



**NIGERIA  
ECONOMIC  
UPDATE**

**Weekly**

**Digest**

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## Transport Fare Increased in March 2023

Transport fares paid by passengers for different modes of transport increased in March 2023. This was revealed by the Transport Watch report released by the National Bureau of Statistics. According to the report, the average fare paid by commuters for buses within the city per drop increased from N647.66 in February 2023 to N648.16 in March 2023, representing an increase of 0.08 percent. For intercity journeys per drop, the average fare paid by commuters for buses increased to N3,992.36 in March 2023 from N3,990.70 in February 2023, indicating a 0.04 percent increase monthly. In the case of Okada transportation, the average fare paid by passengers in March 2023 stood at N462.21. This is higher by 0.20 percent than the fare reported in February 2023 (N461.28). In air travel, the average fare paid by air passengers surged by 0.28 percent, on a month-on-month from N74,571.62 in February 2023 to N74,755.41 in March 2023. As regards the water transport, the average fare paid by the waterway passengers rose from N1,029.47 in February 2023 to N1,031.12 in [March 2023](#). This signifies an increase of about 0.16 percent. Apart from the marginal decline in February, transport fares have been on the increase in recent times. It is one of the conduit pipes through which a persistent rise in inflation is fueled, which in turn has undermined all the efforts of policymakers, especially the Central Bank of Nigeria (CBN), to rein in inflation. To tackle this persistent rise in transport fares, the government should ensure that petroleum products are produced locally because relying on the importation of petroleum products would make the transport sector subject to the vagary of what happens in the international oil market. While the government is ensuring local production of petroleum products, the government must ensure a harmonious working relationship with oil marketers for a regular supply of petroleum products.

## Global Prices surged in April 2023

The monthly report by the Organisation of Petroleum Exporting Countries (OPEC) on the global movement in oil prices revealed that crude oil prices increased in April 2023. Specifically, the OPEC Reference Basket (ORB) increased, on average, from \$78.45/Barrel in March 2023 to \$84.13/Barrel in April 2023. This represents an increase of about 7.2 percent. Similarly, the ICE Brent contract rose by \$4.16/Barrel (5.3 percent) to settle at \$83.37/Barrel in April 2023. On month-on-month average, the NYMEX WTI contract surged from \$73.37/Barrel in March 2023 to \$79.44/Barrel, representing an increase of \$6.07 (8.3 percent). In addition, the DME Oman contract increased by \$5.13/Barrel (6.5 percent) to settle at \$83.47/Barrel in [April](#). The rise in the prices of crude oil products in the international market has been attributed to many factors, which include improved investors' confidence, ease of heavy selloffs in future markets, and short covering by money managers who rushed to cover their bearish status in the market. This could be a good development for oil-dependent countries, like Nigeria, which are in dire need of funds to finance the critical sectors of their economy. However, the caveat for an oil-producing country that also imports refined petroleum products is that such an increase in price could mean an increase in the costs of importation of petroleum products which can fuel and worsen domestic prices of food items. Given this situation, local production of petroleum products should be given urgent attention so that benefits from crude oil resources can be fully realized. Furthermore, the country must seek to maintain capital discipline in "times of plenty," thereby building resilience, increasing domestic production and curbing revenue leaks. This would ensure that the dynamics of the country's oil sector are not significantly impacted by external world shocks in oil prices.

