

Macro-Economic Highlights Report for Q3 2020 (July-September 2020)



Nigeria records 27.1% unemployment rate: According to the National Bureau of Statistics (NBS), the unemployment rate during Q2 2020 was 27.1%, up from the 23.1% recorded in Q3 2018. The underemployment rate increased from 20.1% to 28.6% during the same period.

Ease of doing business: Nigeria, China, India, 7 others make list of 10 improved economies: The World Bank Ease of Doing Business Report for 2020 listed Nigeria, as one of the ten countries with the "most notable improvement". The report samples business regulation in 190 economies across the globe. Out of the sampled countries, the report indicated "115 economies made it easier to do business".

Nigeria's revenue dropped by 65%: According to the Finance Minister, Nigeria's revenue has dropped by 65% hence the decision which led to the decision to discontinue the payment of petrol subsidy.

Foreign Direct Investment drops 29.7% to \$362.8mn in H1'20: The contribution of foreign direct investments, FDI, to the nation's economic growth recorded a major setback in H1 2020; as inflows dropped by 29.7% to ₦137.6bn (\$362.84mn) from ₦178.6bn (\$470.51mn) in the corresponding period of 2019(H1'19).

Economy sinks to 3-decade record low: Nigeria's economy has suffered its worst decline in three decades as the Gross Domestic Product, GDP, contracted by -6.1%, in the second quarter of 2020. The National Bureau of Statistics report indicated that the development was due to COVID-19 induced commercial and social lockdowns, as well as the impact of weaknesses in oil and non-oil output of the economy. For more information about the report, please visit: <https://nigerianstat.gov.ng/download/1143>

FG, states debt portfolio hits ₦28.63trn: The National Bureau of Statistics (NBS) stated that the total public debt portfolio of the Federal and State Governments stood at ₦28.63 trn as of March 2020. States and Federal Capital Territory domestic debt was put at ₦4.11trn with Lagos State accounting for 10.8% of the total domestic debt stock. Yobe State has the least debt stock in this category with a contribution of 0.7%.



Updated Key Macro-Economic Indices (as of 30th Sept. 2020)

Index	Current	Previous	
Inflation	13.71% (Sept 2020)	13.22% (Aug 2020)	↑
Unemployment Rate	27.1% (Q2 2020)	23.1% (Q3 2018)	↑
Underemployment Rate	28.6% (Q2 2020)	21.2% (Q3 2018)	↑
Youth Unemployment	34.92% (Q2 2020)	29.72% (Q3 2018)	↑
Purchasing Managers' Index (PMI)	46.9% (Sept 2020)	48.5% (Aug 2020)	↓



Key Macro-Economic Highlights

↑ Highs

- 1) World Bank approves \$114.28mn for Nigeria.
- 2) African Union adopts Blue economy strategy to grow Africa.
- 3) FG targets 22 non-oil commodities for export promotion.
- 4) Foreign reserves rise by \$140.9mn, now \$35.81bn.
- 5) ITFC, Afreximbank sign \$200mn pact to boost sub-Saharan Africa's agric sector.
- 6) World Bank approves \$75mn support fund for Edo State's education reforms.
- 7) Ondo State and Medicus International sign \$1.1bn medical centre agreement.
- 8) Oil price nears \$46, highest in five months.
- 9) Banks total credit rises to ₦19.33trn.
- 10) United States (U.S.) Development Finance Corporation (DFC) agency to double commitment in Nigeria by \$530mn.
- 11) World Bank loans Katsina, Kano and five other states \$500mn for girl-child education.
- 12) FG secures \$6.15bn for Nigeria's power infrastructure.
- 13) IFC discloses \$39mn fund for Nigeria's plastics, recycling industry.

↓ Lows

- 1) FG's deficit spending jumps 144% to ₦609bn.
- 2) FG deficit spending rises 6% to ₦1.46trn in 1st quarter.
- 3) Solid minerals export earnings dip by 80% to \$3.16bn in 6 months.
- 4) 13 States technically insolvent; debts rise 163%
- 5) FG debt now ₦24.52trn, recorded ₦561.71bn deficit – CBN
- 6) ERGP expenditure of ₦6.4trn fails to meet set targets
- 7) Banks' borrowings from CBN up 75 % to ₦1.8 trn in Q1 2020.
- 8) Aviation sector to lose \$35bn, 3.5mn jobs due to COVID-19.
- 9) CBN devalues naira to 380.5 in official market.
- 10) CBN cuts monetary rate to 11.5%.
- 11) CBN prepares for recession, reduces benchmark lending rate to 11.5%.
- 12) Manufacturers spend ₦67.38bn on electricity self-generation.
- 13) Over 5mn Nigerians apply for 400,000 N-Power jobs.
- 14) Nigeria's oil production falls to 1.37mn barrels.
- 15) Nigeria spends ₦120bn annually on idle refineries.



