

Issue 11,  
March 17, 2017

## Inflation Rate

Consumer Price Index (CPI), the measure of inflation rate reversed its upward trajectory in the month under review. Specifically, inflation rate moderated by 0.94 percentage points to 17.78 percent in February 2017<sup>1</sup> – the first decline in 15 months. Although Food component of the CPI increased by 0.71 percentage points to 18.53 percent, Core component eased by 1.9 percentage points to 16.00 percent. Inflation rate moderation in February is likely attributable to lower impact of exchange rate pass-through effects on imported food and other items. While strengthening of naira would help douse prices of imported goods, intensified efforts need be made to increase local agricultural produce so as to ease food component of the CPI.



## Oil and Gas Sector

OPEC's Monthly Oil Market Report (MOMR) indicates that Nigeria recorded the highest and only increase in crude oil production amongst the OPEC member countries in February 2017. Precisely, domestic crude oil production in Nigeria rose (Month-on-Month) by 3.7 percent to 1.61 million barrels per day, in February 2017<sup>2</sup>. The relative stability in the Niger-Delta oil region, in addition to OPEC exemption from global production/supply cut, steered increased domestic production in Nigeria. Going forward, the government should continue to maintain peace in the Niger Delta region to continue to benefit from the OPEC crude oil production cut, and lift its economy from the recession.



## Agricultural Sector

Recently released report by the National Bureau of Statistics (NBS) indicates price increase of selected food items for the month of February 2017, relative to January 2017. Specifically, prices of the selected 24 food items ranged from N47.42 – N1, 812 in January to N42.90 – N1, 955.10 in February 2017<sup>3</sup>. Average price of all selected items increased month-on-month by 2.7 percent to N540.05. Non-seasonal agriculture factors such as rising cost of crop production, imported products, and transportation continue to drive domestic food prices higher as domestic food supply contracts. This is also reflective of the high food inflation rate in February (18.53 percent) relative to 17.82 percent recorded in January 2017. Strengthening Nigeria's crude oil production, supporting local agricultural production, and improving forex policies to straighten the naira remain critical in improving food supply and reducing inflation.



## Petroleum Products

Monthly reports by the NBS show increases in the average prices of refined petroleum products for the month of February 2017. Average price of PMS, AGO and LPG increased by 0.74, 3.68 and 5.62 percent to N149.8/litre<sup>4</sup>, N249.38/litre<sup>5</sup>, and N2, 708.38/5kg<sup>6</sup> respectively. On the other hand, average price of HHK decreased significantly by 18.77 percent to N352.42/litre<sup>7</sup>. Going forward, improvement in domestic refinery capacity together with a rise in the international value of naira would ensure cheap availability of petroleum products below current levels.



