



Nigeria Economic Update



Weekly
Digest

Rail Transport patronage drops by 200% in Q2 2022

Total revenue and income generation by the rail sector dipped significantly in Q2 2022, according to the latest rail transport statistics published by the National Bureau of Statistics (NBS). The report shows that aggregate revenue generated by the sector dropped by over 200 percent. It decreased from about N2.2 billion in Q1 2022 to about N734.5 million in Q2 2022. The decline in revenue was primarily due to the sharp fall in the total revenues generated from passengers, which fell from N2.2 billion to N598.7 million. Also, the total number of passengers over the same period reduced to 422,393 from 953,099. The decline in the number of passengers is due to the shutdown of the Abuja-Kaduna railway line in March 2022. The shutdown was due to the kidnapping of over 50 passengers. To revert low patronage and income generated, the security of the railway is essential. Hence, the government must resolve the ongoing insecurity issues that have reduced patronage, negatively impacting the sector's income and capacity to repay the credit facility provided to revive the train stations. While the government is preparing to reopen the Abuja-Kaduna railway, there is a need for concerted efforts targeted at strengthening the security architecture. Otherwise, passenger patronage will remain low after reopening the rail line.

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Over 3,200 cases of road traffic crashes in Q2 2022

The number of road traffic crashes recorded in Q2 2022 stood at 3,282, a 1.88 percent decrease from 3,345 crashes recorded in the previous quarter based on the recent road transport data released by the National Bureau of Statistics (NBS).² About 1,538 persons were reportedly killed in road crashes within this period, with at least 77 percent being adult males. On a state level, the highest number of traffic crashes was recorded by Ogun state (286), followed by FCT (280) and Nasarawa (263). Meanwhile, based on causative factors, 2,418 traffic crashes were attributed to speed violations (SPV), the leading cause of accidents in the period under review. Sign light violation (382) is the second highest, followed by dangerous driving (294) and wrongful overtaking (286). These suggest that road traffic crashes are mainly due to the violation of traffic rules. It is, therefore, essential to intensify sensitization on the dangers of violating traffic rules. There is also a need for the government to integrate technology into the management of traffic, thereby increasing the likelihood of apprehending those violating traffic rules. Those detained should be severely punished to serve as a deterrent to others.

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Mobile bank transactions hit N12.8 trillion

According to the Nigeria Inter-Bank Settlement System (NIBSS), mobile money transfers by bank customers in Nigeria hit a total of N12.8 trillion between January and September 2022. The use of mobile channels for financial transactions within the first nine months of 2022 exceeded the N8 trillion recorded in 2021. This rise in mobile money transfer indicates that the Central Bank of Nigeria's cashless policy is yielding results. The integration of digital payment platforms during the COVID-19 lockdown has continued to promote the use of mobile payment systems over cash payment. With the effective implementation of the recent announcement by the CBN to redesign some banknotes, the volume of transactions via mobile payment will increase in the upcoming months. However, the adoption of mobile payment is impeded by several concerns, particularly internet theft, which could potentially lead to losing one's lifetime savings. To minimise the likelihood of such an occurrence, the CBN and banks are encouraged to collaborate and develop a framework that would strengthen the security of the payment platforms.

ECONOMIC SNAPSHOT		
Quarterly Indicators	'22Q1	'22Q2
GDP Growth Rate (%)	3.11	3.54
Oil GDP (%)	-26.04	-11.77
Non-oil GDP (%)	6.08	4.77
Unemployment Rate (%)	NA	NA
Foreign Direct Investment (US \$ Million)	154.97	147.16
Portfolio Investment (US \$Millions)	957.58	757.32
Other Investment (US \$Million)	460.59	630.87
External Debt (FGN & States- N'Trillion)	16.62	16.62
Domestic Debt (FGN + States & FCT N'Trillion)	24.99	26.23
Manufacturing Capacity utilization (%)	NA	NA
Monthly Indicators	Aug '21	Sept '22
Headline Inflation (%)	17.01	20.77
Food Sub-Index (%)	20.30	23.34
Core Sub-Index (%)	13.41	17.60
External Reserves (End Period) (US\$ Billion)	39.02	38.25
Official Rate Approx. (N/US\$)	409.61	433.4
BDC Rate Approx. (N/US\$)	NA	NA
Manufacturing PMI	46.6	NA
Non-Manufacturing PMI	47.8	NA
Average Crude Oil Price (US\$/Barrel)	70.72	93.25
Petrol (PMS-N/litre)	164.91	191.65
Diesel (AGO -N/Litre)	254.21	789.90
Kerosene (HHK -N/Litre)	400.01	947.30
Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)	4,514.82	4,474.48
MPR (%)	11.50	15.50
CRR (%)	27.5	32.5
T-Bill Rate (%)	2.50	5.68
Savings Deposit Rate (%)	1.82	4.08
Prime Lending (%)	11.62	12.23
Maximum Lending (%)	28.00	28.06
Narrow Money (N'Million)	16.43	21.19
Broad Money (N'Million)	40.81	49.32
Net Domestic Credit (N'Million)	46.01	63.33
Credit to the Government (Net) (N'Million)	12.57	22.83
Credit to the Private Sector (N'Million)	33.44	40.50
Currency in Circulation (N'Million)	2.78	3.23
FAAC (N'Billion)	824.22	673.1

NA: Not Available

1. [NBS \(2022\). Rail Transportation Data \(Q1 & Q2 2022\). Retrieved from Nigerian Railway Transport Data Q2 2022 Sg.xlsx \(live.com\)](#)
2. [NBS \(2022\). Road Transport Data Q2 2022. Retrieved from Road Transport FRSC Q2 2022.xlsx \(live.com\)](#)
3. [NIBSS \(2022\). Mobile Transfers by Bank Customers Hit N12.8 trillion in 9 Months. Accessed at NIBSS: Mobile Transfers by Bank Customers Hit N12.8 Trillion in 9 Months - NIBSS \(nibss-plc.com.ng\)](#)

