



NIGERIA ECONOMIC UPDATE

Weekly

Digest

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NBS reveals Transport fares cost for April 2024

The National Bureau of Statistics (NBS)'s latest Transport Fares [report](#) reveals a slight decrease in the average fare commuters pay for bus journeys within the city, from N969.32 in March 2024 to N967.76 in April 2024, representing a 0.16% MoM decline. Similarly, commuters' average bus intercity fare dropped to N7,122.57 in April from N7,152.97 in March 2024, indicating a decline of 0.43%. Unlike intercity fares, the air transport fare increased month-on-month by 0.25% to N89,189.19 in April 2024 from N88,964.86 recorded in March 2024. Furthermore, the average fare for motorcycle (Okada) transportation rose by 0.92% to N476.49 in April 2024, from N472.16 recorded in March 2024. The water transport fares also saw a marginal increase of 0.12%, as the average fare rose to N1,385.95 in April 2024 from N1,384.32 in March 2024. Nearly 12 months after the removal of fuel subsidies, its impact on transportation costs persists. Another contributory effect is the depreciation of the naira against the dollar. Since a large share of energy products are imported, the naira value of energy products increases with currency depreciation. High transport and energy costs are some of the significant drivers of inflation, which is one of the core components of production. Therefore, the government needs to put more effort into ensuring that the exchange rate is stable, thereby reducing the importation cost of petroleum products.

Average CoHD rises by 5.4%

In its latest report, the National Bureau of Statistics (NBS) indicated that the national average cost of a healthy diet ([CoHD](#)) for April 2024 has risen to N1,035 per day, representing a 5.4% increase from N982 recorded in the previous month. The CoHD represents the least expensive combination of locally available food items that meet the global consistent food-based dietary and nutritional guidelines, indicating that an average Nigerian must spend N1,035 daily to maintain a healthy diet. Regionally, the South-West region has the highest cost, with an average adult spending N1,406 per day followed by South East with N1,190 per day while the lowest is North-West region with N781 per day. At the current month-on-month rate of 5.%, CoHD is on an unsustainable path and might increase at an average rate of 64.8% within 12 months. Several factors, including the high inflation rate of 33.69% in April and high food inflation of 40.53%, are responsible for this rise in the CoHD. The disruptions in food production due to insecurity and banditry in the northern region of the country partly contribute to high food inflation and rising CoHD. The present situation is troubling, particularly for low-income individuals, who may find it increasingly difficult to afford a healthy diet as their incomes remain unchanged. Moreover, with healthy food becoming less affordable, many Nigerians will resort to cheaper and less nutritious alternatives, heightening the risk of malnutrition and associated health issues. About [16%](#) of Nigerians are set to face a severe food crisis by Q3. To prevent this, the government should boost investment in agriculture through farmer support initiatives, social safety net programmes, and improved food distribution networks. Efforts should be more devoted to tackling insecurity holistically so that farmers can go back to their farms.

Nigeria Ports Authority secures \$700M Loan

The Nigerian Ports Authority (NPA), in its [May Newsletter](#), has declared that it has successfully secured a \$700 million loan from Citibank, backed by the UK Export Finance (UKEF), to rehabilitate and reconstruct the Apapa and Tin-Can Island ports in Lagos. This is part of their broader plan to upgrade existing ports, including the Calabar, Warri, Onne, and Rivers Ports, as well as the reconstruction of the Escravos breakwater. This loan, if well utilised, should have some positive implications for the economy, including enhanced port infrastructure that will boost efficiency and capacity, reduce congestion at the ports, and shorten the turnaround times for ships. This development is expected to attract more shipping lines and increase trade volumes, thereby contributing positively to Nigeria's economy. Since it is a loan and not a grant, the government must ensure that the loan is used as planned. As a result, the NPA must ensure transparency and efficient loan utilization with regular audits and progress reports. Continuous engagement with stakeholders, including port users, shipping companies, and local communities, is also necessary to address concerns and incorporate feedback. Adhering to environmental standards during construction and operation processes is crucial to mitigate potential negative impacts on the surrounding environment and ecosystems. The NPA should also establish a robust maintenance plan for the rehabilitated ports to ensure their longevity and continuous efficient operation. Effective utilization of the \$700 million loan is expected to enhance efficiency and contribute to the growth of the logistic sector, which in turn, is expected to boost the economy.

ECONOMIC SNAPSHOT		
Quarterly Indicators	'23Q4	'24Q1
GDP Growth Rate (%)	3.46	2.98
Oil GDP Growth Rate (%)	12.11	5.70
Non-oil GDP Growth Rate (%)	3.07	2.80
Unemployment Rate (%)	5	5
Foreign Direct Investment (US \$ Million)	183.97	NA
Portfolio Investment (US \$Millions)	309.76	NA
Other Investment (US \$Million)	594.74	NA
External Debt (FGN & States- N'Trillion)	97.34	NA
Domestic Debt (FGN + States & FCT N'Trillion)	87.91	NA
Manufacturing Capacity Utilization (%)	NA	9.98
Monthly Indicators	March '24	April '24
Headline Inflation (%)	33.20	33.69
Food Sub-Index (%)	40.01	40.53
Core Sub-Index (%)	25.90	26.84
External Reserves (End Period) (US\$ Billion)	33.82	32.41
Official Rate Approx. (N/US\$)	1510.34	1236.55
BDC Rate Approx. (N/US\$)	NA	NA
Manufacturing PMI	NA	NA
Non-Manufacturing PMI	NA	NA
Average Crude Oil Price (US\$/Barrel)	85.41	92.79
Petrol (PMS-N/litre)	696.79	701.24
Diesel (AGO -N/Litre)	1341.16	1415.06
Kerosene (HHK -N/Litre)	1354.40	1439.64
Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)	6591.62	6521.58
MPR (%)	24.75	24.75
CRR (%)	45	45
T-Bill Rate (%)	16.53	16.24
Savings Deposit Rate (%)	6.28	6.29
Prime Lending (%)	15.70	15.54
Maximum Lending (%)	29.38	29.49
Narrow Money (N'Trillion)	32.48	33.81
Broad Money (N'Trillion)	92.34	96.97
Net Domestic Credit (N'Trillion)	90.80	92.89
Credit to the Government (Net) (N'Trillion)	19.58	19.97
Credit to the Private Sector (N'Trillion)	71.21	72.91
Currency in Circulation (N'Trillion)	38.69	39.22
FAAC (N'Trillion)	1.12	2.19

NA: Not Available

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