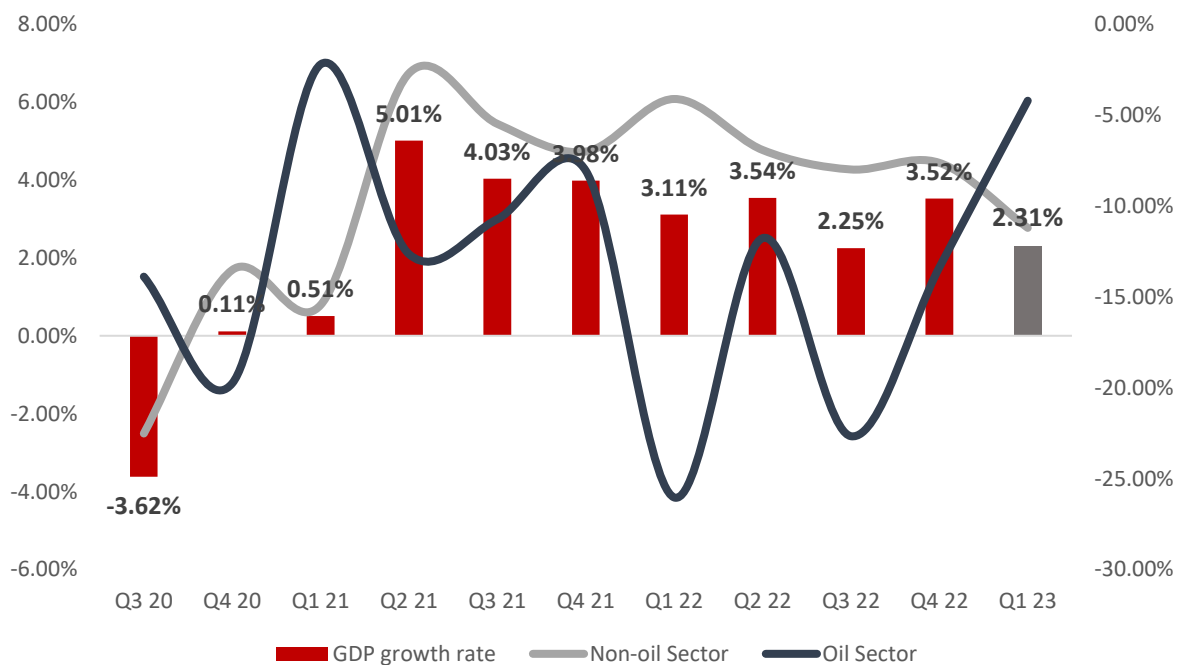


Q1-2023 GDP: Non-oil sector drives growth.

Nigeria's economy slowed down significantly during the first three months of the year as inflation, cash shortages, and interest rate increases gripped an economy that was widely anticipated to slow down even more.

The Q1 2023 real Gross domestic product (GDP) for Nigeria grew by 2.31% on a year-on-year (YoY) basis. The performance was driven mainly by the Services sector, which contributed 57.29% to the aggregate nominal GDP of N51.2 trillion (N17.75 trillion aggregate real GDP) and a 4.35% premium from its comparative performance in similar period in 2022. The Q1 2023 print of 2.31% is short of the Q1 2022 growth rate of 3.11%, primarily due to the adverse impact on economic activities precipitated by the cash crunch during the quarter.

Trend of Nigeria's Real GDP Quarterly Growth.

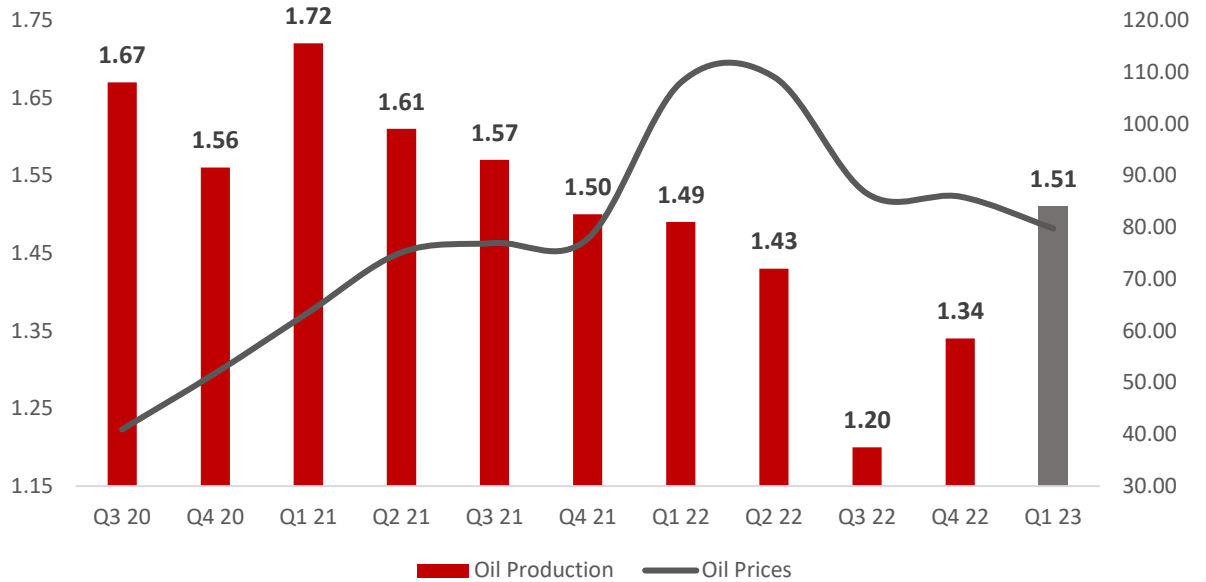


Source: NBS, SCM Research.

Oil sector improved despite crash in crude oil prices.

The oil sector improved in the review period by 21.83% on a y/y basis to record growth of -4.21% in Q1 '23 (Q1'22: -26.04%) underpinned by higher crude oil production. Data from the bureau of statistics showed that daily crude production during the quarter under review averaged 1.5mbpd which was 7.14% higher than the 1.4mbpd recorded in Q1' 22 and higher than 1.34mbpd recorded in the prior quarter. The rapid growth in production was due to the federal government and the Nigerian National Petroleum Corporation (NNPC) Limited agreement to engage Tompolo to end illegal bunkering, illegal refining and oil theft in Niger-Delta communities.

The Oil sector contributed 6.21% to the total real GDP in Q1 2023.

Trend in crude oil production and prices.


Source: NBS, SCM Capital Research.

Non-oil sector solidifies gains in Q1'23.

The Non-Oil industry grew by 2.77% in Q1'23, compared to 3.3% and 1.67% in Q1'22 and Q4'22, respectively. Telecommunications, financial institutions, trade and manufacturing, construction, transportation, and warehousing all had a positive effect on GDP.

The Non-Oil sector contributed 93.79% to the Nigeria's Q1 GDP

DISCLAIMER:

This report by SCM Capital Limited is for information purposes only. While opinions and estimates therein have been carefully prepared, the company and its employees do not guarantee the complete accuracy of the information contained herewith as information was also gathered from various sources believed to be reliable and accurate at the time of this report. We do not take responsibility therefore for any loss arising from the use of the information.



Investment Banking | Advisory Services
Asset Management | Research
Contact
+234- 01 280 2226-8
info@scmcapitalng.com