



**NIGERIA
ECONOMIC
UPDATE**

Weekly

Digest

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Nigeria ranks 102nd in 2024 World Happiness Index

According to the 2024 World Happiness [Report](#), Nigeria is the 102nd happiest nation out of 143 countries. The report revealed that Nigeria's 2024 ranking dropped by 7 positions from 2023 when it ranked 95th. The World Happiness Report is an annual report that reviews the state of happiness and describes the variations in happiness across the world. The report is based on six explanatory factors that explain the different levels of happiness in a country, including GDP per capita, social support, healthy life expectancy, freedom, generosity, and corruption. Finland remained the world's happiest country and Afghanistan the least happy country. Compared to other African countries, Nigeria maintained its position as the 8th happiest country in the region, with Mauritius remaining at the 1st position. Rankings by age group show that young people in Nigeria (under the age of 30) are happier with a rank of 108, against the adult category where the country ranked 130th. Nigeria's poor ranking reflects the country's weak economic and social conditions. GDP per capita and life expectancy stand at \$2,162 and 52 years, respectively. Inadequate healthcare infrastructure, limited access to healthcare facilities, income inequality, and poverty suggest weak economic conditions. The government should strengthen social welfare programs and safety nets to provide support to vulnerable populations. Also, there is a need for the government to promote good governance, transparency and accountability to enhance citizens' trust in institutions, which in turn, is expected to increase happiness among the citizenry.

Electricity Demand Increases in Q4 2023

The National Bureau of Statistics (NBS), in its recent electricity report, revealed that electricity demand in Nigeria increased in Q4 2023. This is captured in the number of total customers which increased to 12.12 million, a 3.46 percent increase from 11.71 million customers in Q3 2023. On an annual basis, the total number of customers increased by 9.59 percent from 11.06 million at the end of 2022. The increase in the total number of customers reflects on the revenue generated as it rose from N232.32 billion to N294.95 billion, a 26.96 percent increase. Revenue collected by DISCOS also increased from N260.16 billion in Q3 2023 to N294.95 billion in Q4 2023, indicating a rise by 13.37 percent. Conversely, the number of metered customers decreased by 1.32 percent quarter-on-quarter, from 5.68 million in Q3 2023 to 5.61 million in Q4 2023. This is due to insufficient metering facilities and infrastructure which has delayed meter distribution and installation across the country. Despite this decline, electricity supply increased by 12.2 percent in Q4 2023 (6,432 - Gwh), up from 5,732 (Gwh) in Q3 2023. The rise in electricity demand can be attributed to the country's rapidly growing population and rise in the number of businesses including SMEs which has also driven up electricity consumption. The supply and distribution of electricity in the country has

remained erratic with the electricity grid collapsing thrice in 2023 and 46 times since 2017. The impact of epileptic electricity supply spans from disruption of production processes to decline in foreign investment flows, among others. To address this lingering challenge, the government should ensure that it implements measures identified in the 2023 Electricity Act, especially as it relates to supporting and empowering states to generate and regulate their own electricity.

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Headline PMI stands at 51.0 in March 2024

The Stanbic IBTC Bank Nigeria Purchasing Managers' [Index](#) was 51.0 in March 2024. Compared to February 2024, the headline PMI remained unchanged. The index measures the extent of activities by the private sector in the country. Specifically, it measures the performance of the agriculture, mining, manufacturing, construction, wholesale, retail, and services sectors of the economy by summarizing changes in the working conditions of the private companies in these sectors. A value above 50 indicates an expansion of the private sector activity compared to the previous month; below 50 represents a contraction, while 50 indicates no change. The PMI of 51 in March suggests an expansion in output, although at very soft and modest levels. However, the period was marked by high transportation costs, high staff costs, and the deterioration of the naira leading to a sharp rise in price levels and a sequel offset of new demands and order. Although the naira is witnessing a speedy recovery, in recent times, the Central Bank of Nigeria (CBN) needs to enforce measures to sustain this recovery and ensure that the currency is stable. Also, the government and private sectors must collaborate to create and execute frameworks that address the challenges that businesses experience, like unstable power supplies, while reducing regulatory burdens and administrative processes. This will create a more attractive environment for businesses to operate and expand.

ECONOMIC SNAPSHOT		
Quarterly Indicators	'23Q3	'23Q4
GDP Growth Rate (%)	2.54	3.46
Oil GDP Growth Rate (%)	-0.85	12.11
Non-oil GDP Growth Rate (%)	2.75	3.07
Unemployment Rate (%)	5	NA
Foreign Direct Investment (US \$ Million)	59.77	183.97
Portfolio Investment (US \$Millions)	87.11	309.76
Other Investment (US \$Million)	507.77	594.74
External Debt (FGN & States- N'Trillion)	31.98	97.34
Domestic Debt (FGN + States & FCT N'Trillion)	55.93	87.91
Manufacturing Capacity utilization (%)	NA	NA
Monthly Indicators	January '24	February '24
Headline Inflation (%)	29.90	31.70
Food Sub-Index (%)	35.41	37.92
Core Sub-Index (%)	23.59	25.13
External Reserves (End Period) (US\$ Billion)	33.37	34.71
Official Rate Approx. (N/US\$)	940.75	1505.92
BDC Rate Approx. (N/US\$)	NA	NA
Manufacturing PMI	NA	NA
Non-Manufacturing PMI	NA	NA
Average Crude Oil Price (US\$/Barrel)	81.50	86.07
Petrol (PMS-N/litre)	668.30	679.36
Diesel (AGO -N/Litre)	1,153.01	1257.06
Kerosene (HHK -N/Litre)	1,329.53	1340.94
Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)	5139.25	6154.50
MPR (%)	18.75	22.75
CRR (%)	32.5	40
T-Bill Rate (%)	4.33	17.03
Savings Deposit Rate (%)	5.28	5.86
Prime Lending (%)	27.07	15.06
Maximum Lending (%)	27.63	26.55
Narrow Money (N'Trillion)	31.23	30.27
Broad Money (N'Trillion)	92.87	95.55
Net Domestic Credit (N'Trillion)	113.10	114.78
Credit to the Government (Net) (N'Trillion)	36.16	33.92
Credit to the Private Sector (N'Trillion)	76.93	80.86
Currency in Circulation (N'Trillion)	36.50	36.93
FAAC (N'Trillion)	1.67	2.07

NA: Not Available

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