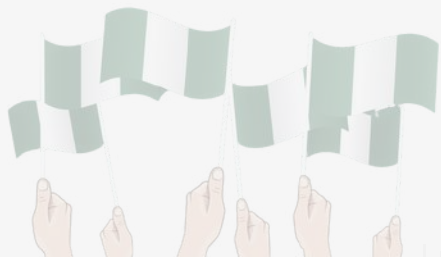


25 Years of Democracy and Economic Growth in Nigeria

Discussed by:

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Discussed @

MONEYLINE
WITH NANCY

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25 YEARS OF DEMOCRACY AND ECONOMIC GROWTH



Guest

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HOST

NANCY NNAJI



Guest

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Co-founder/Director, BudgIT

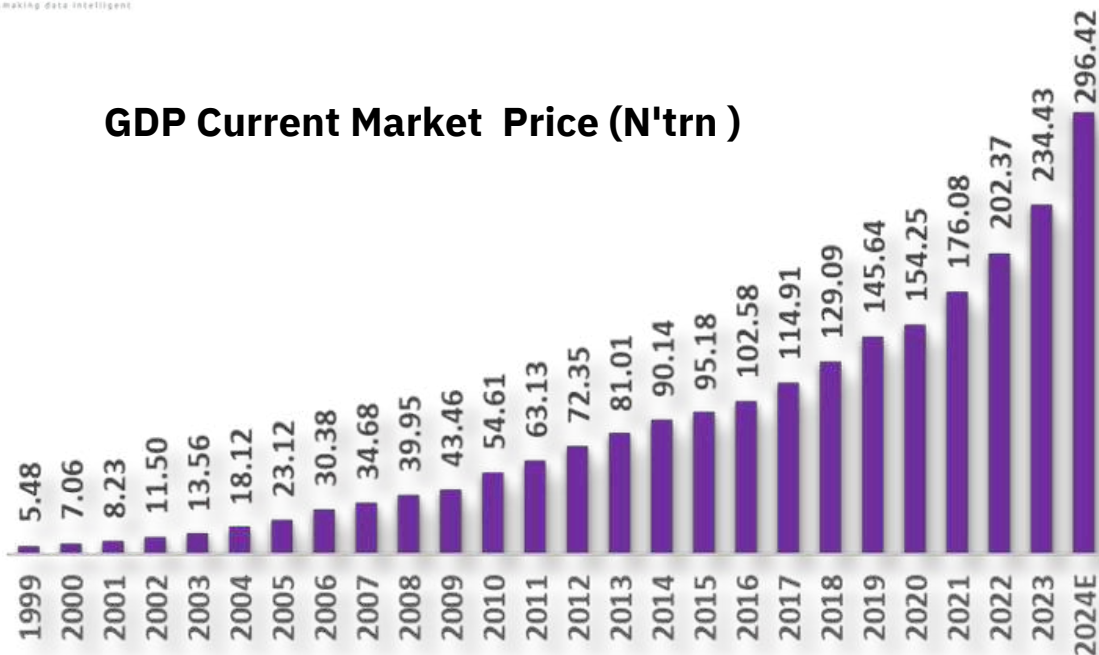
 Date **Thursday, June 13th, 2024**  Time **11AM - 12NOON**  **Channel 253**

