



**NIGERIA
ECONOMIC
UPDATE**

Weekly

Digest

www.cseaafrica.org

May 1st, 2024. Issue 15

617,503 Nigerians in forced labour in 2022

According to the NBS latest labour [survey](#), a total of 617,503 individuals were subjected to forced labour in their current job in 2022. This translates to a prevalence rate of 5.2 out of every 1000 individuals. Disaggregating forced labour by gender, 451,300 were male and 166,203 were females, indicating a higher likelihood of men falling victims of forced labour than women. Age-wise distribution shows 191,418 individuals fall within the 18-29 age group, 317,052 in 30-49 age group, and 99,391 in the age group above 50 years. Urban areas exhibit a higher prevalence rate of 6.0% compared to a 4.7% in the rural area with 270,546 individuals affected in the urban areas and 346,958 in the rural areas. The report highlights that a third of the survey participants (29.7%) were coerced to work with no or limited freedom to terminate the work contract, 26.9% were compelled to stay in the job longer than agreed without their consent, 7.5% were made to work for other employers without any agreement, 6.1% were assigned different roles than that specified during the recruitment without any consents, 5.1% received wages below that which was agreed, and 4.1% were placed in jobs by a third party different from that initially agreed. Among industries, the services sector has the highest percentage of this forced labour at 36.9% followed by agriculture (36.2%), manufacturing (17.1%), construction (4.8%), mining and quarrying (2.8%) and domestic work (1.7%). To address these imbalances in the labour market, the government needs to ensure stricter compliance with regulations against forced labour, frequent labour inspections, and awareness campaigns about workers' rights.

IMF projections: Nigeria's economy to grow by 3.3% in 2024

Nigeria's economic growth forecast in the April 2024 IMF World Economic [Outlook](#) (WEO) has been revised upward to 3.3%, indicating a 0.3% point increase from 3.0% in the January 2024 WEO update. Key drivers of the upward growth projection include the anticipated expansion of the oil sector by 6.9% year-on-year in 2024, a significant turnaround from the 2.22% decline observed in 2023; the strengthening of the Naira against the dollar; and the increase in oil production to 1.43mpbd in February 2024. IMF World Economic Outlook maintains its projection for Sub-Saharan Africa, anticipating a year-on-year growth in Real GDP of 3.80% in the region, compared to the 3.40% recorded in 2023 and projected 4.0% for 2025. In addition, the outlook projects a global deceleration in inflation rate, with an annual average decrease from 6.8% in 2023 to 5.9% in 2024 and 4.5 in 2025. Nigeria's inflation is expected to increase to 26.3% in 2024 from 24.7 in 2023 before decreasing to 23.0% in 2025. The projected inflation rate for 2024 is lesser than March's inflation rate of 32.7%, suggesting that the Fund anticipates a deceleration in Nigeria's inflation rate in the remaining three quarters of the year. While the increase in oil production will bring about more revenue and forex earnings, the government needs to diversify the source of export earnings for long-term sustainable growth and to mitigate oil price volatility. This diversification strategy could involve supporting non-oil sectors such as manufacturing, mining, and other emerging industries.

Inflation rate increases to 33.20%

According to the National Bureau of Statistics (NBS) [CPI report](#), headline inflation in March rose to 33.20% from 31.70% recorded in February, representing a 1.50% points increase in a month. Compared to March 2023, the headline inflation rose by 11.16% points from 22.04%. Urban inflation increased to 35.18%, and rural inflation rose to 31.45%. Additionally, the food inflation rate rose to 40.01%. The rise in food inflation as reported on a year-on-year basis is driven by the increase in the prices of household items such as Garri, Millet, Akpu Uncooked Fermented, Yam Tuber, Palm Oil, and Vegetable Oil. Regarding all-time inflation, Kogi, Bauchi, and Oyo recorded the highest rise with 39.97%, 38.34%, and 37.78%, respectively, while Borno, Benue/Taraba, and Katsina recorded the slowest rise with 25.78%, 28.12%, and 28.32%, respectively. The continued inflationary pressure risks pushing the country into more economic hardship as more people are becoming poor. The World Bank estimates that about 10 million Nigerians have been pushed into poverty in 2023 due to persistent inflation, without a corresponding increase in nominal wages. High inflation also dampens economic activities as businesses face difficulties making appropriate investment plans due to the unpredictable changing prices. As inflation continues to rise despite CBN's tight monetary policies, there is a need for complementary fiscal discipline on the fiscal side by cutting down unnecessary expenditure and increasing investments in the agricultural sector to boost productivity. Furthermore, security in food producing areas needs to be strengthened, to ensure that farmers return to the farm. These measures are important in increasing food production, which in turn, would contribute to the deceleration of food inflation and headline inflation.

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	February '24	March '24
Headline Inflation (%)	31.70	33.20
Food Sub-Index (%)	37.92	40.01
Core Sub-Index (%)	25.13	25.90
External Reserves (End Period) (US\$ Billion)	34.71	33.82
Official Rate Approx. (N/US\$)	1505.92	1510.34
BDC Rate Approx. (N/US\$)	NA	NA
Manufacturing PMI	NA	NA
Non-Manufacturing PMI	NA	NA
Average Crude Oil Price (US\$/Barrel)	86.07	NA
Petrol (PMS-N/litre)	679.36	696.79
Diesel (AGO -N/Litre)	1257.06	1341.16
Kerosene (HHK -N/Litre)	1340.94	NA
Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)	6154.50	NA
MPR (%)	22.75	NA
CRR (%)	40	NA
T-Bill Rate (%)	17.03	NA
Savings Deposit Rate (%)	5.86	NA
Prime Lending (%)	15.06	NA
Maximum Lending (%)	26.55	NA
Narrow Money (N'Trillion)	30.27	NA
Broad Money (N'Trillion)	95.55	NA
Net Domestic Credit (N'Trillion)	114.78	NA
Credit to the Government (Net) (N'Trillion)	33.92	NA
Credit to the Private Sector (N'Trillion)	80.86	NA
Currency in Circulation (N'Trillion)	36.93	NA
FAAC (N'Trillion)	2.07	NA

NA: Not Available

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