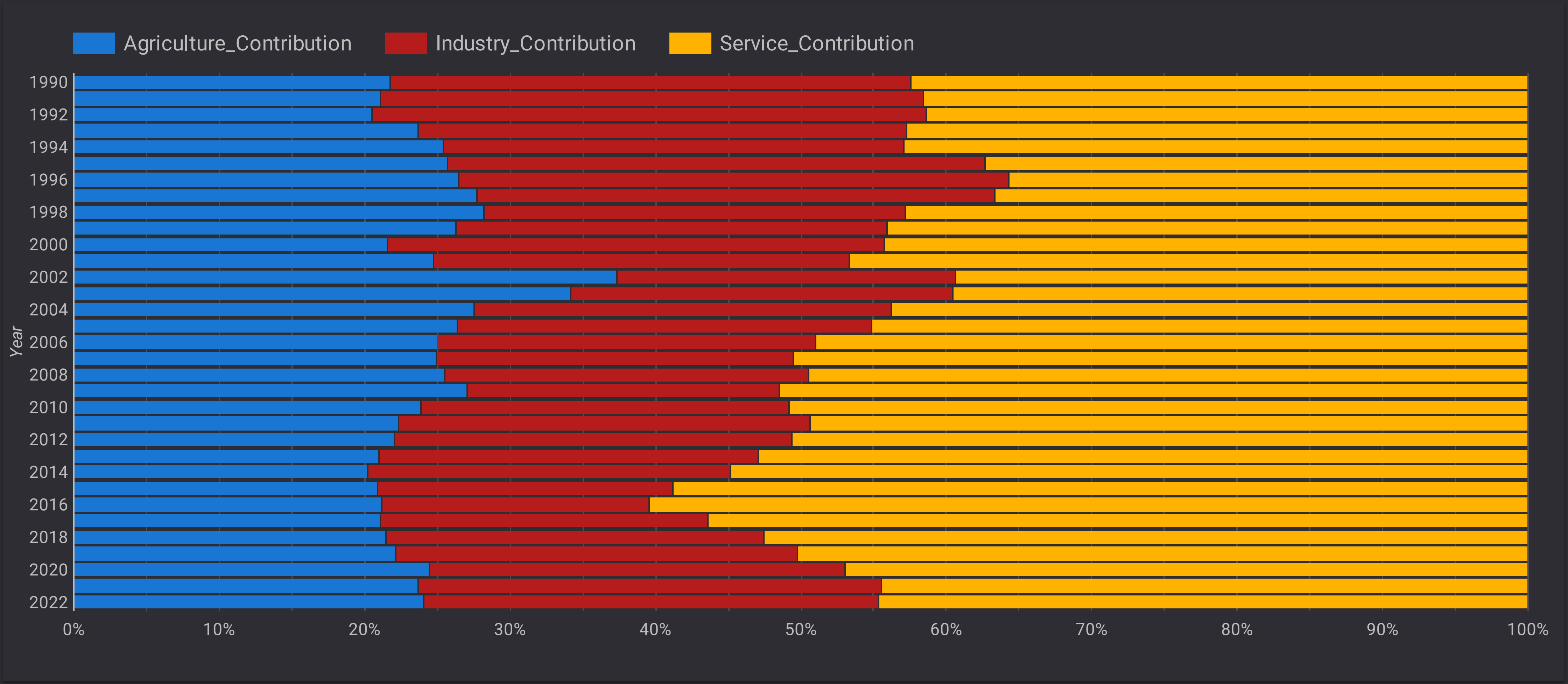
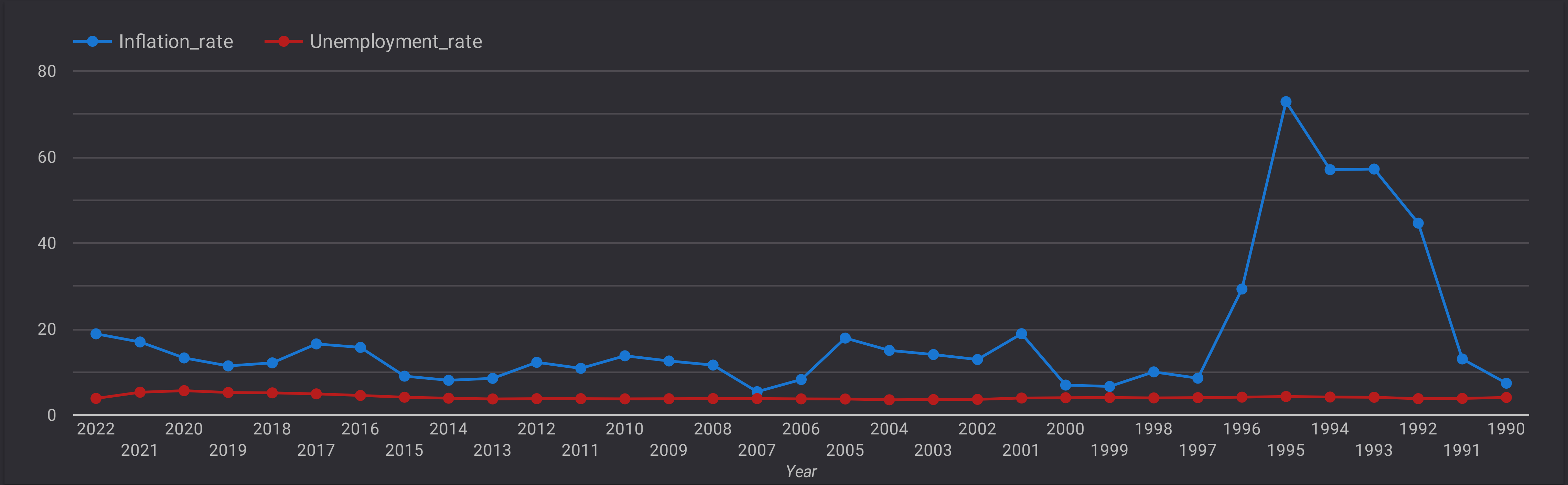
Economic Analysis of Nigeria (1990 - 2022)

