



IT CAN BE.

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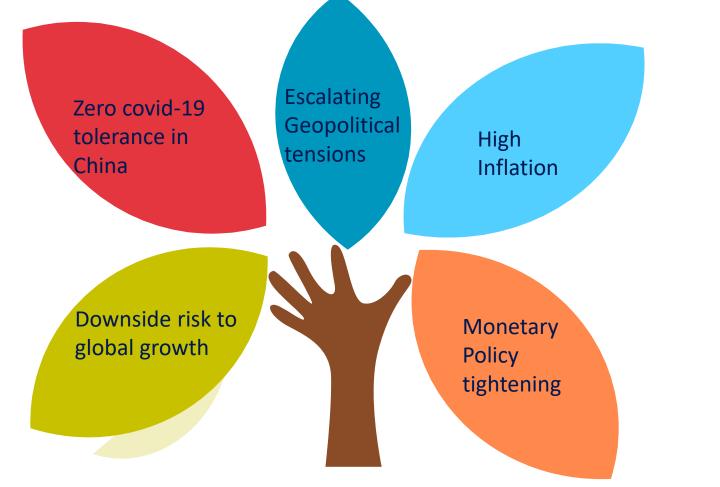
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Summary

### **GLOBAL THEMES**





- ☐ Global growth under threat driven by bothering on escalating geopolitical crisis, surge in global inflation and stricter lockdown restrictions in China.
- ☐ Rising covid-19 infection in China is leading to stricter public health restrictions.
- ☐ Rising Inflation has influenced monetary policy tightening responses across developed Economies



# Africa – on the edge



#### Inflation

Inflation has almost doubled



# Food insecurity

123 million people are food insecure



# Commodity prices

Volatility in commodity prices driven by geopolitical tentions



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# Slowing growth

Recovery has been interrupted



# Social tension

Rising social tensions driven by rising inflation and slowing growth.



