



**AFRICAN
DEPARTMENT**



Nigeria: Outlook and Priorities

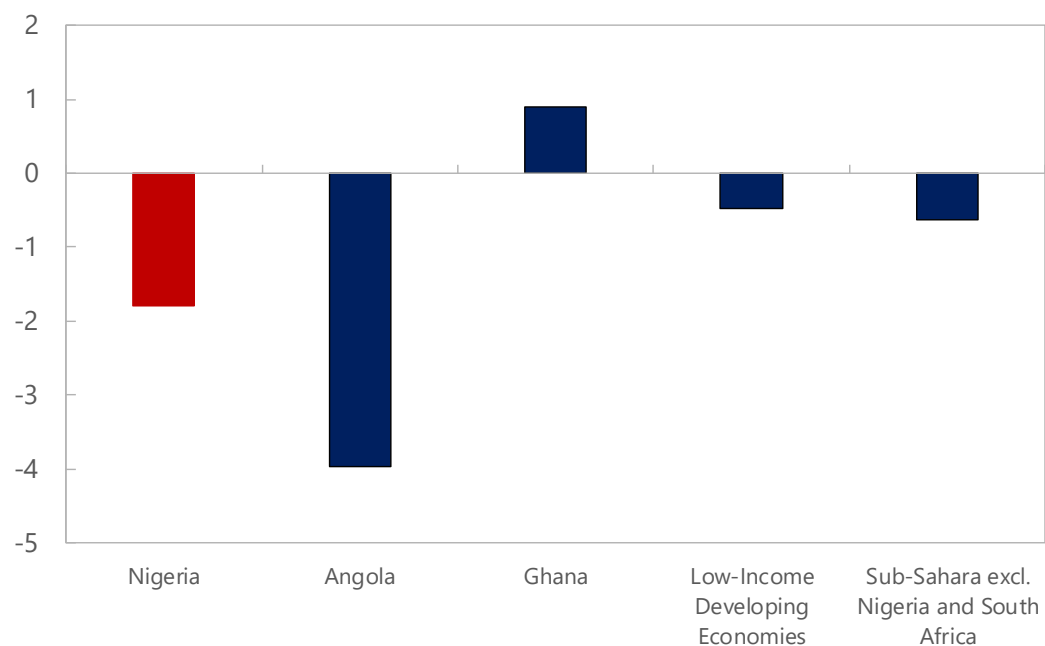
Jesmin Rahman
IMF Mission Chief for Nigeria

American Business Council/Lagos Business School
Webinar

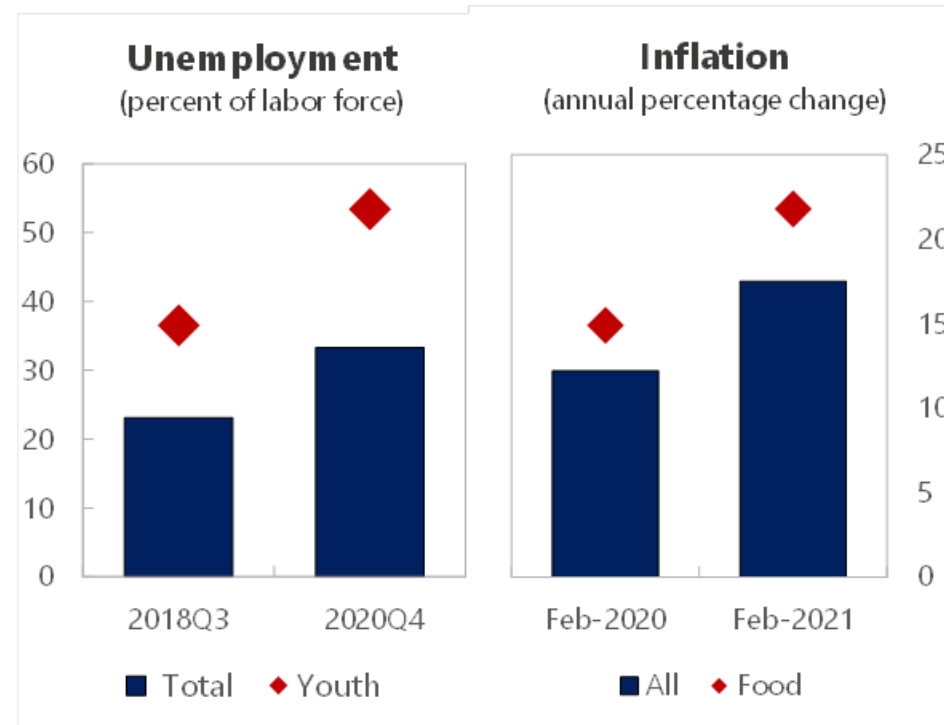
March 23, 2021

The Economy Contracted in 2020

Real GDP growth, 2020
(annual percentage change)