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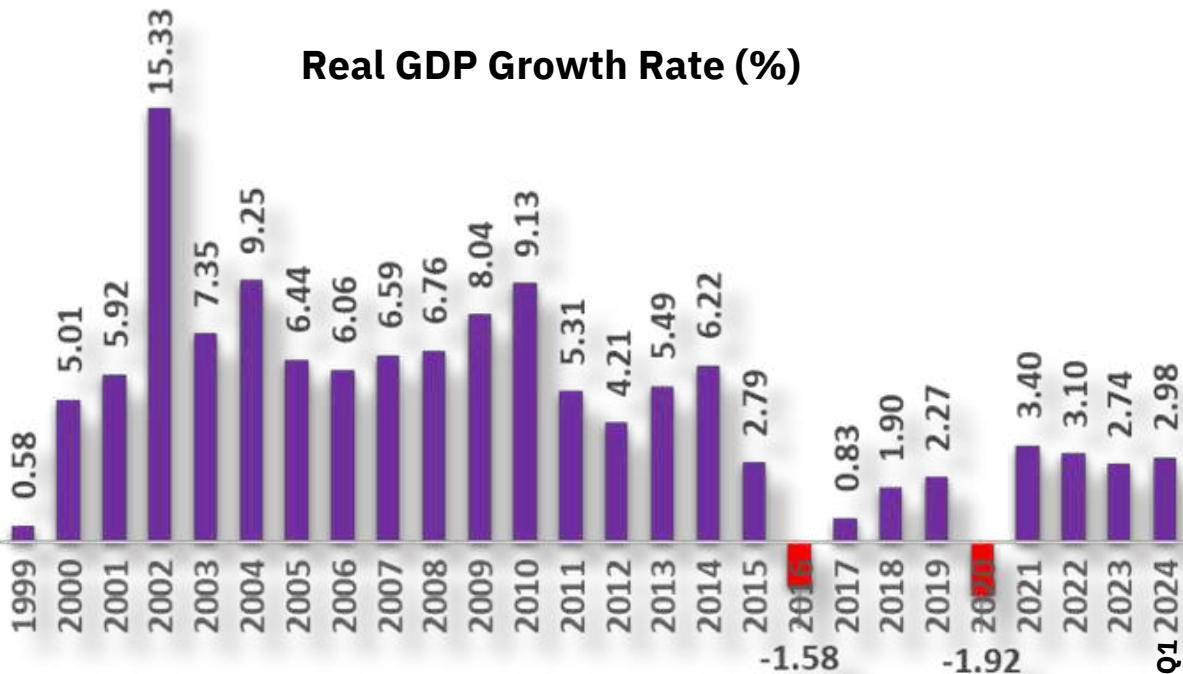
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GDP Current Market Price (N'trn)



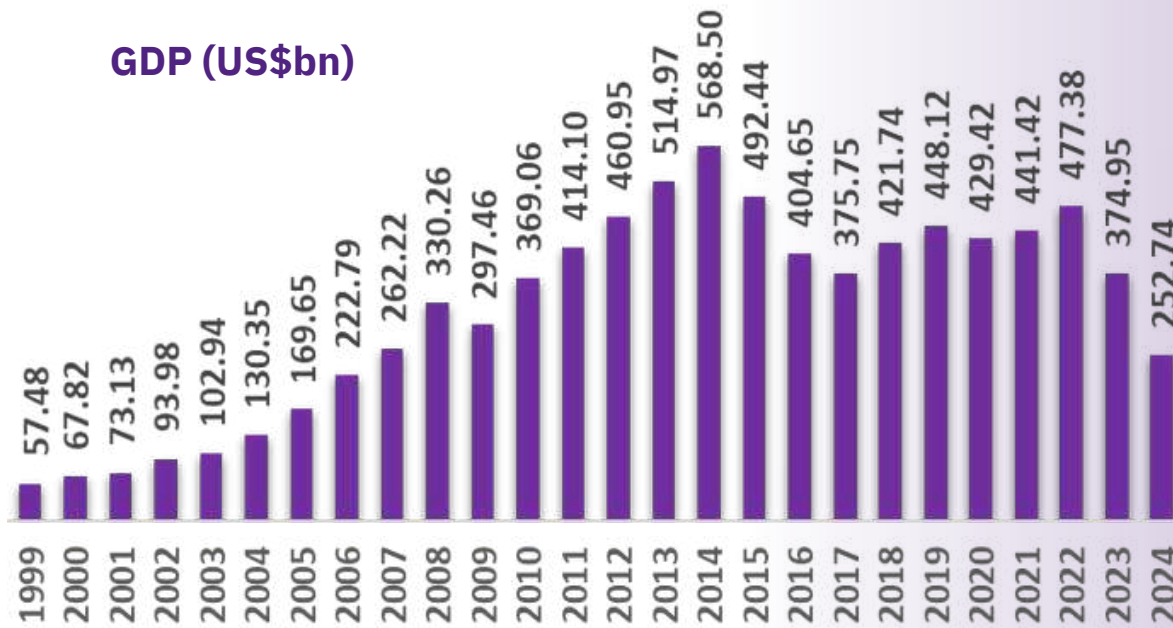
Real GDP Growth Rate (%)



