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**AFRICA** 2019



# Socio-Economic Update

November Volume 2,  
2023

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# Key Market Indicators

Item	Evaluation	Growth Index
I&E (\$/NGN) rate	1/823.26	-9.43% ↓
Crude Oil (\$/b)	82.60	-6.14% ↓
NGX ASI	71284.56 (+0.34%)	+4.66% ↑
Inflation Rate (%)	27.33	+0.16% ↑
MPR (%)	18.75	No Change

Table1: Key Market Indicators

Sources: CBN, NBS, NGX, OilPrice.com

Last Update: 29th Nov, 2023



# Senate Approves New Budget Framework, Targets Fiscal Responsibility

Nigerian Senate approves Medium-term Expenditure Framework (MTEF) and Fiscal Strategy Paper (FSP) for 2024-2026

### Reduced Deficit Focus:

- The 2024 budget signals a commitment to reducing the deficit and boosting revenue (see Figure)

### Oil Price Benchmarks:

- Strategic oil price choices address market volatility

### Fiscal Prudence:

- N26 trillion spending against N16.9 trillion revenue showcases fiscal prudence
- N7.8 trillion borrowing for deficit highlights developmental commitment though raises debt concerns

### Exchange Rates:

- Endorsement of competitive rates for economic stability

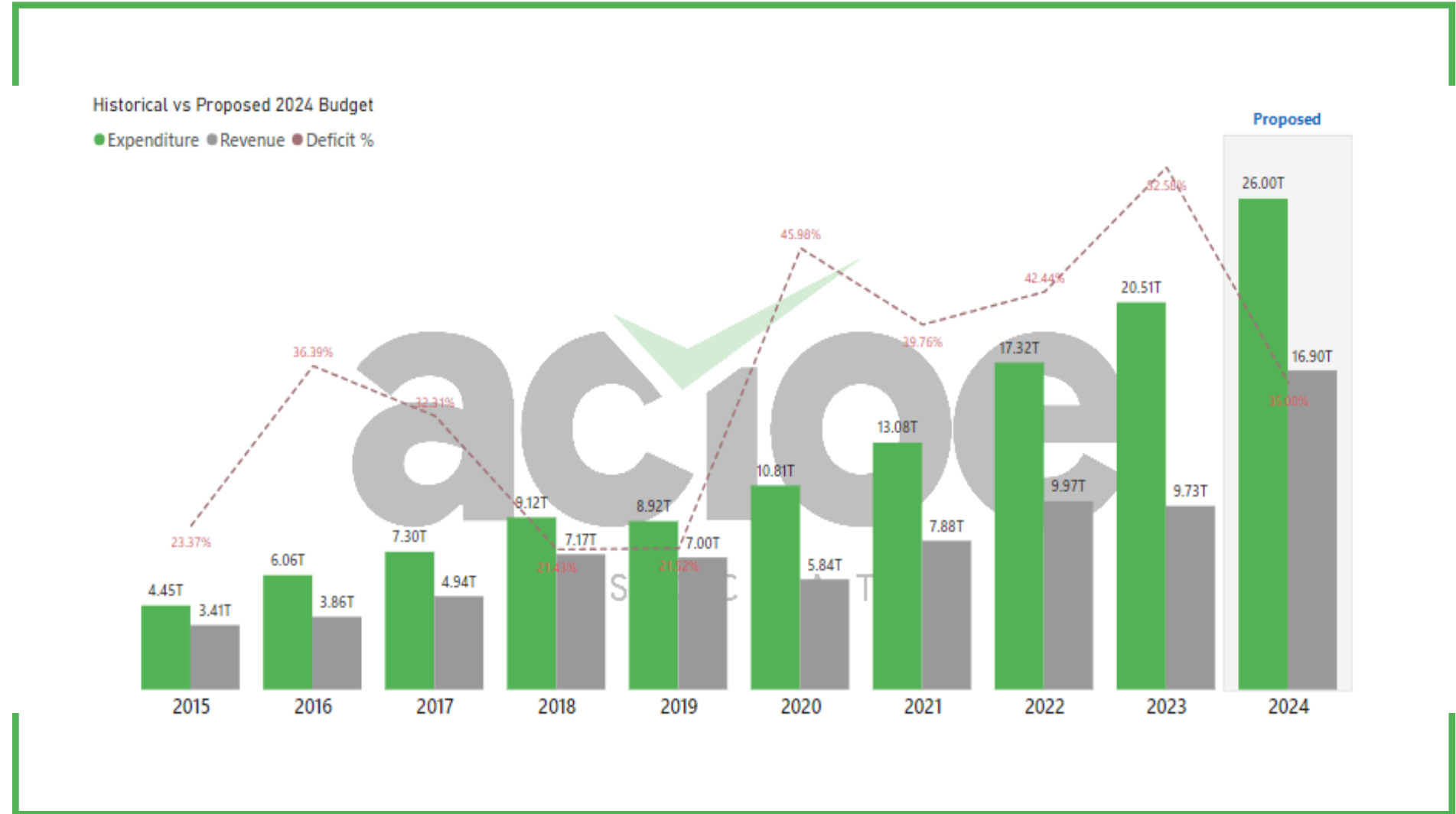
### Ambitious Goals:

