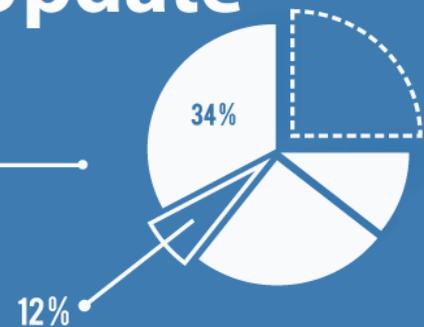


Nigeria Economic Update



Weekly
Digest

Nigeria records trade surplus of N269.33 billion in Q3 2022

Data from the National Bureau of Statistics (NBS) shows that Nigeria's total trade stood at N11.6 trillion in the third quarter (Q3) of 2022.¹ Suggesting that total trade in 2022Q3 is 10.7 percent higher than N10.47 trillion recorded in 2021Q3 but 9.68 percent lower than N12.84 trillion recorded in 2022Q2. Total trade in the quarter comprises exports of N5.93 trillion and imports of N5.66 trillion resulting in a trade surplus of N269.33 billion. On a quarter-on-quarter basis, total exports reduced by 19.89 percent, attributable to the low crude oil production and exports, while imports increased by 4.22 percent. Oil exports constitute 78.5 percent of total exports, suggesting that without an increase in the non-oil sector exports, persistent low crude oil production would affect total exports and compound the foreign exchange shortage problem. Export is Nigeria's primary source of foreign exchange earnings. Hence, there is a need to evaluate existing government non-oil export programmes to understand areas for improvement. The evaluation is essential in ensuring that supports provided to exporting firms result in higher productivity, increased competitiveness in the global market, and higher export earnings.

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CBN announces new policy on cash withdrawals

The Central Bank of Nigeria (CBN) announced a new policy on cash withdrawals on 6th December 2022.² According to the policy, the maximum weekly withdrawal over the counter is set at N100,000 for individuals and N500,000 for organizations. Any withdrawal above these limits shall attract processing charges of 5 percent and 10 percent, respectively. In addition, withdrawals using Automated Teller Machines (ATM) and Point of Sale (PoS) terminals are set at N20,000 daily. The policy is scheduled to take effect from 9th January 2023. The policy aims to achieve several objectives, including fostering financial inclusion through electronic payments, increasing government revenue generation by making individuals and businesses visible to tax authorities, and improving the tracking of illicit transactions like ransom paid to kidnappers. Due to the country's low internet penetration, the policy will likely disrupt economic activities, especially in rural areas where digital banking products are still in the infant stage, and transactions are mainly done through cash. For the policy to achieve its intended purpose, universal internet penetration is crucial. Also, the government might need to partner with banks and other financial institutions to expand the coverage of their digital financial products.

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Stock exchange market close on a positive note on December 9, 2022

At the close of the Nigerian stock exchange market on December 9, 2022, the market capitalisation increased by 1.51 percent (week-on-week) to reach N26.63 trillion.³ In addition, between December 5 and December 9, 2022, a total of 1.225 billion shares worth N15.24 trillion were transacted on the Nigerian stock exchange market, which is higher than the N12.42 billion transacted in the preceding week from 0.84 billion shares. Furthermore, in the period under review, the share price appreciated for 19.7 percent of the firms, depreciated for 16.6 percent, and remained unchanged for 63.7 percent of the firms. The data suggest that the share price of nearly two-thirds of firms listed on the Nigerian stock market did not change during the period under review. Share price and market capitalisation respond to changes in the business environment, and market capitalisation increases with a favourable business environment. High market capitalisation increases a firm's ability to raise long-term capital through the stock market. Therefore, the government needs to prioritise initiatives and reforms that would contribute to the development of the stock market.

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ECONOMIC SNAPSHOT		
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Quarterly Indicators	'22Q2	'22Q3
GDP Growth Rate (%)	3.54	2.25
Oil GDP (%)	-11.77	-22.67
Non-oil GDP (%)	4.77	4.27
Unemployment Rate (%)	NA	NA
Foreign Direct Investment (US \$ Million)	147.16	NA
Portfolio Investment (US \$Millions)	757.32	NA
Other Investment (US \$Million)	630.87	NA
External Debt (FGN & States- N'Trillion)	16.62	NA
Domestic Debt (FGN + States & FCT N'Trillion)	26.23	NA
Manufacturing Capacity utilization (%)	NA	NA
Monthly Indicators	Sept '21	Oct '22
Headline Inflation (%)	16.63	21.09
Food Sub-Index (%)	19.57	23.72
Core Sub-Index (%)	13.74	17.76
External Reserves (End Period) (US\$ Billion)	36.78	37.39
Official Rate Approx. (N/US\$)	410.8	439.02
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	195.29
Diesel (AGO -N/Litre)	254.64	801.09
Kerosene (HHK -N/Litre)	434.39	947.30
Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)	2,397.60	4,483.75
MPR (%)	11.50	15.50
CRR (%)	27.5	32.5
T-Bill Rate (%)	2.50	6.49
Savings Deposit Rate (%)	1.82	3.77
Prime Lending (%)	11.73	12.23
Maximum Lending (%)	27.10	28.06
Narrow Money (N'Million)	15.96	21.32
Broad Money (N'Million)	39.73	50.58
Net Domestic Credit (N'Million)	40.449	634.78
Credit to the Government (Net) (N'Million)	13.005	22.68
Credit to the Private Sector (N'Million)	33.936	40.798
Currency in Circulation (N'Million)	2.837	3.298
FAAC (N'Billion)	769.23	760.23

NA: Not Available

1. [NBS \(2022\). Foreign Trade in Goods Statistics \(Q3 2022\). Retrieved from https://nigerianstat.gov.ng/download/1241262](https://nigerianstat.gov.ng/download/1241262)
2. CBN (2022). Naira Redesign Policy - Revised Cash Withdrawal Limits. Retrieved from [RevisedCashWithdrawal.pdf \(cbn.gov.ng\)](#)
3. Nigerian Exchange (NGX) Limited (2022) MARKET REPORT FOR DECEMBER 9TH, 2022. Retrieved from https://doclib.ngxgroup.com/market_data-site/other-market-information-site/Week%20Market%20Report/Weekly%20Market%20Report%20for%20the%20Week%20Ended%209-12-2022.pdf

