

## Macro-Economic Highlight Report for May 2019



**Nigeria, and South Africa dragging Sub-Saharan Africa's economy down – IMF:** The report identified external pressures, namely trade tensions, volatile global financial conditions and low commodity prices, and climatic conditions affecting agricultural output and policy uncertainties as domestic drawbacks to the economic growth of Nigeria and South Africa.

**Nigeria's unemployment rate to reach 33.5% by 2020:** The unemployment rate and poverty levels are on steady paths of growth, indicating high resilience against the intervention efforts. The FG has called for a collaborative mechanism to stimulate actions towards exploiting untapped available options for massive job creations.

**Nigeria's inflation rises for first time in three months:** Consumer inflation rose in April 2019 for the first time in three months to 11.37% last month from 11.25% in March 2019. Food inflation has also been noted to increase at a faster pace since the beginning of the year contributing significantly to the rise in the overall inflation rate.

**Nigeria's GDP growth drops to 2.01% in Q1 2019:** The NBS, in its GDP Report for first quarter of 2019 stated that the GDP grew by 2.01 per cent in real terms in the first quarter, compared to 2.38% in the fourth quarter of 2018.

### We'll create 20mn new jobs in next four years

**—FG:** The Industrial Training Fund to come up with innovative solutions to create 20mn jobs in four sectors of the economy within the next four years in the following sectors; agriculture, transportation, services and construction.

### FG disbursed ₦531bn loans to businesses in four years:

Between January 2015 and December 2018, the Federal Government through the Bank of Industry disbursed a total of ₦521.5bn to large, medium and small enterprises. The amount, which is contained in the annual financial statements of the bank covering 2015 to 2018, is part of the intervention programme of the government as encapsulated in the Nigerian Industrial Revolution Plan.



### Updated Key Macro-Economic Indices

Inflation (Apr 2019)	↓	11.37%
Unemployment Rate (Q3 2018)	↑	23.1%
Underemployment Rate (Q3 2018)	▬	21.2%
Youth Unemployment (Q2 2018)	↓	29.72%
PMI (May 2019)	↑	58.9%



## Key Macro-Economic Highlights

### ↑ Highs

- 1) Flour industry generates 10mn jobs annually – Olam
- 2) Cross River farmers record ₦240mn profit in 2018 — PIND foundation
- 3) Nigeria, world's largest importer of stock fish – Norwegian Council
- 4) FG has approved ₦47bn for Nigeria Air
- 5) ITF trains 450,000 youths in two years — DG
- 6) Over ₦4.33trn released for capital projects in three years – FG
- 7) Chinese companies' investments in Nigeria hit \$20bn –CCCN
- 8) Nigeria attracted N7.6bn greenfield capital investment in 2018
- 9) Nigeria recorded \$3bn trade surplus with US in 2018
- 10) Nigeria's oil output rises by 5.3% in April, 2019
- 11) UN backs AfDB's \$10bn power initiative
- 12) NSE finally approves MTN Nigeria listing at N90 per share

### ↓ Lows

- 1) 34% drop in global price threatens cashew exports
- 2) 30mn farmers lack funding for business expansion —DFID Expert
- 3) Nigeria loses ₦52bn yearly to iron, steel smuggling
- 4) FG, states grow debt by ₦12.27trn in 42 months
- 5) Nigeria's oil exports threatened as fire hits 250,000bpd pipeline
- 6) Pipeline vandalism: Nigeria loses ₦163.17bn in six years
- 7) Nigeria loses ₦19.6bn as oil firms flare 18bscf of gas
- 8) Nigeria's power sector losses growing at ₦474bn annually — AFD



### MSME Corner

- 1) Bol disburses ₦259bn to businesses
- 2) Nigeria lost ₦306bn to MSME-related corruption —Report
- 3) GTBank, DBN collaborate on disbursement of ₦25bn MSMEs' fund
- 4) Fidelity Bank signs \$50mn financing agreement with AFDB
- 5) Lagos, Transport Institute, Sterling Bank unveil micro-bus empowerment scheme



### Consumer Insights and Forecasts

- 1) Prices of tomato, pepper increase by 60% in Lagos State
- 2) 117,130.91m POS transactions carried out in Q1 2019
- 3) Nigerians open 4mn bank accounts in Q1 2019
- 4) 'Nigeria loses ₦200bn yearly to cyber crimes'
- 5) Jumia grew merchandise to €240m in Q1 2019
- 6) Jumia records 102% revenue in Q1 2019 gets €50mn investment from Mastercard

**For previous Macro-Economic Highlight Reports, visit our learning centre**  
<https://lsetf.ng/learning-centre/12>

## Industry Spotlight



### MSMEs

- 1) **BoI disburses ₦259bn to businesses:** Between January and December 2018, a total of ₦259.6bn was disbursed by the Bank of Industry to support the industrialisation policy of the Federal Government. The amount disbursed in 2018 represents an increase of ₦147.1bn or 130% when compared to the ₦112.5bn credit which the bank provided to businesses in the 2017 financial period.
- 2) **Nigeria lost ₦306bn to MSME-related corruption:** Within a four-year period covering 2014 to 2018, over \$1bn was lost by the country to Micro, Small and Medium Enterprises-related corruption
- 3) **GTBank and DBN collaborate on disbursement of ₦25bn MSMEs' fund:** GTBank is partnering with the Development Bank of Nigeria (DBN) to disburse ₦25bn funding to entrepreneurs in Nigeria's Micro, Small and Medium Enterprises (MSMEs) sector. The funding, which is the single largest disbursement by the DBN to any financial institution in Nigeria since it commenced operations.
- 4) **Fidelity Bank signs \$50mn financing agreement with AFDB:** Fidelity Bank and the African Development Bank, AFDB, have signed a \$50mn line credit to support small and medium enterprises (SMEs), with 30% of the fund to be reserved for female entrepreneurs.
- 5) **Lagos State, Transport Institute, Sterling Bank unveil micro-bus empowerment scheme:** As part of the social security packages initiative introduced by president Muhammadu Buhari to alleviate poverty and create employment, the Lagos State Government, Institute of Road Transport Workers, IRTW, Sterling Bank Plc, Micro-Bus Owners Association of Nigeria, MOOAN and others, have partnered to unveil Micro-Bus Empowerment Scheme in Lagos.



### Consumer Insights and Forecasts

- 1) **Prices of tomato, pepper increase by 60% in Lagos ahead of Ramadan:** A NAN survey conducted at Mile 12, Oke Odo, Oyingbo and Iddo markets, Lagos, revealed that a 40kg basket of tomato, which cost ₦5,000 in April 2019 has risen to ₦12,000 in just under a month. Similarly the prices of other food stuff had risen as well.
- 2) **117,130.91mn POS transactions carried out in Q1 2019:** According to the report, there is a rise of about ₦232.86bn from ₦647.04bn to ₦879.9bn in the use of POS machines to carry out payments by Nigerians.
- 3) **Nigeria loses ₦200bn yearly to cyber crimes:** Experts in the financial services sector have stated that Nigeria loses about ₦200bn yearly to cybercrime. Average attacks costs institutions about \$5mn.
- 4) **Jumia grew merchandise to €240mn in Q1 2019: The company recorded 58 per cent growth in Gross Merchandise Volume (GMV).** In addition to this, there was also an increased marketplace revenue growth of 102% to €16mn.