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Internally Generated Revenue

Data released by the National Bureau of Statistics shows that Internally Generated Revenue by states increased in 2017H1. The IGR increased from N392.1 billion in 2016H1, to N396.9 billion in 2017H1¹, a slight 1.2 percentage half Year-on-year growth. Also, N149.5 billion was generated in 2017Q3. Lagos state remains top in internal revenue generation, with a significant 42.3 percent share of total IGR in the review half year. The improvements in IGR may be attributable to efficient revenue collection by each reported state from the various sources of internal revenue: taxes, fines and fees, licenses, earnings & sales, rent on government property, interests and dividends, among others. Disaggregated data also shows that a total revenue (IGR and FAAC allocation) of N1.1 trillion was generated from states (excluding Rivers, Anambra and Ebonyi states) during the first half of 2017. Going forward, investments in infrastructure conducive for business growth as well as supporting the formalization of businesses in the informal sector are critical to improving revenue generation in other states of the federation.

Capital Importation

Capital imported into Nigeria recorded unprecedented growth and more than double in 2017Q3. Relative to the corresponding and preceding quarters, total capital importation increased significantly by 127.5 percent and 131.3 percent respectively, to \$4.15 billion in 2017Q3². In the order of increases by type of investment, Portfolio investment led with 260 percentage QOQ growth and accounted for 67 percent (\$2.77 billion) of total capital imported. Closely followed, is Other Investment which rose by 69 percent and accounted for 30 percent (\$1.26 billion). However, Foreign Direct Investment (FDI) reversed previous increases to stand at \$117 million, from \$274 million in 2017Q2. The overall improvement in capital importation is at the backdrop of investors' positive outlook on sustained and emerging opportunities in the Nigerian economy³; driving them to make remarkable capital (particularly portfolio) investment decisions. Going forward, timely implementation and progress reporting of the national budget and Economic Recovery and Growth Plan can help sustain investors' appetite and reverse the downward trend in FDI in the domestic economy.

Purchasing Managers' Index

Purchasing Managers' Index, a measure of business activities, Increased (Month-on-Month) in November 2017, with sustained expansions in both Manufacturing and Non-manufacturing sectors⁴. Manufacturing PMI rose to 55.9 from 55.0 index points, with three-quarter of the sub-sectors recording growth in the review month. Non-manufacturing PMI increased from 55.3 to 57.6 index points. Business activities have continued to boost likely due to extensive impacts of the CBN's Multiple Currency Practices (MCP). The policy has gained momentum and impacted positively on PMI since its adoption in July 2017. Commitment to full implementation of the reforms of the Presidential Enabling Business Environment Council (PEBEC) would ensure the sustainability of this trend and ultimately lead to expansion and growth.

Money and Credit

The Monetary survey report by the CBN shows 3.3 and 2.5 percent MOM increase in Narrow and Broad money supply (M1 and M2) respectively, to N10.4 trillion and N22.5 trillion in October 2017⁵. Credit to the government in the review month increased by 5.7 percent to N5.2 trillion; however, due to possible crowding out effects, credit to the private sector decreased slightly by 0.4 percent to N21.9 trillion. Although the decline in inflation rate to 15.91 percent from 15.98percent in September indicates marginal improvement in domestic price stability, there is the need for sustained control of money supply to prevent a rebound in inflation levels and maintain foreign exchange stability. The decline in credit to the private sector can be attributed to the apathy of commercial banks in investing in the private sector, and efforts geared towards funding half of the budget deficit via the domestic market. Going forward the government should invest in infrastructure to improve business conditions as well as encourage investment in the productive private sector to boost economic growth.



ECONOMIC INDICATORS

QUARTERLY ECONOMIC INDICATORS	2017Q1	2017Q2	2017Q3
GDP Growth Rate (%)	-0.91*	0.72*	1.40
Oil GDP (%)	-11.64	3.52*	25.89
Non-Oil GDP (%)	0.72	0.45	-0.76
Unemployment Rate (%)	NA	NA	NA
Underemployment Rate (%)	NA	NA	NA
Foreign Direct Investment (US \$'Million)	211.38	274.4	117.60
Portfolio Investment (US \$'Million)	313.61	770.5	2,767.42
Other Investments (US \$'Million)	383.28	747.5	1,260.08
External Debt (FGN & States - N'Billion)	4,229.96	4,602.88	4,693.91
Domestic Debt (FGN - N'Billion)	11,971.34	15,034.11	15,678.0
Manufacturing Capacity Utilisation (%)	53.7	NA	NA
MONTHLY ECONOMIC INDICATORS	August-2017	September-2017	October-2017
Headline Inflation (%)	16.01	15.98	15.91
Food Sub-Index (%)	20.25	20.32	20.31
Core Sub-Index (%)	12.3	12.12	12.14
External Reserve (US\$ Million)	31,491.1	32,028.3	NA
All Share Index (Points)	35,504.62	35,439.98	36,484.30
Market Capitalization (N' Billion)	NA	NA	NA
Exchange Rate (BDC - N/US\$)	365.57	366	362
Official Rate (N/US\$)	305.67	305.75	305.80
Manufacturing PMI	53.6	55.3	55.0
Non-Manufacturing PMI	54.1	54.9	55.3
Crude Oil Price(US\$/Barrel)	51.64	NA	NA
Petrol (PMS - N/litre)	144.4	144.5	146.0
Diesel (AGO - N/litre)	196.23	184.8	201.96
Kerosene (NHK - N/litre)	225.52	264.48	273.44
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 (%)	13.35	13.2	13.18
Savings Deposit (%)	4.08	4.08	4.08
Prime Lending (%)	17.69	17.88	17.86
Maximum Lending (%)	31.20	31.39	31.39
Narrow Money (N'Billion)	9,890.81	10,064.24	10,393.06
Broad Money (N'Billion)	21,851.45	21,953.99	22,500.62
Net Domestic Credit (N'Billion)	26,821.45	26,985.31	27,174.81
Credit to Government (N'Billion)	4,824.23	4,963.41	5,245.89
Credit to Private Sector (N'Billion)	2,199.72	2,202.19	2,192.82
Currency in Circulation (N'Billion)	1,868.74	1,781.05	1,791.19
FAAC (N' Billion)	637*	558.08*	NA

*Revised GDP figures

NA: Not Available

¹National Bureau of Statistics (2017). “Internally Generated Revenue at State Level (Q1 - Q3 2017)”. Retrieved from, <http://nigerianstat.gov.ng/elibrary>

²National Bureau of Statistics (2017). “Nigerian Capital Importation (Q3 2017)”. Retrieved from, <http://nigerianstat.gov.ng/elibrary>

³This Day (2017). “Nigeria Re-emerges Africa’s Preferred Destination for FDI as Capital Importation Soars in Q3”. Accessed December 6, 2017.

<https://www.thisdaylive.com/index.php/2017/12/03/nigeria-re-emerges-africas-preferred-destination-for-fdi-as-capital-importation-soars-in-q3/>

⁴Central Bank of Nigeria (2017). “Purchasing Managers’ Index (PMI) Survey Report: November 2017”. Retrieved from,

https://www.cbn.gov.ng/Out/2017/SD/PMI_Report_November%202017.pdf

⁵Central Bank of Nigeria (2017). “Money And Credit Statistics (Million Naira)”. Accessed December 5, 2017. <https://www.cbn.gov.ng/rates/mnycredit.asp>