



Key Highlights of The Nigerian Unemployment Rate and Other Labour Statistics

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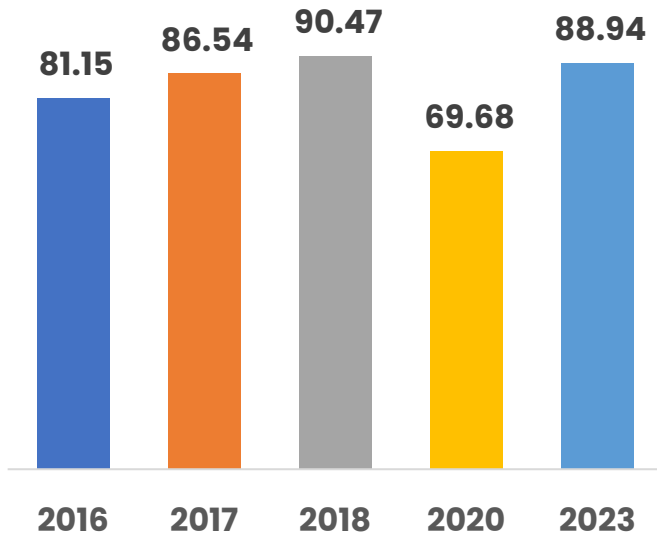


Introduction

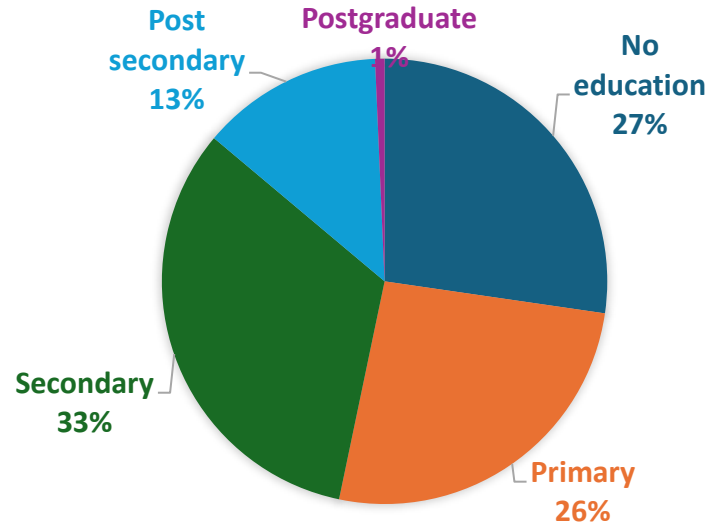
- On Tuesday, 24th September, 2024, the Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) raised the Monetary Policy Rate (MPR) by 50 basis points from 26.75% to 27.25%
- On the same date, the National Bureau of Statistics (NBS) also released two reports:
 - The Nigeria Labour Force Survey Annual Report 2023 (308 pages), and
 - The Nigerian Labour Force Statistics Report Q1'2024 (29 pages)
- These reports contain rich information on Nigerian employment and other labour force statistics with business and policy planning implications.
- For instance, at the end of 2023, Nigeria had a labour force of 88.94 million persons, of which 84.15 million were employed, giving an unemployment rate of 5.39%.
 - Unemployment rate was highest in Abia State (18.7%) and lowest in Nasarawa (0.5%),
 - Employees entitled to either pension or health insurance schemes were 26.3% in Nigeria
 - In 2024'Q1, unemployment rate of 5.3% and underemployment rate of 10.6% were recorded
 - Only 7.3% of Nigerian workers were in the formal sector while 14.5% of Youths were not in Education, Employment or Training.
- In this report, the ADSR Team presents some of these key highlights in a simplified manner for businesses, organisations and policymakers to appreciate and consider their implications.



