

NIGERIA'S ECONOMIC OVERVIEW : REFLECTIONS AND THE ROAD AHEAD





Global themes

Africa themes

Nigeria GDP growth outlook

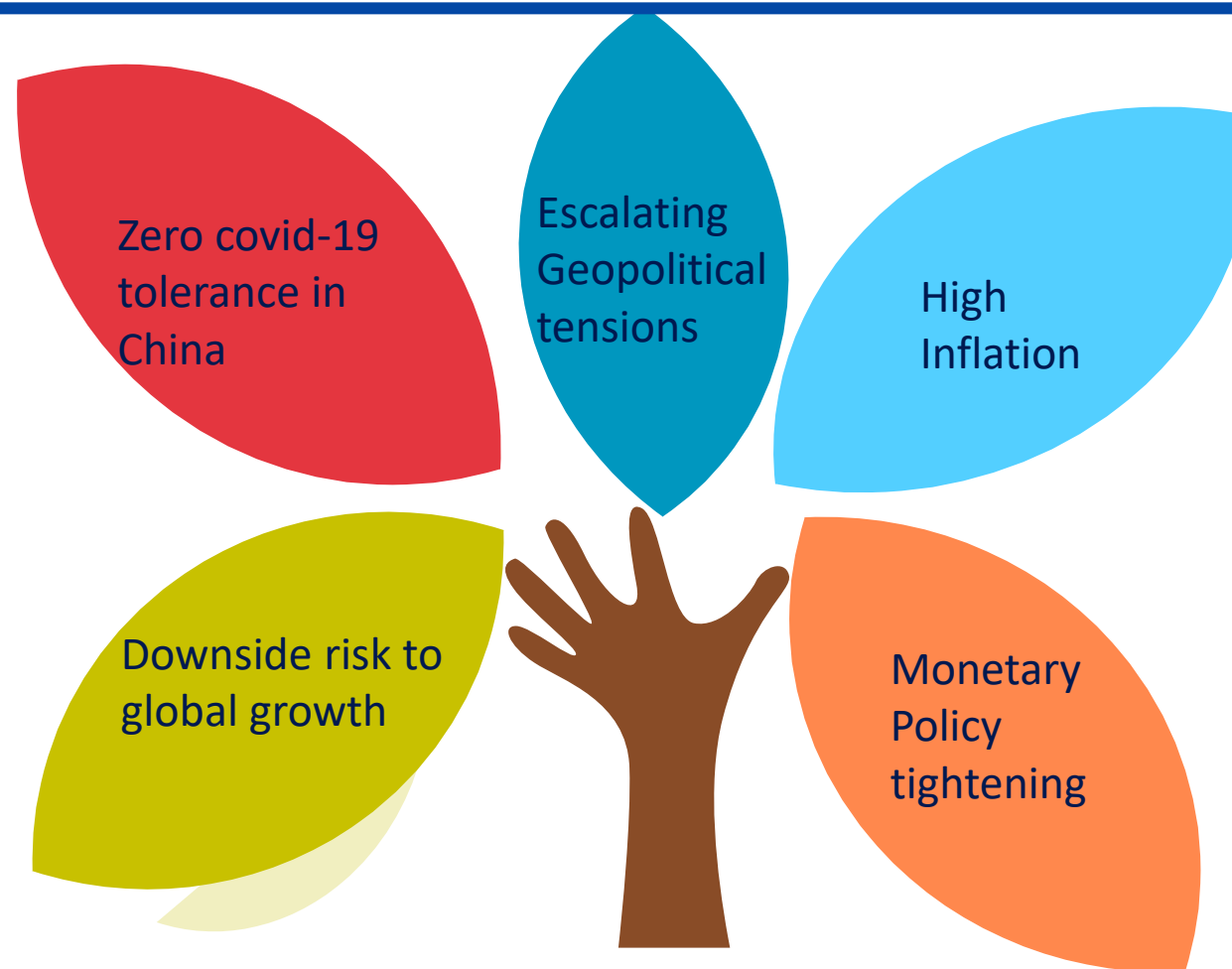
Monetary policy and inflation

