

Macro-Economic Highlight Report for January/February 2019



Inflation rate drops to 11.37 % in January 2019: The National Bureau of Statistics reported that the inflation index dropped to 11.37% in January 2019. The report indicated that inflation rate for January is 0.07% lower than the 11.44% which the country recorded in December 2018.

Forbes ranks Nigeria 110th best country for business: Nigeria has been rated the 110th best country for business in the world in 2019, out of 161 graded countries.

Nigerian States recorded ₦264.38bn IGR growth in Q3 2018: States and Federal Capital Territory recorded ₦264.38bn as Internally Generated Revenue in the third quarter of 2018, compared to ₦279.78bn recorded in the half-year of 2018. This indicated a negative growth of -5.08% since the last quarter. In the report, 17 states recorded growth in IGR while 20 states recorded decline quarter on quarter at the end of Q3 2018.

Nigeria loses \$18bn yearly to illicit financial flows: The Nigeria Extractive Industries Transparency Initiative (NEITI) has stated that \$18bn of revenue expected to address the nation's under-development is diverted yearly in illicit financial flows (IFFs) representing over 30 % of the total funds.

Banks loans to private sector dropped by ₦455bn to ₦15.1tn: The total credit from banks to the economy recorded a decline of ₦455bn from ₦15.58tn as of the end of the third quarter of last year to ₦15.1tn in the fourth quarter.

FG to spend ₦107bn on railway projects in 2019: The Federal Government is proposing to spend over ₦107bn on various railway projects in the country. Details of the proposal are contained in the 2019 budget, which was presented by President Muhammadu Buhari to the National Assembly.

Manufacturing sector led in ₦273bn VAT generated in Q3 2018: The manufacturing sector had the highest contribution to the Value Added Tax generated in Q3 2018, The figures, showed that the VAT generated in Q3 rose to ₦273.5bn.



Updated Key Macro-Economic Indices

Inflation (Jan 2019)	↓	11.37%
Unemployment Rate (Q3 2018)	↑	23.1%
Underemployment Rate (Q3 2018)	=	21.2%
Youth Unemployment (Q2 2018)	↓	29.72%
PMI (Jan 2019)	↑	58.5%



Key Macro-Economic Highlights

↑ Highs

- 1) CBN finances 568 agric projects with ₦577bn.
- 2) Agrecourse pledges ₦309mn to farmers for rice, maize production.
- 3) EU, UN boost agricultural production in Borno State
- 4) Ekiti State earmarks ₦40mn for cocoa rehabilitation.
- 5) CcHUB invests \$13mn to solve health and education challenges
- 6) 58 tech start-ups secured \$95m investment in 2018
- 7) FG disburses ₦25bn out of ₦500bn housing fund
- 8) Abuja-Kaduna railway monthly revenue rises by 400% – NRC
- 9) FG targets improved business environment for construction
- 10) AfDB supports African projects with \$11.3bn in seven years
- 11) Nigeria got \$43bn investments in four years —NBS
- 12) Economy grew by 1.93% in 2018 – NBS
- 13) NNPC posts 116% growth in trading surplus

↓ Lows

- 1) EU blacklists Nigeria for money laundering, terror financing risks
- 2) Nigeria, others spend \$14bn importing pharmaceutical products importation.
- 3) Banks' non-performing loans climb to ₦8.17trn.
- 4) Local funding slows as tech startups raise \$95m offshore
- 5) 17% of adult Nigerians don't have smartphones
- 6) Nigeria loses 924,000sq metres of land daily
- 7) Investment inflow rose by \$4.5bn to \$16.8bn in 2018
- 8) Nigeria's population growing faster than economy – Report
- 9) Net foreign exchange inflow falls to \$8.44bn in 2018
- 10) Manufacturers spent ₦246bn on fueling generators in two years
- 11) Nigeria loses ₦1trn to overseas printing, paper industry
- 12) Pipeline vandalism rises by 42.9% in one month.
- 13) Nigeria incurring huge losses over stalled \$30bn LNG projects.
- 14) Power sector revenue shortfall hits N80bn in two months.



Consumer Insights and Forecasts

- 1) Nigerian airports record 15.2 million passengers in one year
- 2) African airlines carried 3% share of international passengers in 2018
- 3) Banks' record 2.5mn transactions on Valentine's Day
- 4) ATM transactions hit N39.15trn in Q4, 2018
- 5) Cheque transactions dip by 20% as digital payments rise
- 6) Huggies manufacturer to shut Lagos factory in Q2
- 7) Prepaid meter users increase by 200,000



MSME Corner

- 1) PAN and UNDP prepare 78 youths for auto jobs.
- 2) NIRSAL MFB targets 400,000 SMEs in two years
- 3) MSMEs to benefit from N3bn grant from the Micro Investment Support Services Limited in 2019.
- 4) National collateral registry to boost MSMEs lending by over ₦1.23trn
- 5) FCMB plans zero interest rate loans for women entrepreneurs

Industry Spotlight



MSMEs

- 1) **PAN and UNDP prepare 78 youths for auto jobs:** The PAN Learning Centre, in conjunction with the United Nations Development Programme Technical Skill Acquisition Programme, has provided extensive training for 78 persons, including 20 ladies, in auto mechanics, auto mechatronics, auto spraying and welding.
- 2) **NIRSAL MFB targets 400,000 SMEs in two years:** NIRSAL Microfinance Bank will this month begin operations with a target to reach about 400,000 Small and Medium Enterprises within its first two years. The Bankers Committee provided the set-up equity capital and owns 50 per cent of the bank, while NIRSAL and NIPOST own 40 per cent and 10 per cent respectively.
- 3) **MSMEs to benefit from N3bn grant from the Micro Investment Support Services Limited (MISS) in 2019:** MISS has proposed the sum of N3bn to support Micro, Small and Medium Enterprises in 2019. MISS is a subsidiary of Lift Above Poverty Organisation, a micro finance bank.
- 4) **National collateral registry to boost MSMEs lending by over ₦1.23trn:** The National Collateral Registry would boost lending by financial institutions to the Micro, Small and Medium Enterprises by over ₦1.23trn in quest for inclusive economic growth and development of MSMEs.
- 5) **FCMB plans zero interest rate loans for women entrepreneurs:** Women in Business at First City Monument Bank Limited introduced a proposition that offers zero-interest rate on loans to small and medium scale enterprises. The aim of this project is to create affordable and convenient funding to boost female owned enterprises.



Consumer Insights and Forecasts

- 1) **ATM transactions hit ₦39.15trn in Q4, 2018:** Selected banks across the country recorded transactions valued at ₦39.15 trillion in the fourth quarter of 2018. This was derived from 616,528,697 transactions recorded as data on "Electronic Payment Channels in the Nigeria Banking Sector during the period.
- 2) **Cheque transactions dip by 20% as digital payments rise:** The volume of cheques cleared keeps shrinking as bank customers increase usage of electronic payments for their financial transactions. In January 2019, the volume of cheques dropped by 20% to 712,191 compared with 885,166 recorded in the previous year.
- 3) **Huggies manufacturer to shut Lagos factory in Q2 2019:** American multinational personal care company, Kimberly-Clark will close its factory in Lagos in Q2 2019 and build a new factory in its place due to increased demand for products and adoption of enhanced technology.