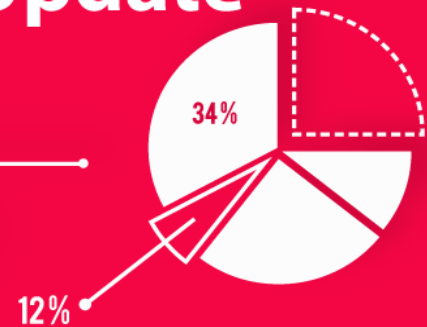




Nigeria Economic Update



Weekly
Digest



Advancing Women's Financial Inclusion in Nigeria

The Central Bank of Nigeria (CBN) is taking critical steps in efforts to close the 8.5 percent gender financial inclusion gap and achieve 95 percent financial inclusion by 2024. 34,000 women have accessed 62 percent of the Micro, Small and Medium Enterprises Development Fund (MSMEDF) while over N9.5 billion has been disbursed to over 3,600 women through the Agribusiness Small and Medium Enterprises Equity Investment Scheme (AGSMEIS). Women have also significantly benefitted from other interventions such as the Textile Sector Intervention Facility, Real Sector Support Facility, and Commercial Agriculture Credit Scheme¹. In order to ensure gender parity in financial inclusion, women should be incorporated into high wage sectors and become better educated to enable them earn sufficient income and access the financial services available.

Monetary Policy Committee retains MPR

The Monetary Policy Committee (MPC) has opted to retain the monetary policy rate (MPR) at 11.5%. Other parameters remain unchanged; for instance, the cash reserve ratio (CRR) was maintained at 27.5% while liquidity ratio remains at 30%². The committee's decision to take a holding position is expected to give additional time for previous policy measures introduced by the Central Bank (targeted at mitigating the impact of the covid-19 global pandemic) to fully impact the economy. While this decision might be suitable for now, it is important for the MPC to monitor the evolving economic situation in the country closely, in order to ensure that the measures put in place yield the desired outcome of stimulating growth.

Minimal Increase in CIT Revenue Generation

A recent report by the National Bureau of Statistics shows that a total sum of N416.01 billion was generated³ as Company Income Tax (CIT) in the third quarter (Q3) of 2020. The CIT collections reflect a 3.48% increase from the previous quarter. However, it is significantly lower than the corresponding quarter of 2019 (N520.89 billion was generated in 2019 Q3, implying a 20.13% dip). Further disaggregation by sector reveals that professional services and telecoms contributed the most to the CIT revenues, while the mining sector was the lowest contributor. While the relative increase in CIT generation in Q3 is a positive step, it shows that the government's ability to mobilise internally generated revenue has been severely weakened due to the impact of covid-19 on the economy. It is therefore imperative for the government to find innovative alternative revenue streams, while also ensuring that the general efficiency and effectiveness of the country's tax system is improved.

ECONOMIC SNAPSHOT		
Quarterly Indicators	'20Q2	'20Q3
GDP Growth Rate (%)	- 6.10	-3.62
Oil GDP (%)	8.93	8.73
Non-oil GDP (%)	91.07	91.27
Unemployment Rate (%)	27.1	NA
Foreign Direct Investment (US \$ Million)	148.6	414.79
Portfolio Investment (US \$Millions)	385.32	407.25
Other Investment (US \$Million)	761.03	639.44
External Debt (FGN & States- N'Trillion)	11.36	NA
Domestic Debt (FGN + States & FCT N'Trillion)	19.65	NA
Manufacturing Capacity utilization (%)	NA	NA
Monthly Indicators	Oct'20	Nov'20
Headline Inflation (%)	14.23	14.89
Food Sub-Index (%)	17.38	18.30
Core Sub-Index (%)	11.14	11.05
External Reserves (End Period) (US\$ Billion)	35.69	35.41
Official Rate Approx. (N/US\$)	379	379
BDC Rate Approx. (N/US\$)	459.50	472.74
Manufacturing PMI	49.4	50.2
Non-Manufacturing PMI	46.8	47.6
Crude Oil Price (US\$/Barrel)	NA	NA
Petrol (PMS-N/litre)	161.17	167.27
Diesel (AGO -N/Litre)	219.80	223.74
Kerosene (HHK -N/Litre)	352.93	353.38
MPR (%)	11.50	11.50
CRR (%)	NA	NA
91 Day T-Bill Rate (%)	0.86	0.03
Savings Deposit (%)	1.87	1.84
Prime Lending (%)	11.31	11.60
Maximum Lending (%)	28.36	28.85
Narrow Money (N'Million)	14,193,844.06	14,820,224.11
Broad Money (N'Million)	36,117,979.73	36,587,109.03
Net Domestic Credit (N'Million)	39,537,142.10	40,121,654.80
Credit to the Government (Net) (N'Million)	10,449,164.30	10,785,909.30
Credit to the Private Sector (N'Million)	29,087,977.87	29,335,745.57
Currency in Circulation (N'Million)	2,498,977.64	2,659,710.45
FAAC (N'Billion)	639.90	NA

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*Revised GDP figures/tentative figure NA: Not Available

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