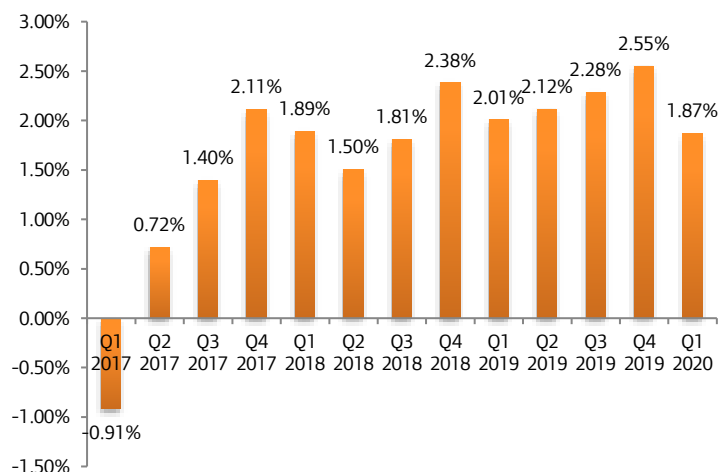




GDP Update: Q1 2020

MPR: 13.50%
April '20 Inflation Rate: 12.34%

Y-o-Y Real GDP Growth Rates



Q1 2020 Real GDP Grows by 1.87% on Weak Non-Oil Sector Performance.

- In line with our expectation, Nigeria's real Gross Domestic Product grew year-on-year (y-o-y) by 1.87% to N16.74 trillion in Q1 2020, slower than 2.55% growth registered in Q4 2019. The non-oil sector which accounted for the relatively weak GDP growth rate, grew y-o-y by 1.55% (but contracted by 16.29% quarter-on-quarter) to N15.15 trillion. This was majorly due to the 2.82% and 4.75% contraction witnessed in Trade and Real Estate sectors to N2.69 trillion and N0.87 trillion respectively (of which trade and real estate joint share of GDP constituted 21.29%).
- On the other hand, agricultural, information & communications and manufacturing sectors, which jointly accounted for 45.69% of total GDP, all grew y-o-y by 2.20%, 7.65% and 0.43% respectively in Q1 2020, albeit, slower than 2.31%, 8.50% and 1.24% respectively in Q4 2019. The financial services sector spiked by 20.79% even as its share of real GDP rose to 3.81%, from 3.19% it printed in Q4 2019.
- The oil & gas sector grew y-o-y by 5.06%, albeit slower than 6.36% recorded in Q4 2019 – average price of Nigeria's sweet crude, bonny light fell q-o-q by 20.11% to USD52.07 per barrel in Q1 2020, while its averaged crude oil production rose q-o-q by 0.55% to 1.8 million barrels per day (mb/d).

With the sharp decline in crude oil prices, especially in the month of April 2020 – bonny Light average price was USD20.29/b –, coupled with the significant reduction in transactions seen in the non-oil sector amid lockdown orders, we expect a negative growth in Nigeria's Q2 2020 real GDP.

Major Sectors	Q1 2020	Q4 2019	Q-o-Q %Change
Oil & Gas (N 'Trn)	1.591	1.429	11.30%
Y-o-Y %Change	5.06%	6.36%	
Non-Oil Sector (N 'Trn)	15.151	18.098	-16.29%
Y-o-Y %Change	1.55%	2.26%	
Quarter GDP (N 'Trn)	16.742	19.527	-14.27%

Share of Real GDP (%)	Q1 '20 Share of Real GDP	Q1 '20 y-o-y Growth (%)	Q4 '19 y-o-y Growth (%)
Agriculture	21.96%	2.20%	2.31%
Trade	16.08%	-2.82%	-0.58%
Info & Comm	14.07%	7.65%	8.50%
Manufacturing	9.65%	0.43%	1.24%
Mining & Quarrying	9.54%	4.58%	6.07%
Real Estate	5.21%	-4.75%	-3.45%
Construction	4.08%	1.69%	1.31%
Financial Services	3.81%	20.79%	20.18%
Profes, Sci & Tech Services	3.42%	-0.39%	0.55%
Education	2.08%	0.69%	0.84%
Other Economic Activities	10.10%		
Qtr 2019 Real GDP	N16.74 Trn	1.87%	2.55%

Source: National Bureau of Statistics, Cowry Research
Growth Rates: Year-on-Year

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