

# Unity Bank Digest



December 23<sup>rd</sup>, 2024

Finance

Economic News

Lifestyle

Food prices  
rise as festive  
season begins

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# Burning Issues

## Will the drop in petrol prices lower transport fares and goods prices?

Ahead of the festive season, Dangote Refinery has reduced its Premium Motor Spirit (PMS) price by 7.3% to ₦899.50/litre from ₦970/litre. This reduction, affecting an initial two million litres of PMS, aims to provide relief to consumers facing rising transportation costs as the holiday period approaches. The refinery has also introduced a special pricing model for bulk purchases, with marketers able to buy 10 million litres at ₦895 per litre, further leveraging economies of scale.

Shortly after, the Nigerian National Petroleum Corporation (NNPC) slashed its ex-depot price for PMS to ₦899/litre from ₦1,020/litre. The reduction is expected to stabilize fuel prices, ease distribution challenges, and ensure greater market supply, benefiting both consumers and marketers.

These price reduction comes amidst the government's introduction of free train rides across major routes, with an estimated 340,000 passengers expected to benefit from this initiative. The policy, which runs from December 20 to January 5, aims to alleviate the burden of high transport costs exacerbated by the removal of fuel subsidies. By providing free train services, the government supports consumers, particularly the vulnerable, by reducing their transport expenses during the holiday season. This initiative is expected to enhance consumer welfare, boost mobility, and alleviate some of the financial pressures stemming from fuel price hikes.

Despite these interventions, transport fares and food prices remain elevated, which contrasts with previous instances when movements in petrol prices had a corresponding impact on the prices of goods and transport fares. This lagged

response could be as a result of some filling stations maintaining elevated pump prices and rationing.

Looking ahead, oil prices are anticipated to decline due to increased oil production in the U.S., which will lower the refinery cost of producing Premium Motor Spirit (PMS). This may lead to a continued reduction in fuel prices, with potential downstream effects on transport fares and goods prices.



## The naira dances up and down like a Yo-Yo

The Central Bank of Nigeria (CBN) has implemented temporary measures allowing Bureau de Change (BDC) operators to purchase up to \$25,000 weekly from the Nigerian Foreign Exchange Market (NFEM) between December 19, 2024, and January 30, 2025. This policy is designed to alleviate liquidity pressures during the festive season while enforcing strict adherence to the prevailing NFEM rate and capping retail markups at 1%.

The naira, which experienced significant volatility in December—fluctuating between ₦1,685/\$1 in the parallel market and ₦1,525/\$1 at the official EFEM market—has

recently shown signs of recovery. By December 23, 2024, the currency appreciated sharply in the parallel market to ₦1,556/\$1 from ₦1,660/\$1 on December 19, 2024, reflecting the positive impact of the CBN's targeted interventions.

For consumers, the naira's stabilization offers temporary relief from inflationary pressures, particularly on the cost of imported goods and services, which typically spike during the festive period. Despite this improvement, the forex market's lingering volatility continues to challenge household budgets, especially for items heavily influenced by exchange rate movements, such as fuel and essential imports.

By prioritizing liquidity and fostering transparency, the CBN's measures are promoting a more predictable exchange rate environment. This is critical for mitigating inflationary pressures and preserving consumer purchasing power during the season of heightened expenditure, providing a glimmer of stability amidst the holiday demand surge.



# Lifestyle



## 5 Reasons to Keep Your Holiday Spending in Check This December

*Culled from Business Elites Africa<sup>1</sup>*

As December rolls around, it's not just the season of festivities but also of potentially heavy spending. To avoid financial strain.

Embracing a budget this December doesn't mean sacrificing fun; rather, it means spending wisely and with purpose.

Plan your expenses, track your spending, and focus on the true essence of the season: joy, love, and cherished memories.

Give yourself the gift of financial peace this holiday season, and enter the new year with confidence and a healthy bank balance.

By doing so, you ensure that the season remains a time of celebration, not a prelude to financial recovery.

Here are five reasons to stick to your budget this December.

### **Prevent Debt in the New Year:**

The allure of holiday shopping—from festive outfits to extra gifts—can quickly drain your bank account and max out credit cards.

By setting and adhering to a spending limit now, you can

start the new year without the burden of debt.

Creating a budget and sticking to it will help you manage your expenses wisely and prevent you from falling into the trap of January regrets.

### **Safeguard Your Savings Goals:**

Don't let holiday expenses distract you from your long-term financial objectives, whether it's saving for a house, a car, or an emergency fund.

Remember, while the holiday season is temporary, your financial goals are enduring. It's easy to get sidetracked by the immediate gratification of holiday sales, but staying true to your savings plan will pay dividends long after the decorations are packed away.

