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## Unemployment/Underemployment

According to figures released by the Nigeria Bureau of Statistics, employment growth lagged during the recession period, and worsened unemployment/underemployment rates few quarters after. Specifically, unemployment rate rose to 18.8 percent in 2017Q3<sup>1</sup>, up from 16.2 percent in previous quarter (the recession-exit quarter) and 13.9 percent in corresponding quarter. Disaggregated figures reveal that the number of unemployed and underemployed persons in the labour force increased by 17 percent and 2 percent respectively, to 15.9 million and 18.0 million in 2017Q3, majority of which are young persons within ages 15-34. The increase in unemployment/underemployment rate may have been in sync with features of an economic recession – loss of jobs (3.2 percent QOQ losses in persons in full employment) and slow-down in job creation. The rise in the unemployment rate amidst positive output growth shows that the recent economic expansion is not job-driven or jobless. This is because the Oil Sector, characterized by industries with high automation and less manpower, is the major driver of the recent economic growth. Going forward, the development of the Non-Oil Sector especially labor-absorbing sectors of the economy remains a panacea to job creation and unemployment reduction over the medium term.



## FAAC

Federally collected revenue increased in the month of November 2017. The Federal Accounts Allocations committee shared the sum of N610 billion in December 2017<sup>2</sup>, as revenue realized in November 2017 –this is 14.5 percent more than the N532.8 billion generated in October 2017<sup>3</sup>. The revenue increase was partly triggered by continued progress in Non-oil revenue collections, as increases were recorded in Petroleum Profit Tax, Import and Excise Duties and Companies Income Tax (CIT) Royalty in the month under review. Furthermore, amidst stability in domestic oil production, revenue also increased partly due to improvements in crude oil earnings, occasioned by the Month-on-Month increase in average price of crude oil price (\$48.66 to \$52.07<sup>4</sup>). Going forward, the government should ensure the proper implementation of the Economic Recovery and Growth Plan (ERGP) in order to improve the business environment; thereby, increasing the prospects for non-oil revenue generation.



## Portfolio Investment

Portfolio investment reversed its positive growth in the month of October 2017, with a slight 1.3 percent decrease. Compared to the preceding month, total investment at the Bourse reduced from N129.5 billion to N127.8 billion<sup>5</sup>. The marginal decrease was driven by reduction in foreign portfolio investment, which dropped MOM by 19.7 percent to N67.6 billion. However, Domestic investments improved from N45.3 billion to N60.2 billion. Going forward, monetary policy authorities and fiscal authorities should ensure stability in foreign exchange window and addressing structural issues, respectively, in order to maintain a conducive business environment; thereby, boost foreign investor's appetite in the Nigerian economy.



## Business Outlook Index

Recently released survey reports by the Apex bank shows improved respondents' overall confidence index (CI) on the macro economy in Q4 2017. Year-on-Year index points rose from -29 to 18 in 2017Q4<sup>6</sup>. The greater optimism for business outlook was driven by responses from services, wholesale/retail trade, industrial and construction sectors. Responses by various business respondents suggests higher prospects of improved access to credit, exchange rate stability and moderate inflation; in the face of several identified business constraints. Going forward, improvement in the stability of political and macroeconomic environment would help minimize investment risks and foster increased investors' confidence.



