

THE NIGERIA ECONOMIC OUTLOOK

IDENTIFYING AND EMBRACING OPPORTUNITIES FOR
BUSINESS AND CAREER DEVELOPMENT

Presented by:

Afolabi E. Olowookere, Ph.D.

Managing Director | Chief Economist

Analysts Data Services & Resources Ltd.

olowookere.ae@adsrng.com; +234 (0) 8032734460



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Introduction

- Economic outlook refers to the expected future state of an economy, encompassing factors such as growth rates, employment levels, and inflation rates.
 - It serves as a projection of an economy's overall health and performance over a specified period.
 - Nigeria's economic outlook is influenced by a combination of domestic reforms, global economic conditions, oil market dynamics, and the effectiveness of monetary and fiscal policies.
 - In addition, there are still opportunities for business and career growth in Nigeria despite the present challenges facing the economy.
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THE GLOBAL ECONOMY

OUTLOOK



- > The global economy is still resilient, with steady growth, despite recent events
 - o 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
 - o The forecast for 2024 has been revised by 0.1% from the January 2024 WEO update.

[Global Outlook \(IMF, WEO\)](#)

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
United States	2.5	2.7	1.9
United Kingdom	0.1	0.5	1.5
China	5.2	4.6	4.1
Brazil	2.9	2.2	2.1
Sub-Saharan Africa	3.4	3.8	4.0
South Africa	0.6	0.9	1.2

Source: World Outlook (IMF, WEO APRIL 2024)



> Inflation

- Global headline Inflation is expected to fall from an annual average of 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025

> Interest Rates

- With inflation projected to continue declining, policy rates of major central banks are generally expected to start declining.

> Commodity Prices

- Prices of fuel commodities are projected to fall in 2024, with oil prices falling by about 2.5 %.

> Geopolitical Tensions

- The conflict in Gaza and Israel, continued attacks in the Red Sea, and the ongoing war in Ukraine may generate additional supply shocks that may hinder global activities.





THE NIGERIAN ECONOMY

SNAPSHOT

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Indicators	Last Period	Recent Period	% Change
GDP Growth (%) - 2024'Q1	2.31	2.98	29.00
Inflation Rate (%) - April	22.22	33.69	11.47
Crude oil Price (\$/bn) - April	79.35	79.37	0.03
Official Exchange Rate (N/\$) - June	759.78	1480.65	48.69
Parrallel Exchange Rate (N/\$) - June	765	1480	48.31
External Reserves (\$'mil) - June	34,884.35	32,886.13	-5.73
Petrol Price (N/Ltr) - April	254.06	701.24	176.01
Total Public Debt (N'Trn) - 2023'Q4	46.25	97.34	110.47

- The Nigerian economy is still battling the problems of slow growth, high inflation, a depreciating currency, and rapidly increasing debt.
- The effects of recent policy reforms are still lingering, as businesses face high production costs and forex shortages.
- For example, inflation rate is still very high at 33.69%
- Also, exchange rate has continued to depreciate to N1,480.65/\$1 in June 2024, representing a 48.69 drop compared to the previous period.
- To curb inflation and attract capital inflow, MPC has further raised MPR to 26.25% from 24.75% and retained CRR at 45%.



- Nigeria has embarked on a bold reform trajectory under its new administration to bolster inclusive growth and restore macroeconomic stability.
- According to IMF's Article IV report released in April, growth is forecasted to reach 3.3% in 2024
- Inflation is expected to reduce to 24% year-on-year by 2024.
- In addition, external reserves are projected to stabilize at around \$33.3 billion by the end of 2024.

Indicators	2023	2024	2025
Real GDP (at 2010 market prices)	2.9	3.3	3.0
Crude oil production (mbd)	1.50	1.65	1.65
Consumer price index (end of period)	28.9	24.0	19.0
Investment (% of GDP)			
Public	3.2	3.4	3.8
Private	20.6	21.8	22.3
Crude oil price (US\$ per barrel)	82.3	80.6	75.6
External Reserves (US\$ billion)	32.9	33.3	35.2
Exports of goods and services (Annual % change)	-11.3	0.9	-7.7
Imports of goods and services (Annual % change)	-4.4	-0.8	-4.8

Source: Nigerian authorities; and IMF staff estimates and projections.

