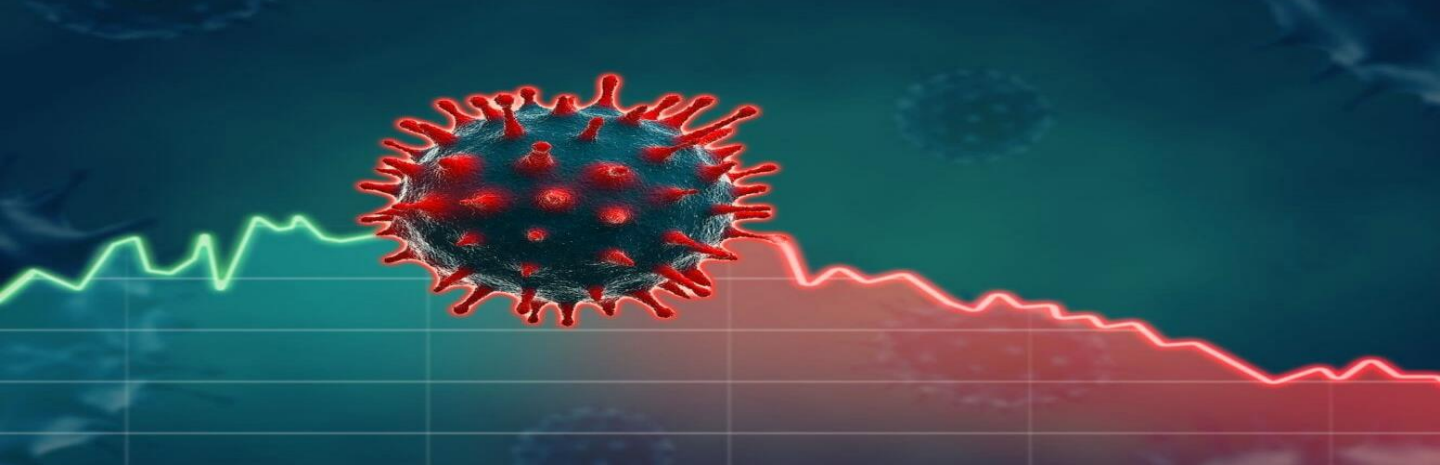


Macro-Economic Highlights Report for April-June (Q2) 2020



COVID-19: World Bank forecasts 5.2% global contraction in 2020: The Coronavirus (COVID-19) pandemic may have triggered the deepest global recession in decades, with the World Bank baseline forecast envisioning a 5.2% contraction in global Gross Domestic Product (GDP) in 2020.

Nigerian GDP grew by 2.27% in 2019: According to the National Bureau of Statistics (NBS), Nigeria's real GDP recorded an annual growth rate of 2.27% for 2019. This was made possible due to the steady increase in quarter growth recorded from Q2 to Q4 of 2019 compared to 1.91% in 2018.

82.9mn Nigerians recorded as living below poverty line: Over 82.9mn or about 40% of the country's population were classified as poor in 2019. The NBS also stated that based on its calculations, the value of the national poverty line was equal to ₦137,430 per person per year.

Inflation hits 25-month high at 12.40% in May 2020: Nigeria's rate of inflation rose to 12.40% in May 2020. According to the National Bureau of Statistics, this represents a 0.06% increase (higher than the rate recorded in April 2020, which was 12.34%).

Lagos State slashes 2020 budget by ₦248bn: Lagos State has effected a cut in its 2020 budget following revenue pressures resulting from coronavirus (COVID-19) pandemic. Total expenditure is currently at ₦920.5bn which has been reduced from ₦1.168trn.

39.4mn Nigerians may be jobless by end of 2020: The Federal Government has expressed a concern that about 39.4mn Nigerians may be jobless by the end of the year as a result of the impact of the COVID-19 pandemic (with millions sliding into extreme poverty before the pandemic ends). In response to the pandemic, the Sustainability Committee was set up in March 2020.

FEC approves ₦2.3trn stimulus plan: The Federal Executive Council (FEC) has approved the total sum of ₦2.3trn as recommended in the Nigeria Economic Sustainability Plan (NESP). The goals of the NESP are to create jobs and stimulate the economy by supporting small businesses and prioritising local content in Nigeria.



Updated Key Macro-Economic Indices (as of 30th June 2020)

Inflation (May 2020)	↑	12.4%
Unemployment Rate (Q3 2018)	↑	23.1%
Underemployment Rate (Q3 2018)	=	21.2%
Youth Unemployment (Q2 2018)	↓	29.72%
Purchasing Managers' Index (PMI) (June 2020)	↓	41.1%



Key Macro-Economic Highlights

↑ Highs

- 1) EU and UN deliver \$22mn supplies to Nigeria in response to COVID-19.
- 2) FG targets 5mn jobs from €995mn agriculture programme.
- 3) Total pension assets rise to ₦10.5trn.
- 4) Insurance industry generates ₦490bn in 2019.
- 5) PFAs invest ₦54.35bn pension funds in infrastructure.
- 6) Fuel subsidy: FG clears outstanding ₦168bn debt to oil marketers.
- 7) COVID-19: World Bank supports Nigeria with ₦31.2bn.
- 8) States IGR rose to ₦1.33trn in 2019
- 9) COVID-19: CBN ready to support domestic vaccine production with ₦100bn.
- 10) NNPC's trading surplus grew by 111% to ₦3.95bn in February 2020.
- 11) FEC approves ₦47.2bn to boost electricity supply
- 12) UNCTAD seeks \$3.4tn debt write-off for Nigeria, others