Sectoral Contribution



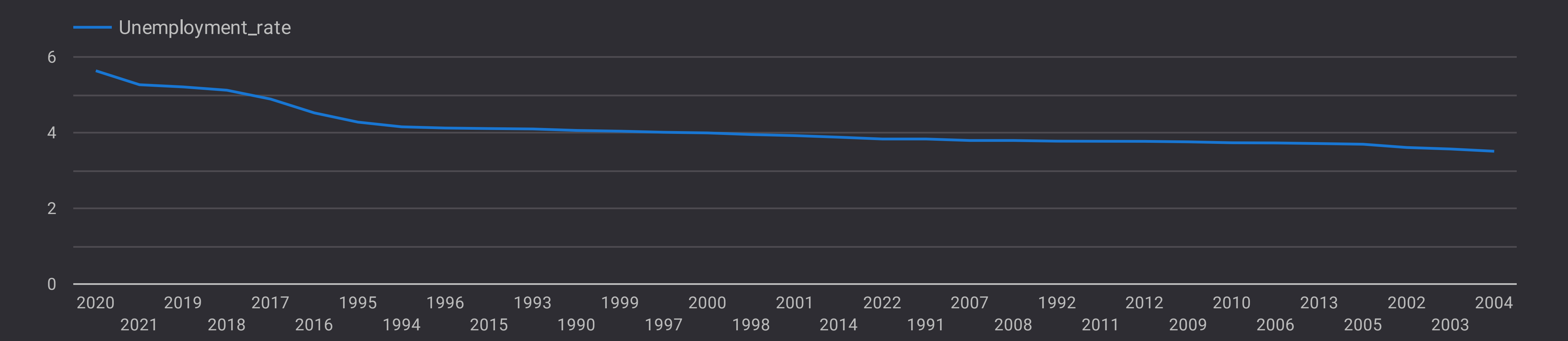
The sectoral contributions to Nigeria's GDP reveal significant shifts over time. From 1990 to 2022, the agriculture sector steadily contributed between 20% and 28%, showing a slight decline in recent years as the economy diversified. The industry sector experienced notable fluctuations, peaking in the early 1990s and mid-1990s but declining after 2015, reflecting challenges in industrial output and oil dependency. In contrast, the services sector consistently grew, emerging as the dominant contributor from 2010 onward, reaching over 60% in 2015 and maintaining a strong presence above 44% in recent years. This highlights Nigeria's economic shift from traditional sectors to a more service-driven economy, with services now driving growth through industries like telecommunications, finance, and other service-based activities.