Unemployment and inflation

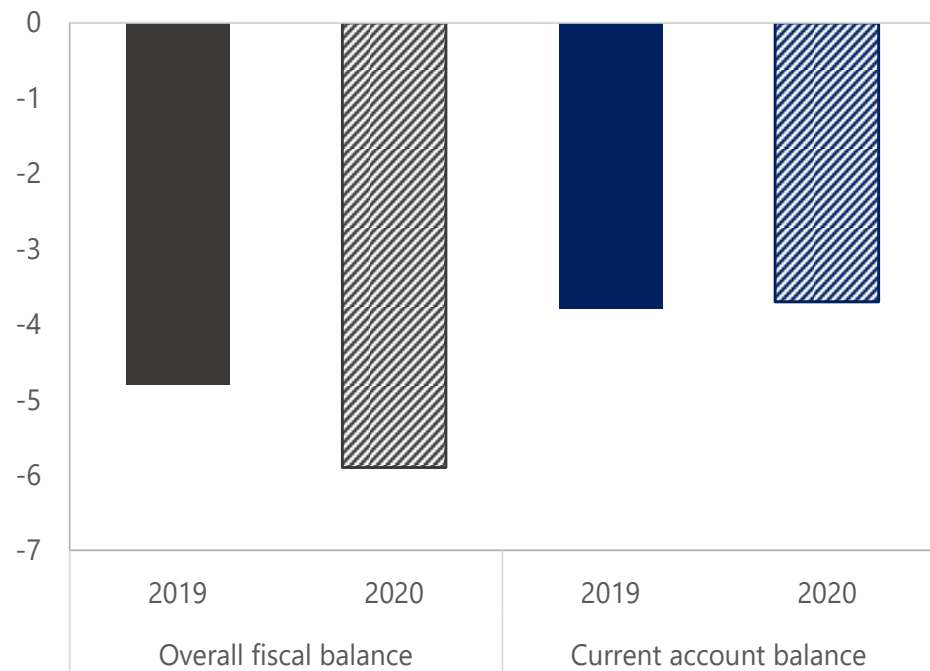


Sources: IMF, *World Economic Outlook* January 2021 (latest for Nigeria)

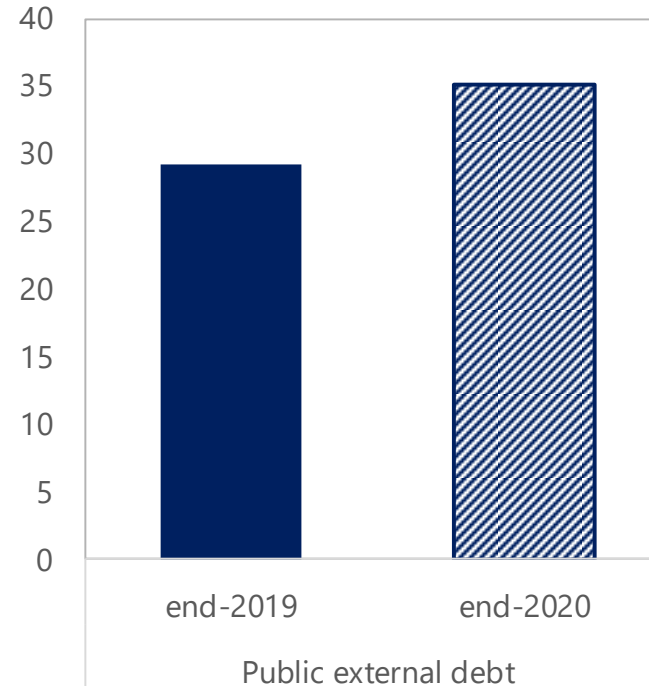
Sources: National Bureau of Statistics, Haver.

