

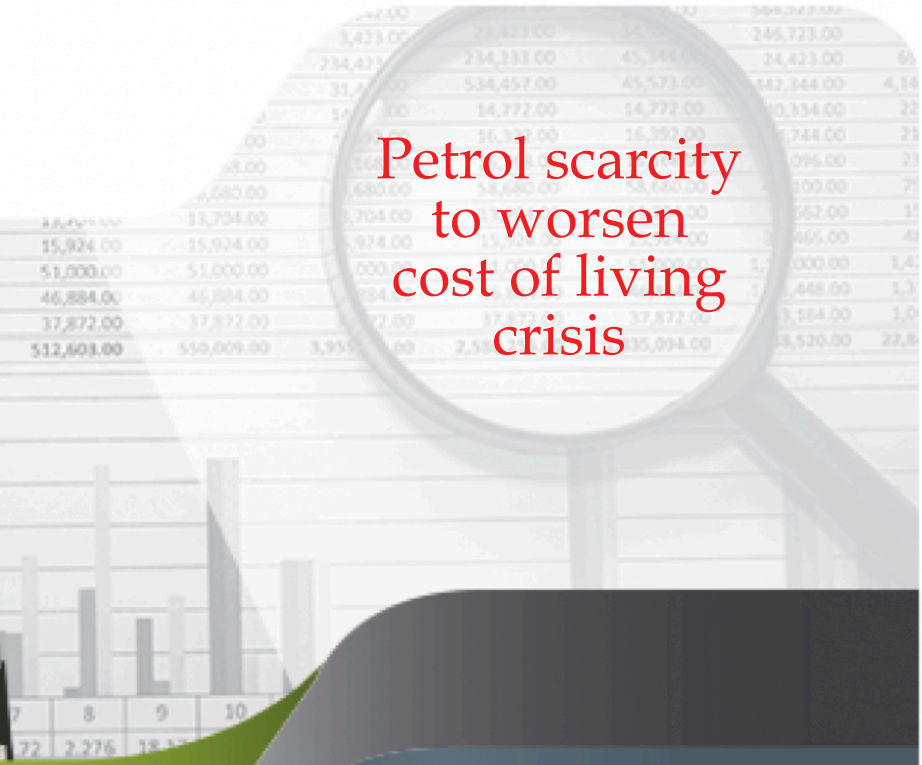
# Unity Bank Digest

May 3<sup>rd</sup>, 2024

Finance

Economic News

Lifestyle



Petrol scarcity  
to worsen  
cost of living  
crisis

3,423.00	23,423.00	45,344.00	246,723.00
234,423.00	234,233.00	45,344.00	24,423.00
31,423.00	534,457.00	45,573.00	142,344.00
14,772.00	14,772.00	14,772.00	10,334.00
16,391.00	16,391.00	16,391.00	7,744.00
10,334.00	10,334.00	10,334.00	9,096.00
100.00	100.00	100.00	100.00
15,924.00	15,924.00	15,924.00	15,924.00
51,000.00	51,000.00	51,000.00	51,000.00
46,884.00	46,884.00	46,884.00	46,884.00
37,872.00	37,872.00	37,872.00	37,872.00
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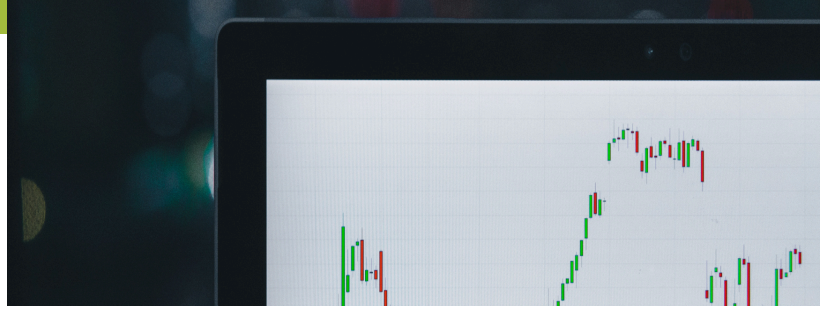
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# The Macro



## Petrol scarcity resurfaces in Nigeria

Petrol queues, which have long been forgotten, surprisingly reappeared across most regions in Nigeria. Principally, the centres of scarcity were Abuja, Lagos, Kaduna, and Benin City. This sustained shortage has driven up petrol prices and elongated queues at filling stations.

