



Q1-2023 MACROECONOMIC HIGHLIGHTS REPORT (JANUARY – MARCH)

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Review of Key Macroeconomic Indicators

Indicator	Current level	Trend	Remark
GDP Growth (Q4-2022)	3.52%		The Nigerian economy sustained its upturn trajectory in the last quarter of 2022, with a growth of 3.52%. Growth was driven by the non-oil sector, while the oil sector further declined to 4.34%. All 19 major sectors recorded an expansion.
Inflation (February 2023)	21.91%		Consumer prices quickened to 21.91% in February 2023, recording a 17-year high. This signifies an increase of 0.09% point from the January figure of 21.82%. High cost of production and currency depreciation are the main drivers of growth.
Monetary Policy Rate (March 2023)	18.0%		The Monetary Policy Rate was raised, while other parameters were retained at the March 2023 meeting of the Monetary Policy Committee. Monetary Policy Rate was raised by 50 basis points to 18% from 17.5% in February 2023 as a measure to curtail the unceasing inflationary trend. This indicates a 650-basis-point increase in the past eight months.
Exchange Rate – NAFEX (February 2023)	N460.42/\$		Naira depreciated against US Dollar to N460/\$ in the investor & exporter's window between January and February 2023.
Trade Balance (Q4-2022)	N996.78bn		Trade moderated to N996.78 billion after a decline of N409 billion in Q3. This expansion was driven by improvements in agricultural and manufactured products exported during the period.
Oil price (March 2023)	\$81.13/bbl		Oil price eased to \$81 from \$86 in February over uncertainties created by the collapse of the Silicon Valley Bank. The price is expected to rebound as OPEC+ plans a cut in oil production by 2 million/bpd.
Purchasing Manager Index (March 2023)	42.3 index points		PMI worsened to 42.3 in March 2023, down from 47.7 posted in February 2023, indicating the second consecutive contraction in two years. The consistent decline is attributable to the strains created by the cash shortage, which slowed economic activities over the past two months.
Total Debt Stock (Q4-2022)	N46.25 trillion		Total debt stock grew in Q4 2022 by roughly 5% from N44 trillion in Q3 2022. This is due to an increase in borrowing by national and sub-national governments to fund the budget deficit and execute projects.
Credit to the Private Sector (February 2023)	N41.79 trillion		Credit to the private sector slightly grew to N41.75 trillion in February 2023 from N41.54 trillion in January. This indicates sustained credit support for the private sector by the CBN.
Total Capital Importation (Q4-2022)	\$1.06 billion		Capital importation fell sharply by over 50% from \$2.187 billion recorded in Q4 2021 to \$1.06 billion in Q4 2022. The decline was by 8.53% when compared with \$1.159 billion in the preceding quarter. The drop in capital inflow may be attributed to the sustained monetary tightening in the economy and continued decline in investors' confidence due to unflattering ratings Moodys and Standards and Poor's rating amidst high forex volatility and limited access to foreign exchange.

Data Sources: CBN, NBS, Stanbic IBTC Bank, S&P Global; DMO

More Economic Insights



Foreign portfolio investments declined by 49 percent in two months of 2023

The uncertainty surrounding the electioneering period, foreign exchange volatility and lack of confidence of foreign investors contributed to the drop in foreign portfolio investment from N86.74 billion in January and February 2022 to N44.52 billion during the same period in 2023. This has seen domestic investors fill the vacuum to a reasonable extent. [Read more.](#)

Port Taskforce saves visiting ships N5.4 billion demurrage in 2 years

According to the National Coordinator of the Port Standing Task Team, the task force's operations saved visiting ships a whopping N5.4 billion between 2021 and 2022 in demurrage, indicating an average of \$20,000 per day. This is due to the reduced cargo dwell time, congestion and ship turn-around time during the period. [Read more.](#)

Manufacturers' confidence in the economy dampens in Q4 2022

Following a drop of 0.4 points in the last quarter of 2022 compared to 55.4 in Q3 2022, the confidence index of Chief Executive Officers has dampened per the Manufacturers CEO's Confidence Index (MCCI) report of the Manufacturers Association of Nigeria (MAN). Naira depreciation, insecurity, limited access to forex for business, high cost of energy and the lingering war in Ukraine are among the key contributors to this decline. [Read more.](#)

NIPC to attract more foreign investments

The Nigerian Investment Promotion Council (NIPC) has begun plans to make Nigeria an attractive investment destination for foreign investors. As the Executive Secretary NIPC, Saratu Umar mentioned, the fragmented nature of the investment promotion drives across the country at the national and subnational levels have limited the promotion efforts. [Read more.](#)

Nigeria "lost N20 trillion" as 70% of cash sucked from the economy

The cash scarcity that hit the Nigerian economy as a fallout from the Naira redesign policy has slowed economic activities and crippled trades and contributed to the loss of an estimate of N20 trillion, according to the Center for the Promotion of Private Enterprise (CPPE). [Read more.](#)

MSME Corner



MSMEs urged to embrace cost management amid rising interest rate and inflation

Effective cost management can help MSMEs thrive amidst turbulences in the economic terrain of their environment. Economists have urged MSMEs to embrace innovative practices such as improved cost management, investment and marketing approaches as the interest rate rises amidst the inflationary trend in the Nigerian business environment, which has skyrocketed production costs. [Read more.](#)

