








Q3-2022 MACROECONOMIC HIGHLIGHTS REPORT (JULY-SEPTEMBER)

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Review of Key Macroeconomic Indicators

Indicators	Current Level	Trend	Remarks
GDP Growth (Q2-2022)	3.54%		The Nigerian economy sustained its positive growth trajectory in the second quarter of 2022 with an expansion of 3.54%. Of the 19 major sectors, 17 sectors reported expansion while two contracted.
Inflation (August 2022)	20.52%		Consumer prices accelerated further to 20.52% year-on-year in August 2022. The monthly sub-index moderated to 1.77% in August compared to 1.82% reported in the previous month. The persistent increase in inflation is driven by the combination of high energy & food prices, forex illiquidity and global supply chain disruption following Russia-Ukraine tension.
Purchasing Manager's Index (August 2022)	52.3 points		The Stanbic IBTC Nigeria PMI decreased to 52.3 points in August 2022 compared to 53.2 reported in July 2022. Softer upticks were in output, new orders and purchasing activity while employment rose at a quicker pace.
Exchange Rate – NAFEX (September 2022)	N436.33/\$		The naira weakened to N436.33 per dollar on the official window compared to N420 per dollar as of June-2022. The weakening in FX rate could be attributed to poor forex inflows amid rising demand by businesses and investors.
Monetary Policy Rate (September 2022).	15.5%		In view of rising inflationary pressure, the Monetary Policy Committee of the Central Bank of Nigeria raised the monetary policy rate by 150 basis points to 15.5% at its September 2022 meeting. Cash reserve ratio was also raised to 32.5% from 27.5%.
Credit to Private Sector (August 2022)	N39.9 trillion		Credit to private sector grew by 21% year-on-year to N39.9 trillion in August 2022. The growth reflects ongoing efforts of the CBN towards supporting the private sector with adequate liquidity.
Capital Importation (Q2-2022)	\$1.54 billion		Foreign inflows to Nigeria totaled \$1.54 billion in Q2-2022, indicating a 2% decline from \$1.57 billion attracted in the previous quarter. This suggests weaker investor confidence in Nigeria.

Data Source, NBS, FMDQ, CBN, DMO, Stanbic

Sectoral Updates

ICT

481 tech startups employed 19, 000, raised \$2.1bn in 7yrs

According to the Nigerian Startup Ecosystem Report 2022 from Disrupt Africa, some 481 technology startups were in operation across Nigeria as of September 2022, employing over 19, 000 people between them. Of this, fintech is the most populated sector, with more than one-third of the country's tech startups active in that vertical. It was further revealed that these startups were supported by strong investment ecosystem, and at least 363 startups raised a combined \$2.1 billion in funding between January 2015 and August 2022. Read [here](#)

Southwest led others as 552, 667 subscribers connect to internet via ISPs

With data consumption increasing by 71% from 250, 880.4 terabytes in 2020 to 350, 165.39 terabytes in 2021, no less than 552, 667 subscribers across the six geo-political zones of Nigeria connected to the web via Internet Service Providers (ISPs) at the end of 2021. According to the Nigerian Communications Commission (NCC), Southwest had the highest number of internet users in 2021 through the ISPs with 442, 252 customers indicating 82% of total subscriptions. Read [here](#)

African Fintech has potential to attract investors – Fintech NGR

The Fintech Association of Nigeria stated that the African fintech has huge potential to attract more investors, given its growing investor confidence, which it said reflected the continent's huge potential due to deepening mobile and internet penetration, youthful population and increasing consumer sophistication, among many other factors. African currently boasts of ten unicorns out of which seven (Jumia, Flutterwave, Interswitch, Opay, Chipper Cash, Airtel Africa, and Andela) emanated from Nigeria. Read [here](#)

Global Fintech Investment drops by 3.1% in H1-2022.

Global investments in the fintech industry declined marginally by 3.1 percent to \$107.8 billion across 2,890 deals in the first half of 2022 compared to \$111.2 billion across 3,372 deals in the corresponding period of 2021, according to a report by KPMG International. The report titled 'The Pulse of fintech H1 2022' attributed the decline to numerous factors such as geopolitical uncertainty, turbulent public markets, increasing inflation and interest rates and ongoing supply chain disruptions. Read [here](#)

Nigeria spent \$1.09bn on software acquisition in five years

According to data from the International Trade Centre (ITC), the sum of \$1.09 billion was spent on software acquisition and importation of computer services into Nigeria between 2016 and 2020. Software constituted about 70% of technological imports. A separate report by the Nigerian Communications Commission (NCC) revealed that 77% of software in use was foreign, and 23% was sourced locally. Read [here](#)