The increase of black market activities has further burdened consumers, with petrol trading at exorbitant prices. At the black market, fuel is now being sold as high as N1,500 per litre. The current scarcity of the commodity has fueled hoarding tendencies and spurred panic buying among consumers, exacerbating the prevailing supply-demand imbalance and distorting market dynamics. According to the Independent Petroleum Marketers Association of Nigeria (IPMAN), the possibility of a prolonged scarcity still lingers.

The persistent fuel scarcity in the country will increase costs for businesses across various sectors, as transportation expenses rise. This, in turn, will reduce profit margins and stifle economic growth, as businesses are forced to allocate more resources towards fuel expenses rather than investment or expansion efforts. Moreover, the scarcity will further stoke inflationary pressures, as elevated fuel prices drive up the cost of goods and services throughout the economy, eroding consumers' purchasing power.

## Nigerian household bills jump as inflationary pressures persist

Nigerians have witnessed a 7.64% surge in their household expenditure in 2024, reflecting the pronounced impact of escalating inflation and economic strains on households

nationwide. Released by the National Bureau of Statistics in its 'CPI and Inflation Report March 2024', the latest data reveals a stark escalation from 437.8 points in March 2023 to 558.8 in March 2024 for expenditure on housing, water, electricity, gas, and other fuels, collectively termed as 'household bills.' These bills have emerged as the second-largest contributors to overall inflation, underscoring the mounting cost pressures confronting households nationwide.

According to the NBS CPI data, the inflation rate for housing, water, electricity, gas, and other fuels has reached a record-breaking 27.64%, marking the highest rate ever recorded in this category. The previous peak occurred in December 2016, registering at 27.25%.

The rise in household bills is notably prominent in the housing, water, and electricity sectors. Urban tenants, in particular, have faced rent escalations exceeding 40% over the past year, exacerbating the affordability challenge. Moreover, the inflation trend for household bills has demonstrated a consistent upward trajectory since June 2021, commencing from a rate of 10.13%<sup>2</sup>.

Higher household bills imposes significant financial strain on consumers in Nigeria. Inflation will further shrink consumers' disposable income, constraining consumption expenditure and impeding overall economic growth. Moreover, the disproportionate impact on lower-income households will exacerbate the income inequality gap in the country, hindering social and economic mobility. Currently, the aggregate wealth of Nigeria's top five wealthiest individuals (\$29.9 billion) could potentially alleviate extreme poverty on a national scale yet 5 million face hunger.

### Increased diesel supply lowers price to N1,000/liter

In April 2024, diesel prices in Nigeria decreased by 40% to N1,000/litre from the N1,700/litre peak in 2023. This significant reduction is primarily attributed to increased supply from the Dangote Petroleum Refinery. Furthermore, the appreciation of the naira from its low of N1,915/\$ in February to N1,300/\$ on April 26 has further reinforced this drop in the domestic price of diesel.

The implication of this substantial price decline extends to both consumers and the broader economy. Diesel prices, a significant contributor to inflationary pressures due to their impact on energy and logistics costs, account for approximately 15% of overall inflation. The sharp reduction in diesel costs will help ease cost pressures in the economy, possibly leading to lower prices for essential goods as businesses' operation expenses drop. Consequently, this cost alleviation is anticipated to stimulate economic activity, with GDP forecasted to ascend from 2.7% in 2023 to 3.3% in 2024, thereby bolstering government tax revenues.