- Nigeria’s GDP at current market (nominal) prices shows an upward trend; increasing from N5.5 trillion in 1999 to N234.43 trillion in 2023 and projected to reach N296.42 trillion at the end of 2024
- GDP growth rate rose from 0.58% in 1999 to a peak of 15.33% in 2002, but gradually declined to 2.79% in 2015.
- Over the entire period, the country has experienced negative GDP growth (recession) on two occasions, -1.58% and -1.92% in 2016 and 2020 respectively.
- GDP growth of 3.10% and 2.74 were recorded in 2022 and 2023 respectively while it stood at 2.98% in 2024'Q1

Source: NBS, ADSR Research

GDP (US\$bn)



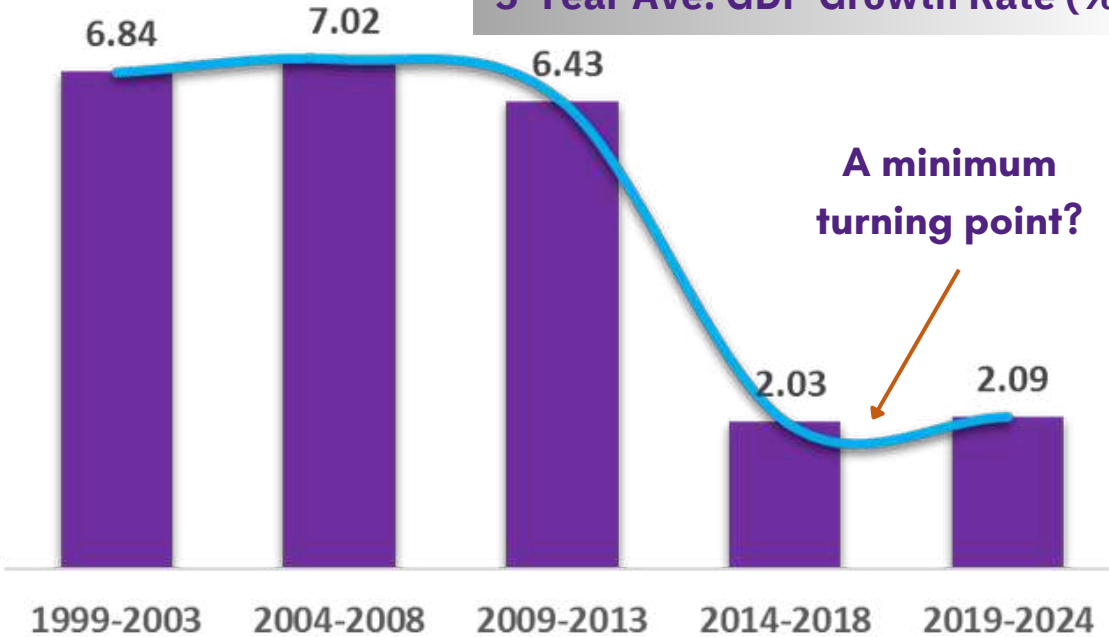
Per Capita GDP (US\$)



