

Macro-Economic Highlights Report for January-March (Q1) 2020



IMF plans \$1bn fund raising for poor countries: The IMF has launched a fund-raising exercise that will enable the Catastrophe Containment and Relief Trust to provide about \$1bn for the current COVID-19 pandemic. The Fund will augment the already available \$200mn for the world's poorest countries.

AfDB to lift Africa's economies with \$3bn COVID-19 bond: The African Development Bank (AfDB) has raised \$3bn in a three-year bond to help alleviate the economic and social impact the COVID-19 pandemic will have on livelihoods and Africa's economies. This is the largest social bond ever launched in international capital markets to date and will pay an interest rate of 0.75%.

Nigerian economy attracted \$21.8bn investments in one year – NBS: The Nigerian economy attracted a total of \$21.8bn worth of investments were made up of equity; portfolio investment comprising bonds, money market instruments; and other investments made up of trade credits, currency deposits and other claims.

Oil price at falls below \$27 for the first time; lower than budget benchmark: Crude Oil has traded around \$27 per barrel, \$3 lower than Nigeria's new budget benchmark in March 2020. Global crude oil prices have been badly hit by the outbreak of the coronavirus pandemic, which has caused demand for the commodity to shrink.

Nigeria records decline in agro export rejection: The number of queries and rejection cases of exported agricultural produce from Nigeria has been witnessing a steady decline. The Nigerian Agricultural Quarantine Agency stated that this change was partly due to its sensitisation programme for producers.

Inflation rate rises to 12.2% in February 2020, highest in 21 months–NBS: According to the bureau is 0.07% higher than the 12.13% recorded in January 2020. This increase represents the highest recorded by the economy in the last 21 months.



Updated Key Macro-Economic Indices (as of 31st March 2020)

Inflation (Feb 2020)	↑	12.2%
Unemployment Rate (Q3 2018)	↑	23.1%
Underemployment Rate (Q3 2018)	▬	21.2%
Youth Unemployment (Q2 2018)	↓	29.72%
PMI (Mar 2020)	↓	51.1%



Key Macro-Economic Highlights

↑ Highs

- 1) Agriculture sector's non-performing loans hit ₦49.96bn.
- 2) AfDB to provide \$10bn for roads and other infrastructure.
- 3) 30% of banking revenues come from digital payment ecosystem.
- 4) FIRS targets 17% tax to GDP ratio by 2023.
- 5) CBN retains benchmark lending rate at 3.5%.
- 6) World Bank approves \$2.2bn for projects in Nigeria.
- 7) Japanese companies endorse Lagos free zone.
- 8) SEC unveils regulatory framework for crowdfunding.
- 9) Nigerian, UK investors sign ₦153.4bn commercial deals.
- 10) NLNG achieves 83% of its Nigerianisation target.
- 11) Billionaires' list: Dangote loses \$2.5bn in one month

↓ Lows

- 1) Lagos debt profile hits ₦39.692bn.
- 2) Dollar sells for ₦402 on forex sale suspension.
- 3) Stock market records marginal loss in March 2020.
- 4) Nigeria needs 30 million new jobs by 2030 – World Bank.
- 5) Foreign reserves drop by \$4.45bn in one year.
- 6) Nigeria's debt now ₦26.22trn-DMO
- 7) Banks' borrowing from CBN rises 21.5% to ₦19.5trn.
- 8) Foreign reserves drop to 27 months low.
- 9) 55% of worlds population have no social protection-ILO
- 10) Investors lose ₦656bn over COVID-19 and oil fears.
- 11) Employment level, raw materials record decline as PMI decreases to 51.1%.
- 12) OPEC slashes 2020 oil demand estimate, output due to coronavirus



Consumer Insights and Forecasts

- 1) Lagos State airports recorded 96,621 aircraft movements in 2019.
- 2) Global air transport revenue loss rises to \$252bn.
- 3) Nigerian airlines suspend flights due to COVID 19.
- 4) Digital switch-over to achieve 95% nationwide target – NBC
- 5) Paga introduces measures to reduce cash handling.
- 6) Discos' annual revenue collection rises to ₦466bn.
- 7) Domestic consumption of cooking gas hits 90,000 metric tonnes in January 2020.



MSME Corner

- 1) CDC to invest \$39.2mn in SMEs.
- 2) Bol grants female entrepreneurs ₦26bn loans.
- 3) World Bank's skills acquisition programme takes off in Abia.
- 4) Facebook to award 100mn in grants ad credits to SMEs against COVID 19.
- 5) Ministry of Youth and Sports Development and IBM Digital - Nation Africa partner to empower Nigerian youths with digital skills training.

Industry Spotlight



MSMEs

- 1) **CDC to invest \$39.2mn in SMEs:** CDC Group, the UK's publicly owned impact investor, has announced the commitment of \$39.2mn to support SMEs in West Africa. CDC is backing Verod Fund III and Adiwale Fund I, West-African based private equity funds targeting SMEs in the region, with commitments of \$19.2mn and \$20mn respectively.
- 2) **Bol grants female entrepreneurs ₦26bn loans:** As part of its deliberate steps to address issues around gender equality in entrepreneurship, the Bank of Industry plans to disburse ₦26bn loans to female entrepreneurs in 18 months.
- 3) **World Bank's skills acquisition programme takes off in Abia:** Abia State has set into motion the implementation of the project, targeted towards giving the youths in the state qualitative education that would make them employable. The World Bank grant-aided programme is being implemented in six states, namely Benue, Edo, Ekiti, Gombe, and Kano on pilot basis.
- 4) **Facebook announce 100mn in grants ad credits to SMEs against COVID 19:** Facebook has announced its plans to award \$100mn in cash grants and ad credits for up to 30,000 small businesses in over 30 countries to address the economic impact of the coronavirus outbreak. The majority of the funds will be in cash grants and application requirement will be released by in the nearest future.
- 5) **Ministry of Youth and Sports Development and IBM Digital-Nation Africa partner to empower Nigerian youths with digital skills training:** The partnership would equip young people with the knowledge and tools to design and develop digital solutions while remaining abreast of the dynamic changes in the new technology-driven economy.



Consumer Insights and Forecasts

- 1) **Global air transport revenue loss rises to \$252bn:** The International Air Transport Association (IATA) has disclosed that the expected impact of the coronavirus on global air transport has risen to \$252bn. IATA updated its analysis of the revenue impact of the COVID-19 pandemic on the global air transport industry from the previous analysis of \$113bn revenue loss made on March 5 2020.
- 2) **Nigerian airlines suspend flights due to COVID-19:** Nigerian airline operators have suspended domestic operations for two weeks to join the fight against the spread of COVID-19. Given recent global developments on the speed at which the virus is spreading within countries, the operators have decided to show commitments to the wellbeing of the nation with the temporary business shut down.
- 3) **Paga introduces measures to reduce cash handling:** The company has adjusted its transaction fees for instore merchant payments and money transfers. During this time, merchants can save on transaction fees by accepting payments with Paga with no charge. Customers can send money for free if sending to anyone using the recipient's phone number or email address versus a bank account.