8 in 10 SMEs use intermediaries in interfacing with SON

Quality is at the heart of growth in sales and customer loyalty. Understanding the SON processes gives businesses a competitive edge to sustain corporate success in terms of quality products and

service delivery. The report of a perception survey conducted by the Lagos Chamber of Commerce & Industry (LCCI) and the Center for International Private Enterprise (CIPE) showed that 76% of Small and Medium-sized Enterprises in Nigeria find the operational processes of the Standard Organisation of Nigeria to be complex; hence, their adoption of intermediaries. This raises concerns about quality, according to experts. [Read more.](#)

Mastercard partners NowNow to improve cybersecurity for SMEs

When MSMEs are equipped with requisite education and skills, they will be less vulnerable to cyberattacks and avoid losses. NowNow will partner with MasterCard Trust Centre to provide free resources to facilitate the education of SMEs on cybersecurity in Nigeria. This comes on the back of reports from the Nigerian Communications Commission, NCC, that roughly \$500 million is lost to cyberattacks on a yearly basis in Nigeria amidst a rise in cybercrime in the country. [Read more.](#)

Stride ERP to empower 2.5m SMEs across Africa

The digital economy offers SMEs opportunities to scale and expand their reach. A leading Enterprise Resource Planning software solution provider, Stride has concluded plans to launch the SME Accelerator Project in Africa. The aim of the initiative is to revolutionise the pace of digital business transformation among Small and Medium-sized enterprises in Africa. [Read more.](#)



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Anchor Borrowers record 52% loan repayment —CBN

Loan repayment is good for businesses as it enhances the credit rating and profile of such business. The Central Bank of Nigeria (CBN) has recovered 5.39 percent of the N503 billion credit earmarked for the Anchor Borrowers' Program (ABP) as of February 2023, according to the Acting Director, Corporate Communications Department of CBN, Dr AbdulMumin Isa. [Read more.](#)

SECTORAL UPDATES



ICT

Flutterwave to lead sponsors of the Africa Fintech Summit in 2023

Flutterwave has been announced as the Lead Fintech Sponsor for the 2023 edition of the Africa Fintech Summit (AFTS) to hold in Washington DC in April, according to AFTS. The African Fintech powerhouse will also remain the Lead

Sponsor for the November edition, which will hold in Africa in November. [Read more.](#)

Tech Startup unveils app for business solutions

A tech startup firm, Wynk Limited, has unveiled "The Wynk Lifestyle Super App", created to make life easier for individuals and businesses through solutions to divergent economic needs. Commenting on the app's qualities, Wynk Co-founder James Lasenby noted that the app is user-friendly and secure to use. [Read more.](#)

Flutterwave secures two additional licenses in Rwanda

Following its receipt of the Electronic Money Issuer and Remittance Licenses from the National Bank of Rwanda, Flutterwave has announced its expansion into East Africa. Having expanded its offerings from payment solutions to remittance services, fund deposit and withdrawal, the company can offer these services to about 14 million people in Rwanda. [Read more.](#)

Twitter users in Nigeria to pay N3,650 for a blue subscription per month

Nigerian users of the popular social media platform can now subscribe to Twitter Blue at N3,650 per month or enjoy a discount by subscribing annually at about N3,208 monthly. The Twitter Chief, Elon Musk, revealed this, as Twitter plans to remove the verification mark from



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non-subscribers by April 1, 2023. [Read more.](#)

Agriculture

Cash shortage hit Nigerian poultry farmers with an N30 billion loss

The cash crunch stemming from the fallout from the Naira redesign of the Central Bank of Nigeria has slowed economic activities across various segments, and the Agricultural sector was not spared. The inability of farmers to increase sales of poultry proceeds such as eggs has led to the loss of over 15 million crates of eggs. [Read more.](#)

Finance

Banks' loans to consumers increased by 3.4 per cent to N2.5 trillion

After a consecutive four-month decline, consumer loans increased from N2.37 trillion in October to N2.45 trillion in November. This increase was attributed to demands leading to the yuletide period in 2022, despite a previous decline in demand because of the hawkish monetary policy rates. Personal loans accounted for 76 percent of total loans. [Read more.](#)

CBN denies suspending OPAY, PALMPAY accounts

Contrary to rumours making rounds on social media that Opay and PalmPay have been suspended, the Central Bank of Nigeria (CBN) has debunked the report as fake. Mr Isa AbdulMumin, CBN's Acting Director of Corporate

Communications, disclosed this. [Read more.](#)

Trade

AfCFTA: Need to remove binding constraints — Pedro, UNECA scribe

Speaking at the Ninth Session of the Africa Regional Forum on Sustainable Development in Niamey, Niger, Antonio Pedro, Acting Executive Secretary, UNECA, noted that until the several constraints hindering trade amongst African countries despite the introduction of the African Continental Free Trade Area (AfCFTA) agreement are resolved, progress on inter-trade will remain slow. [Read more.](#)

Inter-trade in Africa has increased by 7 per cent since AfCFTA

The level of inter-African trade has grown from 13 percent in the pre-AfCFTA era to 20 percent since the AfCFTA was introduced. This was disclosed by the Acting Secretary of UNECA, Antonio Pedro. The figure, however, falls short of the 52 percent levels targeted by the end of 2022. [Read more.](#)

Prepared by:
LSETF Research Team