DRIVERS

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Ongoing Reforms

- The projected GDP growth rate is influenced by ongoing reforms and a proactive policy environment.

Sectoral growth

- This growth is largely driven by increased oil production and improved agriculture with better security

Monetary Policies

- Inflation is expected to decline at the end of 2024 with continued monetary tightening

External Factors

- Regional conflicts, such as Russia's war in Ukraine or tensions in the Middle East, can disrupt trade and threaten crucial supply networks.





OPPORTUNITIES FOR BUSINESS AND CAREER DEVELOPMENT

Proverbs 22:29 (NIV)

Do you see someone skilled in their work? They will serve before kings; they will not serve before officials of low rank.

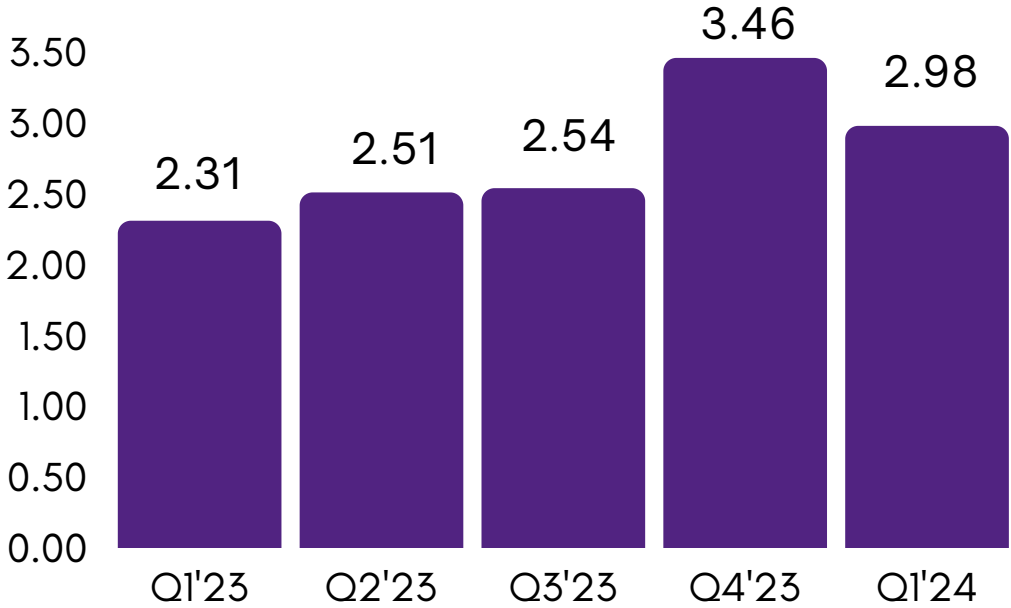
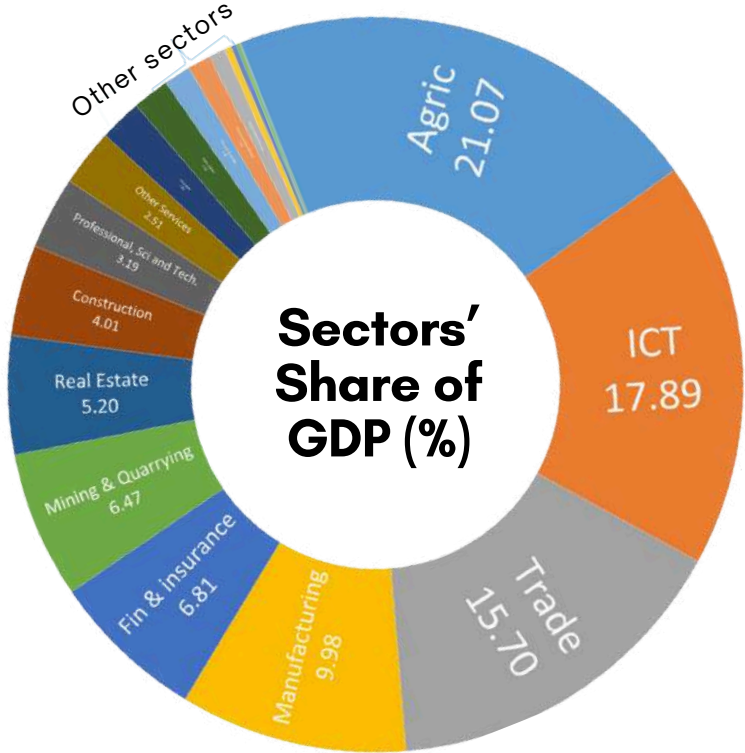
OPPORTUNITIES FOR BUSINESS