- GDP growth and inflation set for 2024-2026 ambitious given the current economic landscape

### Structural Reforms:

- Senate recommends import bans and Fiscal Responsibility Act amendments

Senate's approval paves the way for ambitious fiscal goals of a 1 trillion-dollar economy



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# Nigeria, Germany Sign \$500m Renewable Energy, Gas Deals

Nigeria Natural Gas Exports  
in standard cubic meters

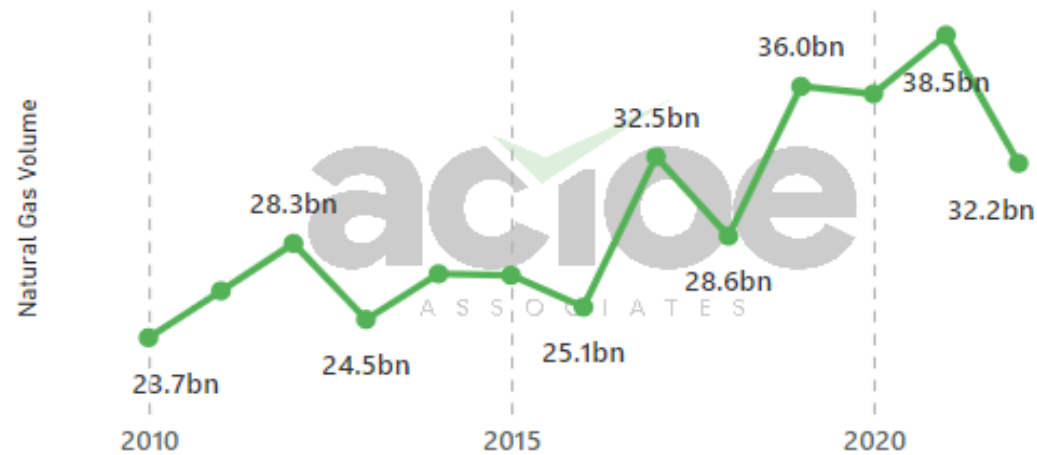


Figure 1: Nigeria Natural Gas Exports

Nigeria Total Exports to Germany

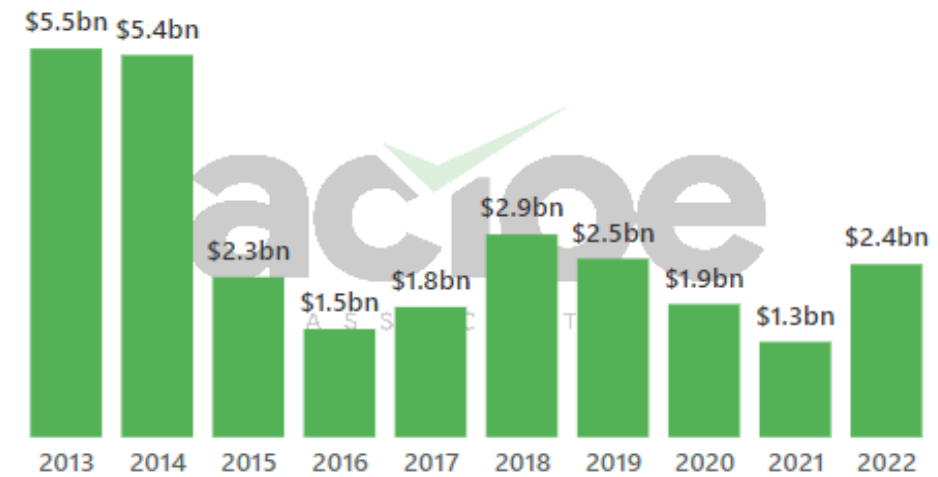


Figure 2: Nigeria Total Exports to Germany

\$500 million agreements signed in Berlin for renewable energy and transformative gas exports