Foreign exchange market developments

Fiscal developments and politics update

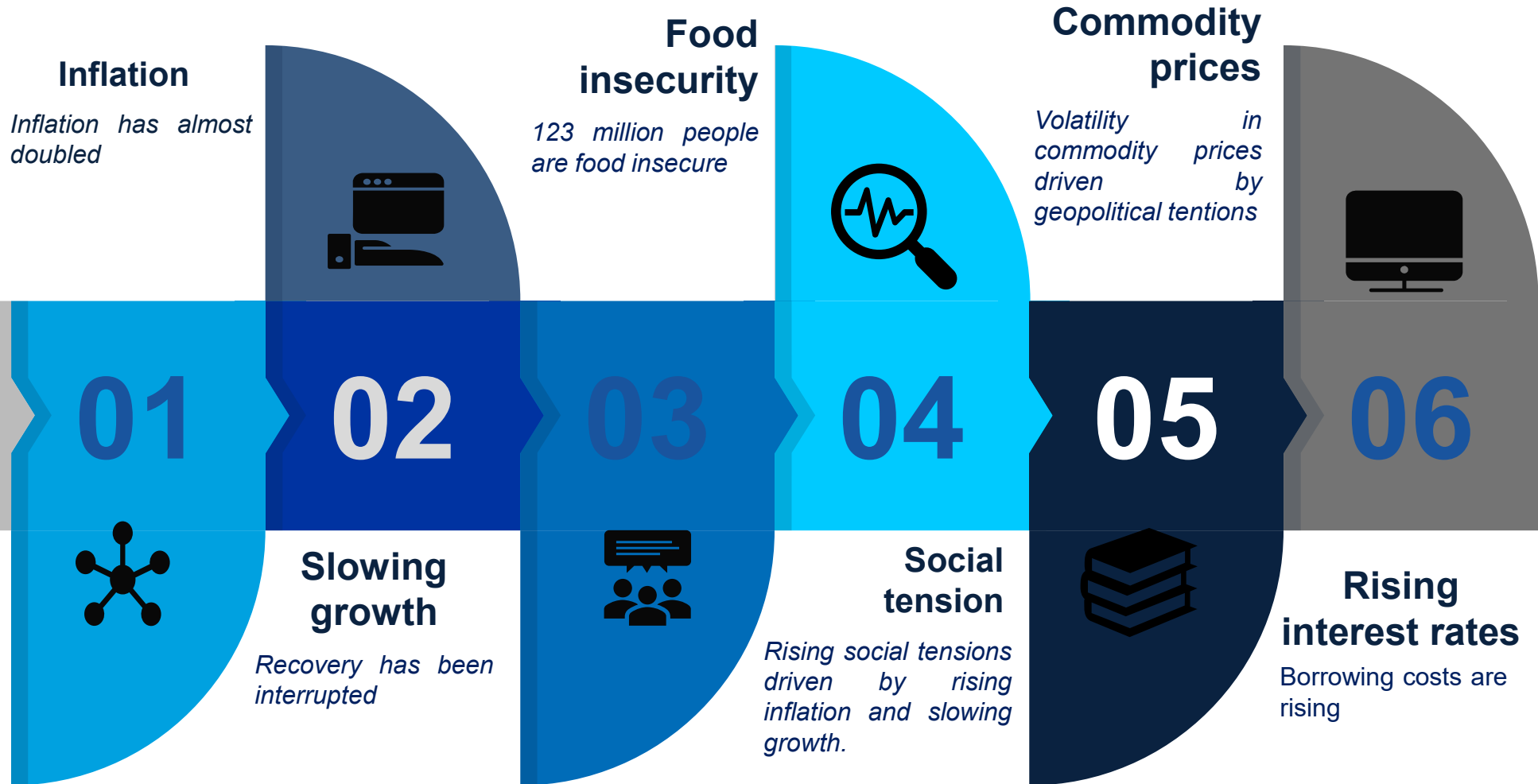
Summary

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