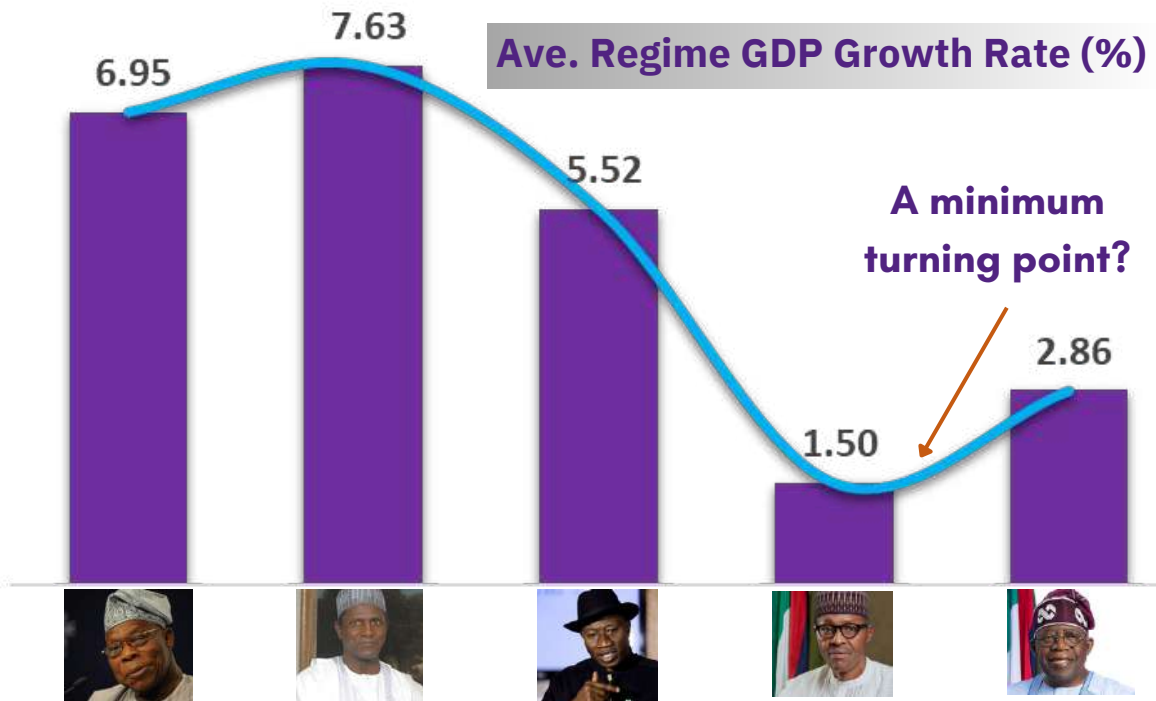
Source: IMF, NBS, ADSR Research

- Nigeria's GDP in dollar term rose from \$57.48bn in 1999 to peak at \$568.50bn in 2014
- It fell thereafter and rose again to \$477.38bn in 2022.
- Due to recent currency devaluation, it has however fallen to \$252.74bn in 2024
- Resulting in Nigeria been projected as the 4th largest economy in Africa behind South Africa, Egypt, and Algeria
- Nigeria's GDP per capita equally rose from US\$481.95 in 1999 to peak at US\$3,222.7 in 2014
- However, it is currently estimated at US\$1,110
- These findings are threats to the goal of attaining a \$1 trillion economy by 2030 and the agenda to move Nigeria to upper-middle-income countries group before 2050

5-Year Ave. GDP Growth Rate (%)



Ave. Regime GDP Growth Rate (%)



- An average GDP growth rate of 6.84% was recorded during 1999-2003 which rose to 7.02% in 2004-2008, and then dropped to 6.43% in the 2009-2013 period
- It then saw a significant decline to 2.03% in the 2014-2018 period, and slightly increased to 2.09% in 2019-2024,
- Comparing administration, GDP growth fell to the lowest average value of 1.50% during PMB, but observed to rise slightly to 2.86% under PBAT.
- Performance under PMB was the lowest, largely due to the two externally-induced recessions
- The turning point under PBAT may be too early to judge, but needs to be sustained.

