

Internally Generated Revenue

According to data released by the National Bureau of Statistics, states generated about N931.2 billion altogether in 2017 fiscal year¹, representing 12 percent above the N831.2 billion generated in 2016. Further breakdown shows that 31 states recorded increases, while only about 5 states recorded slight declines in revenue generated internally; Lagos state generated 36 percent of total internally generated revenue (IGR). Notably, with a net FAAC allocation of N1.7 trillion, total revenue available to states stood at approximately N2.7 trillion in 2017. However, the states are still burdened with debts, given the N3.2 trillion and \$4.1 billion owed as domestic and foreign debts respectively as at the end of December 2017. Going forward, improvements in tax collection and administrative capacities of revenue-generating agencies of other states, beyond Lagos, can further improve overall IGR.



Foreign Reserve

The Nation's foreign reserve continued to increase in the review week. Precisely, the reserve rose slightly by 2.4 percent from \$44.60 billion to \$45.66 billion. The consistent surge in the reserve may be attributable to a myriad of factors: Increasing crude revenue from Nigeria's biggest foreign currency earner (bonny light) due to rising crude oil price and shipments in the international market, as well as significant improvements in the level of capital importation. The increasing foreign reserves will stabilize the exchange rate which is particularly important as the 2019 election draws closer. More so, maintaining the high foreign reserves amid economic growth has the potential to attract large flows of Foreign Direct Investment (FDI).



Crude Oil Price

The OPEC's benchmark crude, Brent, increased week-on-week by 7.7 percent to \$69.64³ per barrel as at March 23, 2018. Nigeria's Bonny light grew slightly from \$65.79 to \$69.10⁴ during the week. Oil prices gained for the second consecutive week on the backdrop of strong global demand, prospects of extension of the agreements to reduce crude oil supply into 2019, as well as supported by escalating tensions in the Middle East (between Saudi Arabia and Iran)⁵. Considering that Nigeria's revenue is heavily dependent on oil, this is a welcome development. However, the volatility and unpredictability of oil prices buttresses the need for urgency in expand our export base.



Stock Market

Market activities at the Nigeria Stock Exchange ended on a bearish note in the review week. Market indices, All share index and Market capitalization, dropped from 41,935.90 points and N15.01 trillion to 41,472.10 points and N14.98 trillion respectively⁶. The slight decline was driven by low priced stocks from consumer goods and industrial sectors. Going forward, fast-tracking budget process to ensure the release of 2018 budget can improve spending by consumers and industries. This would lead to more impressive earnings reports, hence increase investor confidence and appetite.



ECONOMIC SNAPSHOT		
Quarterly Indicators	'17Q3	'17Q4
GDP Growth Rate (%)	1.40	1.92
Oil GDP (%)	25.89	8.38
Non-oil GDP (%)	-0.76	1.45
Unemployment Rate (%)	18.8	NA
Foreign Direct Investment (US \$ Million)	117.60	378.41
Portfolio Investment (US \$Millions)	2,767.42	3,477.53
Other Investment (US \$Million)	1,260.08	1,526.92
External Debt (FGN & States- N'Billion)	4,693.91	NA
Domestic Debt (FGN-N'billion)	15,678.0	NA
Manufacturing Capacity utilization (%)	NA	NA
Monthly Indicators	Jan'18	Feb'18
Headline Inflation (%)	15.13	14.33
Food Sub-Index (%)	18.92	17.59
Core Sub-Index (%)	12.10	11.70
External Reserves (US\$ Million)	NA	NA
Official Rate (N/US\$)	NA	NA
BDC Rate (N/US\$)	NA	NA
Manufacturing PMI	57.3	56.3
Non-Manufacturing PMI	58.5	56.1
Crude Oil Price (US\$/Barrel)	NA	NA
Petrol (PMS-N/litre)	190.90	172.5
Diesel (AGO -N/Litre)	213.82	209.89
Kerosene (HHK -N/Litre)	288.85	288.57
MPR (%)	14	14
CRR (%)	22.5	22.5
91 Day T-Bill Rate (%)	12.27	11.88
Savings Deposit (%)	4.07	4.07
Prime Lending (%)	17.50	17.53
Maximum Lending (%)	31.39	31.40
Narrow Money (N'Billion)	10,779.9	10,730.86
Broad Money (N'Billion)	23,831.92	24,019.09
Net Domestic Credit (N'Billion)	25,846.38	26,909.59
Credit to the Government (N'Billion)	3,857.43	4,288.31
Credit to the Private Sector(N'Billion)	2,198.90	2,262.12
Currency in Circulation (N'Billion)	1,945.44	1,937.33
FAAC (N'Billion)	636	NA

*Revised GDP figures/tentative figures

NA: Not Available

¹National Bureau of Statistics (2018). “Internally Generated Revenue at State Level 2017”. Retrieved from, <http://nigerianstat.gov.ng/elibrary>

2

³Reuters (2018). “Oil prices rise as Saudi Arabia says production curbs could last into 2019”. Accessed March 28, 2018. <https://www.reuters.com/article/global-oil/oil-prices-rise-as-saudi-arabia-says-production-curbs-could-last-into-2019-idUSL3N1R506V>

⁴Cbn.gov.ng

⁵Reuters (2018). “Oil prices rise on Middle East tensions, healthy demand”. Accessed March 28, 2018. <https://www.reuters.com/article/global-oil/oil-prices-rise-on-middle-east-tensions-healthy-demand-idUSL3N1R303K>

⁶NSE (2018). “Stock Market Report for March 23rd 2018”. Retrieved from, http://www.nse.com.ng/market_data-site/other-market-information-site/Week%20Market%20Report/Weekly%20Market%20Report%20for%20the%20Week%20Ended%2023-03-2018.pdf