

Macro-Economic Highlights Report for July 2019



Nigeria's capital inflow hit \$8.485bn in Q1 2019: The National Bureau of Statistics (NBS) declared that Foreign Direct Investments (FDIs) inflows to Nigeria in the first quarter of this year stood at \$8.485bn. The inflows represent \$5.8bn increase in the level of inflows recorded in fourth quarter of 2018 and a \$2.15bn increase when compared with the inflows of the same period of last year.

Nigeria needs \$24bn to lift people out of poverty: It will cost about \$24bn to lift all Nigerians living below the extreme poverty line of \$1.90 out of poverty over the period of one year. The report by Oxfam revealed that 69% of Nigerians were living below the poverty line. Nigeria also runs the most expensive government in the world, with an over-bloated civil service, government advisers and aides, whose salaries are often very high.

Nigerians abroad remitted \$25bn in 2018: The FG has stated that Nigerians living abroad remitted \$25bn in 2018, representing 83% of the national budget. The amount, it noted, was about 6.1% of the Gross Domestic Product of the country. According to the report, remittances to Nigeria reached \$22bn in 2017, a 10% increase on the \$19.64b sent in 2016.

Banks record ₦1.5trn non-performing loans in 2018: This figure represents a 15% increase in non-performing loans (NPLs), when compared to the ₦1.3trn posted in the industry in 2017. The Asset Management Corporation of Nigeria (AMCON), has already warned that it will no longer buy such debts, even as it is still struggling to recover outstanding ₦5trn unpaid bank loans.

MSMEs grew by 12% in 4 years: The number of MSMEs in Nigeria grew by 12% to 41.543mn in 2017 from 37.067mn in 2013.

CBN's updated lending policy: The Central Bank of Nigeria has set a 60% minimum loan-to-deposit ratio (LDR) for banks. Banks that fail to meet the above minimum LDR will face a cash reserve penalty. The new measure is aimed at growing the Nigerian economy through investment in the real sector and providing access to credit for MSMEs with huge financing gaps.



Updated Key Macro-Economic Indices

Inflation (June 2019)	↓	11.22%
Unemployment Rate (Q3 2018)	↑	23.1%
Underemployment Rate (Q3 2018)	▬	21.2%
Youth Unemployment (Q2 2018)	↓	29.72%
PMI (July 2019)	↑	57.6%



Key Macro-Economic Highlights

↑ Highs

- 1) Nigeria attracted \$7bn deals from African Investment Forum — AfDB
- 2) Ethiopian Airlines to establish international carrier for Nigeria
- 3) 38mn Nigerians now have BVNs — CBN
- 4) Afreximbank's \$1bn adjustment facility for AfCFTA debuts
- 5) Coca Cola Foundation launches ₦300mn water projects in Enugu State
- 6) NCC remits ₦51.3bn to FG in three months
- 7) FG generates ₦39bn from passport issuance, others in 12 months
- 8) Nigeria's 1.97mbpd June volume highest since 2015
- 9) Currency circulation rose to ₦2.16trn in April — CBN
- 10) AfCFTA will boost Nigeria's exports by 8% — Osinbajo
- 11) Nigeria to supply 10% of India's crude oil demand
- 12) NNPC targets \$10.2bn earnings from financing deal for OML 13
- 13) EU invests ₦53.9bn in Nigeria's power sector

↓ Lows

- 1) Nigeria's debt rises to ₦24.95trn in two years
- 2) Nigeria among countries with high deforestation rate globally
- 3) Agro exports drop by ₦11.2bn in three months
- 4) North accounts for 68.6% of financially excluded Nigerians
- 5) Credit to economy falls by ₦720bn in May 2019
- 6) Nigerians abandon 10m bank accounts in H1 2019
- 7) Steel manufacturers threaten to sack 20,000 workers
- 8) Infrastructure deficit may cost Nigeria \$878bn by 2040
- 9) Nigeria's steel plants producing less than 200,000 tonnes yearly
- 10) Nigeria losses ₦6trn to Apapa gridlock — OPS
- 11) External debt rises by \$15.3bn
- 12) FG spent ₦610.2bn servicing ₦13trn domestic debts in Q1 2019.