Source: NBS, ADSR Research

25 Years Growth by Sectors

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Times sector outperformed total GDP growth
Agriculture	5.10	2.92	3.79	55.58	7.01	6.26	7.07	7.41	7.20	6.27	5.88	5.83	2.92	6.70	2.94	4.27	3.72	4.11	3.45	2.12	2.36	2.17	2.13	1.88	1.13	6.00
Mining & Quarrying	-7.47	11.11	5.24	-5.69	23.84	3.33	0.52	-4.46	-4.48	-6.11	0.51	5.29	2.41	-4.78	-12.81	-1.13	-5.27	-14.45	4.72	1.01	4.43	-8.54	-7.79	-18.16	-2.84	6.00
Manufacturing	2.32	0.17	2.34	17.73	-10.81	-1.06	2.30	0.81	0.09	3.00	3.61	2.50	17.82	13.46	21.80	14.72	-1.46	-4.32	-0.21	2.09	0.77	-2.75	3.35	2.45	1.40	7.00
Elect, Gas, Steam & Air Con	1.30	2.00	1101.85	13.98	17.13	17.01	6.50	4.65	4.70	3.45	2.94	2.96	39.51	14.61	14.56	-8.69	-9.25	-15.00	16.43	7.30	-4.86	-2.90	27.57	-2.21	5.56	13.00
Water, Sewerage, Waste & Remediation	3.15	3.50	2.40	7.50	8.21	10.85	10.50	10.91	10.92	10.89	10.19	10.20	3.19	4.10	45.34	23.08	15.38	9.27	4.16	7.21	5.47	3.81	18.34	13.62	12.65	15.00
Construction	3.80	4.00	12.00	4.34	8.75	-6.78	12.10	12.99	13.03	13.07	11.97	11.85	15.71	9.44	14.22	13.03	4.35	-5.95	1.00	2.33	1.81	-7.68	3.09	4.54	3.57	18.00
Trade	2.50	1.60	2.50	6.48	5.76	36.65	13.51	15.26	15.20	14.02	11.48	11.22	7.21	2.21	6.64	5.88	5.14	-0.24	-1.05	-0.63	-0.38	-8.49	8.62	5.13	1.66	14.00
Accommodation & Food	3.50	3.70	4.50	6.84	4.64	144.14	10.45	12.91	12.95	12.94	11.89	11.95	9.22	15.85	73.86	18.33	2.27	-5.32	-1.61	1.76	2.85	-17.75	-0.45	4.22	3.46	17.00
Transport & Storage	3.71	3.45	4.61	19.13	1.23	49.69	6.44	7.04	7.08	7.10	6.98	6.85	5.97	-3.42	3.80	4.42	4.51	0.39	3.86	13.91	10.73	-22.26	16.25	15.20	-30.17	10.00
Info & Comm.	13.95	9.79	77.67	16.08	13.61	34.66	21.67	25.25	26.45	27.58	28.50	29.18	2.15	3.05	8.21	6.99	6.22	1.95	-1.04	9.65	9.17	13.18	8.07	8.21	7.91	18.00
Arts, Entertainment & Recreation	20.00	8.00	10.00	15.04	1.31	10.85	10.50	10.61	10.62	10.70	9.89	9.08	148.31	27.36	14.93	14.89	9.40	3.72	4.13	2.53	4.12	-3.00	1.72	4.29	4.28	19.00
Financial & Insurance	3.53	4.09	4.45	29.42	-10.27	3.27	3.42	5.46	5.54	5.35	4.51	4.42	-26.93	21.02	8.63	8.13	7.12	-4.54	1.26	2.03	2.56	9.37	10.07	16.36	26.53	11.00
Real Estate	3.79	3.89	5.00	3.00	3.00	10.85	11.09	11.68	11.72	11.79	10.94	10.75	0.43	5.65	11.98	5.12	2.11	-6.86	-4.27	-4.74	-2.36	-9.22	2.26	3.95	1.68	11.00
Prof., Scientific & Tech Serv.	4.40	4.30	5.00	6.48	4.40	3.44	5.30	6.69	6.70	6.68	6.19	5.98	18.68	7.81	3.43	5.53	5.26	0.80	-0.26	0.57	0.12	-7.92	0.05	2.28	2.43	5.00
Admin & Support Services	4.40	4.30	5.00	6.48	4.40	3.44	5.30	6.69	6.70	6.68	6.19	5.98	5.21	-3.29	2.62	1.91	3.52	-0.69	0.64	-0.18	1.96	-2.75	2.57	3.16	0.62	3.00
Public Admin	1.67	1.64	1.62	18.10	0.00	10.85	4.00	4.45	4.46	4.44	4.41	4.20	15.46	-20.31	-0.54	2.52	-12.28	-4.58	-0.38	-2.05	-4.01	0.10	-0.30	1.90	2.12	3.00
Education	1.67	1.64	1.62	7.87	7.03	10.85	10.55	10.77	10.78	10.77	10.01	9.81	31.57	1.68	15.60	8.88	7.67	1.35	-0.72	-0.03	0.80	-13.57	-0.75	1.35	1.31	11.00
Human Health & Soc. Serv.	1.87	4.63	1.91	1.95	1.89	10.85	10.06	10.38	10.40	10.39	10.10	10.05	13.04	4.33	9.59	10.50	2.48	-1.79	-0.31	-0.32	0.31	2.23	4.93	4.20	2.78	11.00
Other Services	20.00	8.00	10.00	15.04	1.31	10.85	10.50	10.61	10.62	10.70	9.89	9.08	3.84	49.95	10.71	17.65	17.86	4.93	2.35	2.17	1.90	-5.78	-0.16	1.07	-5.68	14.00
GDP Growth Rate	0.58	5.01	5.92	15.33	7.35	9.25	6.44	6.06	6.59	6.76	8.04	9.13	5.31	4.21	5.49	6.22	2.79	-1.58	0.83	1.90	2.27	-1.92	3.40	3.10	2.74	12.50

