

## Macro-Economic Highlights Report for Q1 2021 (January- March 2021)

**Nigeria real GDP advanced 0.5% y-o-y in Q1 2021, following a 0.1% y-o-y in Q4 2020.** The country registered the second consecutive quarterly growth since Nigeria's economy faced recession in Q3 2020 amid the easing of COVID-19 restrictions and an improvement in oil prices.

**Nigerian States and Federal Debt Stock data as of 31st March 2021 reflected that the country's total public debt portfolio stood at N33.11trn.** Further disaggregation of Nigeria's total public debt showed that N12.47trn or 37.67% of the debt was external while 20.64trn or 62.33% of the debt was domestic.

**Crude oil remained Nigeria's major export product** accounting for 66.38% of total export recorded in Q1, 2021.

**The non-oil sector grew by 0.79% in real terms in Q1 2021,** which was -0.75% points lower compared to the rate recorded in the same quarter of 2020 and -0.89% points lower than rates recorded in the fourth quarter of 2020.

**Nigeria's major import partners in Q1 2021, were China, Netherlands, United States, India and Belgium** with each country contributing 29.34%, 10.60%, 8.88%, 8.60% and 3.48% to the import trade respectively.

**AfDB provided \$400,000 grant for Nigeria's SEC to support capital markets:** The African Development Bank Group signed a \$400,000 grant agreement with the Securities and Exchange Commission of Nigeria to strengthen securities markets regulation and broaden market instruments.

**DMO listed N162.5bn 7-year Sovereign Sukuk on Nigerian Exchange Limited:** The Debt Management Office (DMO) listed the N162.557billion, 7-year, FGN Ijarah Sukuk with a rental rate of 11.20percent on the floor of the Nigerian Exchange (NGX) Limited.



### Updated Key Macro-Economic Indices

Inflation (Mar. 2021)	↑	18.17%
Unemployment Rate (Q4 2020)	↑	33.3%
Underemployment Rate (Q4 2020)	↓	22.8%
Youth Unemployment (Q4 2020)	↑	42.5%
PMI (Dec. 2020)	↓	49.6%



## Key Macro-Economic Highlights

### ↑ Highs

- 1) Naira strengthened against dollar as CBN insists on managed float
- 2) The Nigeria Sovereign Investment Authority (NSIA) grew net assets by 33% to N772.75bn despite COVID-19 effect on economy
- 3) Nigeria recorded 1.8% annual GDP growth in 2021
- 4) Information and Communication Sector grew by 6.31% in Q1 2021
- 5) The value of agricultural exports increased by 128.0% in Q1 2021
- 6) CBN retained lending rate at 11.5%
- 7) CBN, NCC fixed USSD banking transactions at N6.98
- 8) The CBN limited its use of open-market operations (OMO) bills to manage liquidity and shore up the value of the naira
- 9) Foreign exchange inflow rose to \$23.60bn
- 10) PenCom attained ISO certification for information management

### ↓ Lows

- 1) Nigeria's equity investors lost over N390bn in March
- 2) Growing insecurity scaring away investors — NCRIB
- 3) External Reserves lost 5.7% of its value from late January to March
- 4) The oil sector recorded real GDP growth rate of -2.21% (year-on-year) in Q1 2021 indicating a decrease of -7.27% points relative to the growth rate recorded in the corresponding quarter of 2020 (5.06%).
- 5) Nigeria's trade deficit deepened in 2021 due to rising imports in Q1 2021
- 6) Nigeria's inflation rate surged to 18.17% in March 2021
- 7) Food inflation rate in Nigeria surged to highest in over 15 years
- 8) The value of Crude oil exports in Q1 2021 decreased by 23.5% compared to Q4,2020 and 34.5% compared to Q1,2020
- 9) As of March 31, 2021, the CBN Official rate of the Naira was N379.5/US\$.
- 10) Nigeria's President approved a spending plan of N13.59 trillion in 2021, which is 25.7% higher than the 2020 revised budget