Keep your future financial health in sight as you navigate through the tempting offers of the season.

### **Minimize Financial Stress:**

Overspending can overshadow the holiday joy with stress and worry. A budget helps maintain control over your finances, allowing you to enjoy the festivities without anxiety.

1. [https://businesselitesafrica.com/5-reasons-to-keep-your-holiday-spending-in-check-this-december/?v=66e10e9ff65e#google\\_vignette](https://businesselitesafrica.com/5-reasons-to-keep-your-holiday-spending-in-check-this-december/?v=66e10e9ff65e#google_vignette)

Knowing exactly what you can afford to spend and sticking to it eliminates the stress of unforeseen expenses and the need to recover financially post-holidays.

This proactive measure means less stress and more genuine enjoyment of the holiday season's offerings.

### **Focus on What Truly Matters:**

Budgeting helps prioritize spending on things that offer lasting value, such as quality time with loved ones and meaningful experiences.

It's important to remember that some of the most memorable moments can be the least expensive. By allocating funds to what truly enhances your holiday experience, you avoid the empty feeling that comes with frivolous spending.

This strategy not only enhances your holiday but also strengthens relationships through shared experiences rather than material gifts.

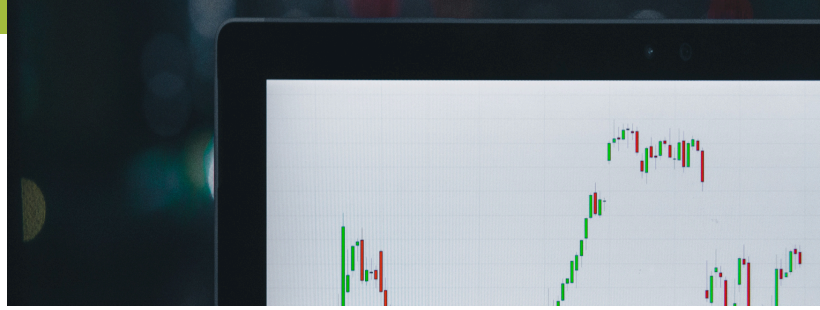
### **Instill Financial Discipline:**

Demonstrating fiscal responsibility, especially if you have children, sets a powerful example of living within your means.

It teaches that the holiday spirit is about togetherness and thoughtfulness, not extravagant spending. This lesson is invaluable as it helps cultivate a generation that values financial prudence and understands the true meaning of the holidays.

Plus, showing financial restraint now can prepare you and your family for future financial challenges, reinforcing the habit of spending within your means.

# The Macro



## Escalating insecurity in Nigeria: Households bear ₦2.23 trillion ransom burden

Nigeria's persistent insecurity continues to erode fiscal efficiency and macroeconomic stability, despite significant increases in defense allocations. The 2025 fiscal year allocates ₦4.91 trillion to defense and security, a figure reflective of defense expenditure as a proportion of GDP trending upwards. However, historical data reveals a mismatch between fiscal outlays and tangible outcomes, with military budgets increasing by 1,900% since 1960 while insecurity indicators—measured by incidences of terrorism, kidnapping, and banditry—have worsened.

Between May 2023 and April 2024, households paid an alarming ₦2.23 trillion in ransoms, representing a considerable transfer of wealth from private savings to illicit networks. This economic leakage disrupts consumption patterns, erodes household purchasing power, and redirects resources that could otherwise stimulate economic growth. The average ransom payment of ₦2.67 million per household underscores the regressive nature of this burden, disproportionately affecting middle- and lower-income segments.

Furthermore, insecurity imposes significant opportunity costs, as households divert funds to unproductive security expenses, such as ransom payments and travel restrictions, particularly during peak spending periods like the Yuletide season. The compounded effects reduce aggregate demand, dampening economic activity in vulnerable regions and increasing the cost of living.

## E-Transfer levy drives up point-of-sale (POS) transaction costs

The revised electronic money transfer levy, implemented on December 1, 2024, imposes a ₦50 fee on electronic inflows exceeding ₦10,000. Introduced under the Stamp Duty Act, this policy is a strategic effort to enhance Nigeria's non-oil revenue streams. However, implementing a ₦50 fee escalates the cost of digital financial transactions, disproportionately affecting cost-sensitive segments of the informal economy and reducing the appeal of electronic payment systems.