NIGERIA

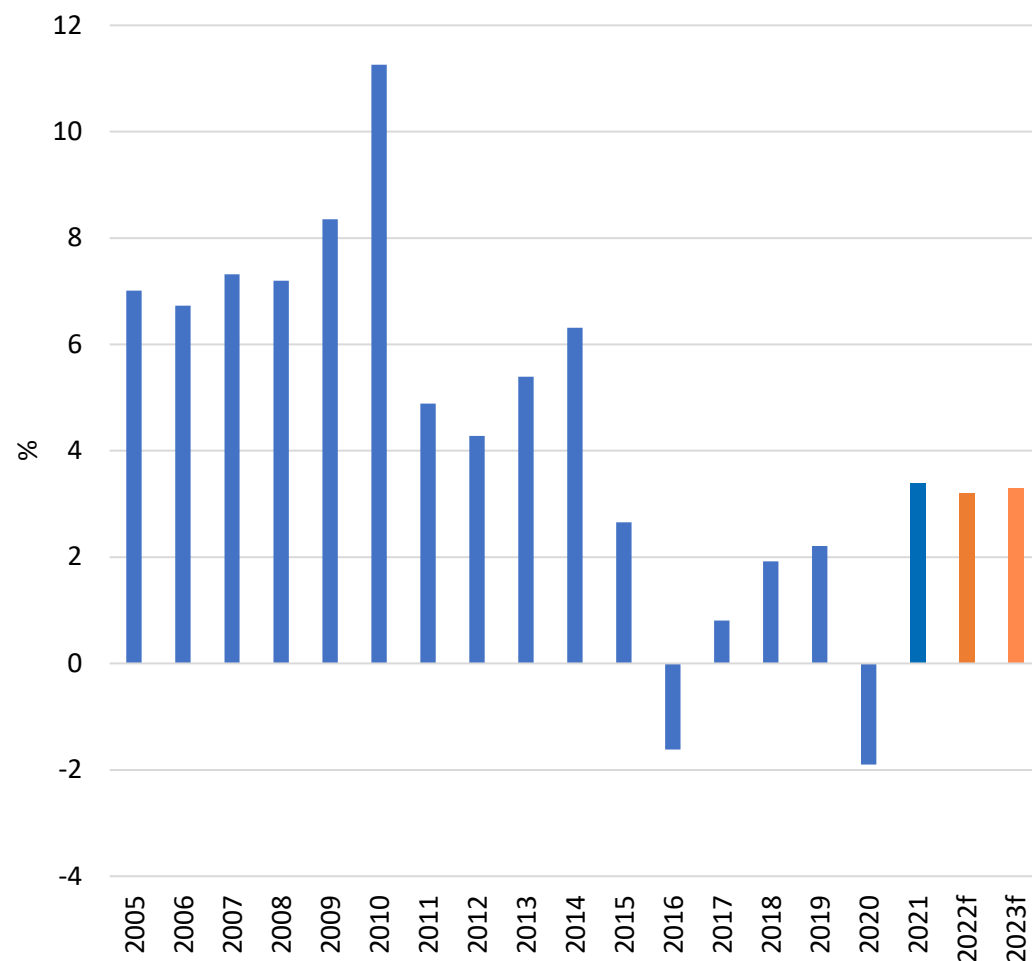


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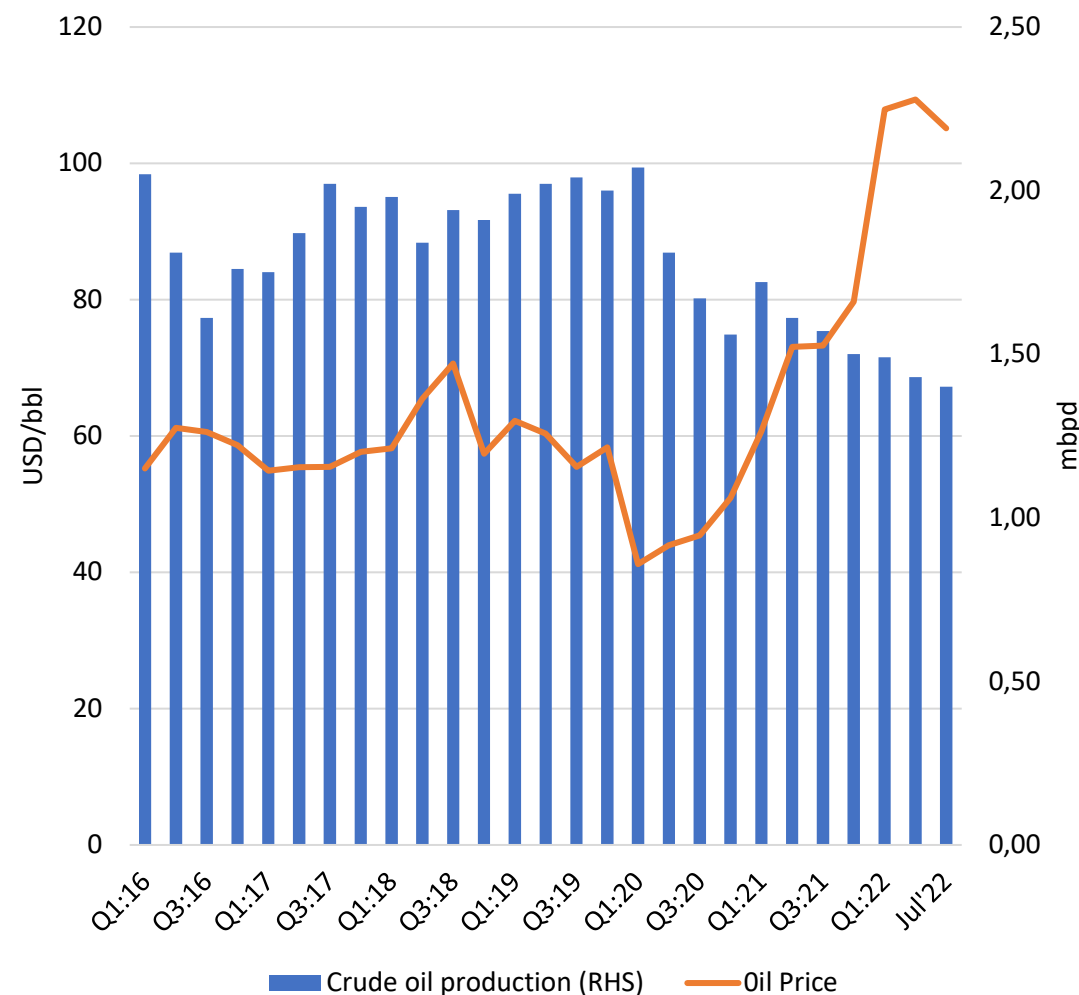
NIGERIA: NON-OIL SECTORS TO DRIVE GROWTH



