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Gross Domestic Product (GDP)

GDP report by the National Bureau of Statistics indicates a year-on-year decline in real growth rate for 2016Q4. Specifically, real GDP contracted by 1.3 percent in 2016 Q4 relative to 2.11 percent output expansion recorded in the 2015 corresponding quarter¹. Both oil and Non-oil GDP declined by 12.38 percent and 0.33 percent in 2016Q4 respectively. The 2016 recession experience was as a result of multifaceted factors ranging from high inflation rate, shortages of forex, pipeline vandalism, and increasing energy prices, to lack of effective policy that can douse expectations and uncertainties and improve markets efficiency. Going forward, there is need to key into reforms that enhance the supply and remove bottlenecks to domestic production. In addition, incentives that guarantee free interplay of market would help minimize uncertainties and expectations and improve investors' confidence.



Foreign Trade

Nigeria's total foreign merchandise trade increased significantly by 10.6 percent, from N4, 781.1 billion in 2016Q3 to N5, 286.6 billion in 2016Q4². This is at a backdrop of improvements in exports. Total exports rose (quarter-on-quarter) by 28.3 percent to N2, 978.9 billion – driven by significant improvements in all export categories (Crude oil, Non-crude oil and Non-oil exports). Comparatively, total imports reduced by 6.1 percent to N2, 307.6 billion. By implication, the more than proportionate rise in exports prompted a favorable balance of trade (N671.3 billion) – the first quarterly positive trade balance since corresponding quarter, 2015Q4. Given that improvement in trade balance is critical to foreign reserve conservation, intensified efforts should be made towards scaling up investment in activities that can boost export and increase foreign exchange earnings.



Purchasing Managers' Index

PMI report from the Central Bank of Nigeria shows that Manufacturing PMI declined by 3.6 index points to 44.6 index points in February, 2017 – with 14 out of 16 subsectors recording decline. Similarly, Non-manufacturing PMI declined by 4.9 index points to 44.5 index points – with 15 of the 18 subsectors recorded decline³. The contraction in economic activities for two consecutive months, likely suggests that manufacturers and non-manufacturers still struggle to meet up with challenges associated with their production/operating environment – this is occasioned by relatively weak demand, high cost of imported raw materials and high borrowing costs. Going forward, there is still the need for expansionary fiscal policy alongside improved management of foreign exchange policy with the aim of stimulating economic activities.



Crude Oil Price

Crude oil prices fluctuated during the review week. OPEC weekly basket price decreased marginally from \$53.63 on February 24, 2017 to \$53.34 on March 3, 2017⁴. Similarly, Brent crude declined (week-on-week) by 0.84 percent to \$55.15⁵, while Bonny light decreased by 2.4 percent to \$54.4 per barrel⁶. During the week, reports of Russia's incomplete compliance to agreed production cut and rising United States crude production/inventories⁷, led to the slight pressure exerted on oil prices. The uncertainties and volatility of global crude oil price stresses the need for the government to channel efforts at developing other key sectors of the economy, particularly the manufacturing sector.



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

ECONOMIC INDICATORS

QUARTERLY ECONOMIC INDICATORS	2016Q2	2016Q3	2016Q4
GDP Growth Rate (%)	-2.06	-2.24	-1.30
Oil GDP (%)	-17.48	-22.01	-12.38
Non-Oil GDP (%)	-0.38	0.03	-0.33
Unemployment Rate (%)	13.10	13.9	NA
Underemployment Rate (%)	19.30	19.7	NA
Foreign Direct Investment (US \$'Million)	184.29	340.64	344.63
Portfolio Investment (US \$'Million)	337.31	920.32	284.22
Other Investments (US \$'Million)	520.57	561.16	920.03
Total Revenue (FG) (N' Billion)	977.82	1,185.52	NA
Total Expenditure (FG) (N' Billion)	1,407.38	1,344.71	NA
FG Fiscal (Deficit)/Surplus (N' Billion)	-429.56	-159.19	NA
MONTHLY ECONOMIC INDICATORS	Nov-2016	Dec-2016	Jan-2017
Headline Inflation (%)	18.5	18.55	18.72
Food Sub-Index (%)	17.2	17.4	17.82
Core Sub-Index (%)	18.2	18.1	17.90
External Reserve (US\$ Million)	25,081.22	26,990.58	NA
All Share Index (Points)	25,333.39	26,874.62	26,036.24
Market Capitalization (N' Billion)	8,720.80	9,246.92	8,972.99
Exchange Rate (BDC - N/US\$)	415.36	455.26	493.29
Official Rate (N/US\$)	305.18	305.22	305.20
Manufacturing PMI	46.00	52.00	48.20
Non-Manufacturing PMI	42.80	47.10	49.40
Crude Oil Price(US\$/Barrel)	45.25	53.48	NA
Petrol (PMS - N/litre)	146.7	146.7	148.7
Diesel (AGO - N/litre)	195.67	196.25	240.52
Kerosene (NHK - N/litre)	282.86	231.85	433.84
MPR (%)	14	14	14
Private Sector CRR (%)	22.5	22.5	22.5
Public Sector CRR (%)	22.5	22.5	22.5
91 Day T-Bill Rate (%)	13.99	13.96	NA
Savings Deposit (%)	4.28	4.18	NA
Prime Lending (%)	17.06	17.09	NA
Maximum Lending (%)	28.53	28.55	NA
Exports (FOB) (US\$ Million)	2,871.23	2,880.83*	NA
Imports (CIF) (US\$ Million)	3,134.96	2,695.10*	NA
Imports (FOB) (US\$ Million)	2,937.15	2,539.91*	NA
Total Trade (US\$ Million)	6,006.19	5,575.94*	NA
Balance of Trade (US\$ Million)	-263.72	185.73*	NA
Currency in Circulation (N'Billion)	1,907.86	2,179.17	1,994.58
FAAC (N' Billion)	386	400	465*

*Provisional Figures (Subject to change)

NA: Not Available

¹ National Bureau of Statistics (2017). “GDP Q4 2016 Full Report”. Retrieved from, <http://nigerianstat.gov.ng/report/518>

² National Bureau of Statistics (2017). “Foreign Trade in Merchandise 2016”. Retrieved from, <http://nigerianstat.gov.ng/report/519>

³ CBN (2017). “February 2017 PMI Report”. Retrieved from, http://www.cbn.gov.ng/Out/2017/SD/PMI_Report_February%202017.pdf

⁴ OPEC Basket Price. Accessed March 7, 2017, http://www.opec.org/opec_web/en/data_graphs/40.htm

⁵ Reuters (2017). “Oil slips nearly 1 percent on concerns over rising U.S. output”. Accessed March 7, 2017. <http://www.reuters.com/article/us-global-oil-idUSKBN163059>

⁶ cbn.gov.ng

⁷ The Week (2017). “Oil price edges up after Russian figures dent confidence”. Accessed March 7, 2017. <http://www.theweek.co.uk/oil-price/60838/oil-price-faces-pressure-from-fast-growing-shale-sector>