Inflation and Unemployment Trends

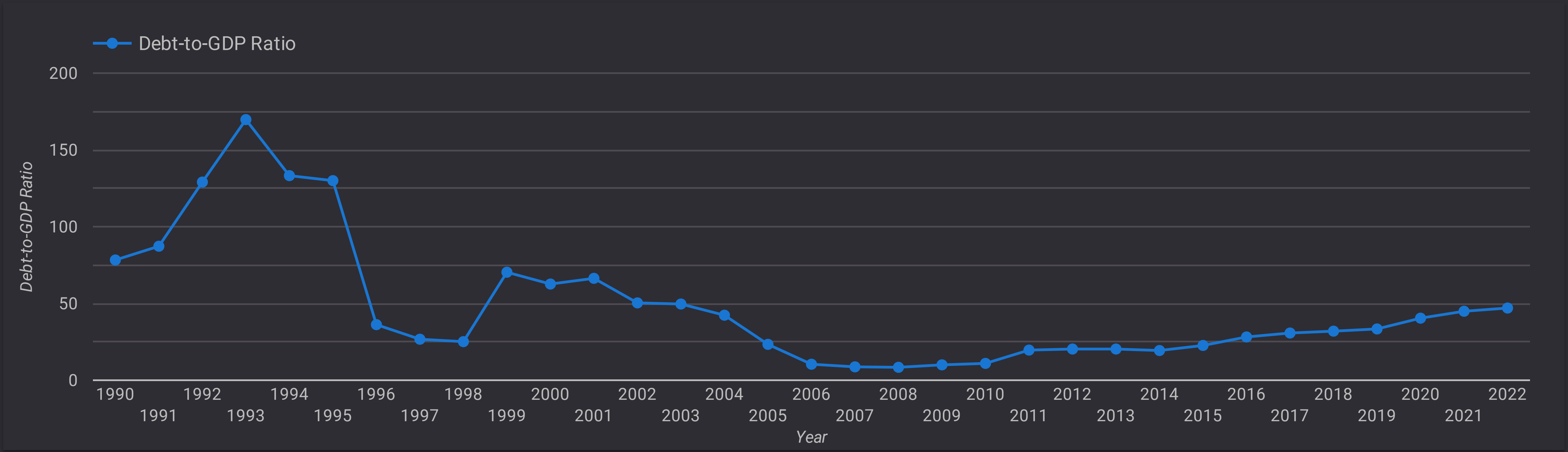


Between 1990 and 2022, Nigeria's inflation rate experienced significant fluctuations, with major spikes in 1992 (242%), 2016 (74%), and 2020 (16%), reflecting periods of economic instability. Sharp declines occurred in 1996 (-59%) and 1997 (-70%), possibly due to government interventions or external factors. Meanwhile, the unemployment rate followed a more gradual trend, with notable increases in 2016 (10%) and significant reductions in 2022 (-27%), indicating potential recovery or structural improvements in the labor market. These trends highlight the complex relationship between inflation and unemployment, influenced by various economic policies and external factors over time.

Average Unemployment Rate by Year



Debt-to-GDP Ratio Trend Analysis



The Debt-to-GDP Ratio measures the government's debt relative to the country's economic output. In the early 1990s, Nigeria's ratio was over 70%, indicating a high debt burden. However, by 2005, the ratio significantly dropped below 20%, reflecting fiscal consolidation and reduced borrowing. From 2006 to 2015, the ratio gradually increased to around 23.7%, suggesting a rise in debt or slower economic growth.

From 2016 to 2022, the ratio continued to climb, reaching 37.97% by 2022, indicating a growing reliance on debt. While the current ratio is not alarming, the consistent increase raises concerns about fiscal sustainability, as debt may become harder to manage if it grows faster than the economy. This upward trend emphasizes the need for effective debt management strategies to ensure long-term economic stability.