To offset these pressures, deposit money banks have increased the over-the-counter cash withdrawal limit to ₦50,000, a 150% increase compared to the ATM withdrawal limit of ₦20,000. This adjustment gives consumers an alternative to point-of-sale services, allowing access to personal funds without additional charges. While this provides immediate relief, increased cash availability could fuel money supply growth, which surged by 62.93% (year-on-year) to ₦108.9 trillion in September 2024. This expansion poses inflationary risks, with headline inflation rising to 33.88%, up 0.27% month-on-month, complicating macroeconomic stability.

POS systems remain critical to Nigeria's payment ecosystem, with 2.7 million terminals nationwide offering one agent for every 80 Nigerians, compared to one traditional bank branch per 27,000 people. Consequently, more consumers will be affected by the new E-Transfer levy.

### **Low-income earners granted full access to retirement savings amid inflationary pressures**

The National Pension Commission (PenCom) has updated its retirement policy to address the liquidity constraints faced by low-income pensioners in Nigeria. Retirees whose retirement savings account (RSA) balances cannot generate monthly pensions of at least ₦23,333.33—equivalent to one-third of the revised ₦70,000 national minimum wage—can now fully withdraw their RSA balances. This measure represents a significant shift from the previous regulation, which restricted access to one-third of the total RSA balance.

This policy adjustment follows the July 2024 increase in the national minimum wage from ₦30,000 to ₦70,000, reflecting efforts to cushion retirees against inflationary pressures. On the one hand, this measure offers immediate financial relief by boosting liquidity and enhancing consumption capacity among low-income pensioners. Higher liquidity among retirees may spur domestic consumption, contributing to aggregate demand in the short term. However, it also challenges the pension system's sustainability, as more withdrawals could deplete investable funds. Moreover, increased pressure on pension fund withdrawals could trigger shifts in asset allocation strategies, potentially reducing investment in long-term infrastructure or development projects that underpin economic growth. Such a strain on pension fund reserves could undermine the financial stability of the contributory pension framework, which relies on consistent asset growth to secure retiree benefits over time.

### **Pharmaceutical prices rise by over 100% in 2024**

Pharmaceutical prices in Nigeria have risen sharply, creating significant financial strain and reducing access to essential medications, especially during the holiday season. Prices for key treatments like antimalarial drugs, antibiotics, and insulin have increased by over 100%, with some experiencing hikes of up to 400%. For example, Coartem, a popular malaria treatment, now costs ₦6,000 compared to ₦1,200 in early 2023. These increases stem from the escalating costs of importing raw materials, driven by the naira's depreciation, persistent foreign exchange constraints, and limited domestic production capacity as major pharmaceutical companies exit the country.

Since June 2022, the naira has lost 11.14% of its value, trading at ₦1,660/\$ on December 20, 2024 from ₦1,475/\$ on June 3. This has raised production and import costs for pharmaceutical companies, as 80% of their raw materials are imported. Inflation and forex challenges have made medications unaffordable for many, forcing patients to skip treatments or switch to less effective options, which could worsen health outcomes.

Patients unable to afford essential medicines are more likely to experience worsened health outcomes due to delayed or inadequate treatment. This situation not only increases the strain on healthcare facilities as untreated conditions escalate but also exacerbates the financial burden on households struggling to manage medical costs.

The concurrent exodus of medical talent compounds the issue. The brain drain leaves the health sector ill-equipped to manage the rising demand for quality care. Reduced availability of skilled healthcare professionals limits access to timely and effective treatment, thereby magnifying the negative impact of unaffordable medications. Together, these

challenges weaken the overall resilience of the healthcare system, jeopardizing the ability to deliver comprehensive and equitable care.

Efforts to address the crisis, such as plans to remove pharmaceutical product taxes, have yet to show significant effects. To effectively mitigate the situation, additional measures are imperative. These include foreign exchange reforms to stabilize import costs, expanded support for local drug production to reduce dependence on imports, and the implementation of targeted subsidies to ensure access to essential medications for vulnerable populations. Without these interventions, the strain on households and the healthcare system could escalate, with preventable diseases becoming more widespread and costly to manage.