### Poverty levels in Nigeria remain elevated in 2023

According to the World Bank's April 2024 Macro Poverty Outlook for Nigeria, the country still grapples with elevated poverty levels. In 2023, 10 million additional Nigerians fell below the poverty line of \$2.15 (N3,181 when using an exchange rate of N1433/\$). Nearly a third of the population now falls below the international poverty line of \$2.15

(N3,181) per day, while over 63% struggle to meet the lower middle-income threshold of \$3.65 (N5,230) per day.

This rise in poverty levels is intricately linked to the economy's structural weaknesses and the persistent challenge of inflation outpacing income growth. Nominal earnings have failed to keep pace with the steep price rise, further widening the gap between the rich and the poor. Currently, 133 million Nigerians (63% of the population) are multidimensionally poor. Furthermore, Nigeria's heavy dependence on oil revenues has left the economy vulnerable to external shocks, while structural constraints, such as inadequate infrastructure and high trade costs, further impede economic progress.

Weak macroeconomic fundamentals have exacerbated the situation, characterized by low state revenues and loose monetary policies. The government's limited capacity to provide essential services due to revenue constraints has hindered poverty alleviation efforts. Looking ahead, sustained economic reforms will be imperative to reverse this trend. Modest growth projections averaging 3.5% between 2024 and 2026 offer hope, but concerted efforts are needed to ensure that growth translates into meaningful poverty reduction.

### FG approves the first phase of Consumer Credit Scheme

The Consumer Credit Scheme, spearheaded by Nigeria's CreditCorp, represents a bold initiative aimed at transforming economic access for a significant portion of Nigeria's workforce. With the ambitious goal of providing credit access to up to 50% of working Nigerians by 2030, this scheme marks a pivotal step towards fostering economic inclusion and empowerment within the country. Through strategic collaborations with key stakeholders such as the Central Bank of Nigeria and financial institutions, CreditCorp seeks to address longstanding structural barriers that have hindered access to credit for many Nigerians.

At the core of the Consumer Credit Scheme lies the recognition of consumer credit's pivotal role in driving



economic expansion and enhancing individual prosperity. By enabling citizens to access goods and services upfront and pay responsibly over time, consumer credit facilitates essential purchases such as homes, vehicles, education, and healthcare.

With a phased rollout targeting civil service members initially, the scheme promotes responsible consumer credit practices and fosters sustainable economic growth. It holds immense promise in driving inclusive economic growth and empowering individuals to realize their aspirations. By providing access to affordable credit and promoting financial literacy, this initiative has the potential to transform the lives of millions of Nigerians, paving the way for a higher standard of living and improved economic growth. However, responsible borrowing practices and financial literacy will be essential to mitigate risks associated with excessive debt and ensure sustainable economic growth.



### **FAAC revenue drops to N1.123 trillion in March**

In March 2024, the Federation Account Allocation Committee (FAAC) distributed N1.123 trillion to various levels of government, 2.35% lower than the revenue distributed in February (N1.15 trillion). Of the N1.123 trillion, N345.89 billion was disbursed to the federal government, N398.69 billion to state governments, and N288.69 billion to local government councils.

The decline in March's FAAC revenue was driven by the 14.7% drop in the gross statutory revenue to N1.017 trillion from February's N1.192 trillion. Conversely, VAT revenue climbed to N549.698 billion from February's N460.488 billion. Moreso, revenue-generating activities exhibited mixed performances, with increases observed in import duty, VAT, gas royalty, and companies' income tax, while excise duty, oil royalty, petroleum profit tax, and other levies recorded decreases. At the end of March 2024, the Excess Crude Account (ECA) balance stood at \$473,754.57.

Declining FAAC revenues indicate a potential constraint on government spending and public services, which could indirectly impact consumers through reduced access to social amenities and infrastructure development. Conversely, the rise in VAT revenue to N549.698 billion presents a mixed picture. While it may indicate increased consumer spending, it could also imply higher tax burdens on consumers, potentially reducing disposable income and affecting consumption patterns.