GDP Trend



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

Source: National Bureau of Statistics; Standard Bank Research

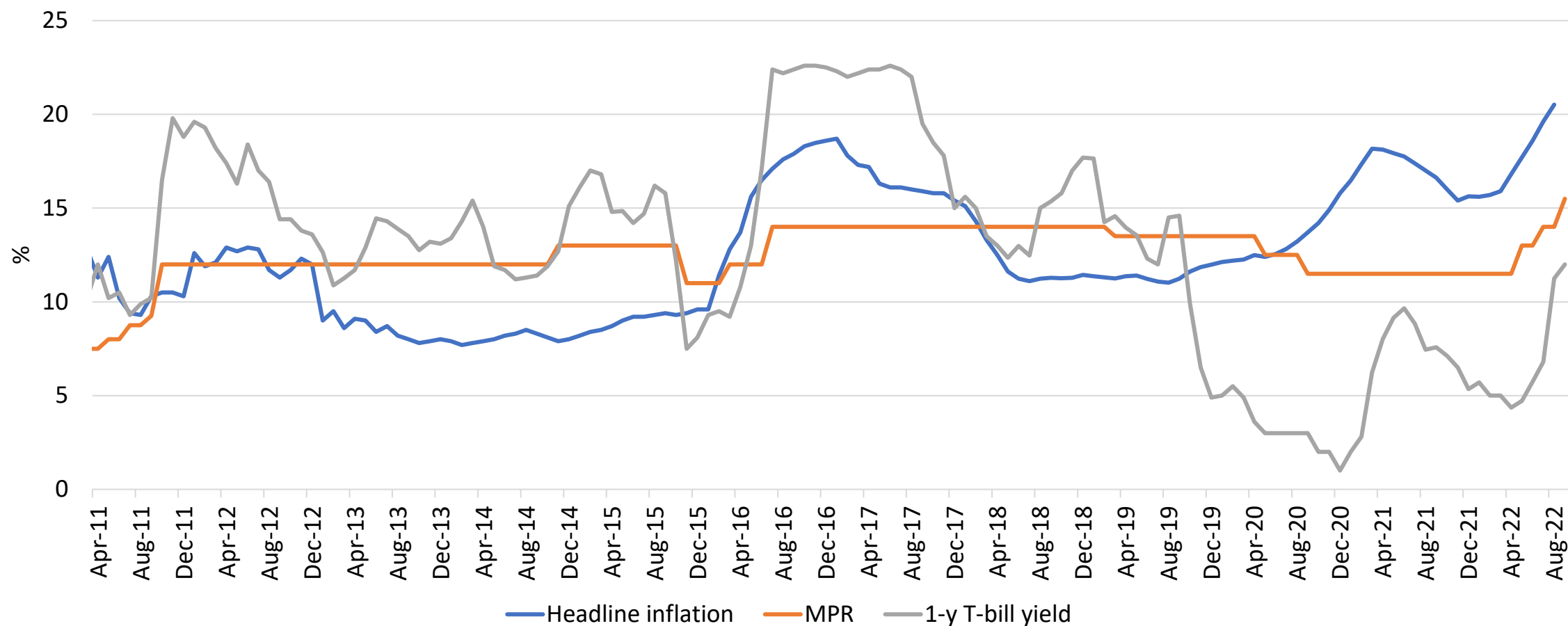


MONETARY POLICY AND INFLATION

