

Agricultural Sector

Month-on-Month analysis of food prices show that average prices of selected food items reduced from December 2017 to January 2018. Precisely, total average month-on-month price decreased from 2.48 percent to 1.19 percent², with reductions in unit prices of items such as eggs, chicken, beef, rice, fish, and palm oil among others. Food prices which remains largely volatile in the short term, may have reduced in the review period due to a slight fall in consumer demand following the end of the festive period. Looking forward, the decline in food prices may be short-lived in the absence of yield-enhancing investments that can sustain food production/supply. Hence, the government should promote policies that alleviate the credit constraints to yield-enhancing investment in the private sector.



Education Sector

The latest education sector report released by the NBS shows a reduction in the number of children enrolled at various levels in private and public schools across Nigeria between 2015 and 2016. Data reveals that about 36.82 million students were enrolled in early years, primary, Junior secondary and senior secondary private and public schools in 2016¹ with more pupils in public schools than private and males than females, about 13.4 percent lower than the 42.52 million enrolled in 2015. Further breakdown shows that there was a decrease in the number of teachers employed at all levels; from 1.26 million teachers in 2015 to 856,060 in 2016. To improve school enrollment and teachers employment going forward, there is need for the government to make critical human capital investments such as: subsidizing or lowering the cost of schooling, address the health barriers to education, creating new schools, initiating conditional cash transfers, and providing information the benefits of education.



Inflation

The Consumer Price index, a measure for inflation rate, fell to 15.13 percent in the month of January 2018³- lower than the 15.37 percent recorded in December 2017, and represents the twelfth consecutive month of decline. The maintained January 2018 downward trend in inflation rate seems to be driven by a decelerating growth in food index as the sub-index dropped slightly by 0.5 percentage points to 18.92 percent – the lowest in ten months, and prices of several food items decelerated post-holiday period. The Core component of the CPI however, remained unchanged at 12.1 percent in the review period. Going forward, a sustained improvement in food production in addition to stable exchange rate remains critical to the current downward inflation trajectory.



Petroleum Products

Average Prices of petroleum products continued to increase in January 2018. Relative to December 2017, average price of Petrol (PMS) increased from N171.8/litre to N190.9/litre⁴. Diesel (AGO) and Kerosene (HHK) increased from N205.81 and N284.03 respectively to N213.82⁵ and N288.85⁶ per litre. Prices of petroleum products may have increased at the backdrop of relative scarcity experienced in recent months. Also, evidenced by increased sudden demand, there has been unexpected surge in petrol consumption levels as a result of smuggling and hoarding activities, thus overstressing the NNPC's supply of products⁷. Going forward, an improvement in domestic production of refined petroleum products together with complete deregulation of the downstream sector remains key towards resolving the lingering fuel crisis.



ECONOMIC SNAPSHOT		
Quarterly Indicators	'17Q2	'17Q3
GDP Growth Rate (%)	0.72*	1.40
Oil GDP (%)	3.52*	25.89
Non-oil GDP (%)	0.45	-0.76
Unemployment Rate (%)	16.2	18.8
Foreign Direct Investment (US \$ Million)	274.4	117.60
Portfolio Investment (US \$Millions)	770.5	2,767.42
Other Investment (US \$Million)	747.5	1,260.08
External Debt (FGN & States- N'Billion)	4,602.88	4,693.91
Domestic Debt (FGN-N'Billion)	15,034.11	15,678.0
Manufacturing Capacity utilization (%)	NA	NA
Monthly Indicators	Dec'17	Jan'18
Headline Inflation (%)	15.37	15.13
Food Sub-Index (%)	19.42	18.92
Core Sub-Index (%)	12.10	12.10
External Reserves (US\$ Million)	NA	NA
Official Rate (N/US\$)	NA	NA
BDC Rate (N/US\$)	NA	NA
Manufacturing PMI	59.3	57.3
Non-Manufacturing PMI	62.1	58.5
Crude Oil Price (US\$/Barrel)	56.83	NA
Petrol (PMS-N/litre)	171.80	190.90
Diesel (AGO -N/Litre)	205.81	213.82
Kerosene (HHK -N/Litre)	284.30	288.85
MPR (%)	14	14
CRR (%)	22.5	22.5
91 Day T-Bill Rate (%)	13.05	NA
Savings Deposit (%)	4.08	NA
Prime Lending (%)	17.71	NA
Maximum Lending (%)	30.99	NA
Narrow Money (N'Billion)	11,036.35	NA
Broad Money (N'Billion)	24,001.41	NA
Net Domestic Credit (N'Billion)	25,863.28	NA
Credit to the Government (N'Billion)	3,574.03	NA
Credit to the Private Sector(N'Billion)	2,228.95	NA
Currency in Circulation (N'Billion)	2,157.23	NA
FAAC (N'Billion)	655.17	NA

*Revised GDP figures/tentative figures

NA: Not Available

¹National Bureau of Statistics (2018). "Education Statistics (2014 - 2016)". Retrieved from, <http://nigerianstat.gov.ng/elibrary>

²National Bureau of Statistics (2018). "Selected Food Prices Watch (January 2018)". Retrieved from, <http://nigerianstat.gov.ng/elibrary>

³National Bureau of Statistics (2018). "CPI and Inflation Report January 2018". Retrieved from, <http://nigerianstat.gov.ng/elibrary>

⁴ National Bureau of Statistics (2018). "Premium Motor Spirit (Petrol) Price Watch (January 2018)". Retrieved from, <http://nigerianstat.gov.ng/elibrary>

⁵ National Bureau of Statistics (2018). "Automotive Gas Oil (Diesel) Price Watch (January 2018)". Retrieved from, <http://nigerianstat.gov.ng/elibrary>

⁶ National Bureau of Statistics (2018). "National Household Kerosene Price Watch (January 2018)". Retrieved from, <http://nigerianstat.gov.ng/elibrary>

⁷This Day (2018). "NNPC: Petrol Scarcity Pushes Nigeria's Daily Consumption to 55m Litres". Accessed February 20, 2018. <https://www.thisdaylive.com/index.php/2018/01/25/nnpc-petrol-scarcity-pushes-nigerias-daily-consumption-to-55m-litres/>

CBN (2018). "*Economic Report Fourth Quarter 2017*". Retrieved February 15, 2018. <https://www.cbn.gov.ng/Out/2018/RSD/CBN%20ECONOMIC%20REPORT%20FOURTH%20QUARTER%20%20%202017%20Published.pdf>

²National Bureau of Statistics (2018). "Pension Asset and Membership Data Q4 2017". Retrieved from, <http://nigerianstat.gov.ng/elibrary>

³ CBN (2018). "*Economic Report Fourth Quarter 2017*". Retrieved February 15, 2018. <https://www.cbn.gov.ng/Out/2018/RSD/CBN%20ECONOMIC%20REPORT%20FOURTH%20QUARTER%20%20%202017%20Published.pdf>

⁴ National Bureau of Statistics (2018). "Power Sector Report: Energy Generated and Sent Out and Consumed and Load Allocation (Q4 2017)". Retrieved from, <http://nigerianstat.gov.ng/elibrary>

⁵This Day (2018). “Gencos Gulped N152.9bn of CBN’s N701bn Power Sector Fund in 7 Months”. Accessed February 15, 2018. <https://www.thisdaylive.com/index.php/2018/01/21/gencos-gulped-n152-9bn-of-cbns-n701bn-power-sector-fund-in-7-months/>

⁶ PWH (2018). “Power Sector Recovery Implementation Program”. Retrieved from, <http://pwh.gov.ng/download/14991674947496.pdf>