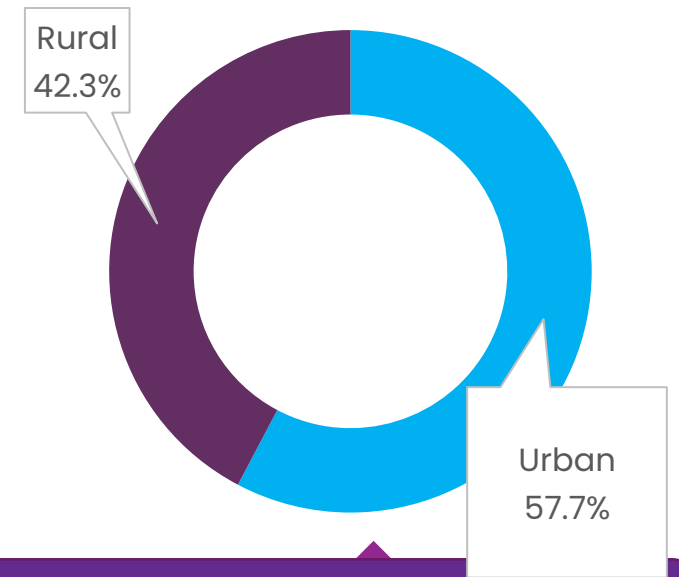
Trend of Labour Force (Million)



Labour force by Education (%)



Labour Force by Place by Residence (%)

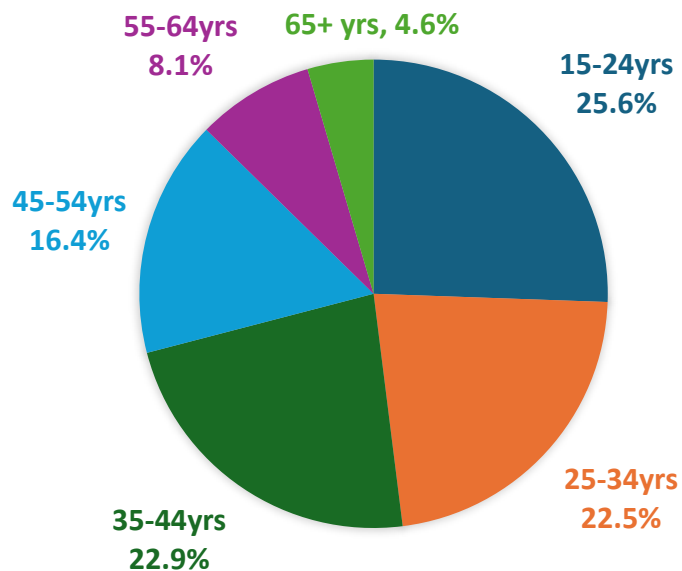


- Nigeria's total labour force rose to 90.47 million persons in 2018, but fell to 69.68 million at the peak of COVID-19 in 2020.
- In 2023, labour force stood at 88.94 million persons out of a total working age population of 116.60 million.

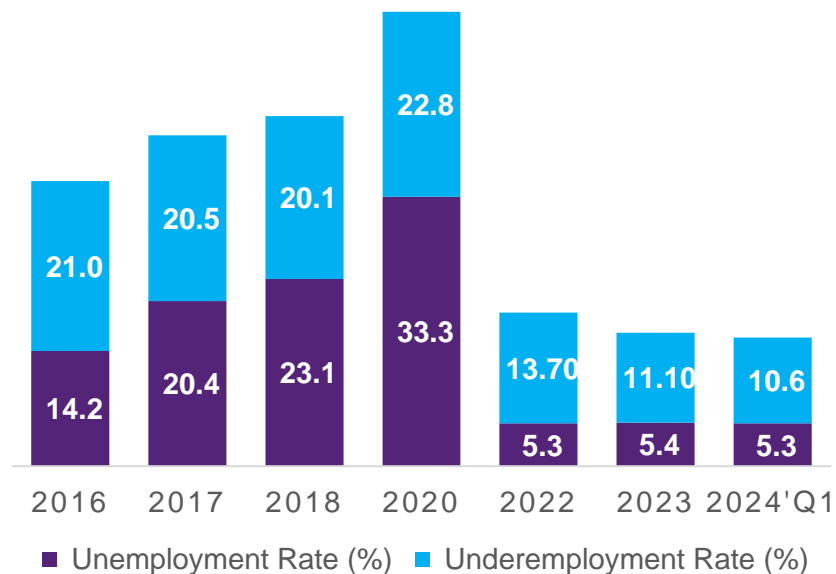
- Out of the total labour force of 88.94 million in 2023, 27% had no formal education, which may limit job opportunities and skills development.
- 26% possessed primary education and 33% had secondary education which is the largest, suggesting that it is a common level of attainment
- While 13% had post secondary qualification, only 1% had postgraduate qualifications.

