

# Analyst’s Note on: Foreign Trade Statistics – FY 2024

## Nigeria's Foreign Trade Surges to N138trn Amid Naira Devaluation and Export Growth...

Nigeria’s latest foreign trade statistics, published by the National Bureau of Statistics (NBS), reveal a remarkable 106.6% year-on-year increase in total merchandise trade, reaching N138.03 trillion in 2024 from N66.83 trillion the previous year. This surge was primarily driven by the devaluation of the naira and the expansion of exports, which stood at N77.4 trillion, surpassing total imports of N60.6 trillion. As a result, the trade balance improved significantly by 230.5% year-on-year, rising to N16.85 trillion from N5.10 trillion in 2023.

The substantial improvement in the trade balance can be attributed to robust export growth, bolstered by the weakened naira and an increase in exportable goods. This aligns with expectations that a larger trade surplus will contribute to a healthier current account balance in 2024, with crude oil production and exports continuing to play a crucial role in Nigeria’s economy. However, persistent foreign exchange pressures pose a downside risk, particularly concerning the services account, which may continue to widen. In 2024, heightened volatility in the foreign exchange market led to a depreciation of the naira by over 41%, enhancing the competitiveness and attractiveness of Nigerian exports on the global stage.



A quarterly analysis of the NBS report indicates that Nigeria’s total merchandise trade stood at N36.60 trillion in Q4 2024, reflecting a 68.32% increase compared to the N21.75 trillion recorded in the corresponding period of 2023 and a 2.20% rise over the N35.82 trillion recorded in the preceding

Source: NBS, Cowry Research

quarter. In this period, exports accounted for 54.68% of total trade, amounting to N20.01 trillion, representing a 57.67% increase over the N12.69 trillion recorded in Q4 2023, though slightly lower by 2.55% compared to Q3 2024 (N20.54 trillion). Crude oil exports continued to dominate, accounting for N13.78 trillion or 68.87% of total exports, while non-crude oil exports stood at N6.23 trillion, making up 31.13% of total exports. Of this, non-oil products contributed N2.84 trillion, constituting 14.20% of total exports. On the import side, goods accounted for 45.32% of total trade in Q4 2024, amounting to N16.59 trillion. This marks an 83.24% increase compared to the N9.05 trillion recorded in Q4 2023 and an 8.57% rise over the N15.28 trillion recorded in Q3 2024. Despite remaining positive, the merchandise trade balance for the quarter stood at N3.42 trillion, reflecting a 34.86% decline from the previous quarter.

Based on the Standard International Trade Classification, the leading category of imports was “mineral fuels,” amounting to N4.79 trillion or 28.92% of total imports, followed by “machinery and transport equipment” at N4.51 trillion or 27.17%, and “chemicals and related products” at N2.61 trillion, accounting for 15.73% of total imports. On the exports front, Nigeria primarily exported “mineral products” valued at N17.08 trillion, representing 86.48% of total exports. This

was followed by exports of “prepared foodstuffs, beverages, spirits, and vinegar, tobacco” at N1.32 trillion or 6.59% of total exports, and “products of the chemical and allied industries,” which stood at N530.46 billion or 2.65% of total exports.

Regionally, Nigeria’s exports were predominantly directed to Europe, which accounted for N8.67 trillion or 43.33% of total exports. This was followed by exports to Asia at N5.56 trillion or 27.79%, while exports to America totalled N3.52 trillion, representing 17.58% of total exports. Exports to Africa were valued at N2.04 trillion, making up 10.20% of total exports, with ECOWAS countries receiving N1.18 trillion or 57.56% of the total African exports.

On the import front, Asia remained Nigeria’s primary source, accounting for N8.87 trillion or 53.46% of total imports. Europe followed with N5.29 trillion or 31.92%, while imports from America totalled N1.87 trillion, representing 11.29%. Imports from Oceania stood at N30.06 billion or 0.22% in Q4 2024. Imports from Africa amounted to N514.96 billion or 3.10% of total imports, with ECOWAS countries contributing N77.10 billion or 0.46% of total imports.

An analysis of Nigeria’s trading partners highlights that China remained the largest source of imports, with goods valued at N4.61 trillion, representing 27.80% of total imports. This was followed by imports from India at N1.89 trillion or 11.43%, Belgium at N1.39 trillion or 8.35%, the United States at N1.06 trillion or 6.36%, and France at N601.28 billion, accounting for 3.62% of total imports.

Cowry Research acknowledges the significant three-digit growth in total trade and trade surplus, largely driven by naira devaluation and a commendable rise in total exports, boosting foreign exchange earnings. Looking ahead, a sustained increase in the trade surplus is anticipated, underpinned by the expected expansion in Nigeria’s export volumes, particularly in crude oil, as refining capacity continues to grow. However, a rise in import volumes, facilitated by improved foreign exchange liquidity and greater accessibility to foreign currency, may reduce the trade surplus, potentially impacting the balance of payments and the current account.

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