

Macro-Economic Highlight Report for June 2019



Nigeria, Africa's total merchandise trade stands at \$997.9bn: Nigeria and the rest of Africa's total merchandise trade in 2018 has been estimated to be \$997.9bn, retaining its premier position as the fastest growing regions in the world.

Nigeria's external reserves hit \$45bn in June 2019: The Central Bank of Nigeria has stated that the country's external reserves now stand at \$45bn as of June 2019. External reserves has risen from \$23bn in October 2016 to over \$45bn by June 2019. With the improved inflow of foreign exchange, inflation rate has remained stable over several months.






Manufacturing sector's output drops by ₦78bn in three months: The manufacturing sector recorded a decline of about ₦77.92bn in output in the first quarter of this year, An analysis of the Gross Domestic Product report prepared by the NBS revealed that the sector recorded a total output of ₦1.69trn as of the end of the fourth quarter of 2017. The sector had been badly hit by the harsh operating environment which took its toll on the profit margins of many companies operating in that segment of the economy.

Nigeria has ₦1trn financing gap yearly: The Bank of Industry has stated that there is a financing gap of about ₦1trn in the country every year. BOI has called on other financial institutions to partner with key players in the economy to provide subsidized interest rates.

Lagos ranks fourth as Africa's most expensive city: A new report by research firm by Mercer has rated Lagos as the fourth costliest city in Africa, moving up 17 places from last year's ranking. N'Djamena (Chad) had the highest ranking in Africa, followed by Kinshasa(Democratic Republic of Congo) and Libreville(Gabon) in second and third places, respectively. In comparison with other cities in the world, Lagos continues to remain attractive for foreign investments despite being one of the most expensive in Africa.



Updated Key Macro-Economic Indices

Inflation (May 2019)		11.40%
Unemployment Rate (Q3 2018)		23.1%
Underemployment Rate (Q3 2018)		21.2%
Youth Unemployment (Q2 2018)		29.72%
PMI (June 2019)		57.4%



Key Macro-Economic Highlights

↑ Highs

- 1) NIRSAL and World Bank sign pact on \$200mn projects
- 2) NCC awards ₦650mn research grants to 11 universities
- 3) World Bank picks FUTO as future energy centre
- 4) Banks' assets rise by 7.5% to ₦38.4trn in Q1 2019
- 5) FG allots ₦438mn to 469 savings bond subscribers in June 2019 – DMO
- 6) FG saves ₦273bn from IPPIS in two years –AGF
- 7) Bank's e-transactions hit ₦34trn in Q1 2019
- 8) Nigeria's oil output rises to 2.32mbpd
- 9) Dangote Cement to open export facilities in Lagos and Port Harcourt
- 10) Nigeria's trade rose by 2.5% to ₦8.24trn in first quarter
- 11) Nigeria earns \$236bn from petroleum exports in five years
- 12) EU invests ₦53.9bn in Nigeria's power sector
- 13) Telecoms operators connect 3.56mn new subscribers to Internet
- 14) NCC to expand communications centres across Nigeria

↓ Lows

- 1) Rise in food prices pushes inflation to 11.40%
- 2) Heavy rains threaten Nigeria's \$764.7mn cocoa output
- 3) Nigeria's exposure to phishing attacks rises as cybercrime cost hits \$6trn
- 4) US surpasses Nigeria in crude oil exports, cuts imports
- 5) Nigeria's total imports rise by 25.84% in one year
- 6) FG to borrow \$2.7bn foreign loan in 2019 – DMO
- 7) Nigeria losing about 10 million litres petrol daily
- 8) Gas shortage, others cut power generation by 3,109.5MW



MSME Corner

- 1) CBN disburses ₦30bn to oil palm producers
- 2) 60% of Nigerians lack access to finance –NDIC
- 3) ITC, NEPC initiative boosts women trade by \$4mn
- 4) Extramile Africa offers N4m soft loans to MSMEs



Consumer Insights and Forecasts

- 1) Basket of Tomatoes sells for ₦17,000 – ₦19,000
- 2) Ibom Air begins commercial operation June 7th 2019
- 3) "Expect 100% hike in drug prices", PSN tells Nigerians
- 4) "We invested \$1bn in Nigeria in six years", says NBC

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Industry Spotlight



MSMEs

- 1) **CBN disburses ₦30bn to oil palm producers:** The Central Bank of Nigeria (CBN) has disbursed the sum of ₦30bn to oil palm producers, with a view to ensuring massive production of oil palm in the country.
- 2) **ITC and NEPC initiative boosts women trade by \$4mn:** The volume of trade by Nigerian women increased by \$4mn through Shetrades, an initiative of the International Trade Center in partnership with the Nigerian Export Promotion Council. Shetrades was unveiled in Nigeria in 2016 with the objective of connecting 200,000 Nigerian women to the global market. This is part of the worldwide initiative of the ITC which is aimed at connecting 3mn women entrepreneurs to the international market by 2020.
- 3) **Extramile Africa offers ₦4mn soft loans to MSMEs:** Extramile Africa offers ₦4m soft loans to MSMEs: To drive financial inclusion and social empowerment for Micro, Small and Medium Enterprises (MSMEs), Extramile Africa has offered ₦4mn worth of soft loans. The initiative, which flagged off its pilot scheme in Akure, Ondo State, also launched a mobile/merchant app and USSD code to access this platform.



Consumer Insights and Forecasts

- 1) **Ibom Air begins commercial operation on June 7th 2019:** Ibom Air, the first commercial airline to be owned and operated by a state government in Nigeria and Africa has begun full commercial operations having fulfilled all the regulatory conditions and requirements. The airline was certified fit to commence commercial operations.
- 2) **“Expect 100% hike in drug prices”, PSN tells Nigerians:** The Lagos State Branch of the Pharmaceutical Society of Nigeria has warned that there is likely to be 100% increase in drug prices across the country. The price increase might take effect in about six months if the National Agency for Food and Drug Administration and Control does not reverse the 350% imposed levy on drug and product registration in the country.
- 3) **“We invested \$1bn in Nigeria in six years”, says NBC:** The Nigerian Bottling Company Limited, the bottlers of Coca-Cola brands in Nigeria, has renewed its commitment to contributing its quota towards a more sustainable society through its social, economic and environmental initiatives by investing \$1bn in Nigeria over the past six years.