## Key Macro-Economic Highlights



### Consumer Insights and Forecast

- 1) NCC tweaks guidelines for national roaming, active infrastructure sharing
- 2) NIN: Telcos lost 11.8 million subscribers in four months
- 3) FG launched national policy on VSAT
- 4) Second Google News Initiative takes off in Africa, Middle East, Turkey
- 5) Despite ban, Nigeria led bitcoin P2P trading across Africa in Q1 2021
- 6) IMF raised Nigeria's economic growth forecast to 2.5%
- 7) Sub-Saharan Africa growth to hit 3.4% in 2021 — World Bank
- 8) Global growth estimate of 4.8% will increase oil demand, market stability in 2021 — OPEC
- 9) GSMA Intelligence predicts mid-tier handset battle
- 10) Sub-Saharan Africa growth to hit 3.4% in 2021 — World Bank



### MSME Corner

- 1) Okonjo-Iweala named first female WTO boss
- 2) CBN raised SME funding to N300bn, disbursed N149.21bn
- 3) NEXIM launched N10b Women & Youth Export fund
- 4) Banks provided N1.8tn, \$1.36bn, €10.92m loans to MSMEs -CBN.
- 5) NIRSAL facilitated N148b into agric sector
- 6) Nigerian startups raised more money in a single month than whole of 2020
- 7) WTO: African trade unions set agenda for Okonjo-Iweala
- 8) MSMEs survival fund reopened for 30 states
- 9) Paga Partners with Whitefield Foundation to Help MSMEs in Lagos
- 10) Development Bank of Nigeria (DBN) Launched 3 New Products for MSMEs
- 11) Nigeria launched 'biggest job creation scheme' in its history after long delay

## Industry Spotlight



### MSMEs

- 1) **LCCI launched e-commerce cluster for private enterprises to explore untapped potential:** The Lagos Chamber of Commerce and Industry (LCCI) has launched its e-commerce sectorial group to support the development of private enterprises in various sectors of the economy. This is expected to boost investors' confidence in the Chamber's advocacy activities aimed at developing private enterprises.
- 2) **US opened centre to boost entrepreneurship, leadership skills:** The United States has opened the first of its kind Window on America in Nigeria to boost youth entrepreneurship and leadership skills. The Window on America will serve as a community center where young people develop their ideas, as well as their leadership and entrepreneurship skills through programs and workshops designed especially for them.
- 3) **FG to spend \$1 billion on credit to small businesses:** The Minister of Industry, Trade and Investment, Otunba Adeniyi Adebayo, has said the 1 billion syndicated term loan secured by the Bank of Industry (BoI) will be used to provide affordable credit to small businesses.



## Consumer Insights and Forecast

- 1) **World Bank Group commits to provide up to \$160bn by June 30:** Guided by its twin goals of ending poverty and promoting shared prosperity, as well as its Covid-19 crisis response approach paper, the World Bank Group said it expects to deploy up to \$160 billion in the 15 months ending June 30, 2021.
- 2) **Nigeria's VAT collection surged to N496.4 billion in Q1 2021:** Nigeria generated a sum of N496.39 billion revenue from Value Added Tax (VAT) in the first quarter of 2021, a surge of 52.93% year-on-year compared to N324.58 billion recorded in the corresponding period of 2020.
- 3) **Telecoms sector boosted GDP by 12.45% as prospect looks brighter:** Nigeria's telecommunications industry is one of the sectors whose performance in the last quarter of 2020, lifted the country out of recession. It contributed 12.45 per cent to the country's Gross Domestic Product (GDP).
- 4) **CBN to issue N570.4m treasury bills in Q2:** The Central Bank plans to issue treasury bills worth N570.4m in the second quarter. It also said maturing bills in the period would total N570.4m. The CBN disclosed it would issue N92.05m 91-day bills; N79.65m 182-day bills; and N398.7m 364-day bills during the period.