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- The Nigerian economy is diversified, and there are business opportunities in several sectors.
- In 2024'Q1, for example, the share of GDP was largely dominated by agriculture (21.07%), ICT (17.89%), trade (15.70%), manufacturing (9.98%), financial and insurance (6.81%), amongst others.
- Therefore, the business environment presents a myriad of opportunities to capitalize on the nation's growth and potential.

Quarterly GDP Growth



Source: NBS.

OPPORTUNITIES FOR BUSINESS

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- The Q1'2024 growth of 2.98% is driven largely by the Financial & Insurance Sector
- It is the fastest growing sector in recent times.
- Other fast-growing sectors are Water Supply, Mining & Quarrying (largely crude oil and gas), ICT, and Arts & Entertainment
- However, sectors such as Other Services, Electricity, Gas & Steam and Construction contracted during this period.

Sectors	Q1'2023	Q2'2023	Q3'2023	Q4'2023	Q1'2024
Agriculture	-0.90	1.50	1.30	2.10	0.18
Mining And Quarrying	-3.96	-12.16	-1.96	8.04	6.30
Manufacturing	1.61	2.20	0.48	1.38	1.49
Electricity, Gas ,Steam	9.53	6.10	1.91	6.17	-5.43
Water Supply,Sewerage, Waste	5.57	20.56	11.93	7.44	6.95
Construction	3.27	3.42	3.89	3.70	-2.14
Trade	1.31	2.41	1.53	1.40	1.23
Accommodation & Food	3.59	3.39	3.57	3.28	2.80
Transportation And Storage	9.36	-50.64	-35.85	-29.00	3.33
Information And Communication	10.32	8.60	6.69	6.33	5.43
Arts, Entertainment & Recreation	5.47	2.54	4.45	4.13	4.44
Financial & Insurance	21.37	26.84	28.21	29.78	31.24
Real Estate	1.70	1.87	1.90	1.34	0.84
Professional, Sci and Tech.	3.08	2.89	2.15	1.79	1.01
Administrative & Support Services	-4.64	1.98	2.77	1.61	-1.53
Public Administration	2.03	2.18	2.05	2.18	2.09
Education	0.72	1.42	1.45	1.60	1.62
Human Health & Social Services	2.46	1.95	2.93	3.73	2.12
Other Services	-20.05	1.69	0.63	0.05	-18.27
Gdp At 2010 Constant Price	2.31	2.51	2.54	3.46	2.98

Source: NBS, ADSR Research

OPPORTUNITIES: AGRICULTURE

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- Investing in agriculture in Nigeria can be a lucrative opportunity due to the country's growing population and increasing demand for food products.

- Sesame seeds, soybeans, cocoa, and cashew nuts are the leading exported agricultural produce as of 2024'Q1.

- Also, there is substantial untapped potential in the agricultural value chain.



- Processing raw agricultural products into finished goods, such as packaged foods, beverages, etc., can be ventured into.

- High demand for efficient cold storage facilities and transportation services due to post-harvest losses amounting to 40% yearly.

