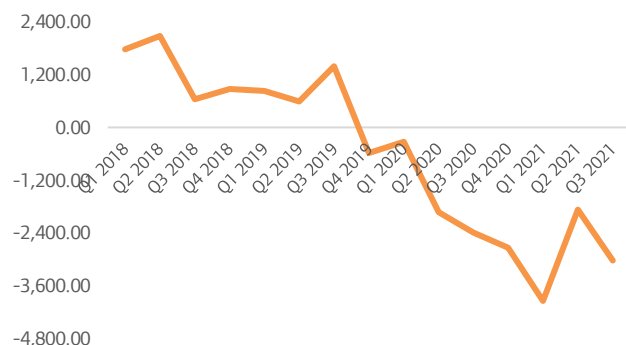




Nigeria's Foreign Trade: Q3 2021

MPR: 11.50%
Oct Inflation Rate: 15.99%
Q3 2021 GDP Growth Rate: 4.03%

Trade Balance



%age Change in Export Proceeds

Export Category	Q3 2021	Q2 2021	Q-o-Q Change
Crude Oil (N' Bn)	4,026.18	4,078.20	-1.28%
Non-Crude Oil Exports (N' Bn)	1,104.11	1,001.23	10.28%
Non-Oil exports (N' Bn)	546.27	462.85	18.02%

%age Change in Major Imported Goods

Import Category	Q3 2021	Q2 2021	Q-o-Q Change
Manufactured goods (N' Bn)	5,195.60	4,900.56	6.02%
Other Petroleum Oil products (N' Bn)	2,051.09	1,493.24	37.36%
Raw materials (N' Bn)	1,067.36	916.79	16.42%
Agricultural goods (N' Bn)	868.52	789.11	10.06%

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
Q2 2021	584.10	806.81	1,822.29	1,842.95	23.28
Q3 2021	668.22	625.68	2,230.10	1,480.58	125.72

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
Q2 2021	248.84	869.07	2,304.58	3,469.63	58.09
Q3 2021	247.66	921.71	2,729.59	4,168.05	86.78

Sources: National Bureau of Statistics, Cowry Research

Nigeria's Trade Deficit Rises by 61.62% to N3.02 trillion as Imports Ballooned in Q3 2021...

Freshly released data on foreign trade statistics by the National Bureau of Statistics (NBS) showed that total merchandise trade rose by 10.43% to N13.28 trillion in Q3 2021 (from N12.03 trillion printed in Q2 2021) as imports of food & live animals, petroleum products and machinery & appliances ballooned in the review period. Hence, given the rise in total merchandise imports which overshoot the marginal rise in merchandise exports, Nigeria's merchandise trade deficit widened to N3.02 trillion in Q3 2021 from N1.87 trillion registered in Q2 2021.

Exports which constituted 38.62% of the total trade barely rose q-o-q by 1.00% to N5.13 trillion in Q3 2021. Imports which accounted for 61.38% of the total trade rose by 17.32% to N8.15 trillion. Further breakdown of the total exports showed that sale of crude oil accounted for 78.48% (N4.03 trillion), maintaining a flattish change from N4.08trn recorded in Q2 2021 – chiefly due to the sustained high crude oil prices at above quarterly average of USD80 per barrel despite the quarterly average volume of crude oil sales per day moderating to 1.36 million barrels in Q3 2021, from 1.42 million barrels printed in Q2 2021. Non-crude oil exports which represented 21.52% (N1.10 trillion) of the total export grew q-o-q by 10.28%.

Notably, imports into the country increased q-o-q by 17.32% to N8.15trn in Q3 2021. The rise was chiefly driven by higher food and live animals import (+18.22%), solid minerals import (+35.25%), chemicals & related products import (+11.30%) and manufactured goods import (+10.34%) respectively. Major suppliers of goods to Nigeria include China, United States and India respectively as their respective share of total imports stood at 29.95%, 7.35% and 8.71% in Q3 2021.

In the quarter under review, Nigeria's exported goods to Economic Community of West African States and other African countries increased to N668.22 billion, higher than the value of N584.10 billion printed in Q2 2021.

Cowry Research notes that the widened trade deficit amid rising petroleum products and manufactured goods imports partly triggered the pressure on the Naira against USD and the resultant devaluation of the local currency at the SMIS Window by Central Bank of Nigeria in Q3 2021. Also, the sticky rise in exports value speaks to the need for FG to further create an enabling business environment that would promote exports of other products outside crude oil.