

## Macro-Economic Highlights Report for Q2 2021 (April - June 2021)



**Nigeria needs 14% of GDP to meet SDG by 2030 - IMF:** The International Monetary Fund (IMF) stated that Cambodia, Nigeria, Pakistan, and Rwanda will on average, need additional annual financing of over 14 percent of GDP to meet the Sustainable Development Goals (SDGs) by 2030. This implies some 2½ percentage points per year above the pre-pandemic level.

**CBN to issue N722.17bn treasury bills in third quarter:** Nigeria's central bank plans to issue a total of N722.17 billion treasury bills in the third quarter of 2021, as the same amount will be maturing between June 2021 and August this year.

**NNPC kicked off deal to acquire equity in Dangote's \$19bn refinery:** Nigerian state oil company NNPC has signed term sheets with Dangote Group to buy a 20% stake in the company's oil refinery under construction in Lagos.

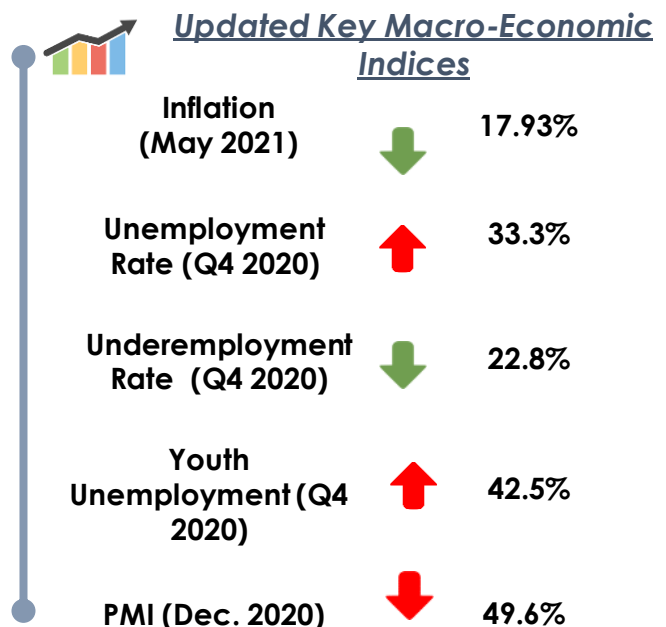
**Nigeria fell short of 2020 financial inclusion target as 38m adults lack access:** Nigeria failed to meet its National Financial Inclusion Strategy target for 2020 to include 80 percent of its adult population into the financial system. EFINA data show that only 64.1 percent were financially included by the end of last year.

### **CBN plans price crash, released 50,000MT of maize to Crown-Olam, others**

The Central Bank of Nigeria approved the release of 50,000 metric tonnes of maize to 12 major producers from strategic maize reserve under the Anchor Borrowers' Programme. According to the CBN, the release of maize to the companies, which is the third of such releases, will reduce the price of grain in the market by checking the activities of middlemen who are hoarding the product and causing artificial scarcity.

### **NDIC begins payment of uninsured deposits**

The Nigeria Deposit Insurance Corporation disclosed plans to commence the payment of liquidation dividends to depositors of the 14 failed banks whose licenses were revoked by the Central Bank of Nigeria.





## Key Macro-Economic Highlights

### ↑ Highs

- 1) Nigerian banks defied trend of rising bad loans, declining profits across Africa
- 2) Naira strengthened against dollar as liquidity improves
- 3) CBN to launch digital currency before year-end
- 4) French trade advisors endorsed Lagos Free Zone
- 5) Afreximbank begins construction of Africa Quality Assurance Centre in Nigeria
- 6) FG seeks amendment of NEPZA Act to ease operations at FTZs
- 7) NMRC partnered World Bank on electronic mortgage registry
- 8) FG widens revenue base, plans taxes for global tech giants
- 9) World Bank, CBN fully funded six million meters – FG
- 10) AfDB unveiled 10,000MW solar-powered plan for 250 million Africans
- 11) CBN introduced 37 interventions to boost economy
- 12) Power distributors received CBN loans to tackle funding crisis
- 13) Aviation firm plans to halt \$1bn capital flight
- 14) CBN increased forex allocations to banks
- 15) NCC earned N150bn from spectrum license fees

### ↓ Lows

- 1) Huge gap in official parallel rates worsened Nigeria's remittances slump
- 2) With 6.3% NPLs, Nigerian banks showed signs of stress – World Bank
- 3) For first time in 2yrs, Nigeria's inflation rate slowed for second straight month
- 4) Nigeria's economic recovery threatened by slow pace of reforms - World Bank
- 5) Telecom's growth hits 3-year low as government policy stifles sector
- 6) Global demand for talent shrinking Nigeria's manpower
- 7) Nigeria faces import crisis as reserves hit 13-month low
- 8) Nigeria's sweet crude neared \$75 complicating subsidy removal
- 9) Importers, agents groan as Customs adopt N404.97/\$1 as new import duty rate
- 10) External reserves slide further, lost \$905.5m in June – CBN
- 11) Telcos lament forex scarcity, seek CBN intervention
- 12) Slow COVID-19 vaccine rollout impeding investments, says UNCTAD
- 13) Inflation pushed seven million Nigerians below poverty line – World Bank
- 14) Nigeria ranked low on tech ecosystem ranking – Report
- 15) Food insecure citizens hit 50 million – NESG