## Capital Market Appreciated at the End of Trading in week one of May 2023

The weekly market report released by the Nigerian Exchange Group (NGX) indicated that the capital market appreciated at the end of trading in the first week of May 2023. The report showed that the NGX all-share index and market capitalization appreciated by 0.12 percent to close the trading week at 52,465.31 and N28.568 trillion, respectively. Furthermore, the report also revealed that all other indices appreciated except indices such as NGX Main Board, NGX 30, MERI Growth, and NGX Growth which depreciated by 0.61%, 0.32%, 0.62%, and 8.96%, respectively. In all, a total turnover of 2.973 billion shares worth N22.828 billion in 23,765 deals was traded by the investors in contrast to a total of 14.029 billion shares valued at N59.007 bill in 24,048 deals in the previous week. Among the industries, the Financial Services Industry led the activity chart of the week with 1.458 billion shares valued at N14.082 billion traded in 13,115 deals, thereby contributing 49.04% and 61.69% to the total equity turnover volume and value, [respectively](#). The Financial Services Industry was followed by the Conglomerates Industry with 1.254 billion shares worth N3.123 billion in 1,662 deals. In third place was the Consumer Goods Industry, with a turnover of 71.425 million shares worth N1.468 billion in 3,177 deals. In the top three trading were Transnational Corporation Plc, Access Holdings Plc, and Fidelity Bank Plc, which accounted for 2.074 billion shares worth N11.297 billion in 5,966 deals, contributing 69.76% and 49.49% to the total equity turnover volume and value respectively. Capital appreciation is a sign of a healthy financial market which acts as a magnet to draw more investors into the market. Therefore, relevant institutional agencies saddled with the responsibility of ensuring a sound financial system should ensure constant reforms through appropriate regulations that would further strengthen the financial sector.

ECONOMIC SNAPSHOT		
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Quarterly Indicators	'22Q3	'22Q4
GDP Growth Rate (%)	2.25	3.52
Oil GDP (%)	-22.67	-13.38
Non-oil GDP (%)	4.27	4.44
Unemployment Rate (%)	NA	NA
Foreign Direct Investment (US \$ Million)	NA	NA
Portfolio Investment (US \$Millions)	NA	NA
Other Investment (US \$Million)	NA	NA
External Debt (FGN & States- N'Trillion)	17.15	NA
Domestic Debt (FGN + States & FCT N'Trillion)	26.92	NA
Manufacturing Capacity utilization (%)	NA	NA
Monthly Indicators	Jan '22	Jan '23
Headline Inflation (%)	15.60	21.82
Food Sub-Index (%)	17.13	24.32
Core Sub-Index (%)	13.87	19.16
External Reserves (End Period) (US\$ Billion)	40.04	36.99
Official Rate Approx. (N/US\$)	414.11	461.00
BDC Rate Approx. (N/US\$)	NA	NA
Manufacturing PMI	51.4	NA
Non-Manufacturing PMI	49.01	NA
Average Crude Oil Price (US\$/Barrel)	88.71	84.78
Petrol (PMS-N/litre)	166.40	257.12
Diesel (AGO -N/Litre)	288.09	828.82
Kerosene (HHK -N/Litre)	437.11	1,153.40
Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)	3,657.57	4,588.75
MPR (%)	11.50	17.50
CRR (%)	27.5	NA
T-Bill Rate (%)	2.49	1.39
Savings Deposit Rate (%)	1.25	4.29
Prime Lending (%)	11.68	27.63
Maximum Lending (%)	27.65	NA
Narrow Money (N'Million)	18.59	20.96
Broad Money (N'Million)	45.09	52.97
Net Domestic Credit (N'Million)	50.09	68.90
Credit to the Government (Net) (N'Million)	14.90	24.65
Credit to the Private Sector (N'Million)	35.18	42.25
Currency in Circulation (N'Million)	3.288	1.386
FAAC (N'Billion)	766.47	NA

NA: Not Available

1. NBS (2023). Transport Fare Watch (March 2023). <https://nigerianstat.gov.ng/elibrary/read/1241319>.
2. OPEC (2023). Monthly Oil Market Report May 2023. <https://momr.opec.org/pdf-download/>
3. Nigerian Exchange Group (2023). Weekly Report for May 5<sup>th</sup>, 2023. [https://doclib.ngxgroup.com/market\\_data-site/other-market-information-site/Week%20Market%20Report/Weekly%20Market%20Report%20for%20the%20Week%20Ended%2005-05-2023.pdf](https://doclib.ngxgroup.com/market_data-site/other-market-information-site/Week%20Market%20Report/Weekly%20Market%20Report%20for%20the%20Week%20Ended%2005-05-2023.pdf)