# Convenient Banking

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# Social story

## Nigerian football stars dominate FIFA and CAF nominations in 2024



- Four Nigerian stars—Asisat Oshoala, Ademola Lookman, William Troost-Ekong, and Paul Onuachu— earned nominations at the prestigious FIFA Best Awards 2024, showcasing their remarkable contributions to global football.
- Asisat Oshoala: The six-time CAF Women’s Player of the Year gained global recognition for her stunning bicycle kick goal for Barcelona Femeni against Benfica in the UEFA Women’s Champions League, earning her a nomination for the inaugural Marta Award
- Chiamaka Nnadozie: The Paris FC goalkeeper was honored as CAF Women's Goalkeeper of the Year, acknowledging her stellar performances. She was also a finalist for CAF Women’s Player of the Year, underlining her status as one of the game’s best.
- Ademola Lookman: The 27-year-old forward was named the CAF Men's Player of the Year, becoming the seventh Nigerian to receive this honor. Lookman's stellar performances for Atalanta, including a hat-trick in the Europa League final against Bayer Leverkusen, and his pivotal role in Nigeria's journey to the Africa Cup of Nations final, were instrumental in earning him this award.
- William Troost-Ekong: Nigeria’s stand-in captain earned a nomination for Best Defender in the FIFA Best XI, reflecting his consistent and solid performances for both club and country.
- Paul Onuachu’s extraordinary scorpion kick in the Turkish Super Lig earned him a FIFA Puskás Award nomination, cementing his reputation as one of the game’s most creative finishers.
- These nominations highlight the brilliance of individual players and the collective rise of African football on both global and continental stages, inspiring the next generation to dream bigger.

# Lifestyle

## 5 Simple Habits to Boost Your Productivity Without Burning Out

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

These days, it seems like everyone is looking for ways to get more done in less time, without completely burning out. What if, instead of hustling harder, you just had a few smart habits to keep you both productive and balanced? Here are five simple strategies to help you stay focused, efficient, and energized all day long.

### 1. Stick to the “Rule of Three”

Ever feel like your to-do list is never-ending? Try simplifying with the “Rule of Three.” Instead of drowning in a list of tasks, focus on just three key things you want to accomplish each day. Think of it as a productivity power move that keeps you focused on what really matters.

How to do it: Every morning or the night before, jot down the three most important things you need to get done. Choose tasks that’ll have the most impact. Ticking off these top priorities will give you a real sense of progress—no matter what else the day throws at you.

### 2. Take Regular Breaks (Yes, Really!)

Taking breaks might sound counterproductive, but it’s actually one of the best things you can do for sustained

focus. Studies show that our brains can only stay fully engaged for a limited time before we start to lose steam. By taking short, intentional breaks, you’ll keep your mind fresh and ready for more.

Try the Pomodoro Technique: Work for 25 minutes, then take a 5-minute break. After four rounds, take a longer break of 15-30 minutes. This rhythm helps you avoid the fatigue that can build up when you try to push through for hours without stopping.

How to do it: Set a timer on your phone or computer, or use a dedicated app to keep you on track. Use your break time to stretch, grab a snack, or simply breathe. These small pauses add up, helping you stay productive without wearing out.

### 3. Set Realistic Goals (and Stick to Them)

It’s tempting to aim for the stars and think we can accomplish everything at once, but setting too-high goals can leave you feeling drained and disappointed. Instead, be realistic about what you can achieve in a day. Setting achievable goals helps you build momentum—and keeps burnout at bay.

1. <https://medium.com/@ucheckukwugeme/5-simple-habits-to-boost-your-productivity-without-burning-out-72da29a978a6>

How to do it: Break larger projects into smaller, manageable tasks. For instance, instead of trying to “finish a report,” focus on “outlining key points” or “writing the introduction.” This way, you’re making steady progress without overwhelming yourself, and you’ll end each day feeling accomplished.

#### **4. Carve Out “Deep Work” Time**

Ever find yourself getting distracted every few minutes? Welcome to the era of constant notifications. Setting aside “deep work” time—a block of time dedicated to just one important task—lets you make real progress on big projects without distractions.

How to do it: Pick a couple of hours each day for deep work. Turn off your notifications, close unnecessary tabs, and let people around you know you’re in focus mode. Just one or two hours of undisturbed focus can be more productive than a whole day of fractured attention. You’ll find that “deep work” not only helps you accomplish more, but it also leaves you feeling satisfied with what you’ve achieved.

#### **5. End the Day with Reflection and Gratitude**

Sometimes the secret to productivity isn’t about doing more; it’s about feeling good about what you’ve done. Practicing a bit of mindfulness at the end of each day can improve your mood, boost focus, and even improve sleep. Take a few moments to reflect on what went well and what you’re grateful for. This small habit can transform your entire outlook.

How to do it: Each night, set aside 5-10 minutes to reflect. Write down three things you accomplished or appreciated during the day. Not only does this help you unwind, but it also sets a positive tone for tomorrow.

#### **Final Thoughts**

Incorporating these simple habits into your daily routine can help you achieve more while staying grounded and stress-free. Remember, productivity isn’t just about checking off tasks; it’s about creating a sustainable way to work and live well. By setting priorities, taking breaks, setting realistic goals, carving out focused time, and ending your day with gratitude, you’re investing in a balanced approach that’ll keep you both productive and fulfilled.

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