



Nigeria Economic Update



Weekly
Digest

Increase in Immigration Revenue

Latest report from NBS shows that the Nigeria Immigration Service (NIS) generated ₦39.06 billion in 2018¹ as against ₦35.72 billion it generated as local revenue in 2017- representing a growth of 9.3%. Whereas the Combined Expatriate Residence Permit and Aliens Card (CERPAC) generated the highest revenue of ₦20.4 billion, the ECOWAS/African affairs revenue section recorded the largest growth. Specifically, revenue generated from ECOWAS travel documents increased by 93.3% YOY, from ₦65.3 million in 2017 to ₦126.1 million in 2018. This huge revenue increase is due to the increased number of ECOWAS residence cards produced and ECOWAS travel certificate issued by the NIS: demand for both documents increased YOY by 25.6% and 18.4% respectively. Evidence suggests that migration [drives economic activity](#) and [supports the drive for domestic resource mobilization](#). Nigeria can leverage its dominant position in the region to drive regional economic activities inwards to exploit these gains.

Moderation in Food Prices

Prices of selected, highly demanded, and consumed food items in Nigeria further moderated in June 2019, representing the second consecutive month of food price decline. On average, prices of all selected items fell month-on-month by 3.46% and year-on-year by 9.41%², according to the NBS. For instance, figures show that a tuber of yam which sold at a national average of ₦216 in May 2019, declined to ₦182 in June 2019. Similarly, prices of major food items such as rice, tomatoes, eggs, beans, bread, fish, maize, etc., declined during the month, as reflected in the decline of food inflation rate to 13.56% in June 2019. Early harvest and the reported normal progress of 2019 cropping season, supported by favorable weather conditions are partly responsible for the moderation in prices³. Going forward, promoting cost-effective dry season farming can improve food price stability by reducing the seasonal variability in food output.

Stability in Exchange Rate

The Naira remained stable at the inter-bank market and appreciated marginally at the parallel market in the second quarter of 2019. Relative to the preceding quarter, the inter-bank market rate remained unchanged at approximately N306/\$ while the parallel market rate gained N1 to exchange at N359/\$⁴. The CBN's long-term unwavering efforts to improve dollar liquidity and ensure forex rate convergence has influenced positively on the stability of the local currency. The Apex bank, through its continued market interventions, sold about \$4.5 billion forex to authorized dealers during the quarter - April and May⁵. At the backdrop, the interventions have also been sustained by relatively increasing oil prices for which forex inflows remain substantial. However, the current use of the reserves to maintain the exchange rate undermines the monetary authority's ability to draw on the reserves during economic downturns.

ECONOMIC SNAPSHOT		
Quarterly Indicators	'18Q4	'19Q1
GDP Growth Rate (%)	2.38	2.1
Oil GDP (%)	-1.62	-2.40
Non-oil GDP (%)	2.7	2.47
Unemployment Rate (%)	NA	NA
Foreign Direct Investment (US \$ Million)	173.37	243.36
Portfolio Investment (US \$Millions)	1,760.76	7,145.98
Other Investment (US \$Million)	750.93	1,096.15
External Debt (FGN & States- N'Billion)	7,759.22	NA
Domestic Debt (FGN + States & FCT N'billion)	16,627.84	NA
Manufacturing Capacity utilization (%)	55	NA
Monthly Indicators	May'19	June'19
Headline Inflation (%)	11.40	11.22
Food Sub-Index (%)	13.79	13.56
Core Sub-Index (%)	9.0	8.8
External Reserves (End Period) (US\$ Million)	45,122.82	45,069.45
Official Rate Approx. (N/US\$)	305	305
BDC Rate Approx. (N/US\$)	362	362
Manufacturing PMI	57.8	57.4
Non-Manufacturing PMI	58.9	58.6
Crude Oil Price (US\$/Barrel)	NA	NA
Petrol (PMS-N/litre)	145.00	145.40
Diesel (AGO -N/Litre)	228.02	224.69
Kerosene (HHK -N/Litre)	315.91	316.43
MPR (%)	13.5	13.5
CRR (%)	22.5	22.5
91 Day T-Bill Rate (%)	10	10.14
Savings Deposit (%)	3.9	3.93
Prime Lending (%)	15.33	15.8
Maximum Lending (%)	31.07	31.04
Narrow Money (N'Billion)	11,385.05	NA
Broad Money (N'Billion)	34,897.62	NA
Net Domestic Credit (N'Billion)	32,175.50	NA
Credit to the Government (N'Billion)	7,310.79	NA
Credit to the Private Sector(N'Billion)	24,864.71	NA
Currency in Circulation (N'Billion)	2,111.85	NA
FAAC (N'Billion)	679.70	NA

¹National Bureau of Statistics (2019). "NATIONAL SURVEY OF MICRO SMALL & MEDIUM ENTERPRISES (MSMEs) 2017". Retrieved from, <http://www.nigerianstat.gov.ng/elibrary?page=2&offset=10>

¹National Bureau of Statistics (2019). "Immigration Statistics (2018)". Retrieved from, <http://www.nigerianstat.gov.ng/elibrary>

²National Bureau of Statistics (2019). "Selected Food Prices Watch (June 2019)". Retrieved from, <http://www.nigerianstat.gov.ng/elibrary>

³FAO (2019). "GIEWS - Global Information and Early Warning System". Accessed July 23, 2019. <http://www.fao.org/giews/countrybrief/country.jsp?code=NGA>

⁴CBN (2019). "Data Browser". Accessed July 24, 2019. <http://statistics.cbn.gov.ng/cbn-onlinestats/DataBrowser.aspx>

⁵Punch (2019). "CBN sells \$4.47bn forex to dealers in two months". Accessed July 24, 2019. <https://punchng.com/cbn-sells-4-47bn-forex-to-dealers-in-two-months/>

