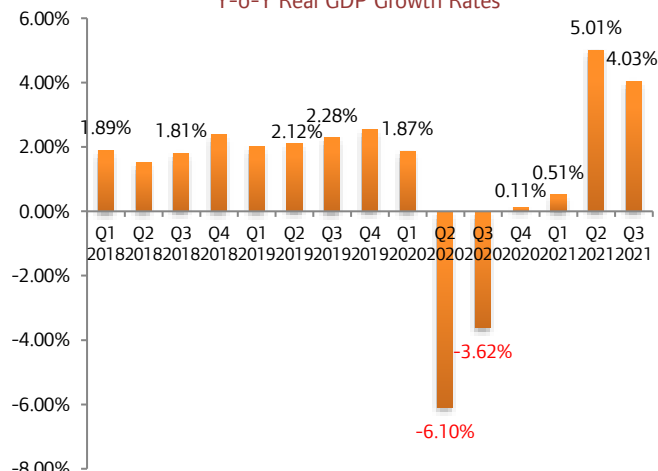


Y-o-Y Real GDP Growth Rates



Nigeria's GDP Growth Rate of 4.03% in Q3 2021 Driven by Sustained Growth in Trade, Telecoms Sectors...

In the third quarter of 2021, Nigeria recorded a year-on-year (y-o-y) real output growth rate of 4.03% to N18.54 trillion (or USD123.38 billion) to sustain its recovery from last year's recession. Recently, the Central Bank of Nigeria (CBN) Governor, Mr. Godwin Emefiele, reportedly stated that about N3 trillion had been disbursed to households, small and medium scale enterprises, smallholder farmers and pharmaceutical companies amongst others to cushion the negative impact of COVID-19 on the local economy.

Specifically, the rapid growth was driven essentially by a 5.44% growth in non-oil sector; with Trade, Information & Communication, Manufacturing and Agricultural sectors recording the largest growth rates of 11.90%, 9.66%, 4.29% and 1.22% respectively. Financial services also witnessed a strong growth of 23.23% (from a decline of 2.48% in Q2). In the oil & gas sector, however, we saw a 10.73% y-o-y drop in real output to N1.39 trillion (or USD9.24 billion) as average daily oil production fell y-o-y by 7.79% to 1.35 million barrels per day (mbpd). We note that the increase in crude oil price to USD85 per barrel appeared insufficient to compensate for the reduction in Nigeria's crude oil production.

On a quarterly basis, real GDP increased by 11.07% to N18.54 trillion (or USD123.38 billion) from N16.69 trillion (or USD111.08 billion) in Q2 2021; with the non-oil sector rising by 10.99% to N17.15 trillion (or USD114.13 billion). Agriculture, the largest contributor to real GDP at 29.94%, rose q-o-q by 39.83%. Also, the oil & gas sector increased by 12.05% to N1.39 trillion (or USD9.24 billion).

We note that Q3 growth still reflects a low base effect as the negative effect of COVID-19 rolled into Q3 2020 – printing minus 3.62%. Nevertheless, we also observed that the Agricultural sector continued to grow its contribution to GDP despite insecurity, as CBN continued to support farmers. Hence, we expect the growth rate for FY 2021 to be relatively high following sustained growths in the first two quarters as well as improvements in monthly PMI numbers.

Major Sectors	Q3 2021	Q2 2021	Q-o-Q %Change
Oil & Gas (N 'Trn)	1.39	1.24	12.05%
Y-o-Y %Change	-10.73%	-12.65%	
Non-Oil Sector (N 'Trn)	17.15	15.46	10.99%
Y-o-Y %Change	5.44%	6.74%	
Quarter GDP (N 'Trn)	18.54	16.69	11.07%
Y-o-Y %Change	4.03%	5.01%	

Share of Real GDP (%)	Q3 '21 Share of Real GDP	Q3 '21 y-o-y Growth (%)	Q2 '21 y-o-y Growth (%)
Agriculture	29.94%	1.22%	1.30%
Trade	14.93%	11.90%	22.49%
Info & Comm	14.20%	9.66%	5.55%
Manufacturing	8.96%	4.29%	3.49%
Mining & Quarrying	7.66%	-10.56%	-12.29%
Real Estate	5.49%	2.32%	3.85%
Construction	3.22%	4.10%	3.70%
Financial Services	3.16%	23.23%	-2.48%
Profes, Sci & Tech Services	3.23%	1.11%	1.27%
Education	1.69%	1.37%	0.63%
Other Economic Activities	7.52%		
Qtr 2020 Real GDP	N18.54 Trn	4.03%	5.01%

Source: National Bureau of Statistics, Cowry Research

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