Consumer Insights and Forecasts

- 1) 5.7% of Nigerian households receive remittances from abroad —NBS
- 2) FG to unveil ₦65bn stimulus package for OPS.
- 3) NBS: ₦651.77bn generated from VAT in six months
- 4) E-bills payment rises by 86%, reaches ₦444.16bn.
- 5) Big Brother Naija 2020 brings ₦2bn into Nigerian economy.
- 6) Telecoms sector contributes ₦2.3trn in Q2 2020 to GDP.
- 7) Lagos State reduces land use charge; waives ₦5.7bn fees.
- 8) CACOVID starts ₦23bn food palliative distribution to households.
- 9) CBN unveils ₦200bn loan for FG's social housing project
- 10) Shoprite set to halt operations in Nigeria.



MSME Corner

- 1) CBN unveils intervention support guidelines for agribusiness.
- 2) Maize farmers secure ₦16bn CBN facility.
- 3) NIRSAL disburses ₦105bn to farmers
- 4) Banks' non-performing loans increase to ₦1.2trn in July 2020 – CBN.
- 5) Bol increases SME loans by 56%.
- 6) FG: 2.3mn SMEs accessed interest-free loans.
- 7) Facebook cushions COVID-19 impact, grants N500m to Nigeria's SMEs.
- 8) FG to disburse ₦300mn MSMEs Survival Fund to mark 60th anniversary.
- 9) FG inaugurates ₦75bn SMEs COVID-19 stimulus schemes.
- 10) COVID-19: CBN disburses ₦369bn to SMEs, manufacturers.

Industry Spotlight



MSMEs Corner

- 1) CBN unveils intervention support guidelines for agribusiness.** The Central Bank of Nigeria (CBN), has unveiled guidelines for non-interest Financial Institutions under its Agri-Business, Small and Medium Enterprise Investment Scheme (AGSMEIS), and Micro, Small and Medium Enterprises Development Fund (MSMEDF). For more information, please visit [https://www.cbn.gov.ng/Out/2020/CCD/AGSMEIS%20Guidelines%20\(Revised%20%20version2\)%20Resolutions%2021%20final.pdf](https://www.cbn.gov.ng/Out/2020/CCD/AGSMEIS%20Guidelines%20(Revised%20%20version2)%20Resolutions%2021%20final.pdf)
- 2) NIRSAL disburses ₦105bn to farmers:** The Nigeria Incentive-Based Risk Sharing System for Agricultural Lending has provided funds amounting to ₦105bn to support different agricultural sectors in the country. Beneficiaries of the funds were selected from the pre-upstream, upstream, midstream and downstream segments of the agricultural value chain in the country.
- 3) Bol increases SME loans by 56%:** The Bank of Industry stated that the total amount disbursed to the Micro, Small and Medium Enterprises segment in the country in 2019 rose by 56.3% to ₦53bn from ₦33.9bn disbursed in 2018. During the year under review, the Bol disbursed a total of ₦234bn to a total 10,145 enterprises, thereby facilitating the creation of an estimated one million direct and indirect jobs.
- 4) Facebook cushions COVID-19 impact, grants N500m to Nigeria's SMEs:** Facebook has announced a ₦500-million grant to support 781 small and micro businesses in Nigeria, as part of its \$100mn Global Grants Programme which aims to support 30,000 SMEs in over 30 countries. For more information, please visit <https://www.facebook.com/business/small-business/grants>
- 5) FG to disburse ₦300mn MSMEs Survival Fund to mark 60th anniversary:** FG has concluded arrangements to share about ₦300mn under the National Medium, Small and Micro Enterprises (MSMEs) Survival Funds scheme to about 333,000 artisans and transporters, as part of measures to commemorate Nigeria's 60th Independence anniversary on October 1st. Beneficiaries are to be drawn from 12 states, including Lagos, Bauchi, Kaduna, Kano, Plateau, Borno, Ekiti, Anambra, Abia, Kogi, Ondo, and the FCT respectively for this first phase of the scheme.



Consumer Insights and Forecasts

- 1) FG to unveil ₦65bn stimulus package for OPS:** The FG is set to unveil ₦65bn stimulus package to support the Organised Private Sector (OPS) in the bid to boost the economy and mitigate the effect of the COVID-19 pandemic.
- 2) E-bills payment rises by 86%, reaches ₦444.16bn:** The payment of bills electronically almost doubled from January to May this year, compared with the same period in 2019 due to the lockdown.
- 3) Lagos State reduces land use charge; waives ₦5.7bn fees:** The Lagos State Government has said it will reduce its land use charges and other penal fees by reversing the rate of land use charge to pre-2018, while upholding the 2018 method of valuation.
- 4) CBN unveils ₦200bn loan for FG's social housing project:** The Central Bank of Nigeria has said it will release a cumulative maximum limit of ₦200bn to provide construction finance facility to enable Family Homes Funds Limited to implement the Federal Government's Social Housing programme as part of the Economic Sustainability Plan 2020.
- 5) Shoprite set to halt operations in Nigeria:** Shoprite's Nigeria exit comes at a time of a growing economic slump in tandem with declining consumer spending.