NIGERIA: INFLATION TRENDING UP AMID SUPPLY CHAIN DISRUPTIONS



Inflation, MPR and 1-year T-Bill yield



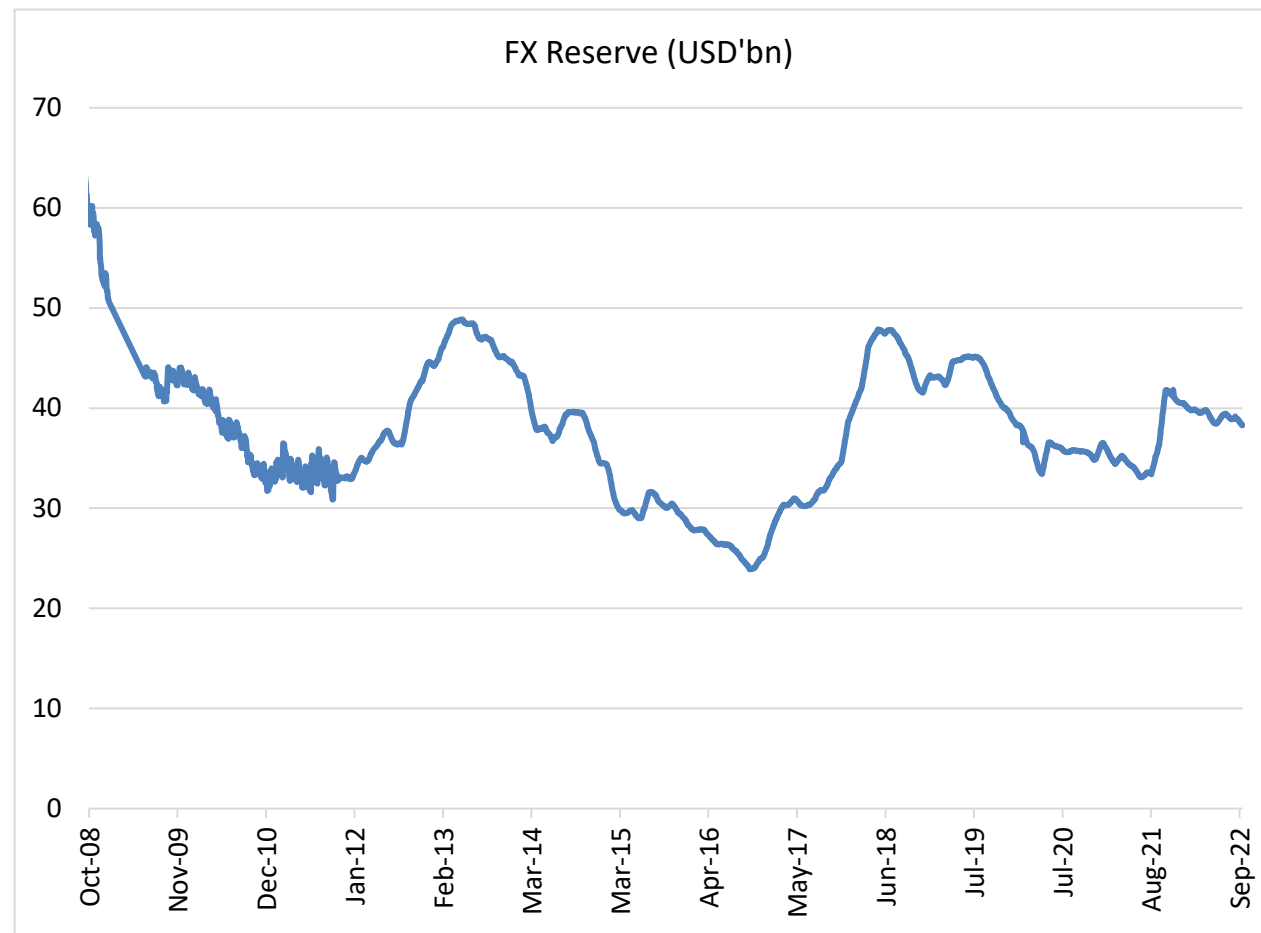
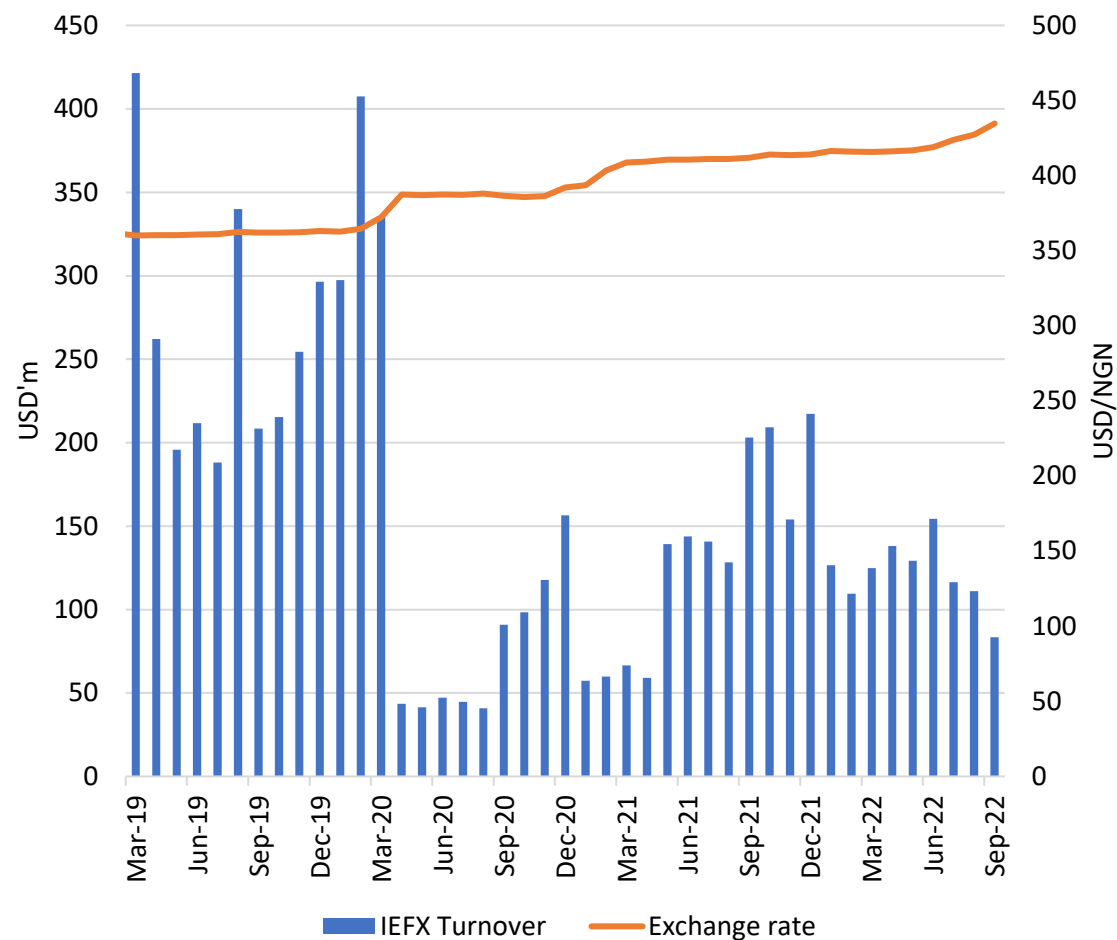
INFLATIONARY PRESSURES SUBJECT TO UPSIDE RISKS