## Gas Export:

- Nigeria's gas exports surged to 38.0bn cubic meters in 2021 (see Figure 1)
- The deal is aimed at enhancing trade ties (see Figure 2), improving Nigeria's balance, and global energy presence

## Gas Export Deal:

- Riverside LNG and Johannes Schuetze Energy Import AG MoU for 850,000 tons of natural gas annually, addressing environmental concerns

## Renewable Energy:

- Union Bank of Nigeria and Germany's DWS Group signed a \$500 million MoU for rural-focused renewable energy projects.

## Strategic Alignment:

- Chancellor Scholz emphasizes green hydrogen imports and Germany's 4 billion euros investment in African green energy projects by 2030

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SMEDAN partners with Sterling Bank, securing N5 billion loan to aid SMEs

### Key Points:

- Addresses communication barriers hindering SME access to government programs.
- Focuses on renewable energy, benefitting 10,000 SMEs for improved efficiency

### Initiative Highlights:

#### 1. Financial Inclusion:

- N5 billion loan at single-digit interest rates.
- Targets underutilized funds issue with effective communication

#### 2. Technological Innovation:

- Sterling Bank's 'Banker' platform streamlines loan processes

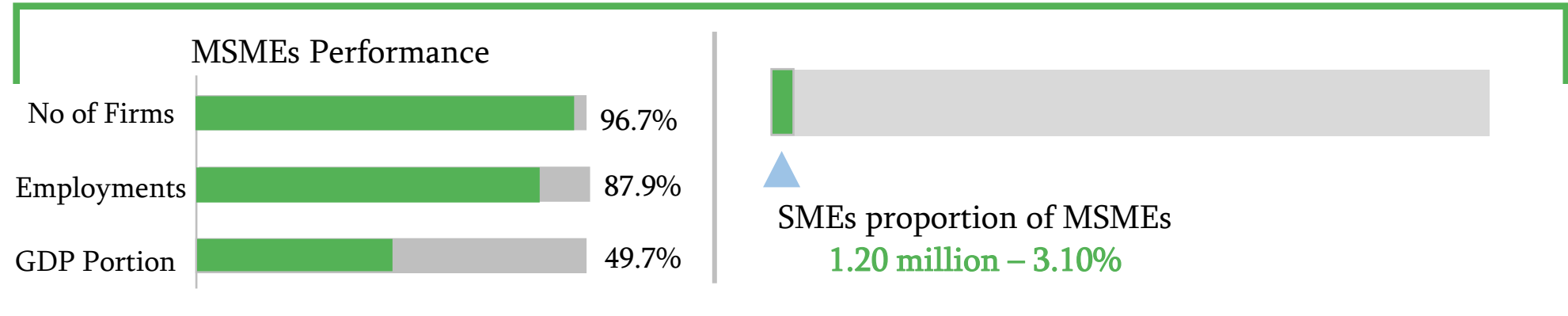
#### 3. Capacity Building:

- Establishes feedback loop for continuous SME improvement

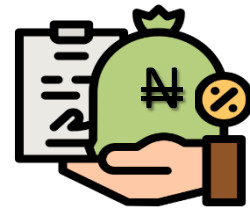
#### 4. Environmental Focus:

- Targets renewable energy projects, aligning with sustainability goals.
- Benefits rural communities, addressing climate change concerns

The collaboration signifies inclusivity and tech advancement in SME financial support, addressing challenges comprehensively



### Details of the Initiative



N5bn Loan



Single Digit Interest



Target: 10,000 SMEs



Per Capita: N500,000

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# Finance Minister unveils plan for \$13bn revenue from national assets

Finance Minister Wale Edun reveals plan to generate \$13 billion annually from Nigeria's assets

## Revenue Generation Plan:

- Ministry of Finance Incorporated (MoFI) to create the National Assets Register.
- Aims to generate 3.0% of GDP, totaling \$13.3 billion annually.