- 42.3% of the Nigerian labour force were resident in rural areas
- While 57.7% were resident in the urban areas.

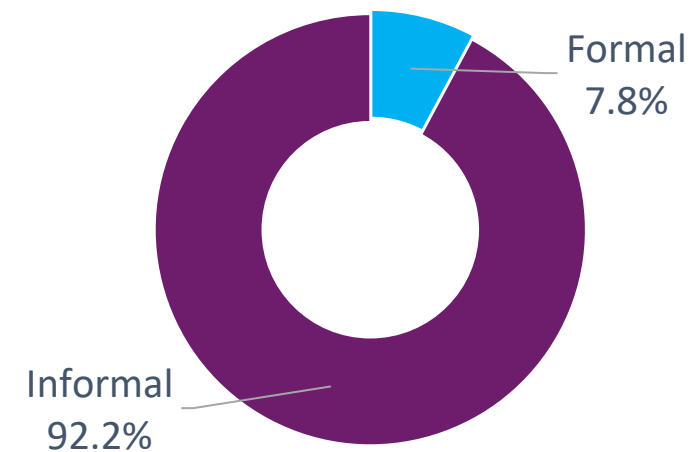
Labour Force by Age (%)



Unemployment vs Underemployment (%)



Employment Sector (%)

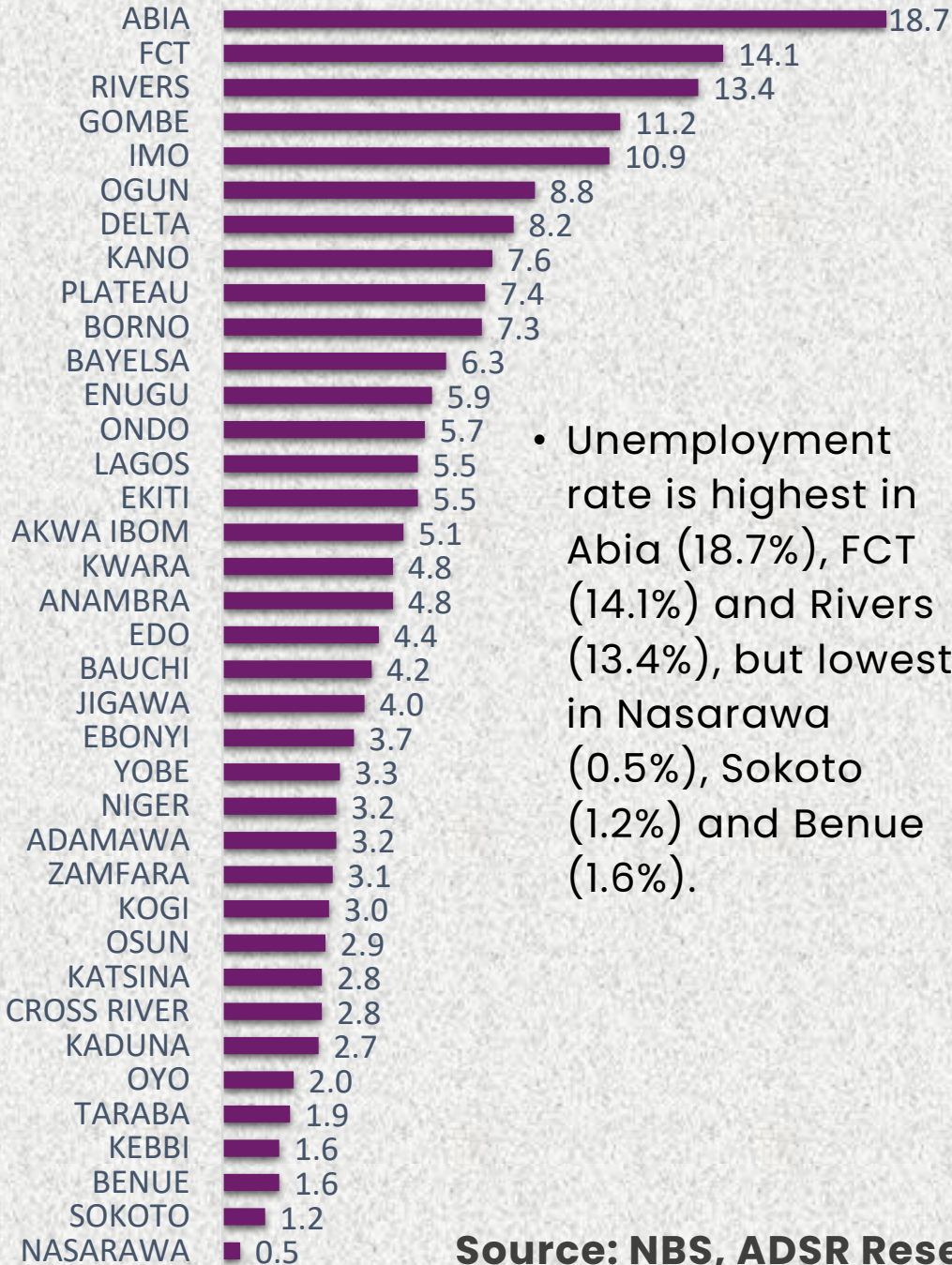


- 25.6% of the labour force were aged 15-24 years, 22.5% were aged 25-34years
- Also, 22.9% were in the age bracket 35-44years and 16.4% between 45 and 54 years.
- While 8.1% were found in the range 55-64 years, 4.6% were from 65 years and above.

