



NIGERIA ECONOMIC UPDATE

Weekly

Digest

www.cseaafrica.org



June 18th, 2024. Issue 22

Nigeria records trade surplus of N6.52 trillion in Q1 2024

The Foreign Trade in Goods [Statistics](#) (Q1 2024) released by the National Bureau of Statistics (NBS) shows that Nigeria recorded a trade surplus of N6.52 trillion in the first quarter of 2024 (Q1 2024). This is a significant improvement in trade when compared to the N3.63 trillion trade surplus in Q4 2023 and the N20.93 billion trade surplus in Q1 2023. In the first quarter (Q1 2024), Nigeria's total trade was ₦31.81 trillion, suggesting a 46.27 percent increase from the value recorded in the fourth quarter of 2023 (N21.74 trillion) and a 146 percent increase from the value recorded in the corresponding period of 2023, which stood at N12.95 trillion. Total exports amounted to N19.16 trillion, and imports amounted to N12.64 trillion. On a year-on-year basis, the growth rate of exports was higher than that of imports, with exports growing by 51 percent and imports by 40 percent. In Q1 2024, crude oil exports were valued at ₦15.48 trillion and accounted for 81 percent of total exports, while non-crude oil exports stood at ₦3.68 trillion, accounting for 19 percent of total exports. Analysing the trade statistics reveals that Nigeria's strong performance in oil exports was mostly responsible for its favourable balance of trade position in the first quarter of 2024. The growth in trade needs to be interpreted with caution given currency depreciation within the last 12 months. We need to diversify our export basket to increase the share of non-oil exports to over 50%. Hence, the government needs to assess and improve its ongoing non-oil export promotion initiatives, to boost and diversify export earnings, given the Nigerian economy's extreme susceptibility to changes in commodity prices due to the concentration of exports on a small number of commodities, particularly crude oil.

Private Sector records output expansion in May 2024

The Stanbic IBTC Bank Nigeria Purchasing Managers' [Index](#) stood at 52.1 in May 2024, a slight increase from 51.1 recorded in April 2024. The index measures the extent of private sector activity in the country. A value above 50 indicates an increase in private sector activity compared to the previous month; a value below 50 represents a contraction, while 50 indicates no change. The PMI of 52.1 is the highest recorded since January 2024, indicating that the Nigerian private sector grew faster than it had in previous months, with increases in both output and new orders. However, high prices constrained demand and companies noted that the high cost of input materials significantly hindered their efforts to complete projects. Nevertheless, all four sectors under observation—manufacturing, services, wholesale and retail, and agriculture—recorded growth, with the manufacturing sector reporting the largest increase. The modest increase in economic activities in May suggests a substantial improvement in Nigerians' business climate. In June, the industrial actions by the labour union arising from the demand for an increase in the minimum wage posed a threat to business activities. As a result, the government needs to arrive at a timely agreement with the labour union to prevent disruption in economic activities arising from power blackouts due to the shutting down of the national grid and blockage of major roads. Also, there is a need for the government to strengthen the macroeconomic conditions by addressing the lingering inflation and exchange rate pressure and providing strategic support to the key sectors to sustain the growth in private sector activities.

Number of Small Scale Industrialists fall across sectors

The National Bureau of Statistics (NBS) recently released a social statistics [report](#) that shows a significant decline in the total number of people engaged in small-scale industrialization across economic sectors. The report highlights findings from an assessment of socioeconomic indicators in Nigeria from 2020 to 2022. It assessed the number of small-scale industrialists in seven sectors: manufacturing, mining, agriculture, wholesale and retail, ICT, education, and real estate. The total number of small-scale industrialists operating in the 7 sectors decreased by 31 percent from 246,200 persons in 2020 to 170,098 persons in 2022. The decline in the number of industrialists is likely due to several factors including poor infrastructure, which hinders operations, the disruption from the COVID-19 pandemic, and limited access to finance. Also, macroeconomic uncertainties including high inflation rate, frequent policy changes, and high cost of borrowing affect small-scale industries' viability and hinder their growth. To address these challenges, it is imperative for the government to invest strongly in reliable electricity, transportation, and internet facilities that will facilitate business operations. There is also a need to create a stable economic environment that supports small businesses and creates a robust climate for them to thrive.

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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3. Stanbic IBTC Bank (2024). *Stanbic IBTC Bank Nigeria PMI June 2024*. Retrieved from <https://www.pmi.spglobal.com/Public/Home/PressRelease/55b293b5624941149f06477b9325d524>