## Key Macro-Economic Highlights



### Consumer Insights and Forecast

- 1) Demand for raw materials pushed Nigeria's fertilizer imports up 547%
- 2) Oil price at \$75 may push subsidy to N1trn
- 3) Inflation may worsen as Nigeria mulls adding sugar, wheat to FX restriction list
- 4) Google Cloud, Ericsson partner to deliver 5G solutions for telecom companies
- 5) Reckitt chooses Nigeria as Sub-Saharan Africa headquarters
- 6) Uber expands into delivery, hourly ride services in Nigeria
- 7) Burger King berths in Nigeria
- 8) Nigeria among top 5 growth markets for e-commerce in alcoholic drinks
- 9) Baby food market boomed on Nigeria's growing population
- 10) Meter manufacturers sought extension of NNMP phase zero deadline
- 11) NDIC to pay claims of 14 liquidated banks' depositors, shareholders
- 12) FG targets spectrum auction to boost 5G adoption in Nigeria, SSA
- 13) Multichoice slashed decoder prices
- 14) Zenith retained lead among Tier-1 banks, says Banker Magazine
- 15) Waste: LAWMA, PSP operators sign five-year agreement
- 16) ITF to begin mobile phones mass production soon
- 17) Total received shareholders' approval, becomes TotalEnergies



### MSME Corner

- 1) Nigeria's palm oil industry blossomed as policy spurs investments
- 2) NAICOM, LCCI seek to increase insurance penetration for economic growth
- 3) NEPC advised SMEs to package for exports
- 4) LCCI advocates improved engagement between regulatory agencies, SMEs enhance business operations
- 5) Nigeria's creative sector could add 2.7m jobs in 4yrs
- 6) NCDMB, NEXIM unveil \$40m fund for women in oil sector
- 7) NDIC tackles rising fintech-induced risks in financial sector
- 8) NiRA partners CAC, NITDA to grow Nigeria's 180,000 domain names
- 9) FIRS launched new tax returns platform
- 10) NCDMB, NEXIM signed \$30m MoU on sector retrenchments



## Industry Spotlight



### MSMEs

- 1) **LCCI urged MSMEs to leverage e-commerce under AfCFTA:** The Lagos Chamber of Commerce and Industry (LCCI) inaugurated its e-commerce sectoral group to support the development of private enterprises in various sectors of the economy by exposing their products to a larger market base. With the operationalization of the Africa Continental Free Trade Area (AfCFTA), the chamber stressed the need for businesses, especially the MSMEs, to leverage e-commerce as a route to market and competitive advantage.
- 2) **Rising cost of doing business dampened SMEs' optimism:** Despite the unprecedented challenges experienced in the wake of the COVID-19 pandemic, Small and Medium Enterprises' (SMEs) confidence in Nigeria is on the rise, according to the latest research by payments technology firm, Mastercard.
- 3) **NEPZA, senators commend FDI inflow into Alaro City:** Members of the Senate Committee on Trade and Investment and executives of Nigeria Export Processing Zones Authority (NEPZA) have commended Alaro City for the significant Foreign Direct Investment (FDI) and new industrial businesses the new city has attracted in the two years since its launch in the Lekki Free Zone.
- 4) **Forex, tax, COVID-19 top firms' concerns, says KPMG:** Foreign exchange, tax and the COVID-19 pandemic are the major concerns of Chief Financial Officers of companies operating in Nigeria, according to a new report by KPMG.



### Consumer Insights and Forecasts

- 1) **SON unveiled standards for meters, solar PV components:** In line with the United Nation's Sustainable Development Goals (SDGs) and the government's renewable energy agenda, the Standards Organization of Nigeria (SON) unveiled new energy standards. The standards include those for energy meters, solar photovoltaic (PV) panels, inverters, batteries and charge controllers.
- 2) **Low refining capacity raised cost for plastic manufacturers:** Heavy dependence on exports of refined crude oil products, due to lack of refining capacity, has continued to affect plastic manufacturers who rely on derivatives from crude oil refining.
- 3) **Rise in ransomware boosted security skills by 87% in Nigeria:** Latest findings by Sophos, a global cybersecurity firm revealed a rise in security skills in Nigeria. Sophos, in the survey titled "The IT Security Team: 2021 and Beyond", showed how increased security challenges during the pandemic offered IT teams a unique opportunity to build their cybersecurity expertise, observed that many IT teams in Nigeria that faced a rise in cyberattacks (87 per cent) and a heavier security workload (91 per cent) over the course of 2020, strengthened their security skills and knowledge.