- Nigeria's unemployment rate rose from 14.2% in 2016 to 33.3% in 2020, while underemployment rate rose from 21% to 22.8%.
- Base on a new methodology that the NBS recently migrated to, unemployment rate in 2024'Q1 was 5.3% and Time-related underemployment rate was 10.6%

- The unemployment rate of 5.39% in 2023 implies that 84.15 million persons of the labour force of 88.94 million population were engaged in one form of activity or another.
- Out of these, 92.2% were working in the informal sector, while only 78% were engaged in formal economic activities.

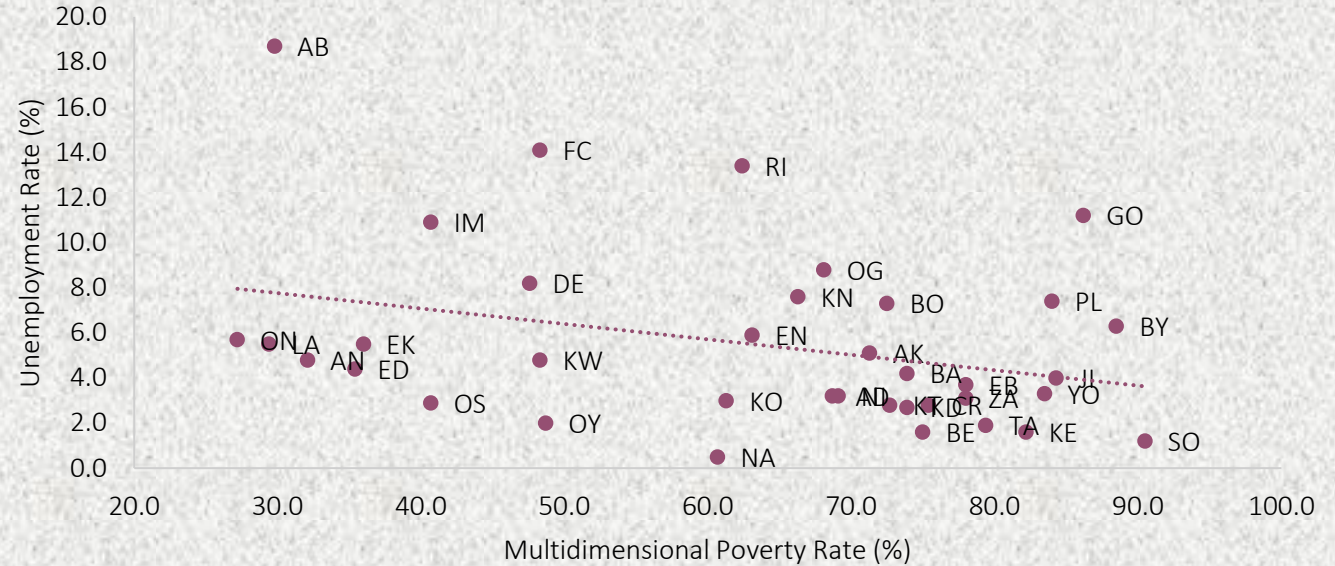
Unemployment Rate by States (%)