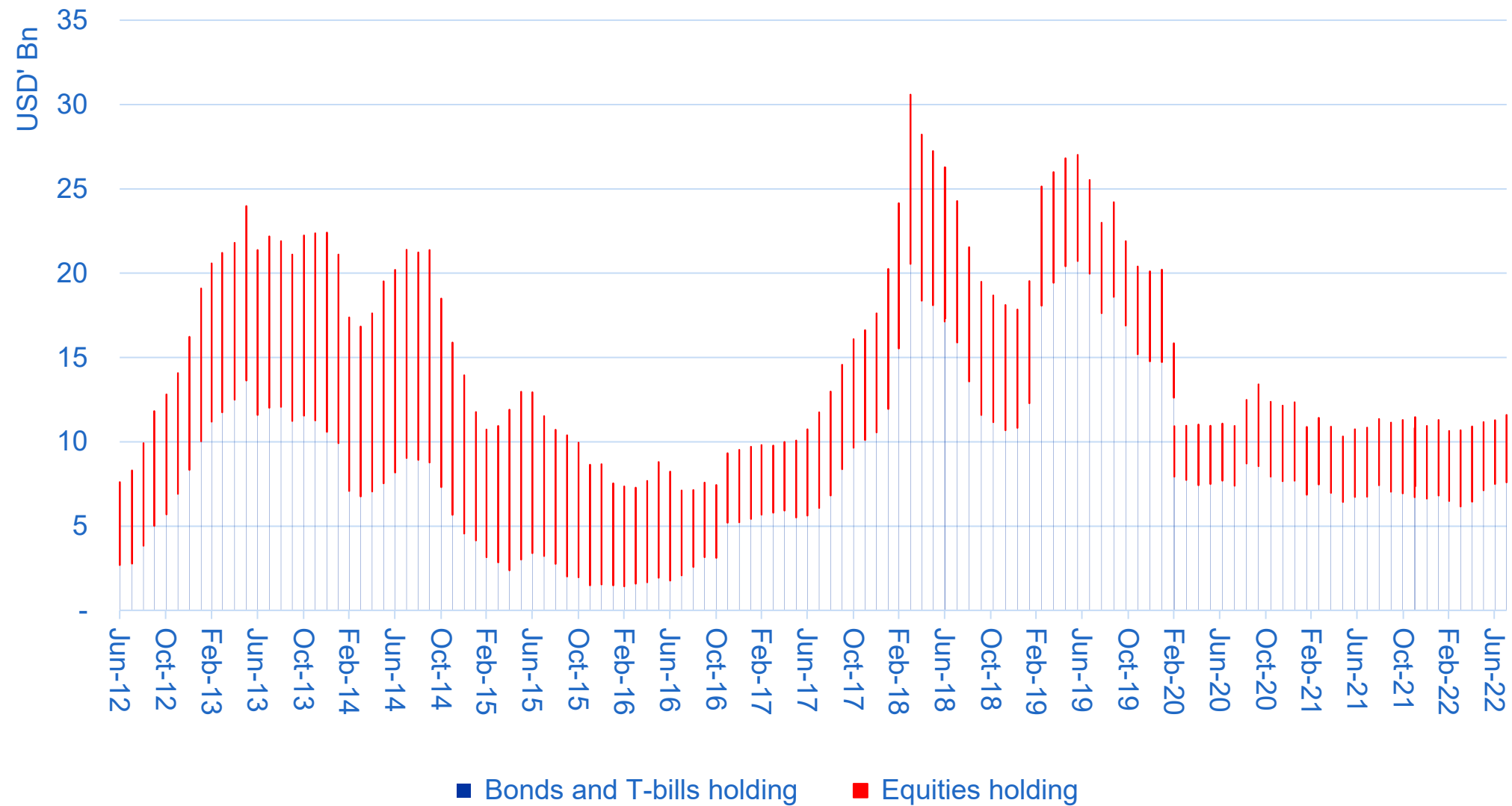
FOREIGN EXCHANGE MARKET DEVELOPMENTS

LIQUIDITY PRESSURES TO PERSIST IN SHORT-MEDIUM TERM





FOREIGN PORTFOLIO HOLDINGS TREND



Source: Stanbic IBTC estimates

