

Macro-Economic Highlights Report for Q4 2020 (September –December 2020)



101,567 beneficiaries received N3.18bn COVID-19 survival fund – FG: The Federal Government disbursed over N3.18bn to 101,567 beneficiaries. A sum of N30,000 was paid to each of 94,696 employees/beneficiaries, while N50,000 was paid to each of the 6,871 employees/beneficiaries. 2.6 % of them were people with special needs, while 43% of the total beneficiaries are women in line with the guidelines on disbursement.

The value of total exports in Q4, 2020 increased by 6.7% against the level recorded in Q3, 2020 but decreased by 33. 3% compared to Q4,2019. On an annual basis, total exports was 34.8% lower in 2020 than recorded in 2019.

The value of crude oil exports in Q4 2020 increased by 4% compared to Q3,2020 but decreased by 30.5% compared to Q4,2019. In 2020, the value of crude oil exports was 35.7% lower than recorded in 2019.

The total value of capital importation into Nigeria stood at \$1,069.68m in Q4 2020. This represents a decrease of -26.81% compared to Q3 2020 and -71.87% decrease compared to the fourth quarter of 2019 –NBS.

Nigerian States and Federal Debt Stock data as of 31st December 2020 reflected that the country's total public debt portfolio stood at N32.92trn.

Nigeria's Gross Domestic Product (GDP) grew by 0.11% (year-on-year) in real terms in Q4 2020, representing the first positive quarterly growth in the last three quarters.

The Federation Account Allocation Committee (FAAC) disbursed the sum of N2.49trn to the Federal Government of Nigeria in 2020 while states received a total of N2.30trn within the period.

Households recorded 67% decline in income — Report : according to the National Bureau of Statistics (NBS) , over 67% of households reported their total income decreased compared to last year.



Updated Key Macro-Economic Indices

Index	Current	Previous	
Inflation	15.75 (Q4 2020)	13.71 (Q3 2020)	↑
Unemployment Rate	33.3% (Q4 2020)	27.1% (Q2 2020)	↑
Underemployment Rate	22.8% (Q4 2020)	28.6% (Q2 2020)	↓
Youth Unemployment	42.5% (Q4 2020)	34.9% (Q2 2020)	↑
Purchasing Managers' Index (PMI)	49.6 (Dec. 2020)	50.2 (Nov. 2020)	↓



Key Macro-Economic Highlights

↑ Highs

- 1) Total trade was 8.9% higher in Q4,2020 compared to Q3,2020
- 2) The non-oil sector grew by 1.69% in real terms in Q4 2020 better than the -2.51% growth rate recorded in the preceding quarter
- 3) The underemployment rate declined from 28.6% in Q2, 2020 to 22.8% in Q4 2020
- 4) National Disposable Income grew by 3.13% in Q4 2020
- 5) FAAN generated N30bn in nine months
- 6) Mining to contribute 5% to Nigeria's GDP by 2025 — FG
- 7) Customs generated N13.11 billion from Onne Port
- 8) Lafarge, Honeywell, Dangote Sinotrucks, 34 others enjoyed three-year tax holidays

↓ Lows

- 1) Diaspora Remittances into Nigeria fell 27% to \$12.9bn
- 2) States set for N878bn deficit in 2021
- 3) FG recorded 17.3 % shortfall in companies' income tax
- 4) FG recorded N1.29tn fiscal deficit in three months
- 5) An average daily oil production of 1.56 million barrels per day (mbpd) was recorded in Q4 2020 lower than the Q3 of 2020 by -0.11mbpd
- 6) Nigeria's duty-free export to US shrank to \$300.48m
- 7) COVID-19: States' IGR, allocations crashed by N180.4bn
- 8) IMF projected \$28tn COVID-19 losses in five years
- 9) LCCI forecasted public debt at N34trn at year end
- 10) PMI report indicated contraction in 70% of economic subsectors