- Unemployment rate is highest in Abia (18.7%), FCT (14.1%) and Rivers (13.4%), but lowest in Nasarawa (0.5%), Sokoto (1.2%) and Benue (1.6%).

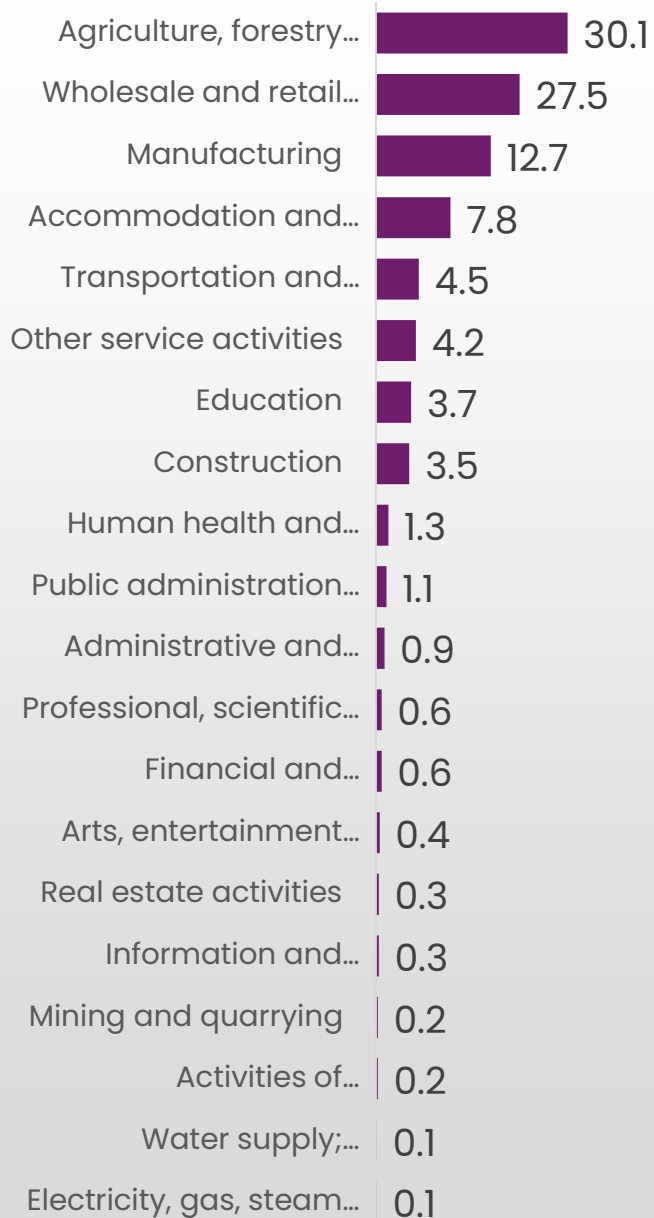
Source: NBS, ADSR Research

Unemployment and Poverty Rates



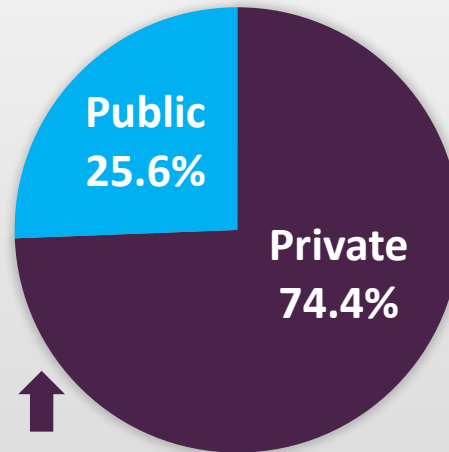
- We tried to conduct further analysis to establish the link between unemployment and poverty rates
- Interestingly, the chart above shows an inverse relationship, although weak, between the two.
- In other words, states with high poverty rate tend to have relatively lower unemployment rate
- Policymakers should pay close attention to this relationship and conduct further empirical analysis to determine the reason and implications.