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# Social story

## Guinness Record Break-a-thon

- Tunde Onakoya, a Nigerian chess master, made history in the heart of New York City's Times Square on April 17, 2024.
- For 60 hours straight, Onakoya battled American chess champion Shawn Martinez, breaking the world record for the longest chess marathon.
- His goal? To raise a staggering \$1 million for children's education across Africa, a cause close to his heart.
- Onakoya's marathon captured the attention of hundreds of supporters from New York's Nigerian community.
- Among them was Afrobeats sensations Davido and Adekunle Gold, adding to the electric atmosphere with music and cheers of encouragement.
- As Onakoya made his moves on the chessboard, fans in Nigeria tuned in via Twitch, sending messages of admiration and inspiration.
- High-profile figures, including Nigeria's Vice-President Kashim Shettima and Lagos state governor Babajide Sanwo-Olu, supported Onakoya's monumental effort.
- Onakoya's journey to chess mastery began in the slums of Lagos, where the game became his beacon of hope amidst poverty.
- Determined to pay it forward, he founded **Chess in Slums Africa**, empowering disadvantaged youth through chess education and mathematics.
- Additionally, Onakoya serves as a board member for The Gift of Chess, a non-profit aiming to distribute one million chess sets to underserved communities globally by 2030.
- While the total amount raised is yet to be disclosed by the Chess in Slums Foundation, \$20K was raised within the first 20 hours of the marathon.
- Onakoya's record-breaking achievement inspires and exemplifies the resilience and excellence of Nigerians on the global stage.



## 8 Powerful Ways To Cultivate Extreme Self-Discipline

*Culled from Forbes<sup>1</sup>*

**“The first and best victory is to conquer self.” ~ PLATO**

Learning to lead yourself and others effectively all comes down to discipline. Happiness, success, and fulfillment stem from focus and self-control. It may be hard to believe when facing an all-you-can-eat buffet, the prospect of making a quick buck, or the lazy lure of sleeping in versus getting on the Peloton, but studies show that people with self-discipline are happier. Why? We accomplish more of the goals we genuinely care about with discipline and self-control. Self-discipline is the bridge between goals defined and goals accomplished.

People with more self-control spend less time debating whether to indulge in behaviors and activities that don't align with their values or goals. They are more decisive. They don't let impulses or feelings dictate their choices. They are the architects of their beliefs and actions to achieve a desired outcome. As a result, they aren't as easily distracted by temptation and tend to feel more satisfied with their lives.

**“You have power over your mind—not outside events. Realize this, and you will find strength.” ~ MARCUS AURELIUS**

There are specific strategies you can execute to learn self-discipline and gain the willpower to live a happier, more fulfilling life. If you want to take control of your habits and choices, here are the eight most powerful things you can do to master self-discipline—which is imperative for life beyond your comfort zone—and maybe even redefine “extraordinary.”

**STEP ONE: Know your strengths and weaknesses.**

We all have weaknesses. Whether they're the desire for alcohol, tobacco, unhealthy food, obsession over social media, or the video game Fortnite, they have a similar effect on us. Weaknesses don't just come in areas where we lack self-control, either. We all have strong suits and the stuff we stink at. For example, I don't care about having difficult conversations, lengthy paperwork that involves digging up old documents I never saved in the

1. <https://www.forbes.com/sites/brentgleeson/2020/08/25/8-powerful-ways-to-cultivate-extreme-self-discipline/?sh=1ace7d3d182d>



first place, holding my temper when someone is shooting at me, or calling into automated phone systems. And therefore, I used to avoid these activities actively (or purposefully). Now, I strive to tackle them head-on or delegate them to others. (Never forget about the subtle art of delegation!)

### **STEP TWO: Remove temptations.**

**“I can resist anything except temptation.” ~ OSCAR WILDE**

As the saying goes, “Out of sight, out of mind.” It may seem silly, but this phrase offers powerful advice. You will greatly improve your self-discipline by removing the biggest temptations from your environment. If you want to eat healthier, toss the junk food in the trash. Want to drink less? Throw out the booze. If you want to enhance your productivity at work, improve the management of your To-Do’s, turn off social media notifications, and silence your cell phone. Prioritize and execute.

