

## Macro-Economic Highlights Report for October 2019



**Border closure pushes inflation rate to 11.24%:** The National Bureau of Statistics released the Consumer Price Index which measures inflation with the index rising to 11.24% in September . The 11.24% represents an increase of 0.22% when compared to the 11.24% recorded in August 2019. The prices of food items have increased since August when the FG closed Nigeria's borders to neighbouring countries.

**Government records over \$9.29bn investment inflow in Q3 2019:** Over \$9.29bn worth of investments came into the nation's economy in third quarter(Q3) of 2019. According to the Nigerian Investment Promotion Commission (NIPC's), the investments fall short by \$63.79bn year-on-year to Q3 2018, which recorded about \$73.08bn inflows into the country.






**IMF recommends unified exchange rate for Nigeria:** The International Monetary Fund has advised that the Central Bank of Nigeria should unify the country's exchange rate system to avoid distortions due to economic uncertainties. There was a need for the government to develop measures to boost the non-oil revenue in order to spend more on social safety programmes.

**Nigeria ranks 131th in world bank ease of doing business:** Nigeria is currently occupying 131th position in the world bank ease of doing business. The report also named Nigeria as one of the top 10 most improved economies in the world for the second time in three years. Nigeria has improved an aggregate of 39 places in the World Bank Doing Business index since 2016.

**FG reduces 2020 budget size to ₦9.7trn:** Trade exports from Nigeria to Japan between 2017 and 2018 increased by 17.7% and peaked at \$992mn compared to \$783mn in 2017. The trade exports include oil and gas, which shared 77.6% of the total exports in 2018 and non-ferrous metals(15.4%). On the other hand, Japan's exports into Nigeria within the same period under review rose by 2.3% to \$328mn compared with \$321mn in 2017.



### Updated Key Macro-Economic Indices

<b>Inflation (Sept 2019)</b>		<b>11.24%</b>
<b>Unemployment Rate (Q3 2018)</b>		<b>23.1%</b>
<b>Underemployment Rate (Q3 2018)</b>		<b>21.2%</b>
<b>Youth Unemployment (Q2 2018)</b>		<b>29.72%</b>
<b>PMI (Oct 2019)</b>		<b>56.9%</b>



## Key Macro-Economic Highlights

### ↑ Highs

- 1) States recorded ₦691bn IGR in six months – NBS.
- 2) Nigeria/UAE: Volume of non-oil bilateral trade rose to \$1.5bn in 2018.
- 3) FG plans national register for the poor.
- 4) UNIDO to invest \$60mn in agric trade.
- 5) Nigeria exports ₦90.33bn solid minerals in three years.
- 6) Nigeria, Vietnam sign visa waiver agreement.
- 7) Nigeria records ₦323.4bn agric trade in three months.
- 8) Nigeria gets 1.77mbpd as new crude production quota.
- 9) FG secures \$3bn World Bank loan for power sector – Ahmed.

### ↓ Lows

- 1) FG's domestic debt rises by ₦1.26trn
- 2) 'Nigeria losing N1tn annually to bad roads'.
- 3) Insecurity: Abuja-Kaduna railway passengers rise by 270%.
- 4) Nigeria loses \$2.7bn annually to illegal fishing and piracy.
- 5) Nigeria loses ₦5trn annually to tax evasion – Fowler
- 6) Organisations lose \$6.3 billion to fraud yearly.
- 7) Manufacturers decry ₦20bn yearly losses to poor infrastructure.
- 8) Power supply worsens as generation drops to 2,915MW.
- 9) Petrol subsidy rises by ₦58.6bn in one month.
- 10) Power sector loses ₦472bn in nine months.



## Consumer Insights and Forecasts

- 1) Lagos State records highest attacks as global piracy drops.
- 2) Southern Nigerians more willing to emigrate than northerners- Survey.
- 3) FG plans two terminals for Lagos international airport.
- 4) "₦500 and ₦1000" denominations most commonly counterfeited banknotes — CBN report.
- 5) Telecom providers to charge 4 per 20 seconds for USSD access to banking services.
- 6) Nigeria records 61.6% Internet penetration in 19 years as Africa's growth slows.
- 7) NCC assigns 314mn telephone numbers to operators.
- 8) Online transactions hit 2.8 million on Independence Day.
- 9) "9.5mn vehicles are not insured in Nigeria", says NIA



## MSME Corner

- 1) SON to develop new standard for plastic recycling.
- 2) FG to establish 774 farmers' service centres smallholder farmers.
- 3) Chevron trains Nigerians in fabrication and construction.
- 4) 28mn bank customers have no credit history — CBN
- 5) FG targets more tech hubs for economic growth.
- 6) Agric and manufacturing sectors' non-performing loans hit ₦159.24bn.
- 7) CAC records 300,000 new business registrations for SMEs.
- 8) 7 in 10 workers are self-employed-ILO
- 9) FG extends TraderMoni to five million beneficiaries.

## Industry Spotlight



### MSMEs

- 1) **FG to establish 774 farmers' service centres smallholder farmers:** The FG is to establish 774 service centres for farmers across the country and will grant access improved seeds and other farm inputs.
- 2) **28mn bank customers have no credit history — CBN:** The Central Bank of Nigeria (CBN) has stated that 28mn bank customers have no credit history meaning that they never received loans from their banks.
- 3) **FG targets more tech hubs for economic growth:** The FG has said that technology hubs are critical to the country's economic growth as they will enable start-ups to flourish.
- 4) **Agric and manufacturing sectors' non-performing loans hit ₦159.24bn:** The non-performing loans obtained by stakeholders in agriculture and manufacturing sectors from the banks stood at ₦159.24bn as of the end of June 2019. Figure of non-performing loans in agriculture stood at ₦48.2bn, while the figure for manufacturing stood at ₦111.04bn.
- 5) **CAC records 300,000 new business registrations for SMEs:** The one-year-old incentive offered to small businesses has yielded about 300,000 new business names in the Corporate Affairs Commission.
- 6) **7 in 10 workers are self-employed- ILO:** A ground-breaking study reveals that seven in 10 workers are self-employed or in small businesses, a finding that has significant implications for employment and enterprise support policies world-wide. According to the new International Labour Organisation (ILO) estimates, self-employment, micro and small enterprises play a far more important role in providing jobs than previously believed.



### Consumer Insights and Forecasts

- 1) **Lagos State records highest attacks as global piracy drops:** Lagos State has so far recorded 11 incidents of piracy in 2019, the highest in the globally ratings released by the International Maritime Bureau. Despite reporting more attacks than any other country, piracy attacks in Nigeria in the third quarter reduced to 29 from 41 in 2018.
- 2) **Southern Nigerians more willing to emigrate than northerners- Survey:** A survey by Afrobarometer revealed that "one in three Nigerians have considered emigration, most to find economic opportunity". Residents in Southern Nigeria were also discovered to be more willing to migrate than their Northern counterpart.
- 3) **Telecom providers to charge 4 per 20 seconds for USSD access to banking services:** Customers who use unstructured supplementary service data (USSD) channels to access banking services would have to pay new charges from October 21<sup>st</sup> 2019.
- 4) **"9.5mn vehicles are not insured in Nigeria" , says NIA:** There are indications from the nation's insurance industry operators that only about 2.53mn out of the 12mn registered vehicles on Nigerian roads, have genuine motor insurance certificates, leaving about 9.5mn effectively uninsured.