## Assets Under Management (AuM) Increase:

- The initiative targets raising MoFI's National Assets Under Management from N18 trillion to N100 trillion

## Revenue Boost and Economic Goals:

- Part of the measures is to raise the Federal Government's revenue and achieve a 25% Revenue to GDP ratio by 2026

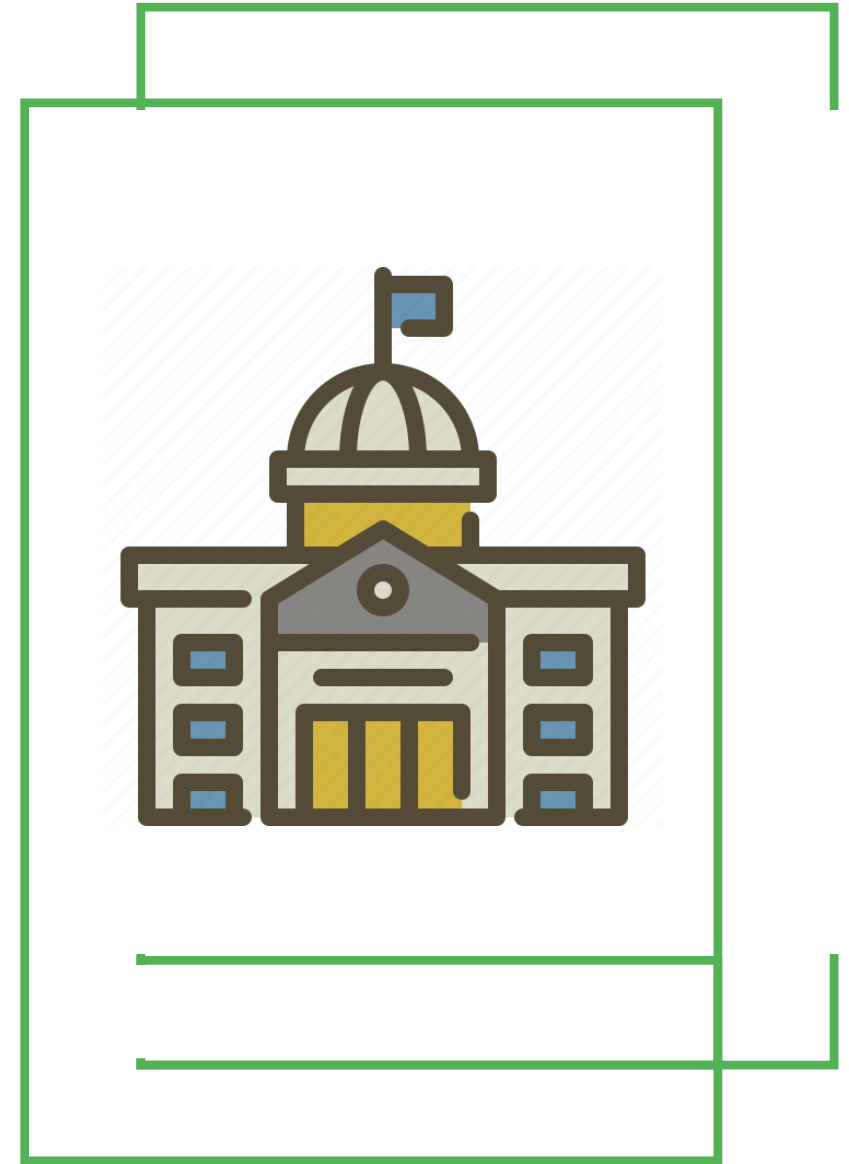
## Optimizing Assets:

- Emphasis on effective utilization of underutilized global properties for revenue
- The strategy involves asset enumeration, governance enhancement, and monetization efforts

## Strategic Asset Management Vision:

- Vision includes managing concessioned, real estate, and infrastructure assets for economic vibrancy
- Aims to position Nigeria as an economically vibrant nation

Implementation success hinges on effective governance, transparent enumeration, and strategic monetization efforts aligned with broader economic goals



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# Nigeria hits 27.33% inflation rate in October, highest in 18yrs

October 2023 sees Nigeria's inflation spike to 27.33%, raising significant economic concerns