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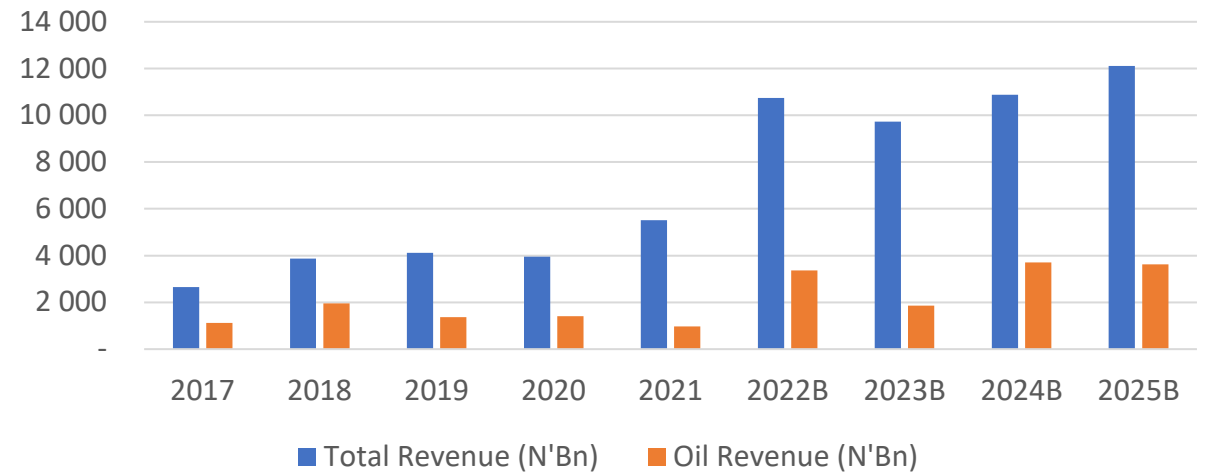
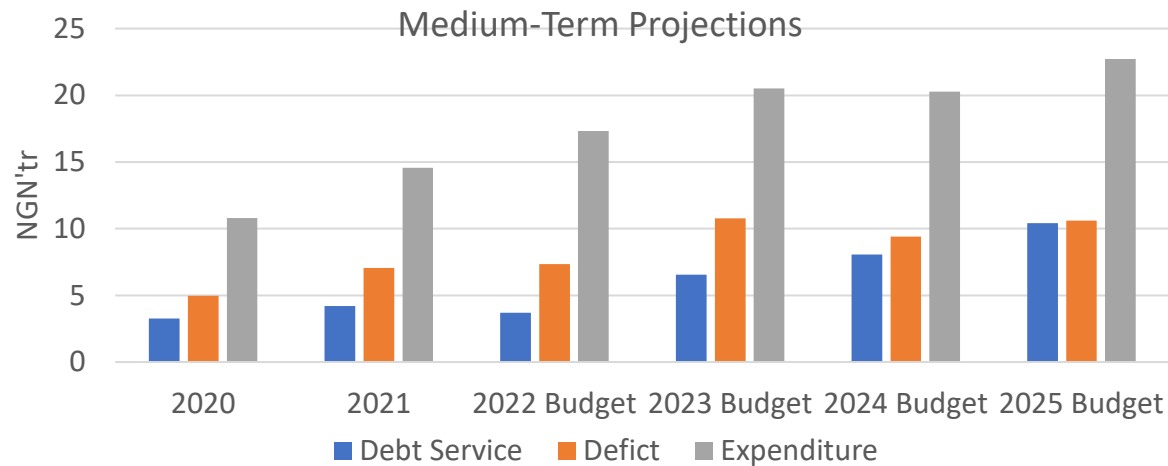
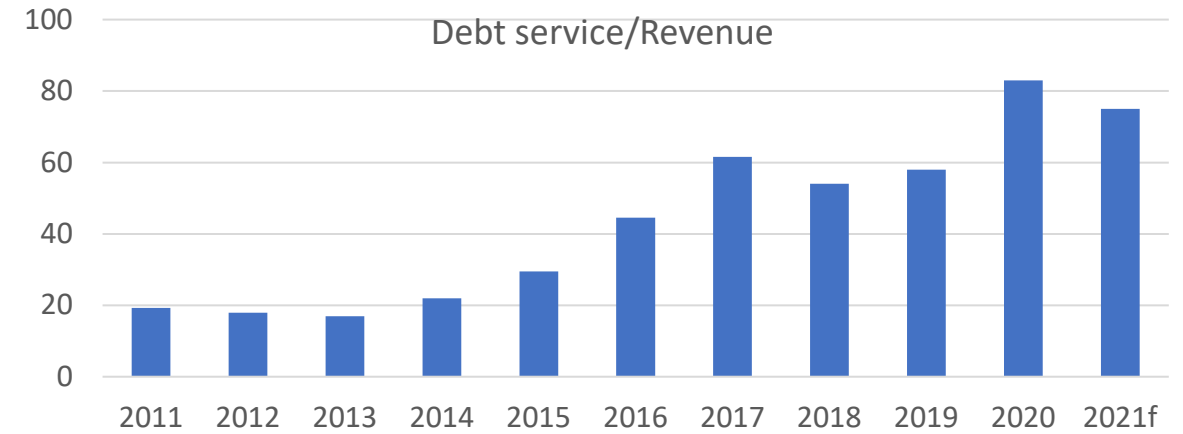
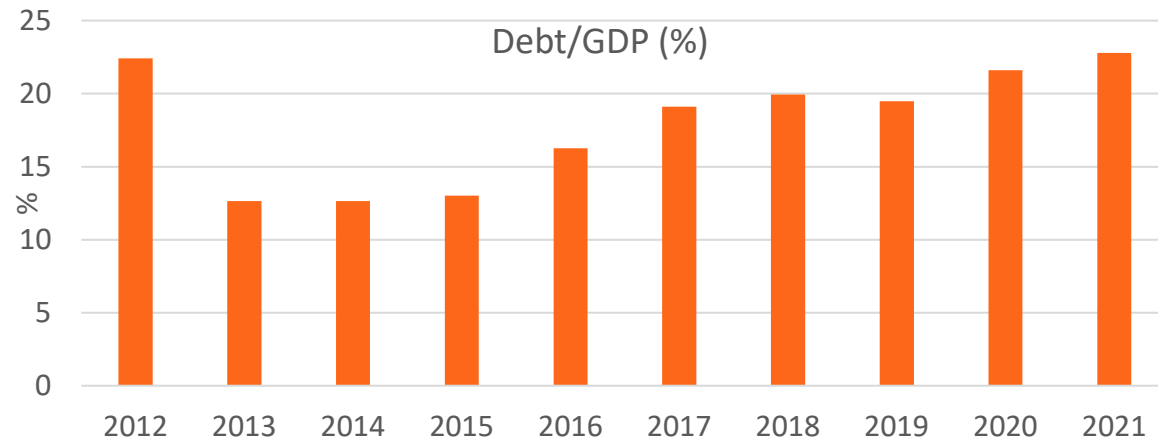


