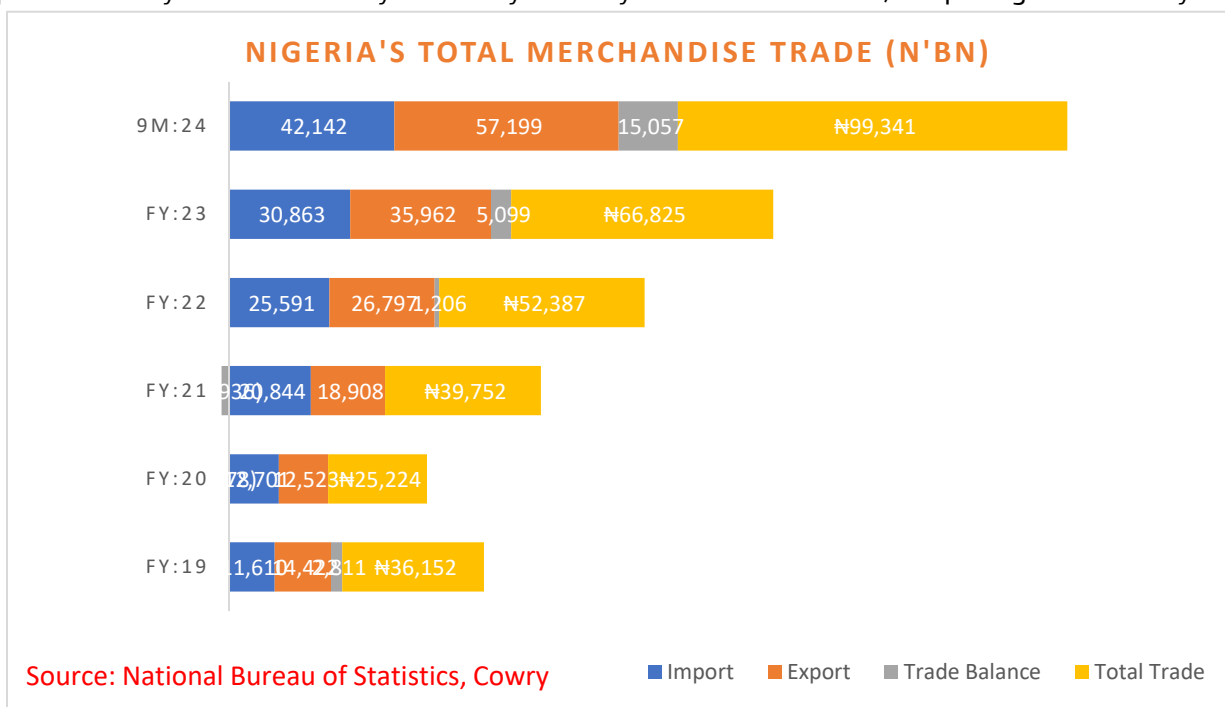


Analyst’s Note on: Foreign Trade Statistics – 9 Months 2024

Nigeria Records N99.3trn in Trade Value Under Nine Months on Weak Naira, Improved Activities...

The latest foreign trade report by the National Bureau of Statistics (NBS) reveals an impressive 120.4% year-on-year increase in Nigeria's total merchandise trade, which climbed to N99.34 trillion in the first nine months of 2024, compared to N45.08 trillion during the same period in 2023. This remarkable growth underscores a significant improvement in trade activity, fuelled by increased export and import volumes alongside the depreciation of the naira, which enhanced the competitiveness of Nigerian exports in global markets.

Exports during the period rose by an extraordinary 145.8% year-on-year to N57.2 trillion, outpacing the 93.2% year-on-year growth in imports, which reached N42.14 trillion. This disparity between exports and imports resulted in a trade surplus of N15.02 trillion, marking a staggering 931.7% increase compared to the



N1.5 trillion surplus recorded in the first nine months of 2023. The surplus underscores Nigeria's improved export performance, particularly in the crude oil segment, which remains the mainstay of the economy.

During the third quarter of 2024, the Nigerian Naira experienced significant depreciation against the US Dollar across various segments of the foreign exchange market. At the official window, the Naira fell by 2.4% to N1,541.94/\$1, while in the parallel market, it depreciated by 9.9% to N1,680/\$1. Under nine months-ending to September 2024, the Naira has witnessed a considerable depreciation by 41.2% at the official market and by 28.2% from N907.11/\$1 and N1,206/\$1 respectively at the end of 2023.

A quarter-on-quarter analysis for Q3 2024 further highlights a 13% increase in the total merchandise trade value, which reached N35.2 trillion. Exports grew by 17% to N20.5 trillion, while imports increased by 9% to N14.7 trillion. The resultant trade surplus for Q3 2024 stood at N5.8 trillion, marking the eighth consecutive quarter of trade surpluses. This consistent surplus indicates Nigeria’s growing trade strength and the positive impact of export-led growth strategies.

Crude oil exports remained dominant, accounting for N13.41 trillion or 65.44% of total exports in Q3 2024. Non-crude oil exports, which include liquefied natural gas and other petroleum derivatives, contributed N7.08 trillion, representing 34.56% of total exports. Among these, non-oil products, such as agricultural goods, manufactured goods, and solid minerals, accounted for N2.50 trillion or 12.21% of total exports.

On the import side, Nigeria spent N14.7 trillion in Q3 2024, with major imported commodities including motor spirit (petrol), gas oil (diesel), durum wheat, and cane sugar. The bulk of Nigeria's imports came from China, which remains the country's largest trading partner, followed by India, Belgium, the United States, and Malta.

Agricultural exports saw a notable surge of 301.87% year-on-year, reaching N884.07 billion in Q3 2024, compared to N220 billion in Q3 2023. Conversely, agricultural imports for the quarter rose by 37.06% to N882.24 billion, reflecting increased demand for foreign agricultural products. Similarly, raw material exports jumped by 131.80% to N438.59 billion, while imports of raw materials rose by 66.11% to N1.58 trillion, indicating the growing activity in Nigeria's manufacturing and industrial sectors.

The export of manufactured goods also demonstrated remarkable growth, increasing by 419.93% year-on-year to N1.04 trillion in Q3 2024, compared to N200.19 billion in Q3 2023. However, imports of manufactured goods remained significantly higher at N6.98 trillion, an increase of 76.44% from N3.96 trillion in the same period last year. The solid minerals sector also experienced growth, with exports rising by 86.58% to N77.64 billion and imports increasing by 68.40% to N93.23 billion in Q3 2024.

Among Nigeria's top export destinations in Q3 2024 were Spain, the United States, France, the Netherlands, and Italy. Key export commodities included crude oil, liquefied natural gas, cocoa beans, and floating or submersible drilling platforms. These exports underscore Nigeria's reliance on both energy and agricultural products for foreign exchange earnings.

The pronounced improvement in Nigeria's trade surplus reflects the weakening naira, which has made exports more attractive and competitive on the global market. Furthermore, ongoing efforts to diversify the economy are beginning to yield results, as evidenced by the increasing contribution of non-oil exports to total trade. The surge in agricultural and manufactured goods exports highlights the potential for sectors outside oil to bolster Nigeria's foreign trade.

Looking ahead, expectations for improved crude oil production, particularly with the anticipated commencement of the Dangote Refinery and the revitalisation of the Port Harcourt Refinery, are likely to enhance Nigeria's export capacity further. A well-diversified economy with an emphasis on boosting non-oil export earnings will be critical in sustaining the positive momentum in Nigeria's trade balance and enhancing the country's overall economic resilience.

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