Employment by Economic Sector of Main Job (%)



- The main economic sector of Nigerian workers were Agriculture (30.1%), Wholesale and Retail (27.5%), Manufacturing (12.7%) and Accommodation and Food Services (7.8%).
- Close to 80% of Nigerian workers are in these 4 main sectors.

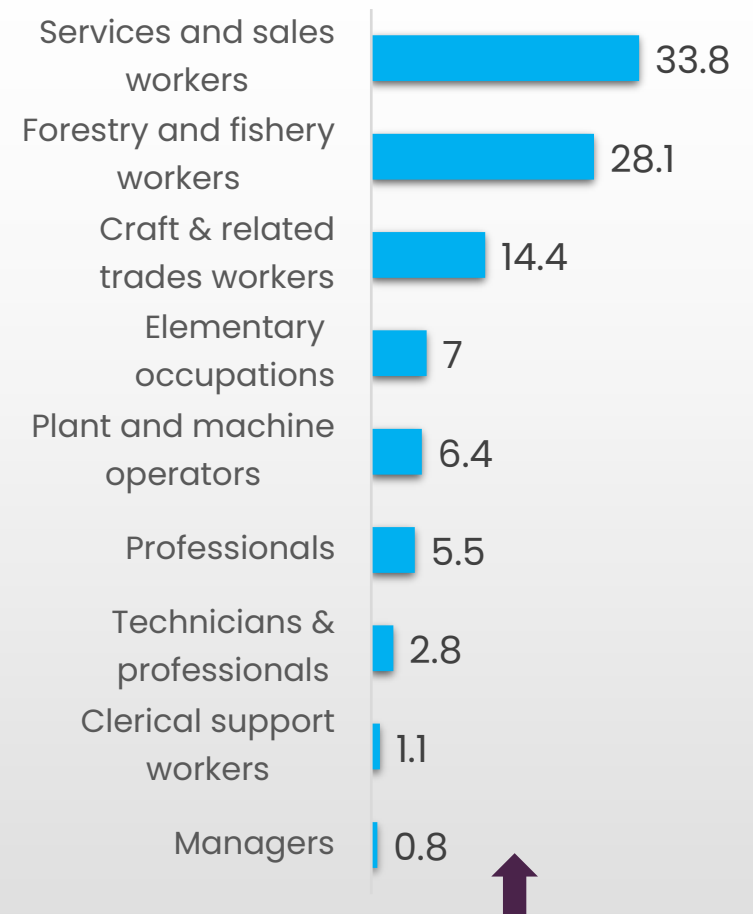
Employees by Sector of Main Job (%)



- Most Nigerians work in the private sector (74.4%), while 25.6% work in the public sector.

Source: NBS, ADSR Research

Employed Persons by Occupation (%)



- The major occupation of Nigerians are Service and Sales (33.8%), Farming (28.1%), and Crafts and Related Trades (14.4%).

Thank you

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