Consumer Insights and Forecast

- 1) The United Kingdom emerged as the top source of capital investment in Nigeria in Q4 2020 with \$236.88m
- 2) Nigeria stock market recorded N164bn growth
- 3) UBA, GTB, Zenith accounted for N15.88bn transactions
- 4) COVID-19: FMCG firms' profits fell by N16.71bn
- 5) Lagos state emerged as the top destination of capital investment in Nigeria in Q4 2020 with \$829.64m
- 6) Afreximbank grew assets to \$19bn
- 7) Eight banks earned N26.73bn from international trade transactions
- 8) Equity market extended gain with N334bn
- 9) Citibank Nigeria Limited emerged at the top of capital investment in Nigeria in Q4 2020 with \$216.17m



MSME Corner

- 1) Banks provided N1.8tn, \$1.36bn, €10.92m loans to MSMEs -CBN
- 2) DBN empowered 125 entrepreneurs with business skills
- 3) UK's CDC provided \$75m funding to Stanbic IBTC
- 4) Lagos, Kano, Abia received more N75bn MSMEs fund beneficiaries
- 5) Heritage Bank provided N5bn fund for creative sectors
- 6) SunTrust Bank boosted SMEs with N23.96bn loan
- 7) FG empowered artisans, commenced payment of N30,000 one-off support grant
- 8) CreditPRO emerged best SME Lender of the Year
- 9) Nigerian startup introduced World's first end-to-end marketplace and analytics Platform

Industry Spotlight



MSMEs

- 1) **NIGCOMSAT empowered space sector start ups with N750,000:** The Nigerian Communications Satellite Limited (NIGCOMSAT) with the mandate to drive innovative ideas in the Nigerian space, empowered start ups in the space sector who emerged winners of the maiden edition of Hackathon Challenge organized by the Agency.
- 2) **28 million Africans earned below minimum wage – ILO :** The ILO stated 28 million Nigerians and other African countries earned less than their minimum wage. According to the Global Wage Report 2020-2021 in Africa, minimum wages exist in 47 of the region's 54 countries. Notable exceptions include Egypt and Ethiopia.
- 3) **FG targeted more tech hubs for economic growth:** Firm launched \$3m fund for start-ups- Pace Ventures announced a \$ 3m fund for early stage-stage African Start-up. With focus on healthcare, financial inclusion, education and agriculture. The organization provided funds to founders leveraging mobile penetration in making meaningful contributions to the or local economies and communities.
- 4) **SMEDAN launched digital platforms to promote MSMEs:** The Small and Medium Enterprises Development of Nigeria (SMEDAN) launched three digital platforms to promote the growth of micro, small and medium scale enterprises (MSMEs) in the country to drive sustainable economic development.



Consumer Insights and Forecast

- 1) **Phone users rose to 204.87 million in September – NCC :** Over 204.87 million global system mobile communications grew by 15%. The Nigerian Communications Commission indicated that in one-year MTN, Airtel and Globacom gained new subscribers. 9 mobile was the only operators that lost subscribers in one year.
- 2) **REA secured World Bank, AfDB funds for power projects :** The Rural Electrification Agency secured funding from the World Bank and the African Development Bank for the development of 15 hybrid power projects in universities and teaching hospitals. The project was towards the implementation of phase two and phase three of Energizing Education Programme respectively.
- 3) **Five million farmers received N800m insurance claims from FG:** The Nigerian Agricultural Insurance Corporation paid N800m to no fewer than 5 million farmers across the nation who suffered various setbacks in their farms due to natural disasters. The Scheme objective is to restore the confidence and productivity of Nigerian farmers, who suffered losses as a result of natural disaster such as flood, drought, pest and diseases.
- 4) **COVID-19: CBN spent N3.5trn on economic growth** -the apex bank made a total of #3.5trillion disbursements to cushion the effect of COVID-19 pandemic on the country's economy.