

Unity Bank Digest

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Finance

Economic News

Lifestyle

Naira appreciation to ease cost pressures

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Burning Issues



Petrol prices drop to ₦925/litre in February 2025

The Dangote refinery is actively pushing towards price transparency and efficiency in Nigeria while ensuring it meets its full production capacity by the end of Q1'25. The 650,000-barrel-per-day refinery, currently running on 85% of its capacity, recently cut its ex-depot price to ₦890/liter, in line with the 9.26% decline in global crude oil prices between January (\$82.03pb) & February (\$74.43pb). In tandem, the retail pump price of PMS has declined by 4.64% from ₦970/liter to ₦925/liter across filling stations in Lagos.

Lower petrol costs could ease transportation expenses for market traders and small businesses that rely on fuel for daily operations, reducing the cost of moving goods across supply chains. Small-scale retailers who depend on generators to power their shops may also see a slight reduction in energy costs. However, many filling stations still hold stock purchased at higher rates, meaning price adjustments may not be immediate across all locations. Additionally, past trends suggest that while fuel price increases are swiftly implemented, reductions take longer to reflect in lower transportation and commodity costs. While consumers may experience immediate relief in fuel expenses, other linked sectors often remain expensive in the short term. As competition in the petroleum sector intensifies, further price adjustments may follow, shaping the cost structures of businesses and influencing household spending patterns.

Naira appreciates to ₦1,555/\$ at the parallel market

The naira has strengthened in the parallel market, appreciating by 0.64% to trade at ₦1,555/\$ on February 7 from ₦1,565/\$ on February 6. This development follows the Central Bank of Nigeria's (CBN) recent regulatory extension, which now permit Bureau De Change operators to purchase up to \$25,000 weekly from authorized dealer banks till May. The move aims to improve transparency, curb speculative activities, and enhance liquidity in the foreign exchange market.

Meanwhile, the naira at the official market has remained relatively stable at ₦1500/\$. The narrowing spread between the official and parallel market rates signals evolving market dynamics driven by increased liquidity. Factors such as the Chinese New Year holiday, which slowed business transactions, and the CBN's efforts to automate forex processes contributed to the naira's upward movement.

For consumers, the appreciation of the naira offers a temporary respite from imported inflation, which has increased the cost of essential goods and services. A stronger currency could ease the burden of rising prices on households, particularly for imported food and fuel. Businesses, especially those reliant on foreign exchange for procurement, may see a moderation in input costs, potentially stabilizing operating expenses. However, persistent macroeconomic uncertainties, including global trade tensions and major economies' monetary policy shifts, continue to threaten Nigeria's currency stability in the medium term.

Lifestyle



Why public transport is important

Culled from [blox.moveNG](https://bloxmove.ng/)¹

Public transportation is a vital component of the transportation sector as it provides transportation to the majority of the population. In this article we'll be discussing public transportation in Nigeria and why it is so important.

Public Transportation in Nigeria roughly entails all means of transportation that is not privately owned. This means that transportation services available to the general public can be deemed as public transportation. This includes BRT's, yellow and red buses, trains, taxis, and car ordering platforms. Although the former of that list makes up the backbone of the Nigerian public transportation system, the importance of all forms of public transportation can not be undermined. Let's move on to why public transportation is so important.

Economic Benefits - Some forms of public transportation are owned by the government or partially owned by the government and they help to generate income for the government which in turn helps the economy of the country.

It helps to Curb Traffic - Upon reading this, you might scoff especially if you live in the densely populated areas of Nigeria. However, public transportation does help to curb

traffic. A standard yellow bus transports 14 passengers to their destination. Now, imagine if all 14 people had their own personal vehicles on the road. Now, imagine if every single person on each yellow bus, red bus, and BRT bus had their own vehicle on the road, the situation is simply unimaginable because that would easily be hundreds of thousands of vehicles added to the hundreds of thousands of vehicles already on the road. The traffic will be far worse than it is currently. These modes of public transportation are vital to reducing traffic and while better roads and more responsible driving would help, public and shared transportation holds the key to curbing traffic dramatically.

Accessible - Public transportation offers accessible and affordable options to people who would not be able to afford otherwise. Not everyone can purchase a car because they can be quite expensive. Therefore, public transportation is an accessible and affordable mode of transportation.

Improves Mobility - Public transportation helps to improve mobility in both senses of the word. This means that public transportation helps people have some power over their

1. <https://bloxmove.ng/why-public-transport-is-important/>

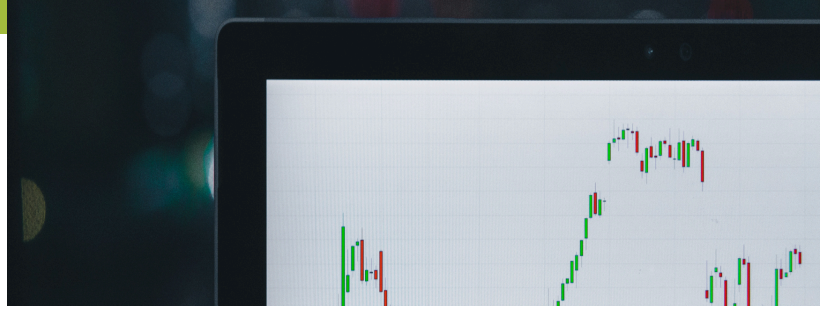
movement which is often reserved for private vehicles and it also helps people to move around much more. It is a great way to get exercise, i.e walking to the bus stop, etc. This helps to improve the general health of the nation.