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## ECONOMIC INDICATORS

<b>QUARTERLY ECONOMIC INDICATORS</b>	<b>2017Q1</b>	<b>2017Q2</b>	<b>2017Q3</b>
<b>GDP Growth Rate (%)</b>	-0.91*	0.72*	1.40
<b>Oil GDP (%)</b>	-11.64	3.52*	25.89
<b>Non-Oil GDP (%)</b>	0.72	0.45	-0.76
<b>Unemployment Rate (%)</b>	NA	16.2	18.8
<b>Underemployment Rate (%)</b>	NA	NA	NA
<b>Foreign Direct Investment (US \$'Million)</b>	211.38	274.4	117.60
<b>Portfolio Investment (US \$'Million)</b>	313.61	770.5	2,767.42
<b>Other Investments (US \$'Million)</b>	383.28	747.5	1,260.08
<b>External Debt (FGN &amp; States - N'Billion)</b>	4,229.96	4,602.88	4,693.91
<b>Domestic Debt (FGN - N'Billion)</b>	11,971.34	15,034.11	15,678.0
<b>Manufacturing Capacity Utilisation (%)</b>	53.7	NA	NA
<b>MONTHLY ECONOMIC INDICATORS</b>	<b>September-2017</b>	<b>October-2017</b>	<b>November-2017</b>
<b>Headline Inflation (%)</b>	15.98	15.91	15.90
<b>Food Sub-Index (%)</b>	20.32	20.31	20.30
<b>Core Sub-Index (%)</b>	12.12	12.14	12.20
<b>External Reserve (US\$ Million)</b>	32,028.3	33,825.1	34,945.6
<b>All Share Index (Points)</b>	35,439.98	36,484.30	37,029.32
<b>Market Capitalization (N' Billion)</b>	NA	NA	NA
<b>Exchange Rate (BDC - N/US\$)</b>	366	362	364
<b>Official Rate (N/US\$)</b>	305.75	305.80	306.0
<b>Manufacturing PMI</b>	55.3	55.0	55.9
<b>Non-Manufacturing PMI</b>	54.9	55.3	57.6
<b>Crude Oil Price(US\$/Barrel)</b>	56.8	48.66*	52.07*
<b>Petrol (PMS - N/litre)</b>	144.5	146.0	145.6
<b>Diesel (AGO - N/litre)</b>	184.8	201.96	199.26
<b>Kerosene (NHK - N/litre)</b>	264.48	273.44	267.14
<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>	13.2	13.18	NA
<b>Savings Deposit (%)</b>	4.08	4.08	NA
<b>Prime Lending (%)</b>	17.88	17.86	NA
<b>Maximum Lending (%)</b>	31.39	31.39	NA
<b>Narrow Money (N'Billion)</b>	10,064.24	10,393.06	NA
<b>Broad Money (N'Billion)</b>	21,953.99	22,500.62	NA
<b>Net Domestic Credit (N'Billion)</b>	26,985.31	27,174.81	NA
<b>Credit to Government (N'Billion)</b>	4,963.41	5,245.89	NA
<b>Credit to Private Sector (N'Billion)</b>	2,202.19	2,192.82	NA
<b>Currency in Circulation (N'Billion)</b>	1,781.05	1,791.19	NA
<b>FAAC (N' Billion)</b>	558.08*	532.8	609.9

\*Revised GDP figures/tentative figures

NA: Not Available

<sup>1</sup>National Bureau of Statistics (2017). “Labor Force Statistics Vol. 1: Unemployment and Underemployment Report: Q1 –Q3 2017”. Retrieved from, <http://nigerianstat.gov.ng/elibrary>

<sup>2</sup>Vanguard (2017). “X-mas celebration: Govt. revenue rises as FAAC shares N609.958bn for November”. Accessed December 26, 2017. <https://www.vanguardngr.com/2017/12/x-mas-celebration-govt-revenue-rises-faac-shares-n609-958bn-november/>

<sup>3</sup>This Day (2017). “FAAC: States to Partake in Reconciliation of NNPC Figures”. Accessed December 26, 2017. <https://www.thisdaylive.com/index.php/2017/12/08/faac-states-to-partake-in-reconciliation-of-nnpc-figures/>

<sup>4</sup>cbn.gov.ng

<sup>5</sup>NSE (2017). “Domestic & Foreign Portfolio Participation in Equity Trading – October 2017”. Retrieved from, [http://www.nse.com.ng/market\\_data-site/other-market-information-site/FPI%20Report/NSE%20Domestic%20and%20FPI%20Report%20-%20October%202017.pdf](http://www.nse.com.ng/market_data-site/other-market-information-site/FPI%20Report/NSE%20Domestic%20and%20FPI%20Report%20-%20October%202017.pdf)

<sup>6</sup>CBN (2017). “Business Expectations Survey Report: Q4 2017”. Retrieved from, [https://www.cbn.gov.ng/Out/2017/SD/Q4%202017%20BES%20REPORT\\_FINAL\\_dec11.pdf](https://www.cbn.gov.ng/Out/2017/SD/Q4%202017%20BES%20REPORT_FINAL_dec11.pdf)