Higher Deficits and Debt, Rating Downgrades

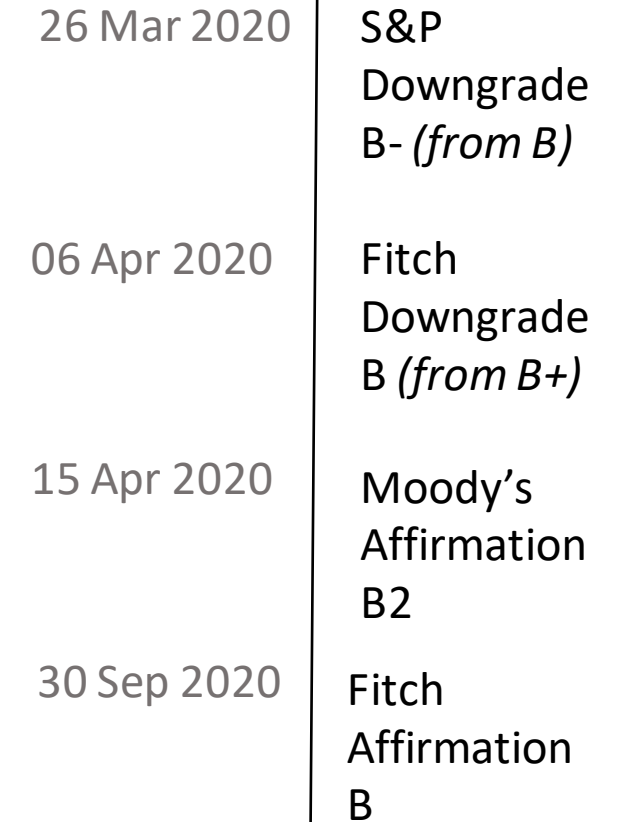
Fiscal and current account deficits
(percent of GDP)



Public debt
(percent of GDP)