The Effects of Climate Change - Climate change and transportation are two spheres that affect each other. With the rise of climate change, more public transportation vehicles will get damaged far more quickly because of damage from elongated weather changes. However, public transportation can also help to reduce the effects of climate change. 25% of greenhouse gas emissions are a result of transportation. If we have fewer cars on the roads, this number will reduce. Of course, we must acknowledge that this change will not happen overnight and there are issues with the public transportation system in Nigeria that make it unappealing for some, however, its importance must be stated.

Less Fuel Costs - A major issue with transportation in Nigeria is the cost of fuel. Public transport is an effective way to reduce the amount of money spent on fuel. This can be done by alternating between using your private vehicle on some days and opting for public transportation options on others.



The Macro



1 POS transactions surge by 77% in H1'24

Nigeria's financial landscape is witnessing a notable shift, with point-of-sale (POS) transactions surging to ₦85.91 trillion in the first half of 2024. This is a staggering 603% higher than automated teller machine (ATM) transactions, which stood at ₦12.21 trillion in the first half of 2024. The growth in the demand for POS services reflects a structural pivot toward electronic payments, driven by convenience, increasing adoption of digital financial tools, and persistent cash shortages in traditional banking channels. The growing reliance on POS systems highlights consumer preference for faster, more accessible payment methods amidst ongoing economic challenges.

POS transactions in 2024 increased in value by 77% and rose in volume by 31% when compared to 2023, signifying a strong upward trajectory in digital payment adoption. In contrast, ATM transactions recorded a 16.6% decline in value and a 4.65% reduction in volume, underlining the gradual move away from physical cash withdrawals. This shift is also mirrored in other digital platforms, such as mobile payments and internet banking, which experienced a 64% and 100% growth in value, respectively, as consumers increasingly favor technology-driven financial solutions.

The dominance of POS transactions, however, has not been without challenges. Rising operational costs have led to a sharp increase in POS service charges, with fees doubling in late 2024, significantly affecting consumer affordability. Additionally, fraudulent activities tied to POS systems surged by 31.12% in Q1'24, raising concerns about the security of these transactions. Businesses and consumers alike face higher costs as operators pass on the burden of regulatory levies and cash management inefficiencies.

While the convenience of electronic transactions offers improved accessibility and reduced dependency on cash, the rising service charges create a financial strain, especially for low-income earners already grappling with inflation and high living costs. The lack of available cash at ATMs has left many with no alternative but to rely on these costlier options, highlighting the need for stronger consumer protection measures and more affordable digital payment solutions.

2 Consumers on edge as electricity tariff hike looms

Nigeria's electricity sector faces a critical inflection point as policymakers push for a tariff adjustment to ensure financial sustainability in power distribution. The proposed 66.66% increase in electricity tariffs to ₦193.63/kWh from ₦116.18/kWh represents a major shift toward cost-reflective pricing aimed at addressing liquidity challenges within the sector. For years, subsidies have kept electricity costs artificially low, but mounting fiscal constraints have made this approach unsustainable. While the adjustment is expected to attract private investment and enhance power infrastructure, it raises immediate concerns for traders, market women, small businesses, and households already struggling with rising inflation and shrinking disposable incomes.

With Nigeria's energy landscape dominated by erratic grid supply, businesses reliant on electricity for daily operations face tough choices. In 2024, the national grid experienced 12 collapses, with the World Bank estimating that poor electricity supply results in an annual loss of \$29 billion for Nigerian businesses. Market traders depend on refrigeration for perishable goods, while small businesses, particularly in manufacturing and retail, require stable power to maintain productivity. If implemented without a proportional

improvement in supply, the tariff hike risks pushing more businesses toward costly self-generation via diesel or petrol-powered generators, further increasing operating expenses and compressing profit margins.

Households will also bear the financial strain, particularly low- and middle-income families who allocate a significant portion of their income to utilities. Higher electricity costs could force many to reduce power consumption, limiting access to essential appliances like refrigerators, fans, and televisions. This could, in turn, affect the quality of life, pushing some consumers toward alternative and often unsafe energy sources, such as firewood or kerosene for cooking.