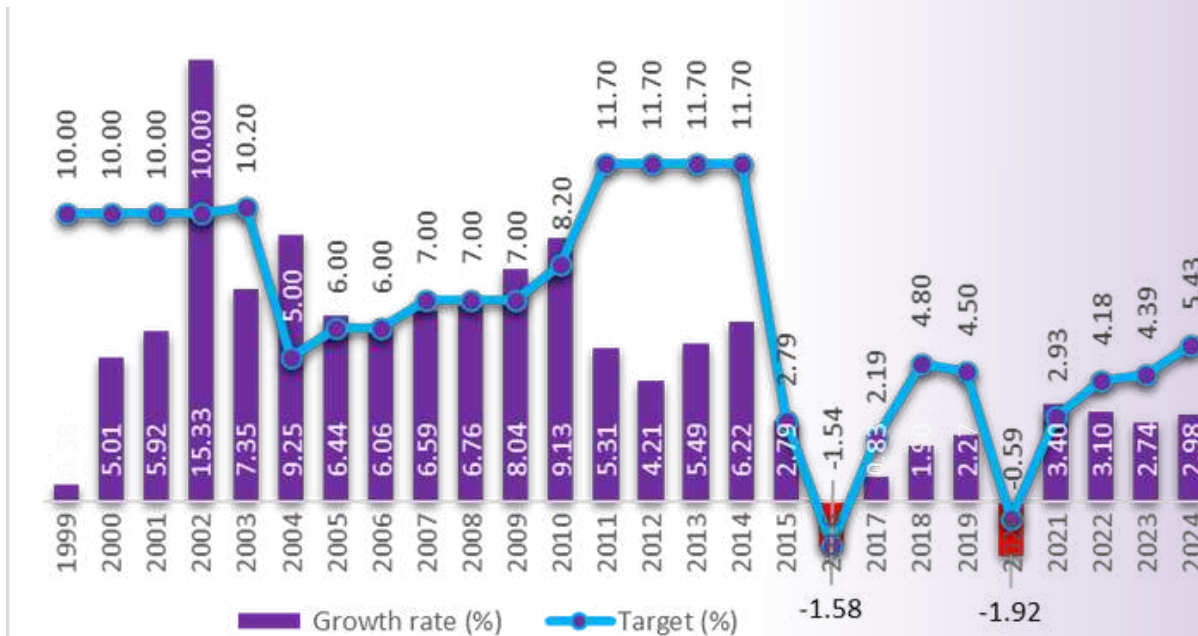
The 5 top sectors are: Arts, Entertainment & Recreation (19), Information & Communication (18), Construction (18), Accommodation & Food Services (17) and Water Supply, Sewerage, Waste Management & Remediation (15)