### **STEP THREE: Set clear goals and have an execution plan.**

If you hope to achieve greater self-discipline, you must have a clear vision of what you wish to accomplish, just like any goal. You must also have an understanding of what success means to you. After all, if you don’t know where you are going, it’s easy to lose your way or get sidetracked. Remember to prioritize.

At TakingPoint Leadership, when we work with our corporate clients on strategic planning, execution, and organizational transformation, we remind them that having ten priorities translates to no priorities.

A clear plan outlines each time-bound step to reach your goals. Create a mantra to keep yourself focused. Successful people use this technique to stay on track, emotionally connect to their mission, and establish a clear finish line.

### **STEP FOUR: Practice daily diligence.**

We aren’t born with self-discipline; it’s a learned behavior. And just like any other skill you want to master, it requires daily practice and repetition. It must become habitual. However, the effort and focus that self-discipline requires can be draining. As time passes, keeping your willpower in check can become increasingly challenging. The bigger the temptation or decision, the more difficult it is to tackle other tasks requiring self-control.

So, work on building your self-discipline through daily diligence in a given area associated with a goal. This goes back to step three. To practice daily diligence, you must have a plan. Put it on your calendar your to-do list, tattoo it on the back of your eyelids—whatever works best for you. With practice, anyone can push the boundaries of their comfort zone every day.

### **STEP FIVE: Create new habits and rituals.**

Acquiring self-discipline and working to instill a new habit can feel daunting at first, especially if you focus on the entire task at hand. To avoid feeling intimidated, keep it simple. Break your goal into small, doable steps. Instead of trying to change everything immediately, focus on doing one thing consistently and master self-discipline with that goal in mind.

If you’re trying to get in shape but don’t exercise regularly (or ever), start by working out ten or fifteen minutes a day. If you’re trying to achieve better sleep habits, start by going to bed thirty minutes earlier each night. If you want to eat healthier, change your grocery shopping habits and prep meals ahead of time. Take baby steps. Eventually, when your mindset and behavior start to shift, you can add more goals to your list.

### **STEP SIX: Change your perception of willpower.**

If you believe you have limited willpower, you probably won’t surpass those limits. As I mentioned previously, studies show that willpower can deplete over time. But what about changing that perception? Why assume our will to win can only take us so far?

When we embrace the mindset of unlimited willpower, we continue to grow, achieve more, and develop mental toughness. It’s the same

philosophy as setting “stretch” goals. In short, our internal conceptions about willpower and self-control can determine how disciplined we are. If you can remove these subconscious obstacles and genuinely believe you can do it, you will give yourself extra motivation toward making those goals a reality.

### **STEP SEVEN: Give yourself a backup plan.**

Always have contingency plans. Psychologists use a technique to boost willpower called “implementation intention.” That’s when you give yourself a plan to deal with a potentially difficult situation you know you will likely face. To be clear, I am not referring to a backup plan under the auspices that you’ll probably fail at Plan A.

Let’s say you aspire to become a trapeze expert but tell yourself, “Well, I’m probably not going to excel at this, so chances are I’ll be sticking with miniature golf.” That’s a lame backup plan wrapped in mediocrity. We are discussing contingencies for intentional course correction,

not planning for failure. So be bold and keep moving forward. Going in with a plan will help give you the mindset and self-control necessary for the situation. You will also save energy by not having to make a sudden decision based on your emotional state.

### **STEP EIGHT: Forgive yourself and move forward.**

We sometimes fall short even with our best intentions and well-laid plans. It happens. You will have ups and downs, great successes, and dismal failures. The key is to keep going. If you stumble, find the root cause by asking the five WHYs and move on. Don’t let yourself get wrapped up in guilt, anger, or frustration because these emotions will only drag you further down and impede future progress.

Learn from your missteps and forgive yourself. Then get your head back in the game and violently execute. Good luck!



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