

Foreign Trade

Total value of Nigeria's merchandise trade contracted in 2018Q2. Valued at N6.6 trillion¹, total trade fell quarter-on-quarter by 8.9 percent from the N7.2 trillion recorded in the previous quarter. Both exports and imports declined during the period: Exports shrunk by 4.9 percent down to N4.5 trillion and was triggered by a huge fall in solid minerals and manufacturing exports. On the other hand, imports declined from N2.5 trillion to N2.1 trillion. Further review shows that crude oil accounted for 83.5 percent of total foreign merchandise trade, and trade to GDP lowered to 22.5 percent from 25.5 percent. However, there was a recorded trade surplus during the period, valued at N2.4 trillion. Going forward, there is need for export promotion strategies, including subsidies, tax exemptions, and special credit lines to support non-oil business growth.



Aviation Sector

The aviation sub-sector under transportation and storage sector recorded remarkable growth in 2018Q2. The sub-sector grew year-on-year by 24.3 percent in real terms², compared to the 10.2 percent in the previous quarter and 0.15 percent in the 2017 corresponding quarter. The growth experienced in the sector may be at the backdrop of increased sales of tickets occasioned by the 15.2 percent and 34.2 percent YOY increase in the number of passengers and mail traffic respectively. In addition, the sector's growth may have leveraged on recent developments including the country's increased ranking in global aviation safety rating³, and the receipt of international certification and endorsement of safety standards⁴. There is need to augment recent improvements by upgrading and maintaining aviation infrastructures, for all international and domestic airports across the country beyond Abuja and Lagos airports, to world-class standards.



Power Sector

Power generation statistics showed that a total average of 81,561 MWh was generated daily by power stations in 2018Q2⁵. The figure represents a significant decline of 12.1 percent from the 92,747 MWh recorded in the preceding quarter. The persistent shortage in the supply of gas during the quarter disrupted power generation and cut electricity from the grid⁶. Also, record of energy payments to GENCOs showed short-falls of N36.8 billion at the beginning of the quarter⁷. The sub-optimal power generation capacity is expected to persist as long as the gas supply constraint and cash shortfall in the sector remain. The right incentive structure is needed to attract capital for the expansion of the country's generation capacity alongside infrastructure improvements across the entire fuel-power value chain.



Peace and Security

The 2018 Global Peace Index report which measures peace and security ranked Nigeria 148th out of 163 countries in the world, with a score of 2.9 index points. Compared to last year, Nigeria marginally improved by just one place (149th position). The report is based on three indices: level of safety and security in society, extent of domestic and international conflict and degree of militarization. Nigeria's position on the list may not be unconnected to persistent security challenges faced, ranging from herdsmen attacks, ethnic killings, kidnappings and the seemingly silent but tactically-changed Boko Haram attacks. Further analysis reveal that Nigeria's economic cost of violence stood at \$121 billion as at 2017 or 11 percent of GDP. Out of the several challenges, Boko Haram seems to pose the most danger in the medium-term. It is important that the security agencies particularly soldiers on the front line are provided with adequate resources for the military logistics.



ECONOMIC SNAPSHOT		
Quarterly Indicators	'18Q1	'18Q2
GDP Growth Rate (%)	1.95	1.5
Oil GDP (%)	14.77	-3.95
Non-oil GDP (%)	0.76	2.05
Unemployment Rate (%)	NA	NA
Foreign Direct Investment (US \$ Million)	246.62	261.4
Portfolio Investment (US \$Millions)	4,565.09	4,119.5
Other Investment (US \$Million)	1,491.93	1,132.8
External Debt (FGN & States- N'Billion)	6,746.27	6,750.91
Domestic Debt (FGN + States & FCT N'billion)	15,960.92	15,628.76
Manufacturing Capacity utilization (%)	NA	NA
Monthly Indicators	Jun'18	Jul'18
Headline Inflation (%)	11.23	11.14
Food Sub-Index (%)	12.98	12.95
Core Sub-Index (%)	10.4	10.2
External Reserves (End Period) (US\$ Million)	47,789	47,120
Official Rate Approx. (N/US\$)	305	305
BDC Rate Approx. (N/US\$)	362	362
Manufacturing PMI	57.0	56.8
Non-Manufacturing PMI	57.5	57.7
Crude Oil Price (US\$/Barrel)	75.38	NA
Petrol (PMS-N/litre)	148.1	146.8
Diesel (AGO -N/Litre)	204.97	204.32
Kerosene (HHK -N/Litre)	279.67	276.87
MPR (%)	14	14
CRR (%)	22.5	22.5
91 Day T-Bill Rate (%)	10.11	10.00
Savings Deposit (%)	4.07	4.07
Prime Lending (%)	16.78	16.83
Maximum Lending (%)	31.17	31.09
Narrow Money (N'Billion)	10,701.11	10,668.00
Broad Money (N'Billion)	24,814.00	24,971.10
Net Domestic Credit (N'Billion)	25,568.21	25,654.48
Credit to the Government (N'Billion)	3,286.34	3,393.27
Credit to the Private Sector(N'Billion)	2,228.19	2,226.12
Currency in Circulation (N'Billion)	1,519.90	1,468.30
FAAC (N'Billion)	821.86	NA

*Revised GDP figures/tentative figures

NA: Not Available

¹National Bureau of Statistics (2018). “Foreign Trade in Goods Statistics (Q2 2018)”. Retrieved from, <http://nigerianstat.gov.ng/elibrary>

²National Bureau of Statistics (2018). “Nigerian Gross Domestic Product Report (Q2 2018)”. Retrieved from, <http://nigerianstat.gov.ng/elibrary>

³The Guardian (2017). “A review of the Nigerian Aviation Industry in 2017”. Accessed September 10, 2018. <https://guardian.ng/business-services/a-review-of-the-nigerian-aviation-industry-in-2017/>

⁴Punch (2017). “Nnamdi Azikiwe Airport Receives Aerodrome Certification”. Accessed September 10, 2018. <http://www.thisdaylive.com/index.php/2017/11/11/nnamdi-azikiwe-airport-receives-aerodrome-certification/>

⁵National Bureau of Statistics (2018). “Power Sector Report: Energy Generated and Sent Out and Consumed and Load Allocation (Q2 2018)”. Retrieved from, <http://nigerianstat.gov.ng/elibrary>

⁶Nigeria Electricity Hub (2018). “Gas Shortage Cuts 2,148MW Electricity from Grid”. Accessed September 10, 2018. <http://www.nigeriaelectricityhub.com/2018/06/06/gas-shortage-cuts-2148mw-electricity-from-grid/>

⁷Nigeria Electricity Hub (2018). “24 GenCos Record N36.8 Billion Shortfall for April Energy Bill”. Accessed September 10, 2018. <http://www.nigeriaelectricityhub.com/2018/06/20/24-gencos-record-n36-8-billion-shortfall-for-april-energy-bill/>

⁸Global Peace Index (2018). “Measuring Peace in a Complex World”. Retrieved from, <http://visionofhumanity.org/app/uploads/2018/06/Global-Peace-Index-2018-2.pdf>