and mitigate the impact of food inflation on vulnerable populations. Government support can be in the form of providing fertilizers, and seedlings, increasing irrigation infrastructure, and addressing insecurity that lowers agricultural activities.

ECONOMIC SNAPSHOT		
Quarterly Indicators	'23Q3	'23Q4
GDP Growth Rate (%)	2.54	3.46
Oil GDP Growth Rate (%)	-0.85	12.11
Non-oil GDP Growth Rate (%)	2.75	3.07
Unemployment Rate (%)	5	NA
Foreign Direct Investment (US \$ Million)	59.77	183.97
Portfolio Investment (US \$Millions)	87.11	309.76
Other Investment (US \$Million)	507.77	594.74
External Debt (FGN & States- N'Trillion)	31.98	97.34
Domestic Debt (FGN + States & FCT N'Trillion)	55.93	87.91
Manufacturing Capacity utilization (%)	NA	NA
Monthly Indicators	February '24	March '24
Headline Inflation (%)	31.70	33.20
Food Sub-Index (%)	37.92	40.01
Core Sub-Index (%)	25.13	25.90
External Reserves (End Period) (US\$ Billion)	34.71	33.82
Official Rate Approx. (N/US\$)	1505.92	1510.34
BDC Rate Approx. (N/US\$)	NA	NA
Manufacturing PMI	NA	NA
Non-Manufacturing PMI	NA	NA
Average Crude Oil Price (US\$/Barrel)	86.07	NA
Petrol (PMS-N/litre)	679.36	696.79
Diesel (AGO -N/Litre)	1257.06	1341.16
Kerosene (HHK -N/Litre)	1340.94	1354.40
Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)	6154.50	6591.62
MPR (%)	22.75	NA
CRR (%)	40	NA
T-Bill Rate (%)	17.03	NA
Savings Deposit Rate (%)	5.86	NA
Prime Lending (%)	15.06	NA
Maximum Lending (%)	26.55	NA
Narrow Money (N'Trillion)	30.27	NA
Broad Money (N'Trillion)	95.55	NA
Net Domestic Credit (N'Trillion)	114.78	NA
Credit to the Government (Net) (N'Trillion)	33.92	NA
Credit to the Private Sector (N'Trillion)	80.86	NA
Currency in Circulation (N'Trillion)	36.93	NA
FAAC (N'Trillion)	2.07	NA

NA: Not Available

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