



Capital Investment

Media highlights show that recent figures from the Nigeria Investment Promotion Council (NIPC) reveals a progressive inflow of capital into Nigeria. Specific figures indicate that Nigeria's actual capital investment inflow stood at \$84.3 billion as at 2018Q1¹, growing by 27 percent from the \$66.4 billion recorded for the whole 2017 fiscal year. Notably, highlights suggest that the capital investment flows have been invested in 112 projects domiciled in 28 states in Nigeria, including the FCT. The increased capital inflow gives a fair sense of growing investors' interest in the Nigerian economy, as well as their involvements in capital investment projects. To sustain investors' appetite going forward, the Nigerian government should continue to implement its 3-year economic recovery and growth plan. Monetary authorities should also keep inflationary and exchange rate environment conducive for positive rate of return on investments.



FAAC

The Federal Accounts Allocation Committee (FAAC) disbursed a total of N626.82 billion in April 2018², representing revenue generated in March 2018. The figure is N20 billion lower than the N647.4 billion disbursed in March 2018. The slight decrease was likely driven by the reduction in crude oil export sales during the month (crude oil exports decreased by 13 percent to 5.4 million barrels)³. The decline implies a reduction in state government spending which will impact the living standard of citizens. Going forward, it is imperative that state governments grow their internally generated revenue base as opposed to heavy dependence on the volatile FAAC allocations.



Foreign Remittances

According to the World Bank's report on Migration and Development, foreign remittances by Nigerians in diaspora reached \$22 billion in 2017⁴ – representing the highest in sub-Saharan African region, fifth highest in the world, and a 12 percent increase from the \$19.6 billion sent in 2016. Following two consecutive years of decline, the rebound in foreign remittances to record levels in 2017 was driven by growth in Europe, Russia and the United States⁵. The medium and long-term outlook for remittances remains strong considering the human capital flight the country is experiencing. Nigerian leaders should take advantage of the envisaged rise in remittances by deploying diaspora savings for development financing, such as the earlier issued diaspora bonds.



Power Generation

Power sector statistics show that a peak power generation was reached in the review week. The national power grid witnessed a peak power generation of 5,090 MW⁶ – the highest since the beginning of the year 2018. Increasing power generation may be connected to relative availability of gas compared to pre-2018 periods; occasioned by cessation of pipeline vandalism. However, despite the increase, power generation remains below operating capacity of more than 7,500MW, due to several other sector constraints. Going forward, i) ensuring the availability, reliability and affordability of energy sources; as well as ii) having reliable access to investment funds either via loans (from money market) or dependable cash flow (from consumers) backed by an efficient electricity tariffs are critical to improved and sustained power generation in the country.



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	Feb'18	Mar'18
Headline Inflation (%)	14.33	13.34
Food Sub-Index (%)	17.59	16.08
Core Sub-Index (%)	11.70	11.20
External Reserves (End Period) (US\$ Million)	42,492.67	NA
Official Rate Approx. (N/US\$)	305	305
BDC Rate Approx. (N/US\$)	362	362
Manufacturing PMI	56.3	56.7
Non-Manufacturing PMI	56.1	57.2
Crude Oil Price (US\$/Barrel)	NA	NA
Petrol (PMS-N/litre)	172.5	163.4
Diesel (AGO -N/Litre)	209.89	206.41
Kerosene (HHK -N/Litre)	288.57	268.99
MPR (%)	14	14
CRR (%)	22.5	22.5
91 Day T-Bill Rate (%)	11.88	11.84
Savings Deposit (%)	4.07	4.07
Prime Lending (%)	17.53	17.35
Maximum Lending (%)	31.40	31.55
Narrow Money (N'Billion)	10,730.86	10,912.60
Broad Money (N'Billion)	24,019.09	24,303.05
Net Domestic Credit (N'Billion)	26,909.59	26,267.11
Credit to the Government (N'Billion)	4,288.31	3,823.35
Credit to the Private Sector(N'Billion)	2,262.12	2,244.37
Currency in Circulation (N'Billion)	1,937.33	1,668.38
FAAC (N'Billion)	647.4	626.82

*Revised GDP figures/tentative figures

NA: Not Available

¹Daily Trust (2018). “Nigeria Records N30.27tr Investments in 15 Months – Nipc”. Accessed May 2, 2018. <http://allafrica.com/stories/201804260567.html>

²The Nation (2018). “FAAC’s April disbursements dip by N20b”. Accessed April 30, 2018. <http://thenationonline.net/faacs-april-disbursements-dip-by-n20b/>

³This Day (2018). “Finally, FAAC Shares N626.82bn to FG, States, LGs”. Accessed April 30, 2018. <https://www.thisdaylive.com/index.php/2018/04/27/finally-faac-shares-n626-82bn-to-fg-states-lgs/>

⁴World Bank (2018). “MIGRATION AND REMITTANCES: Recent Developments and Outlook”. Retrieved from, <http://www.knomad.org/sites/default/files/2018-04/Migration%20and%20Development%20Brief%2029.pdf>

⁵Vanguard (2018). “Nigeria tops remittances to Sub-Saharan Africa with \$22bn- World Bank”. Accessed April 30, 2018. <https://www.vanguardngr.com/2018/04/nigeria-tops-remittances-sub-saharan-africa-22bn-world-bank/>

⁶Nigeria Electricity Hub (2018). “Nigeria’s Power Generation Hits 5,090MW, Highest in 2018”. Accessed May 2, 2018. <http://www.nigeriaelectricityhub.com/2018/04/30/nigerias-power-generation-hits-5090mw-highest-in-2018/>