FISCAL DEVELOPMENTS AND POLITICS UPDATE



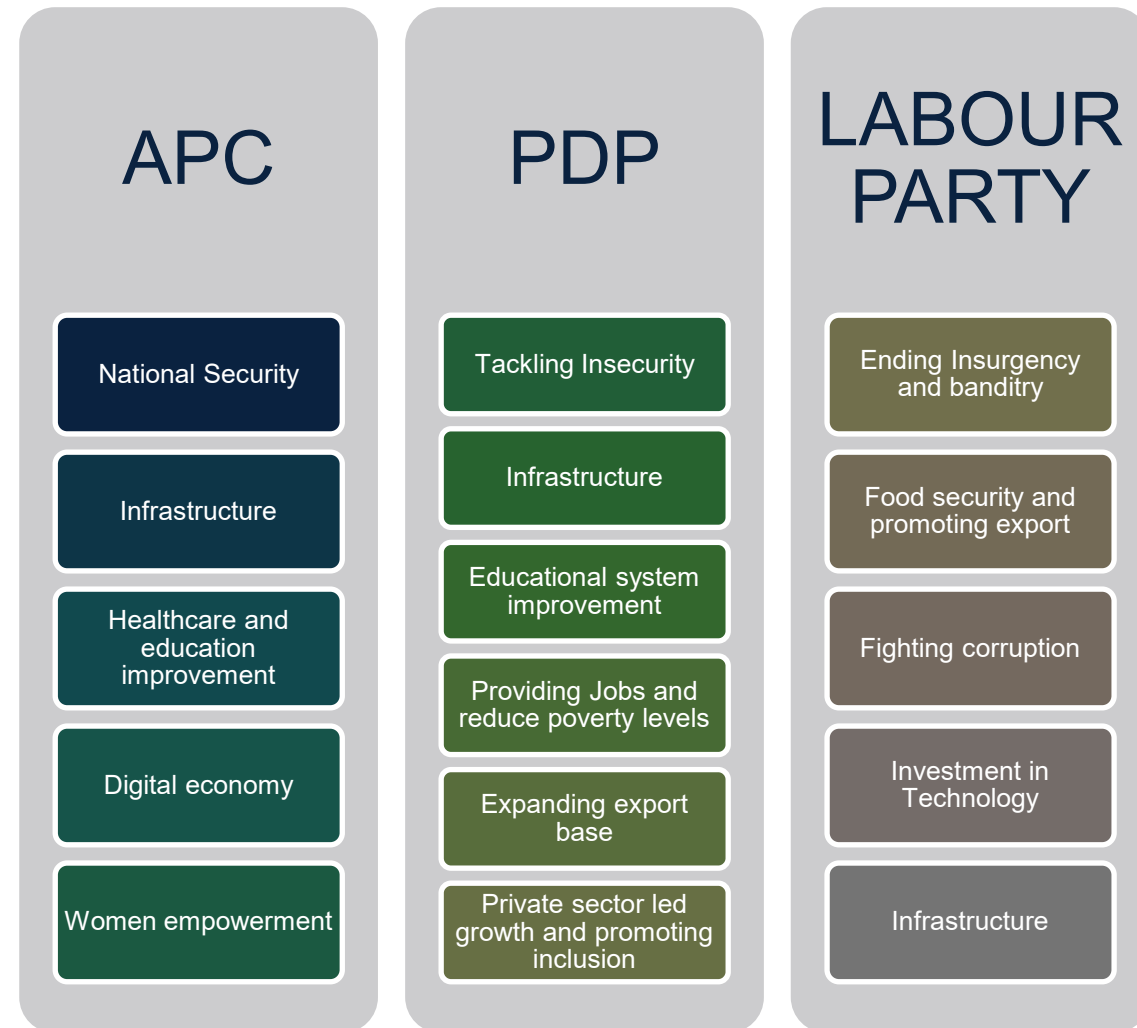
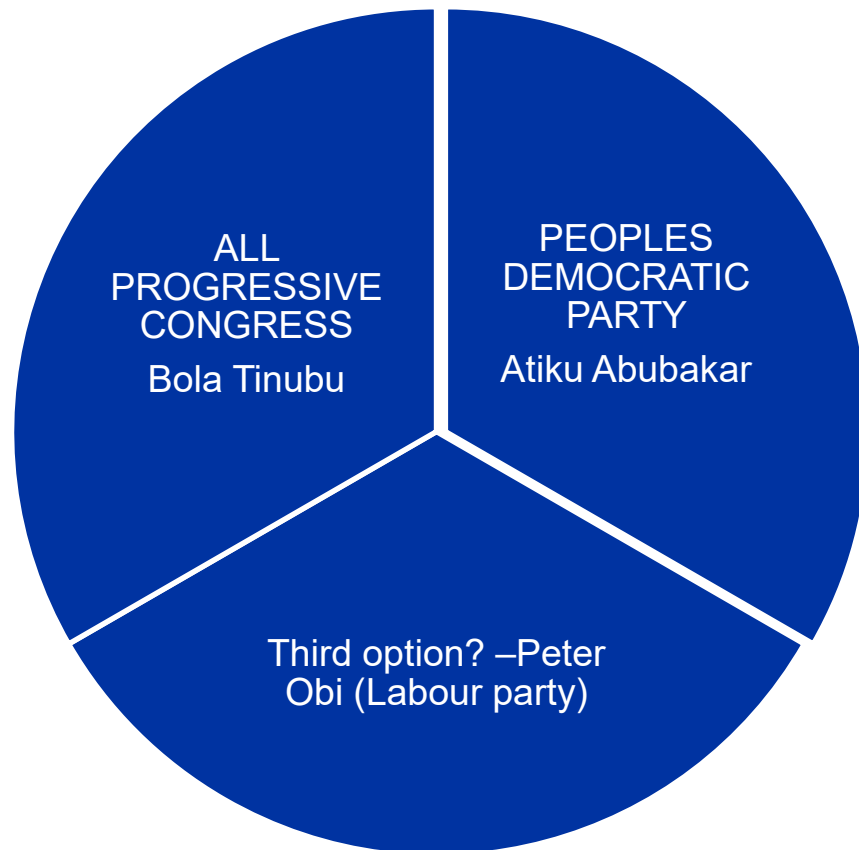
INCREASING DEBT LEVELS AND EXPECTED REVENUE SHORTFALL

EXPANSIONARY BUDGET WITH AMBITIOUS REVENUE ASSUMPTIONS





PROMINENT POLITICAL PARTIES AND MANIFESTO





SUMMARY OF FORECASTS

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