Nigeria's oil output drops to 1.42mbpd in January 2025

Nigeria's oil output declined in January 2025, falling to 1.42 million barrels per day (mbpd) from 1.484 mbpd in December 2024. This marks another setback in the country's struggle to meet its 1.5mbpd Organization of Petroleum Exporting Countries (OPEC) production quota. Despite government efforts to boost output, persistent challenges such as pipeline vandalism, ageing infrastructure, security concerns, and underinvestment in upstream operations continue to hamper production capacity.

The drop in crude production occurred amid broader OPEC+ supply cuts, which saw the cartel limiting output until April 2025 to prevent market oversupply. However, Nigeria's production decline is not solely a result of OPEC constraints but also reflects structural inefficiencies within the domestic oil

sector. With the government targeting 2mbpd, closing this production gap remains critical for enhancing foreign exchange inflows, stabilizing government revenues, and supporting macroeconomic stability.

Consumers are also feeling the pressure, as petrol and diesel costs remain elevated, driving up transportation expenses and limiting disposable income for essential goods. With reduced government earnings, spending on infrastructure, social programs, and business support initiatives could also decline, further straining economic activity. If Nigeria fails to address its production inefficiencies and security concerns in the oil sector, businesses and consumers will continue to bear the burden of weaker economic stability, higher inflation, and reduced purchasing power.



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Social story

Oscars nomination 2025

- The 2025 Oscars ceremony will take place at the Dolby Theatre in Los Angeles on March 2, 2025. This year's nominations have shaken up expectations, making the race more unpredictable than ever before.
- Gone are the usual front-runners, replaced by a diverse array of surprising contenders.
- Leading the charge is *Emilia Pérez*, a groundbreaking musical about a Mexican cartel leader undergoing a gender transition. With 13 nominations, it has already made history as the most-nominated non-English-language film of all time.
- Close behind are *Wicked* and *The Brutalist*, each with 10 nominations. *Wicked*, the highly anticipated adaptation of the Broadway hit, brings recognition to Cynthia Erivo and Ariana Grande.
- *A Complete Unknown* and *Conclave* are also making waves, with each earning eight nominations.
- Hosted by Conan O'Brien, the ceremony will celebrate the resilience and creativity of Hollywood artists in the face of adversity, highlighting their unwavering spirit.
- As the countdown to the big night begins, all eyes are on which film will claim the top prize in this thrilling, unpredictable race. With so many strong contenders and surprises around every corner, the 2025 Oscars are sure to be a night for the history books.



The Hidden Costs of Convenience: Unveiling the True Price We Pay

Culled from Trader²

In our fast-paced, modern lives, convenience has become a highly sought-after commodity. From food delivery apps to on-demand ride-sharing services and subscription-based conveniences, we are constantly surrounded by opportunities to simplify our daily tasks. However, what many fail to realize is that convenience often comes with hidden costs that can quietly eat away at our wallets, time, and even our well-being. In this blog post, we will explore these hidden costs and shed light on the true price we pay for the convenience we crave.

I. Financial Costs:

Beyond the Initial Price Tag

Convenience can deceive us with its apparent affordability. We might think that ordering takeout or subscribing to services will save us time and money in the long run. However, when we examine the fine print, we discover additional expenses that quickly accumulate. Some examples include:

1. Delivery fees, service charges, and minimum order requirements

2. Surge pricing during peak hours or high-demand periods
3. Monthly or annual subscription fees that go unnoticed in our bank statements

II. Time Costs: The Illusion of Efficiency

While convenience promises to save us time, it often ends up costing us more than we realize. Consider the following aspects:

1. Waiting for deliveries or services to arrive, which can be unpredictable and time-consuming
2. The time spent researching and comparing various convenience options
3. The potential loss of productivity and missed opportunities due to relying too heavily on convenience

III. Health Costs: The Hidden Impacts on Well-Being

Convenience can also take a toll on our physical and mental well-being:

1. The temptation to choose unhealthy food options for

2. <https://vocal.media/trader/the-hidden-costs-of-convenience>

the sake of convenience, leading to poor nutrition and potential health problems

2. The decline of physical activity due to the ease of transportation services
3. The negative impact on our mental health as convenience promotes instant gratification and reduces patience and resilience

IV. Environmental Costs: Unsustainable Convenience

Convenience often involves the consumption of resources and contributes to environmental degradation:

1. Increased packaging waste and carbon emissions from frequent deliveries
2. The reliance on single-use items and disposable products
3. The overall ecological impact of the convenience-driven lifestyle

V. Striking a Balance: Conscious Convenience Choices

Finding a balance between convenience and its costs is crucial. Here are some suggestions:

1. Assess the true value of convenience before making a decision
2. Seek alternatives that offer convenience without compromising heavily on finances, time, or health
3. Embrace mindful consumption, opting for sustainable and healthier options whenever possible

Conclusion:

In conclusion, while convenience has become a significant part of our modern lifestyle, it often comes with hidden costs that we need to consider. The blog "Hidden Costs of Convenience" sheds light on these overlooked expenses and encourages readers to think critically about the trade-offs they make in pursuit of convenience.

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