# Rising interest rates

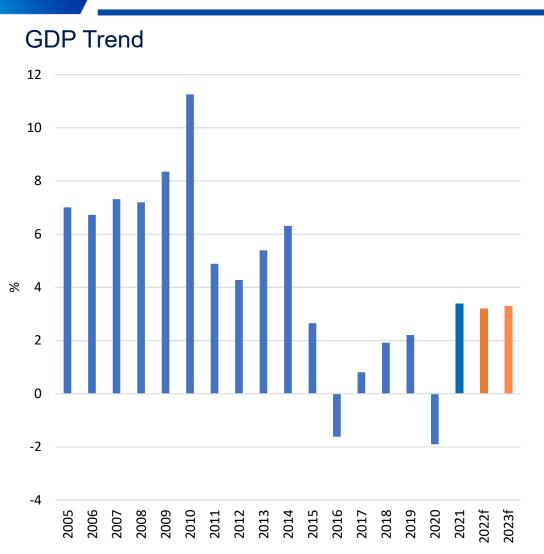
Borrowing costs are rising



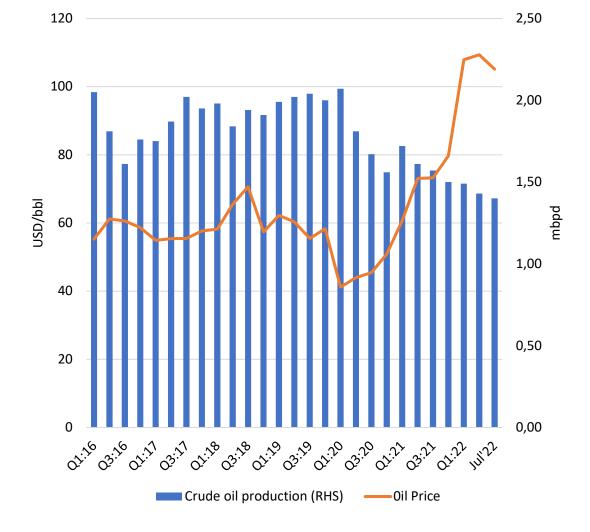
# NIGERIA

## **NIGERIA: NON-OIL SECTORS TO DRIVE GROWTH**





### Oil Production and oil price





## INFORMATION AND COMMUNICATION SECTOR GROWING CONTRIBUTION TO GDP

| GDP by sector (%) contribution       |             |      |      |       |       |       |
|--------------------------------------|-------------|------|------|-------|-------|-------|
|                                      | 2010        | 2015 | 2016 | 2019  | 2020  | 2021  |
| Agriculture                          | 40.87       | 17.9 | 18   | 25.16 | 26.21 | 25.9  |
| Mining and Quarrying (Oil)           | 15.88       | 7.8  | 7.7  | 8.91  | 8.31  | 7.41  |
| Manufacturing                        | 4.16        | 9.3  | 9    | 9.06  | 8.91  | 8.98  |
| Electricity, Gas, Steam and Air      |             | 0.5  | 0.6  | 0.39  | 0.38  | 0.47  |
| Water Supply, Sewerage, Waste        |             | 0.1  | 0.1  | 0.17  | 0.18  | 0.21  |
| Construction                         | 1.99        | 4.2  | 4    | 3.72  | 3.5   | 3.49  |
| Trade                                | 18.69       | 18.8 | 18.9 | 16.01 | 14.94 | 15.68 |
| Accommodation                        | 0.5         | 0.7  | 0.5  | 0.89  | 0.75  | 0.72  |
| Transportation and Storage           |             | 1.5  | 1.5  | 1.48  | 1.18  | 1.32  |
| Information and Communication        | 4.55        | 14.6 | 14.7 | 13.04 | 15.28 | 15.56 |
| Financial and Insurance              | 3.56        | 3.7  | 3.8  | 3.01  | 3.36  | 3.57  |
| Real Estate                          | 1.74        | 8.7  | 8.8  | 6.12  | 5.66  | 5.6   |
| Professional and Scientific Services |             | 4.1  | 4    | 3.57  | 3.35  | 3.24  |
| Public Administration                |             | 2.8  | 2.9  | 2.06  | 2.1   | 2.03  |
| Education                            |             | 1.8  | 1.8  | 2.13  | 1.88  | 1.8   |
| Other Services                       | 6.82        | 2.6  | 2.6  | 3.37  | 3.24  | 3.12  |
| GDP                                  | 100         | 100  | 100  | 100   | 100   | 100   |
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Source: National Bureau of Statistics; Standard Bank Research

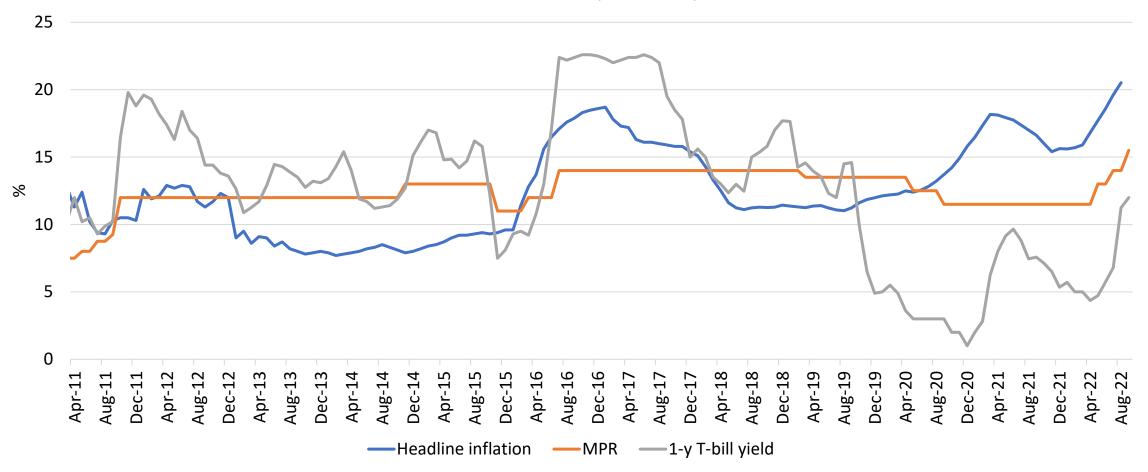
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## **NIGERIA: INFLATION TRENDING UP AMID SUPPLY CHAIN DISRUPTIONS**





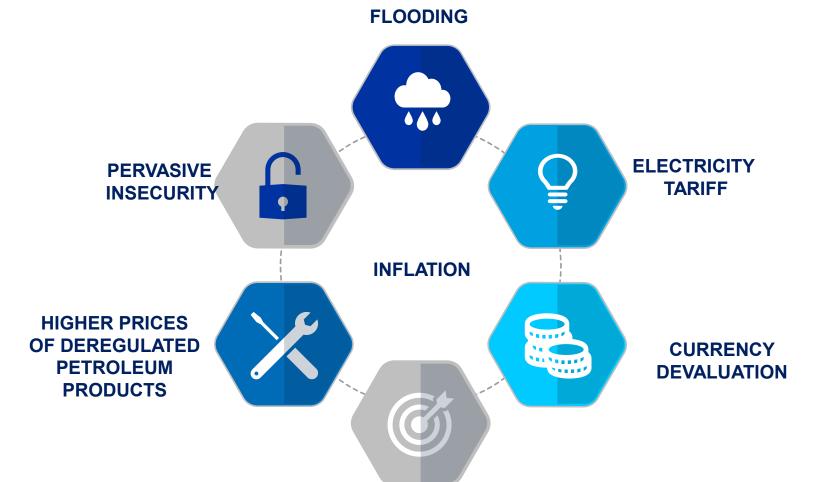


### **INFLATIONARY PRESSURES SUBJECT TO UPSIDE RISKS**











GEOPOLITICAL TENSION (RUSSIA OR UKRAINE)