## Consumer Impact:

- Erodes purchasing power, leading to cautious spending by consumers and investors

## Cost of Living:

- Sharp rise in the cost of goods, particularly essential items, raising food security concerns

## Government Efforts:

- The effectiveness of federal government's palliative schemes questioned

## Energy Costs and Policy Reflections:

- The surge in energy costs, including fuel, prompts reflections on economic policies

## Festive Season Challenges:

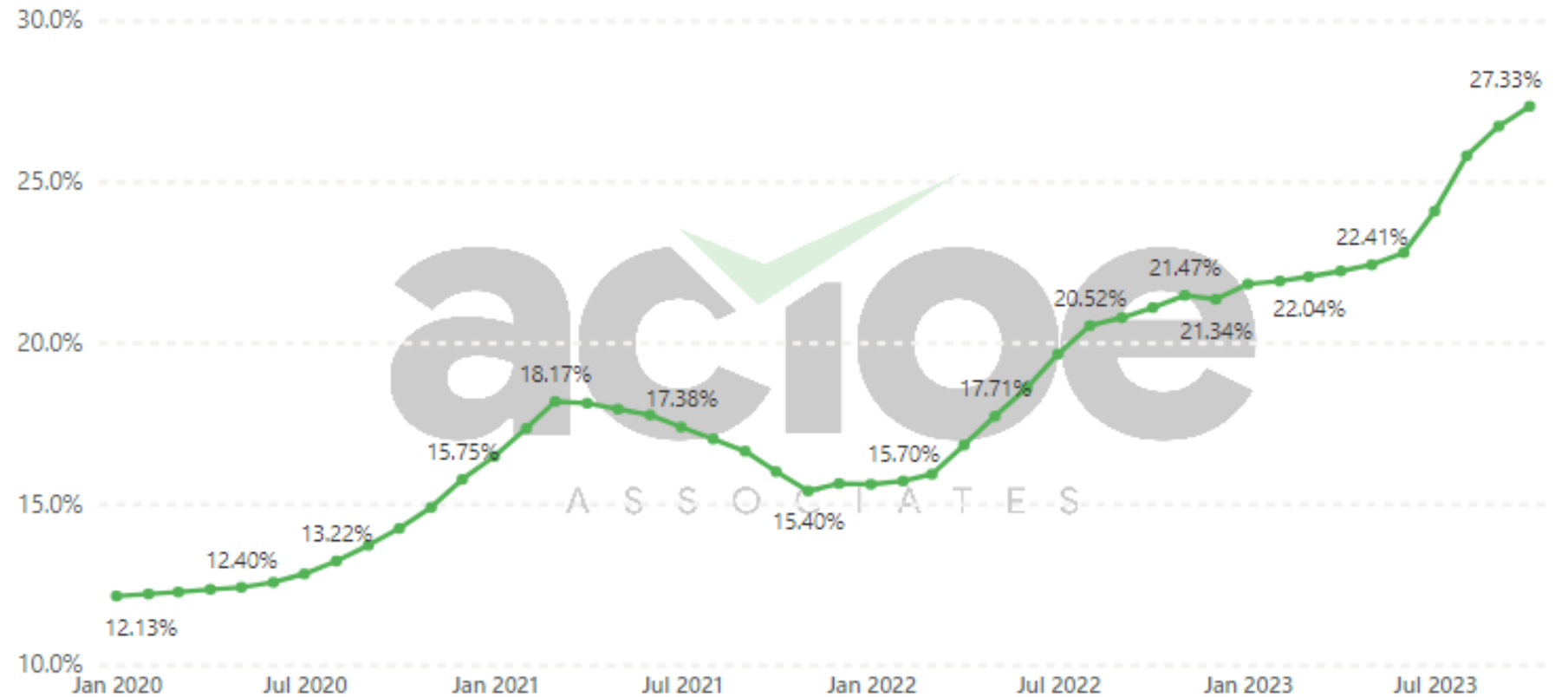
- Inflation surge during the festive season adds urgency to economic challenges

## Monetary Policy Uncertainty:

- Postponed MPR meetings twice highlight uncertainty and the need for timely interventions

Rising inflation demands immediate, effective, and comprehensive economic measures

Nigeria Inflation Rate: 2020 - 2023



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