

# 2024 ECONOMIC & COMMODITIES OUTLOOK

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January 2nd, 2024

# MACROECONOMIC SCORECARD

	2022	2023*	Change%
GDP Growth (%)	3.25	2.45	-0.80
Per Capita GDP (\$)	2202.4	1755.3	- 20.30
Inflation (end-period; %)	21.34	28.20	+6.86
Exchange Rate (N/\$; end period)	740	1,225	+70.44
Oil production (mbpd)	1.20	1.34	+11.70
External Reserves (\$'bn)	37.08	32.87	+40
External Debt (\$'bn)	43.16	41.59	-3.64
% of total Students that passed WAEC (including Math & English)	64.18	79.81	+15.63
National Grid Collapse (No. of times)	12	3	-96.9



Source: CBN, DMO, NBS, NUPRC, OPEC, EIU, FDC\*

# MIXED IMPLICATIONS FOR NIGERIAN STAKEHOLDERS



## Government

*After reforms, average FAAC allocations rose by 44.9% to N1.5trn from N1.03trn before reforms*



## Consumers

*Minimum Wage (N30,000) in dollars is down by 39% to \$24.69 in 2023 from \$40.54 in 2022*



## Investors & Markets

*Returns on equities stayed positive at 17.17% (ASI:YTD) after adjusting for inflation, compared to the negative yields (-17.48%: Avg 365-day t/bill) on fixed income instruments*

# CONSUMERS IN 2023 – SMALL GAINS & MORE PAIN



FOOD BASKET	2022	2023	% Change
Rice (50kg)	47,000	70,000	48.94
Beans (50kg)	36,000	42,000	16.67
Flour (50kg)	34,000	46,000	35.29
Tomatoes (big basket)	22,000	25,000	13.64
Bread	700	1,200	71.43

NON-FOOD BASKET	2022	2023	% Change
PMS (N/ltr)	198	630	218
T-Fare: Oworonshoki-Obalende	200	500	150
Roundtrip flight ticket: Lagos-Abuja	100,000	200,000	100
Tuition fees: UNILAG	25,000	100,750	300

# Erosion of Mental Stability

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- Federal Neuropsychiatric Hospital, Yaba records a 100% increase in the number of psychiatric patients
- Due to current economic challenges followed by socio-economic factors



# POLICY OUTLOOK & IMPACT (H1'24)




H1

## Policy

- Tight monetary policy
- MPC to raise interest rate
- Bank recapitalisation
- IMF policy support program
- Debt rescheduling
- Fiscal Consolidation
- Minimum wage review

## Macroeconomic Indicators

H1'24

	<b>GDP Growth (%)</b>	<b>3.5</b>
	<b>Inflation (%)</b>	<b>30</b>
	<b>Exchange Rate (N/\$)</b>	<b>1300</b>



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# POLICY OUTLOOK & IMPACT (H2'24)




H2

## Policy/Events

- Full operation of the Dangote Refinery
- Rebasing of GDP
- Reconstitution of the inflation basket
- Wholesale Dutch auction system
- Cost-reflective electricity tariff

## Macroeconomic Indicators

H2'24

	<b>GDP Growth (%)</b>	<b>3.7</b>
	<b>Inflation (end period%)</b>	<b>22</b>
	<b>Exchange Rate (N/\$)</b>	<b>950</b>



# GAME CHANGERS IN 2024

## 2023 Electricity Act



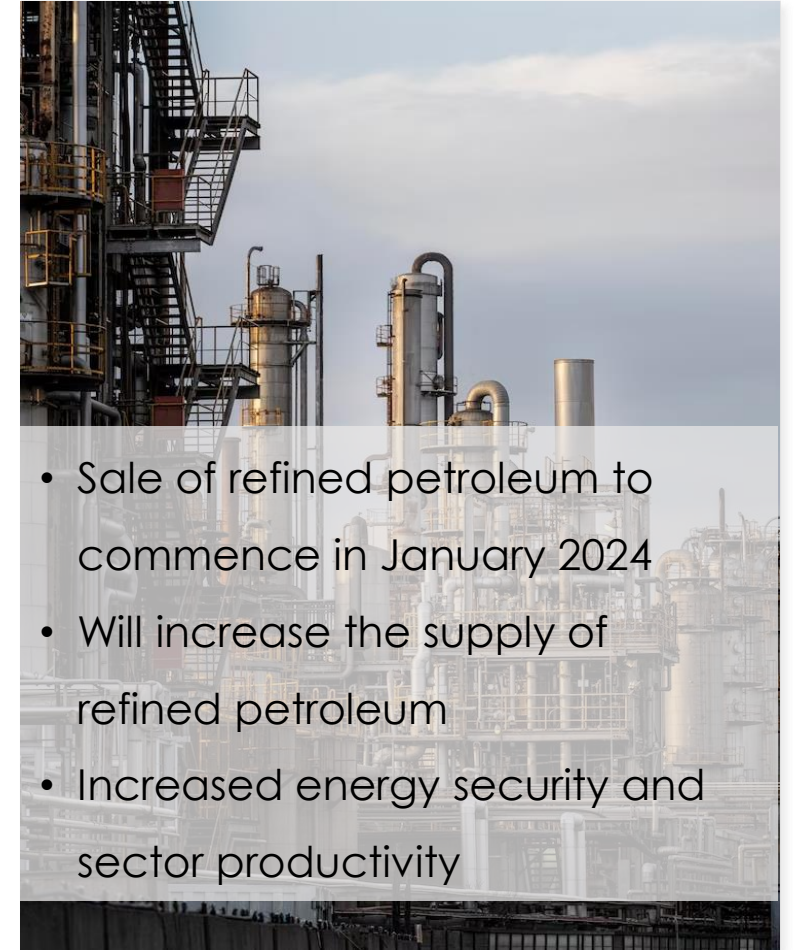
- Increased investment in electricity due to the 2023 electricity act
- Improved access to electricity

## Road & Airport Concessioning



- 17 roads to be concessioned in 2024
- Increased government road & airport concessioning to bridge the infrastructure gap

## Dangote Refinery



- Sale of refined petroleum to commence in January 2024
- Will increase the supply of refined petroleum
- Increased energy security and sector productivity