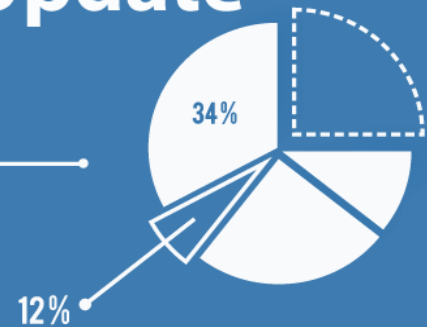


Nigeria Economic Update



Weekly
Digest



Nigeria's Ranking Dips in Corruption Perception Index

Based on the recently released Corruption Perception Index (CPI)¹, Nigeria is still perceived to be among the most corrupt nations, with a ranking of 149 out of the 180 countries assessed – a higher ranking is indicative of higher corruption. The CPI is based on a scale of 0 to 100; with zero representing extreme corruption and 100 indicating least level of corruption. Nigeria's CPI score reduced slightly from 26 in 2019 to 25 in 2020², while its ranking worsened, falling from 146 to 149. The increase in perceived corruption may be partly attributable to the reports by civil society organisations on the hoarding and mismanagement of COVID-19 palliatives and related supplies. It is therefore imperative that anti-corruption policies are enforced to boost the public trust; as this can affect domestic and foreign direct investments.

CBN Provides Funding Support to Boost Electricity Distribution

The Central Bank of Nigeria (CBN) has confirmed that it has so far disbursed the sum of N18.58 billion worth of credit to Electricity Distribution Companies (DisCos) in the country³. The credit granted is targeted at empowering DisCos in procuring additional 347,853 meters. This is part of the Federal Government's National Mass Metering Programme (NMMP), an initiative focused on ultimately enhancing power distribution and ensuring more reliable power supply. Power outages and poor power supply in Nigeria have proven to be a huge deterrent to business operations and general standard of living over time. Therefore, should the NMMP be successfully implemented, it could provide a better environment for businesses to thrive.

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Appreciation in Equity Market

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Data from the Nigerian Stock Exchange (NSE) shows that All-Share Index (ASI) and Market Capitalization both appreciated by 3.4 percent in the week under review.⁴ All other indices finished higher except for 3 indices, NSE Oil/Gas (7.25 percent depreciation) and the NSE ASeM and NSE Growth Indices which closed flat. Also, a total turnover of 2.570 billion shares worth N27.884 billion in 31,466 deals were traded in comparison to a total of 4.288 billion shares valued at N25.989 billion that were traded in 32,849 deals the previous week. The appreciation in the equity market is indicative of the economic recovery that is presently underway. Further appreciation is expected as the implementation of the stimulus package continues and the Central Bank of Nigeria promotes a low interest rate environment which makes investments in the equity market relatively more attractive. However, volatilities in the oil market and delays in receiving the COVID-19 vaccine could have adverse effects on the equity market.

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	Nov'20	Dec'20
Headline Inflation (%)	14.89	NA
Food Sub-Index (%)	18.30	NA
Core Sub-Index (%)	11.05	NA
External Reserves (End Period) (US\$ Billion)	35.41	NA
Official Rate Approx. (N/US\$)	379	379
BDC Rate Approx. (N/US\$)	472.74	NA
Manufacturing PMI	50.2	49.6
Non-Manufacturing PMI	47.6	45.7
Crude Oil Price (US\$/Barrel)	NA	NA
Petrol (PMS-N/litre)	167.27	NA
Diesel (AGO -N/Litre)	223.74	NA
Kerosene (HHK -N/Litre)	353.38	NA
MPR (%)	11.50	NA
CRR (%)	NA	NA
91 Day T-Bill Rate (%)	0.03	NA
Savings Deposit (%)	1.84	NA
Prime Lending (%)	11.60	NA
Maximum Lending (%)	28.85	NA
Narrow Money (N'Million)	14,820,224.11	NA
Broad Money (N'Million)	36,587,109.03	NA
Net Domestic Credit (N'Million)	40,121,654.80	NA
Credit to the Government (Net) (N'Million)	10,785,909.30	NA
Credit to the Private Sector (N'Million)	29,335,745.57	NA
Currency in Circulation (N'Million)	2,659,710.45	NA
FAAC (N'Billion)	NA	NA

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*Revised GDP figures/tentative figure

NA: Not Available

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