- Thus, Nigeria's growth has been driven largely by the services sector during this period
- But for sustainable and more inclusive growth, increased productivity in the agriculture, mining, manufacturing and construction are seriously needed

Many Development Plans and Agenda in **25** years

SN	Plan/Strategy/Agenda	Objectives	Average Growth Rate (%)
1	National Economic Direction (1999 - 2003)	To pursue a strong, virile, and broad-based economy that has adequate capacity to absorb all external shocks	7.00*
2	National Economic Empowerment and Development Strategy (NEEDS) (2003 - 2007)	For economic empowerment, wealth creation, employment generation, poverty reduction, and value reorientation	6.84
3	Vision 20:2020	To make Nigeria one of the first 20 economies in the world by 2020	12.84
4	7-Point Agenda (2007)	To aid its implementation of Vision 20:2020	7.00
5	Transformation Agenda (2011 - 2015)	To direct the implementation of priority policies and programmes and transform the Nigerian Economy to meet the future needs of the people.	11.70
6	Strategic Implementation Plan (2016)	To direct the trajectory of Nigeria's economy towards the path of sustainable development and inclusive growth over the 2016 Fiscal Year	3.58
7	Economic Recovery and Growth Plan (ERGP) (2017-2020)	To restore growth, engender macroeconomic stability, and diversify the economy.	3.39
8	Nigeria Economic Sustainability Plan (2020)	To develop a clear Economic Sustainability Plan in response to challenges posed by the COVID-19 Pandemic;	-0.59
9	National Development Plan (2021 - 2025)	To make Nigeria a country that has unlocked its potential in all sectors of the economy for sustainable, holistic, and inclusive national development	4.65
10	Nigeria Agenda 2050	To make Nigeria a dynamic, industrialised and knowledge-based economy that generates inclusive and sustainable development Move Nigeria to upper-middle-income countries group, raising per capita GDP from about \$2,084 in 2020 to \$6,223 in 2030 and US\$33,328 in 2050.	7.25

Performance Relative to Development Plan Targets



- Nigeria has performed largely below the targets its sets for itself in its Development Plans and Agenda
- And this has become worse in the post 2010 period
- Although the idea is also to set ‘ambitious’ targets in Plans.
- The country needs to grow double-digit or high-single-digit to meet many of its ambitions

Source: NBS, ADSR Research

Other Key Issues around Economic Growth

1

**Definition and
measurement**

4

**Short-, medium-,
and long-term
growth drivers**

7

**Growth and
economic
transformation**

2

**Real vs nominal
concepts**

5

**Factor-
intensity of
growth
areas/sectors**

8

**Trade-off between
growth and other
macroeconomic
objectives**

3

**Sectors/activities
driving growth**

6

**Sustainable and
inclusive
growth**

9

**Economic
growth vs
development**

Global Economic Outlook

Country/Region	2023	2024	2025
World	3.2	3.2	3.2
Advanced Eco.	1.6	1.7	1.8
Euro Area	0.4	0.8	1.5
EMs & Developing	4.3	4.2	4.2
Sub-Saharan Africa	3.4	3.8	4.0
United States	2.5	2.7	1.9
United Kingdom	0.1	0.5	1.5
China	5.2	4.6	4.1
South Africa	0.6	0.9	1.2
Nigeria	2.9	3.3	3.0

Source: World Outlook (IMF, WEO APRIL 2024)

- The global economy is still resilient, with steady growth, despite recent events
 - Including non-renewal of the Black Sea Initiative and the Israel-Gaza war, with attacks on vessels in the Red Sea and Iran’s unprecedented attack on Israel
- The world has avoided a recession, and major emerging market economies did not suffer abrupt downturns.
- Global growth, estimated at 3.2% in 2023, is projected to continue at the same pace in 2024 and 2025
 - The forecast for 2024 is revised up by 0.1% from January 2024 WEO update.
- Nigeria’s economic growth is projected to be 3.3% in 2024, an upward revision of 0.3% from January 2024 WEO update.

Thank You

for listening

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