↓ Lows

- 1) FG refineries suffer ₦19bn loss in two months.
- 2) FG adjusts 2020 budget to ₦10.52trn; adopts \$25 oil benchmark.
- 3) Nigeria's aviation industry lost \$700mn.
- 4) Diaspora remittances to Nigeria, others to drop by 20% – World Bank.
- 5) Investors lose ₦1.8trn in 2 months of COVID-19 in Nigeria.
- 6) FG refineries suffer ₦19bn loss in 2 months.
- 7) FDIs drop as portfolio investments dominates Nigeria's \$5.85bn imported capital in Q1 2020.
- 8) Nigeria's merchandise trade dips to ₦138.98bn in Q1 2020.
- 9) Manufacturing sector contracts as index reverses after 37-month stability.
- 10) Nigeria's oil export to fall by 50% this year — Fitch Ratings.



MSME Corner

- 1) Banks' nonperforming loans fall by 41% in 2019.
- 2) CBN waives guarantor requirement for ₦50bn COVID-19 loan.
- 3) 10,000 Kogi workers to benefit from CBN agribusiness scheme.
- 4) CBN ₦50bn to SMEs, others to end in 2024.
- 5) UN Ambassadors launch \$200mn appeal fund for rural communities.
- 6) Development bank disburses ₦100bn to MSMEs.
- 7) Huawei unveils Idea Hub for sub-Saharan Africa.
- 8) Lagos State pledges ₦5bn bailout for SMEs.
- 9) Nigerian MSMEs face ₦617bn credit gap annually – PwC
- 10) Foundation, Facebook support entrepreneurs in 11 states.



Consumer Insights and Forecasts

- 1) E-payment transactions up 24% to ₦48.54trn in 2019.
- 2) Nigeria generates ₦338.9bn from VAT in Q1 2020.
- 3) GT Bank posts ₦50bn profit in Q1 2020.
- 4) COVID-19: GTBank gives 90-Days moratorium on SMEs loan.
- 5) Nigerian treasury bills oversubscribed by ₦132bn.
- 6) FG begins sale of ₦150bn Sukuk bond.
- 7) CBN to sell ₦821.8bn Treasury Bills in Q3 2020.
- 8) Airtel Nigeria reports \$1.37bn revenue; 41.8 million subscribers.
- 9) Insurers raise health workers' compensation, estimate ₦11bn liabilities.

Industry Spotlight



MSMEs

- 1) **Lagos State pledges ₦5bn bailout for SMEs:** The Lagos State Government has stated that it will be introducing an additional ₦5bn palliative to ensure business sustainability and stimulate economic growth targeted at SMEs.
- 2) **CBN waives guarantor requirement for ₦50bn COVID-19 loan:** The Central Bank of Nigeria (CBN) has waved the guarantor requirement on the ₦50bn COVID-19 intervention fund for SMEs and households. The apex bank has also stated that the initiative will end in 2024.
- 3) **UN Ambassadors launch \$200mn appeal fund for rural communities:** The facility seeks to help farmers continue to grow their crops, keep their businesses open and maintain access to financial services and markets. With US\$40mn in seed money from the International Fund For Agricultural Development (IFAD), the facility aims to raise at least an additional \$200mn in from governments, foundations and the private sector to lessen the impact of COVID-19 on rural small-scale farmers and producers.
- 4) **Huawei unveils IdeaHub for sub-Saharan Africa:** Huawei has launched an intelligent collaboration product called IdeaHub to drive enterprise collaboration in the in Sub Saharan Africa region.
- 5) **FATE Foundation and Facebook support entrepreneurs in 11 states:** FATE Foundation and Facebook will be collaborating to implement the 2020 Aspiring Entrepreneurs: Digital Programme to support 360 entrepreneurs across 11 states in Nigeria. The programme which would be fully virtual this year and free to all selected participants would also provide data/Internet support; Ad credit giveaways, and growth support services to the entrepreneurs.



Consumer Insights and Forecasts

- 1) **FG begins sale of ₦150bn Sukuk bond:** The Federal Government commenced the sale of ₦150bn seven-year Sukuk bond offer meant for the development of road infrastructure in different parts of the country.
- 2) **CBN to sell ₦821.8bn Treasury Bills in Q3 2020:** The Central Bank of Nigeria has slated Treasury Bills sales worth ₦821.8bn in Q3 2020. Treasury Bills are short term (less than one year) debt instruments used by the CBN to borrow money from the public on behalf of the Federal Government. The CBN also uses TBs to control money supply in the economy.
- 3) **Insurers raise health workers' compensation, estimate ₦11bn liabilities:** The Nigerian insurers have raised the compensation they promised to pay each of the pharmacists and nurses who die while treating COVID-19 patients in the country from ₦1mn to ₦2mn.