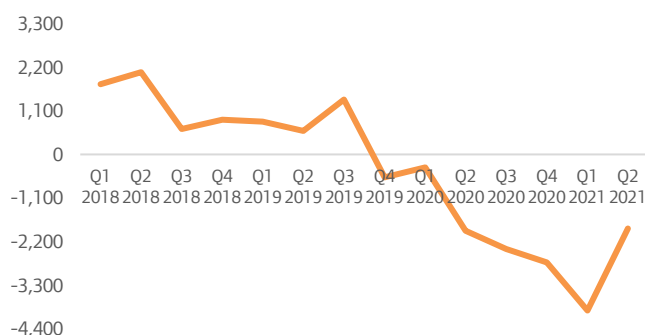




Nigeria's Foreign Trade: Q2 2021

MPR: 11.50%
July Inflation Rate: 17.35%
Q2 2021 GDP Growth Rate: 5.01%

Merchandise Trade Balance (N' Bn)



%age Change in Export Proceeds

Export Category	Q2 2021	Q1 2021	Q-o-Q Change
Crude Oil (N' Bn)	4,078.20	2,521.35	111.32%
Non-Crude Oil Exports (N' Bn)	1,001.23	977.39	2.44%
Non-Oil exports (N' Bn)	462.85	435.43	80.46%

%age Change in Major Imported Goods

Import Category	Q2 2021	Q1 2021	Q-o-Q Change
Manufactured goods (N' Bn)	4,299.51	4,532.37	-5.14%
Other Petroleum Oil products (N' Bn)	1,109.36	978.75	13.34%
Raw materials (N' Bn)	840.50	669.15	25.61%
Agricultural goods (N' Bn)	652.08	630.18	3.47%

Exports to Regions

Year	Africa (N' Bn)	America (N' Bn)	Europe (N' Bn)	Asia (N' Bn)	Oceania (N' Bn)
2019	3,922.45	2,048.39	7,617.29	5,421.55	182.55
2020	2,374.89	850.18	4,868.97	4,307.66	120.99
Q1 2021	449.84	316.62	997.79	1,132.55	10.41
Q2 2021	584.10	806.81	1,822.29	1,842.95	23.28

Imports from Regions

	Africa (N' Bn)	America (N' Bn)	Europe (N' Bn)	Asia (N' Bn)	Oceania (N' Bn)
2019	1,105.78	2,282.57	5,080.86	8,419.93	70.74
2020	666.05	2,635.79	6,626.07	9,808.34	161.79
Q1 2021	183.44	827.80	2,471.58	3,319.35	48.48
Q2 2021	248.84	869.07	2,304.58	3,469.63	48.48

Sources: National Bureau of Statistics, Cowry Research

Merchandise Trade Deficit Narrows as Crude Oil Exports Surge Q-o-Q by 74.72% to N4.08 trillion...

In the course of the week, the National Bureau of Statistics (NBS) released data on foreign trade statistics which revealed that total merchandise trade rose by 23.28% to N12.03 trillion in Q2 2021 (from N9.76 trillion printed in Q1 2021) as income from crude oil exports surged in the review period. Hence, given the rise in exports transactions which almost matched the higher imports, Nigeria's merchandise trade deficit shrank to N1.87 trillion in Q2 2021 from N3.94 trillion in Q1 2021.

Specifically, exports which constituted 42.22% of the total trade rose q-o-q by 74.72% to N5.08 trillion in Q2 2021. Imports which accounted for 57.78% of the total trade rose by 1.45% to N6.95 trillion. Further breakdown of the total exports showed that sale of crude oil accounted for 80.29% (N4.08 trillion), rocketing from N1.93trn in Q1 2021 – chiefly due to increased crude oil price as Nigeria's grades enjoyed the patronage of Indian consumers; albeit average volume of crude oil sales per day remained sticky at 1.42 million barrels in Q2 2021, from 1.43 million barrels printed in Q1 2021. Non crude oil exports which represented 19.71% (N1.00 trillion) of the total export grew q-o-q by only 2.44%.

Imports into the country barely rose q-o-q by 1.45% to N6.95trn in Q2 2021. The rise was chiefly driven by higher food and live animals import (+5.16%), solid minerals import (+13.11%) and manufactured goods import (+8.79%) respectively. Major suppliers of goods to Nigeria include China, United States and India respectively as their respective share of total imports stood at 29.91%, 7.58% and 8.02% in Q2 2021.

In the quarter under review, Nigeria's exported goods to fellow members of the Economic Community of West African States increased to N363.33 billion, lower than the value of N282.16 billion printed in Q1 2021.

We feel that the compressed trade deficit amid rising exports has brought relief to the country's exchange rate pressure; otherwise, the depreciated Naira against the greenback, especially at the parallel market, would have been worse off. Nevertheless, we still expect FG to further create an enabling business environment that would promote import substitution and enhance quality of goods to be exported as Nigeria's export proceed is concentrated on crude oil.