Consumer Insights and Forecasts

- 1) Nigeria consumes ₦1.2bn worth of rice daily
- 2) Nigerians spent ₦3bn in cinemas for first half of 2019
- 3) Boeing reports \$2.9bn loss in Q2 2109, biggest quarterly loss ever
- 4) Nigeria adds 3.1mn new Internet users in May 2019
- 5) Road transport fare increased in June 2019— NBS
- 6) Nigeria lost 332,338 Internet users in June —NCC
- 7) Nigeria's fight against cybercrimes ranked 57th globally



MSME Corner

- 1) Smallholders' farmers get FG's ₦120bn loan
- 2) Access Bank begins disbursement to creative sector
- 3) CBN set to disburse loans to cattle rearing businesses
- 4) Micro Finance Bank disburse ₦565.6mn loans in H1 2019
- 5) Investors inject \$110mn in 44 Nigerian tech start-ups
- 6) FG launches initiative against rejection of Nigeria's produce overseas
- 7) NEXIM to disburse ₦3bn to women exporters
- 8) Access Bank's MSME lending rises by 68% to ₦37bn
- 9) Fidelity Bank to fund SMEs with ₦12 million grants

Industry Spotlight



MSMEs

- 1) **Smallholders' farmers get FG's ₦120bn loan:** A total of 720,000 small-holder farmers have received credit facility through the Central Bank of Nigeria's Anchor Borrowers' Programme. The Vice President also hinted about the government's plans to extend more agricultural credit to farmers in the South to encourage more people to engage in mechanised farming.
- 2) **Access Bank begins disbursement to creative sector:** The first tranche of the CIFI loans worth N20bn, would be made easily accessible to the borrowers in the sector when all documentations are completed and the loans approved. The bank would ensure the beneficiaries get funds within two weeks.
- 3) **CBN set to disburse loans to cattle rearing businesses:** In order to meet the country's milk requirements, the CBN is ready to give loans to those interested in ranching and other businesses in the livestock value chain.
- 4) **FG launches initiative against rejection of Nigeria's produce overseas:** The "Zero Reject" initiative involves training and sensitisation rally for farmers and traders against indiscriminate use of agrochemicals in production, post harvest handling and storage of agricultural commodities.
- 5) **NEXIM to disburse ₦3bn to women exporters:** The Nigerian Export Import Bank has commenced the implementation of a loan scheme for women in the export business targeting disbursement of N3bn loans before the end of 2019. Last year, the bank had approved over ₦34bn to export-oriented enterprises out of which over ₦25bn had been disbursed.
- 6) **Access Bank's MSME lending rises by 68% to ₦37bn:** Access Bank stated its lending to Micro, Small and Medium Enterprises (MSMEs) rose by 68 percent to ₦37bn in 2018 financial from ₦22bn in 2017.
- 7) **Fidelity Bank to fund SMEs with ₦12 million grants:** Fidelity Bank in partnership with PwC Nigeria is set to fund SMEs with ₦12 million grant in its Small and Medium Enterprises (SMEs) Funding Connect Series.



Consumer Insights and Forecasts

- 1) **Nigeria consumes ₦1.2bn worth of rice daily:** According to the Rice Farmers Association, Nigeria consumes a minimum of N1.2bn worth of rice every day.
- 2) **Nigerians spent N3bn in cinemas for first half of 2019:** Nigerians spent nearly \$3bn to watch box office movies at the cinemas between January and June, 2019.
- 3) **Road transport fare increased in June 2019:** The average fare paid by passengers for bus journey within city rose slightly by 0.26% (MoM) to ₦182.84 in June 2019 from ₦182.37 in May 2019.