Compiled by the Information and Data Management (IDM) Unit, CSEA

## ECONOMIC INDICATORS

<b>QUARTERLY ECONOMIC INDICATORS</b>	<b>2016Q2</b>	<b>2016Q3</b>	<b>2016Q4</b>
<b>GDP Growth Rate (%)</b>	-2.06	-2.24	-1.30
<b>Oil GDP (%)</b>	-17.48	-22.01	-12.38
<b>Non-Oil GDP (%)</b>	-0.38	0.03	-0.33
<b>Unemployment Rate (%)</b>	13.10	13.9	NA
<b>Underemployment Rate (%)</b>	19.30	19.7	NA
<b>Foreign Direct Investment (US \$'Million)</b>	184.29	340.64	344.63
<b>Portfolio Investment (US \$'Million)</b>	337.31	920.32	284.22
<b>Other Investments (US \$'Million)</b>	520.57	561.16	920.03
<b>Total Revenue (FG) (N' Billion)</b>	977.82	1,185.52	NA
<b>Total Expenditure (FG) (N' Billion)</b>	1,407.38	1,344.71	NA
<b>FG Fiscal (Deficit)/Surplus (N' Billion)</b>	429.56	159.19	NA
<b>MONTHLY ECONOMIC INDICATORS</b>	<b>Nov-2016</b>	<b>Dec-2016</b>	<b>Jan-2017</b>
<b>Headline Inflation (%)</b>	18.5	18.55	18.72
<b>Food Sub-Index (%)</b>	17.2	17.4	17.82
<b>Core Sub-Index (%)</b>	18.2	18.1	17.90
<b>External Reserve (US\$ Million)</b>	25,081.22	26,990.58	28,592.98
<b>All Share Index (Points)</b>	25,333.39	26,874.62	26,036.24
<b>Market Capitalization (N' Billion)</b>	8,720.80	9,246.92	8,972.99
<b>Exchange Rate (BDC - N/US\$)</b>	415.36	455.26	493.29
<b>Official Rate (N/US\$)</b>	305.18	305.22	305.20
<b>Manufacturing PMI</b>	46.00	52.00	48.20
<b>Non-Manufacturing PMI</b>	42.80	47.10	49.40
<b>Crude Oil Price(US\$/Barrel)</b>	45.25	53.48	55.01
<b>Petrol (PMS - N/litre)</b>	146.7	146.7	148.7
<b>Diesel (AGO - N/litre)</b>	195.67	196.25	240.52
<b>Kerosene (NHK - N/litre)</b>	282.86	231.85	433.84
<b>MPR (%)</b>	14	14	14
<b>Private Sector CRR (%)</b>	22.5	22.5	22.5
<b>Public Sector CRR (%)</b>	22.5	22.5	22.5
<b>91 Day T-Bill Rate (%)</b>	13.99	13.96	13.95
<b>Savings Deposit (%)</b>	4.28	4.18	4.22
<b>Prime Lending (%)</b>	17.06	17.09	16.91
<b>Maximum Lending (%)</b>	28.53	28.55	28.88
<b>Narrow Money (N'Billion)</b>	10,429.54	11,404.91	11,267.71
<b>Broad Money (N'Billion)</b>	22,382.92	23,725.13	23,380.94
<b>Net Domestic Credit (N'Billion)</b>	14,389.11	14,530.75	13,613.14
<b>Credit to Government (N'Billion)</b>	3,802.86	4,806.98	4,284.26
<b>Credit to Private Sector (N'Billion)</b>	2,304.54	2,234.69	2,234.30
<b>Currency in Circulation (N'Billion)</b>	1,907.86	2,179.17	1,994.58
<b>FAAC (N' Billion)</b>	386	400	465*

\*Provisional Figures (Subject to change)

NA: Not Available

- <sup>1</sup> National Bureau of Statistics (2017). "CPI Report, February 2017". Retrieved from, <http://www.nigerianstat.gov.ng/report/527>
- <sup>2</sup> OPEC (2017). "Monthly Oil Market Report: March 2017". Retrieved from, [http://www.opec.org/opec\\_web/static\\_files\\_project/media/downloads/publications/MOMR%20March%202017.pdf](http://www.opec.org/opec_web/static_files_project/media/downloads/publications/MOMR%20March%202017.pdf)
- <sup>3</sup> National Bureau of Statistics (2017). "Selected Food Prices Watch, February 2017". Retrieved from, <http://www.nigerianstat.gov.ng/report/526>
- <sup>4</sup> National Bureau of Statistics (2017). "Premium Motor Spirit (Petrol) Price Watch: February 2017". Retrieved from, <http://www.nigerianstat.gov.ng/report/524>
- <sup>5</sup> National Bureau of Statistics (2017). "Automotive Gas Oil (Diesel) Price Watch: February 2017". Retrieved from, <http://www.nigerianstat.gov.ng/report/525>
- <sup>6</sup> National Bureau of Statistics (2017). "Liquified Petroleum Gas (Cooking Gas) Price Watch: February 2017". Retrieved from, <http://www.nigerianstat.gov.ng/report/529>
- <sup>7</sup> National Bureau of Statistics (2017). "Household Kerosene Price Watch: February 2017". Retrieved from, <http://www.nigerianstat.gov.ng/report/528>