MTN launched 5G network

Fifth generation technology, commonly called 5G, is now available in Nigeria. MTN Nigeria Plc commercially launched the 5G network in mid-September 2022. It was launched at an event that enabled guests to test the use of technology. This follows a pilot launch of 5G by MTN in August 2022, keeping with NCC rollout guides. The firm had earlier announced a pilot launch of 5G and its plan to roll out services in Lagos, Abuja, Port Harcourt, Ibadan, Kano, Owerri and Maiduguri. The 5G service is expected to be rolled out in phases, with full national coverage expected by 2025. Read [here](#)

Startup bill to enhance Nigeria's tech ecosystem – NITDA

The National Information Technology Development Agency (NITDA) has stated that the recently passed Nigeria startup bill by the National Assembly will help institutionalize legal frameworks that will enhance the growth of startups in Nigeria. The Director General of NITDA, Kashifu Abdullahi, stated this while delivering a keynote address at the Google Black Founders Fund in Africa 2022 launch event. It was noted that the bill will provide the enabling environment for growth, attraction, and protection of investment in the sector. Read [here](#)

Efina, GIZ deployed virtual hackathon to finance MSMEs

Enhancing Financial Innovation (EFInA) has partnered with GIZ to bridge the MSME financing gap existing in Nigeria through a virtual hackathon challenge themed 'MSME finance, breaking barrier'. According to the organizers, the potential of the MSME sector is yet to be maximized because of several challenges some of which the hackathon is expected to address. Read [here](#)

Mobile transactions rose by N8.9 trillion in three years

Mobile transactions have risen by N8.98 trillion between the first seven months of 2019 and the corresponding period of 2022, according to data from the Nigerian Interbank Settlement System. The mobile money industry has continued to witness strong efforts in striving towards cashless societies, entering strategic partnerships to expand the horizon of digital payments and developing new and robust interoperable payment systems. Read [here](#)

90% of technologies powering Nigerian economy imported -NOTAP

The National Office for Technology Acquisition and Promotion (NOTAP) has said 90% of technologies currently powering the Nigerian economy are imported. According to the Office, the world has fast moved away from resources to a knowledge-based economy and Nigeria must not be left behind. Through its regulatory role of registration and monitoring of technology transfer agreements, saved the nation over N79 billion that would have left the nation's border through capital flight. Read [here](#)

Agriculture

Lagos logistics hub to boost N5trn food market

Lagos State has flagged off the construction of what will be the largest food security systems and central logistics parks in sub-Saharan Africa. Governor Babajide Sanwo-Olu performed the sod turning at the site of the facility being built on 1.2million square meters of land in Ketu-Ereyun, Epe. Establishment of the food park is a component of the audacious 5-year agricultural and food systems roadmap (2021-2025) launched last year by the Sanwo-Olu administration to enhance food sufficiency in Lagos. Read [here](#)

LCFE, Heritage Banks, others to boost N445 commodity market

Lagos Commodities and Future Exchange (LCFE), Heritage Bank, capital market players and other stakeholders have expressed commitment to unlock the \$1trn (N445trn) commodities ecosystem as avenue to diversify the Nigerian economy from oil-based to other critical sectors. A statement from Heritage Bank reads that it considered the launch of LCFE as huge potential to unlock opportunities and wealth of four asset classes – agriculture, solid minerals, oil & gas, and currencies. Read [here](#)

Cocoa farmers eye extra \$136m from exports

Cocoa Farmers Association of Nigeria has commenced moves to attract extra \$400 on the cost of every ton of cocoa exported from Nigeria. It was established that Nigeria exports about 340,000 tons of cocoa annually, meaning that the country is to earn an additional \$136million outside the actual cost of the commodity once it perfects the process required to achieve this. Read [here](#)

FG mandated NASENI to drive food revolution

The Federal Government has mandated the National Agency for Science and Engineering Infrastructure (NASENI) to stimulate food revolution to feed industries and Nigerians. It was noted that NASENI had succeeded in the development of some relevant equipment and machines in the food value chain from cultivation, planting, weeding, harvesting, post-harvest and food preservation. Working with Technology Agency of Czech Republic, NASENI will research, develop equipment and train professionals in the field of agriculture, food production, harvest and post-harvest, processing technologies, food preservation and packaging. It will also process agricultural waste into renewable energy among others. Read [here](#)

Insecurity, others drove up agric imports to N4.6trn

Amid an unending insecurity crisis that has negatively impacted farming activities in many parts of the country, the total value of agricultural products imported into Nigeria within the last two years rose to N4.6 trillion. According to data collated from separate Foreign Trade Statistics of the National Bureau of Statistics, Nigeria imported agric imports to the tune of N2.36trn between June 2022 to June 2021, while another N2.31trn was imported between June 2021 and June 2020. On

the other hand, agric exports within this period trailed the import component by a distant mile, standing at a meagre N964.24bn, leaving a balance of trade of N3.7tn. Read [here](#)