- Market Research

Genesis 26:12 (NKJV)

Then Isaac sowed in that land, and reaped in the same year a hundredfold; and the Lord blessed him.

Ecclesiastes 11:6 (NIV)

Sow your seed in the morning, and at evening let your hands not be idle, for you do not know which will succeed, whether this or that, or whether both will do equally well.

Opportunities – Technology



Fintech

Developing financial technology solutions such as mobile payment systems, digital banking, and blockchain technology.



E-commerce

Building online retail platforms, logistics, and warehousing solutions to support the growing e-commerce market.



Software Development

Creating applications, websites, and custom software solutions for businesses.



Tech Hubs and Workspace

Establishing workspace hubs due to the rise in remote work, especially in the tech industry.



OPPORTUNITIES: ENERGY (CRUDE PETROLEUM)

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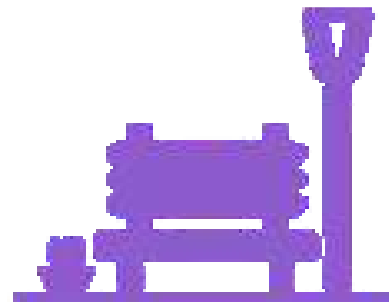
- Surveying
- Drilling and pipelining operations
- Crude oil transportation and storage
- Exploration and production of oil and gas products
- Production of refined mineral oil, petroleum jelly and grease
- Domestic Manufacturing of LPG cylinders
- Retail distribution
- Small-scale production of chemicals and solvents from natural gas

Opportunities – Real Estate



Residential Development

Building affordable housing units to address the housing deficit.



Commercial Real Estate

Developing office spaces, shopping malls, and industrial parks.



Construction Materials

Manufacturing and supplying building materials such as cement, steel, and prefabricated components.

Ecclesiastes 11:1 (NKJV)

Cast your bread upon the waters, For you will find it after many days

Opportunities For Career Development

Some general tips for career development include:



Professional Training and Certifications

Continuous education and certification in fields like IT, project management, and finance can enhance career prospects.



Networking and Mentorship

Joining professional associations, attending industry conferences, and seeking mentorship can provide valuable connections and guidance.



Entrepreneurship Programs

Participating in incubator and accelerator programs to gain support for startups.

Tips on Career Development



Blue Collar

- **Entry**
 - Explore your interest
 - Be focused
- **Training**
 - Take advantage and learn as much as you can
- **Work**
 - Embrace flexibility and adaptability
 - Treat staff well
 - Be dependable
 - Financial discipline – Invest wisely
- **Retirement**
 - Consultancy services
 - Invest wisely



White Collar

- **Entry**
 - Know your strengths and passions
- **Training**
 - Be the best
- **Work**
 - Research the job market and industry trends
 - Expand your job skills
 - Financial discipline – Invest wisely
- **Retirement**
 - Consultancy services
 - Entrepreneurship – should be well considered due to lack of expertise

Proverbs 21:5 (NIV): The plans of the diligent lead to profit as surely as haste leads to poverty.

CONCLUSION

- The Nigerian economy is still battling the problems of slow growth, high inflation, a depreciating currency, and rapidly increasing debt.
- The effects of recent policy reforms are still lingering, as businesses face high production costs and forex shortages.
- However, growth is forecasted to reach 3.3% in 2024, and inflation is projected to reduce to 24% year-on-year.
- Therefore, as we progress into the dynamic landscape of 2024, the diversification of the Nigerian economy still provides business opportunities and career development in several sectors.

Colossians 3:23-24 (NIV)

Whatever you do, work at it with all your heart, as working for the Lord, not for human masters, since you know that you will receive an inheritance from the Lord as a reward. It is the Lord Christ you are serving.

THANK YOU
for listening

Contact Us



+234 7037470047
info@adsrng.com, mail.adsrng@gmail.com
www.adsrng.com, www.adsranastat.com

Analysts' House,
Opposite University of Ibadan 2nd Gate,
Ibadan, Nigeria