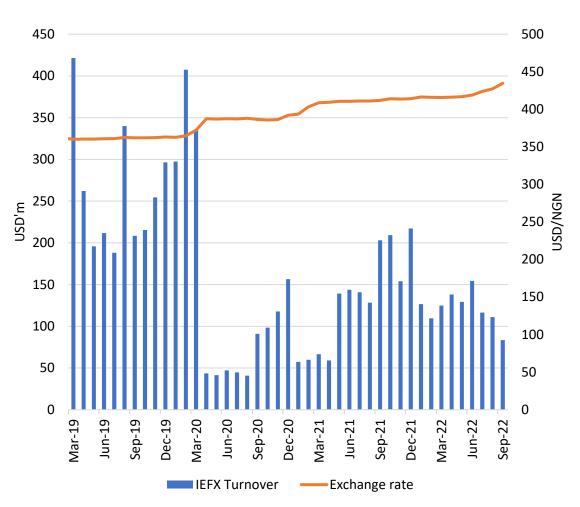


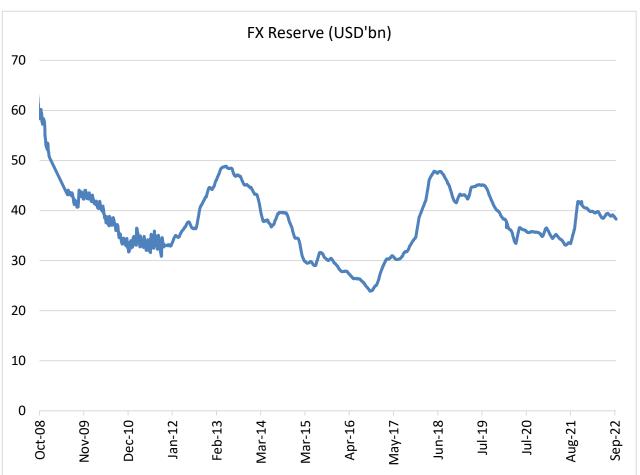




## LIQUIDITY PRESSURES TO PERSIST IN SHORT-MEDIUM TERM



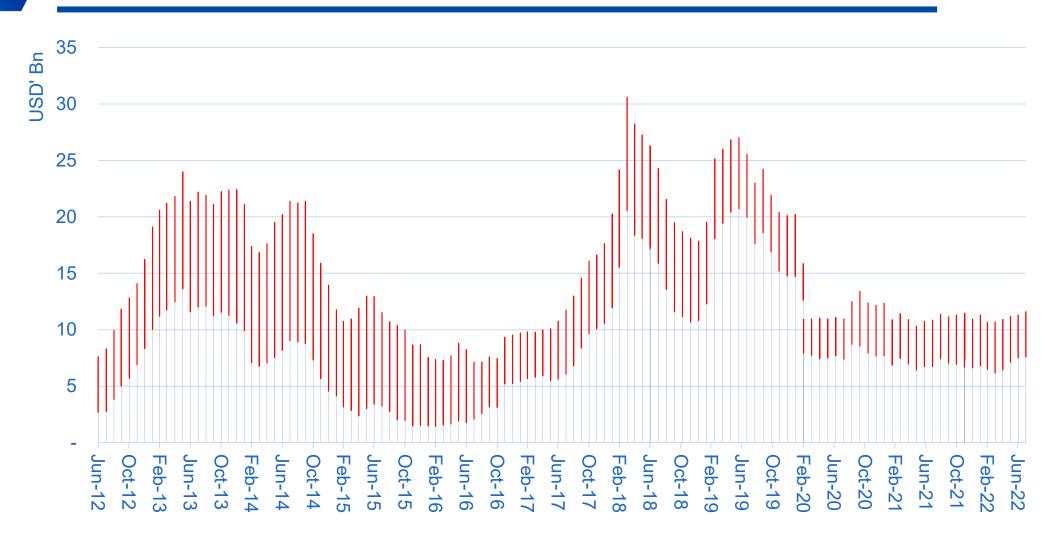






## FOREIGN PORTFOLIO HOLDINGS TREND





■ Bonds and T-bills holding

Equities holding

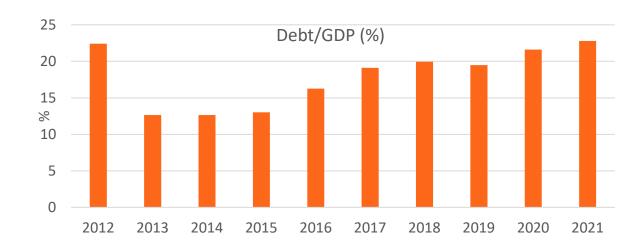


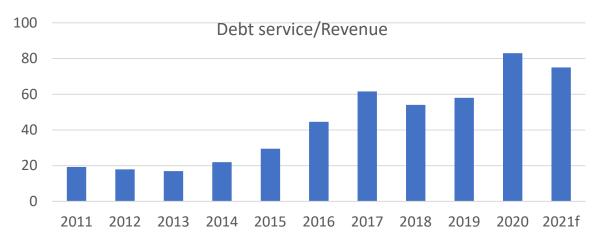


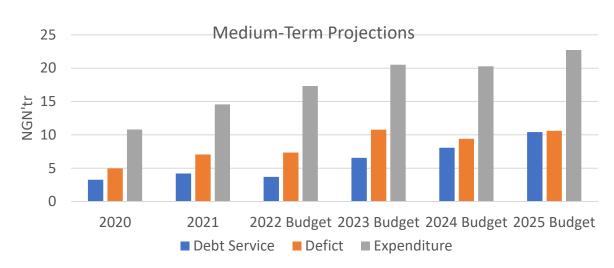
#### INCREASING DEBT LEVELS AND EXPECTED REVENUE SHORTFALL

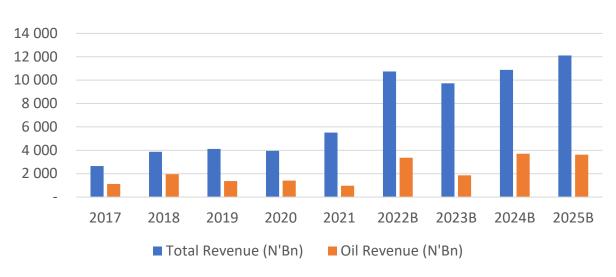


EXPANSIONARY BUDGET WITH AMBITIOUS REVENUE ASSUMPTIONS





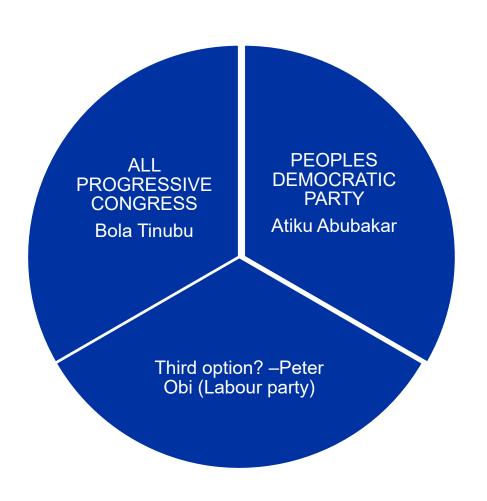






#### PROMINENT POLITICAL PARTIES AND MANIFESTO





**APC National Security** Infrastructure Healthcare and education improvement Digital economy Women empowerment

**PDP** Tackling Insecurity Infrastructure Educational system improvement Providing Jobs and reduce poverty levels Expanding export base Private sector led growth and promoting inclusion

**LABOUR PARTY Ending Insurgency** and banditry Food security and promoting export Fighting corruption Investment in Technology Infrastructure



## **SUMMARY**



### **Forecasts**

|                              | 2018 | 2019 | 2020  | 2021  | 2022f | 2023f | 2024f | 2025f |
|------------------------------|------|------|-------|-------|-------|-------|-------|-------|
| GDP (% yr)                   | 2    | 2.3  | -1.9  | 3.4   | 3.2   | 3.3   | 3.5   | 3.2   |
| Current account (USDbn)      | 12.4 | -17  | -16.8 | -1.85 | 5.3   | 7.2   | 10    | 10.53 |
| CPI (% yr) average           | 12.2 | 11.4 | 13.2  | 16.98 | 19    | 16.7  | 12.5  | 12.5  |
| Policy rate (%) – end period | 14   | 13.5 | 11.5  | 11.5  | 16.5  | 15    | 14    | 13    |
| 5-year rate (%) – end period | 15.8 | 10   | 3     | 11.27 | 13.4  | 14    | 15    | 15.1  |
| USD/NGN – end period         | 365  | 365  | 400   | 415   | 460   | 520   | 545   | 580   |



# THANK YOU