

## Macro-Economic Highlight Report for October 2018



**Panic looms as inflation hits its second consecutive rise:** The Consumer Price Index rose from 11.23% in August 2018 to 11.28% in September 2018. The inflation rate was mainly caused by the increase in food prices of potatoes, yams and other tubers, vegetables, fruits, meat, milk, cheese and egg, bread and cereals, and fish. With regards to this, consumers are to expect an increase in food prices during the festive period.

**Global Competitiveness Report (GCR) highlights improved ease of doing business in Nigeria:** The 2018 report ranked Nigeria as 115th out of 140 countries in the national competitiveness of business environment. This improvement was spearheaded by the positive enabling business environment reforms of the FG in making Nigeria an easier place to do business which will tentatively lead to improved foreign business relations.






**FG approves 2018 budget:** The council approved the government's proposal of ₦8.73trn for the 2019 budget, which is ₦400bn lower than that of the current fiscal year. The FG approved a reduced budget due to lower revenue projections for 2019.

**Nigeria, others lose \$110bn yearly to food-borne diseases —World Bank:** Nigeria and other low-income and middle-income countries across the world, spend \$110bn in lost productivity and medical expenses in treating illnesses arising from unsafe food consumption. It added that a large proportion of the costs could be avoided by adopting preventive measures that improve how food is handled.

**Nigerians spend ₦2.45trn yearly to import vehicles:** About \$8bn goes overseas countries for the importation of vehicles. The FG stated that most of the used vehicles imported into Nigeria are unsafe and not in good working conditions and has called for investment in infrastructure as a solution to this challenge.



### Updated Key Macro-Economic Indices

<b>Inflation (Sept 2018)</b>		<b>11.28%</b>
<b>GDP Growth (Q2 2018)</b>		<b>1.5%</b>
<b>Oil GDP Growth (Q2 2018)</b>		<b>-3.95%</b>
<b>Non-Oil GDP Growth (Q2 2018)</b>		<b>2.05%</b>
<b>PMI (Oct 2018)</b>		<b>56.8</b>



## Key Macro-Economic Highlights

### ↑ Highs

- 1) Nigeria, Japan trade volume hits \$320mn
- 2) FG earned ₦1.16bn from rail in six months – NBS
- 3) Brazil to inject \$1.1bn into Nigeria's agriculture sector
- 4) U.S. invests ₦8.6bn to boost small-scale farming in Nigeria
- 5) FG and EU support flood victims with ₦3bn and €1mn
- 6) FG approves \$1.5mn loan for Lagos-Abidjan highway
- 7) Nigeria and Norway seek stronger ties as trade hits \$30bn
- 8) Nigeria's manufacturing sector maintained growth in September 2018 –CBN
- 9) Nigeria's oil, gas export sale rises by 36%
- 10) Nigeria's daily oil production rises to 2.16mn barrels
- 11) Nigeria's mini-grid initiative to open \$9.2bn market opportunities.
- 12) Nigeria to benefit from UK's £1.2bn digital inclusion fund

### ↓ Lows

- 1) IMF cuts global growth to 3.7 %
- 2) Human Development Index: W/Bank ranks Nigeria 152nd out of 157 countries
- 3) External reserves drop by \$1.45bn in one month
- 4) External reserves in three-month continuous fall, sheds \$4.94bn
- 5) Agric sector loses ₦20bn annually due to lack of insurance cover.
- 6) Nigeria losing 500mmscf of gas daily – NNPC
- 7) 42% of African countries without IXPs, route Internet traffic abroad
- 8) Nigeria loses ₦3.46trn annually to port inefficiency
- 9) Nigeria exchanges 110 gigabyte per second of traffic locally



### MSME Corner

- 1) Bayelsa State targets 16,000 jobs through aquaculture villages
- 2) DBN introduces programme on SME loans
- 3) Total E&P trains and equips 15,000 entrepreneurs
- 4) Bol gives ₦2.8bn to 20,550 small businesses
- 5) FG disburses ₦300mn to 30,000 traders in Nasarawa State
- 6) Total unveils competition for young Nigerian entrepreneurs
- 7) Govt approves 90-day special window for MSME registration
- 8) FG cuts MSMEs registration cost by 50%
- 9) MSMEs to benefit from UNILAG research lab
- 10) NITDA to present six startups at GITEX 2018
- 11) Manufacturers, others get ₦171bn Bol loans in nine months



### Consumer Insights and Forecasts

- 1) Senate wants ATM card maintenance fee suspended
- 2) Cyber threats to mobile devices in Nigeria rise, hit 35%
- 3) Google Partners programme launched in Nigeria
- 4) Taxify expands operation to Ibadan and Owerri
- 5) AIB launches accidents investigating App

## Industry Spotlight



### MSMEs

- 1) **Opportunities for Access to Finance:** The FG and Development Bank of Nigeria have initiated several schemes for entrepreneurs to receive funds at reduced interest rates. For more information, please check the MSME section on the second page.
- 2) **Total “Startupper” Challenge:** Total has launched the 2018-2019 “Startupper Challenge” in 40 countries to help innovative young entrepreneurs to realise their projects. Each winner will receive financial support of at least ₦2.6mn and professional coaching and extensive publicity to advertise their project.

Visit <https://startupper.total.com/en/challenges/startupper-total> for more information.

- 3) **Growing Demand of Plantain Chips:** The national demand for plantain chips is estimated at 5,250 Tonnes/Annum while the annual national supply is estimated at 4,575 Tonnes. This presents a supply gap of about 675 Tonnes/Annum and presents an opportunity for entrepreneurs to fill this demand.
- 4) **Opportunities in Shea Butter Production:** Nigeria is one of the largest producers of shear nuts in the world. It is estimated that Nigeria can generate over \$10bn annually from export of shear products and produce quantity of about 500,000 metric tonnes of shear nuts annually. The Shea Butter Industry currently has an export value of less than 25% but this can be increased if there is adequate investment by the public and private sectors. Also, improvements in the areas of packaging and branding of products can increase market competition and exports of products.
- 5) **90-Day MSME registration window is still open:** The Federal Government has approved a 90-day special window to register businesses at a reduced rate of ₦5,000 in a bid to further ease the process of registering Micro, Small and Medium Enterprises in the country. The special window will be open for **90 days from October 1 to December 31, 2018.**



### Consumer Insights and Forecasts

- 1) **Senate wants ATM card maintenance fee suspended:** The Senate has condemned Deposit Money Banks over excessive and illegal charges imposed on their customers. While resolving to investigate the charges by commercial banks, the Senate asked the Central Bank of Nigeria to suspend the monthly Automated Teller Machine card maintenance fee imposed on users.
- 2) **Google Partners programme launched in Nigeria:** Google has announced the launch of its Partners programme in Nigeria to enable digital agencies and brands take advantage of the online marketing tools to connect with their users.
- 3) **Taxify expands operation to Ibadan and Owerri:** Taxify has expanded its operations beyond Lagos and Abuja by launching simultaneously in Ibadan and Owerri.