2020 Sovereign rating actions

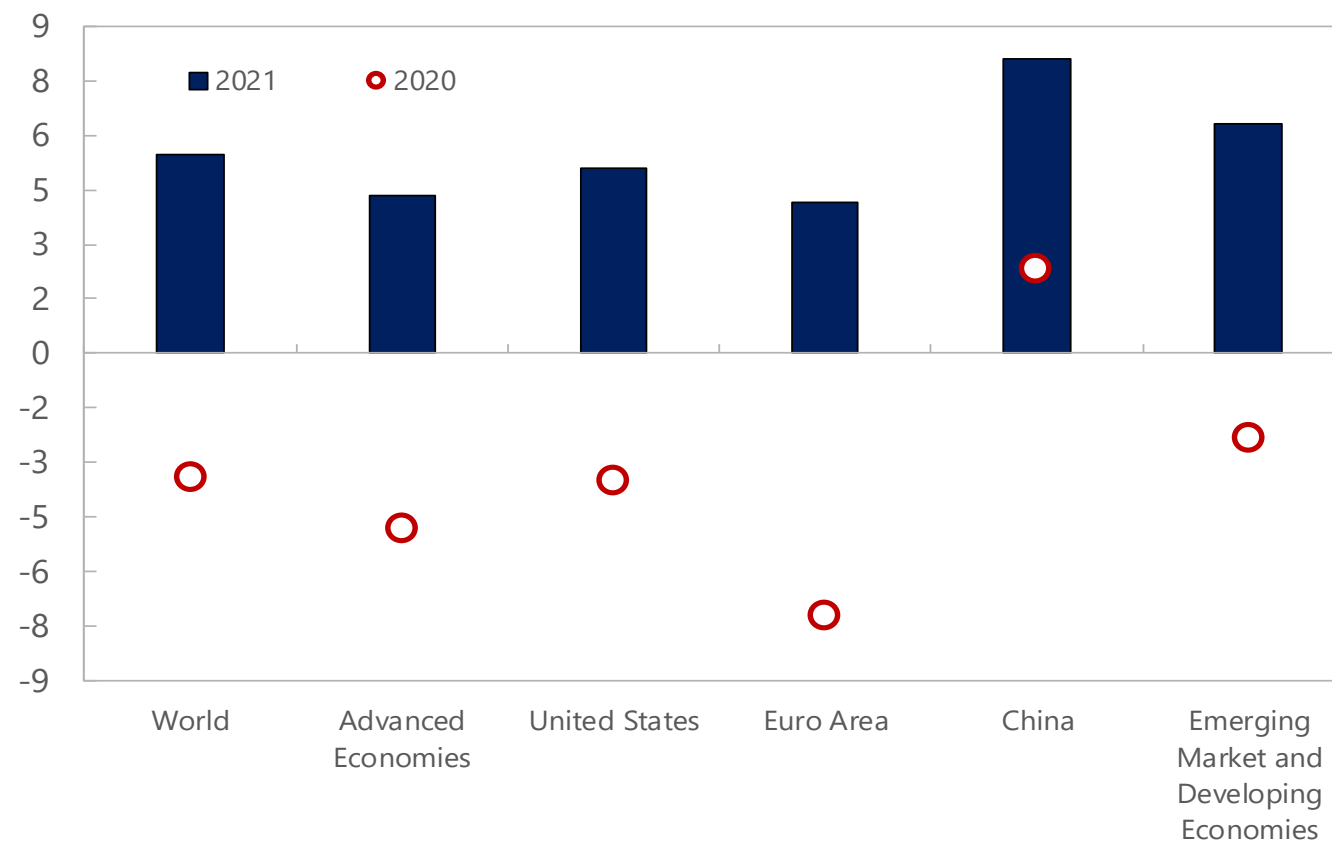


Sources: Nigerian Authorities, Central Bank of Nigeria and IMF staff calculations.

Sources: Fitch Connect

Global Economy is Projected to Recover in 2021

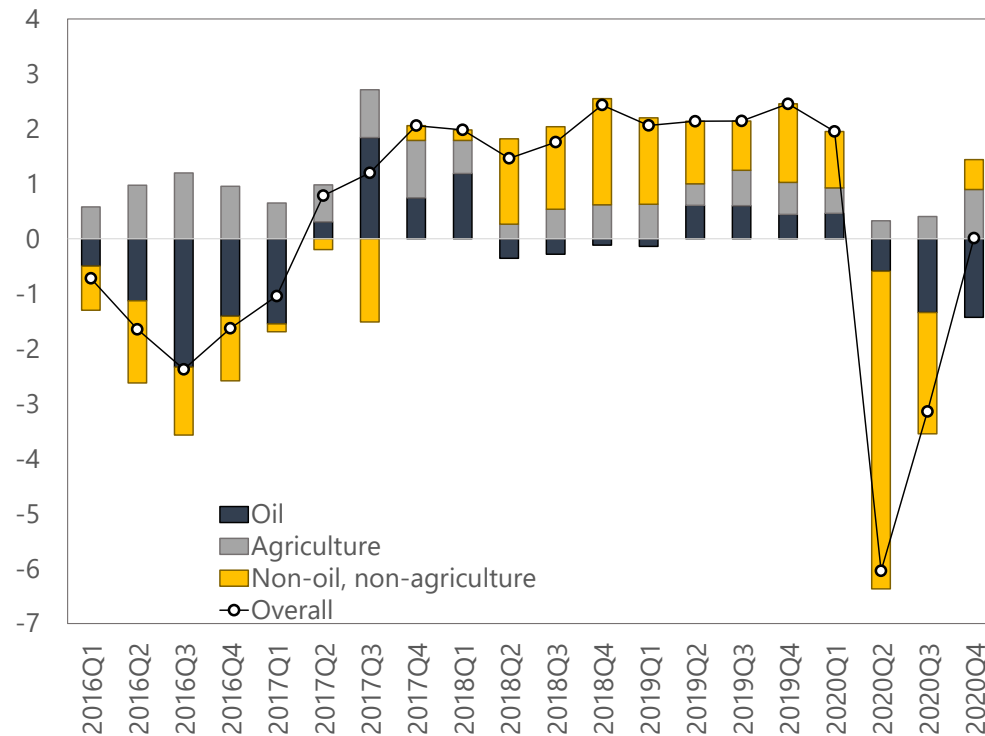
Real GDP growth, 2020 and 2021
(annual percentage change)



Sources: IMF, *World Economic Outlook* January 2021.

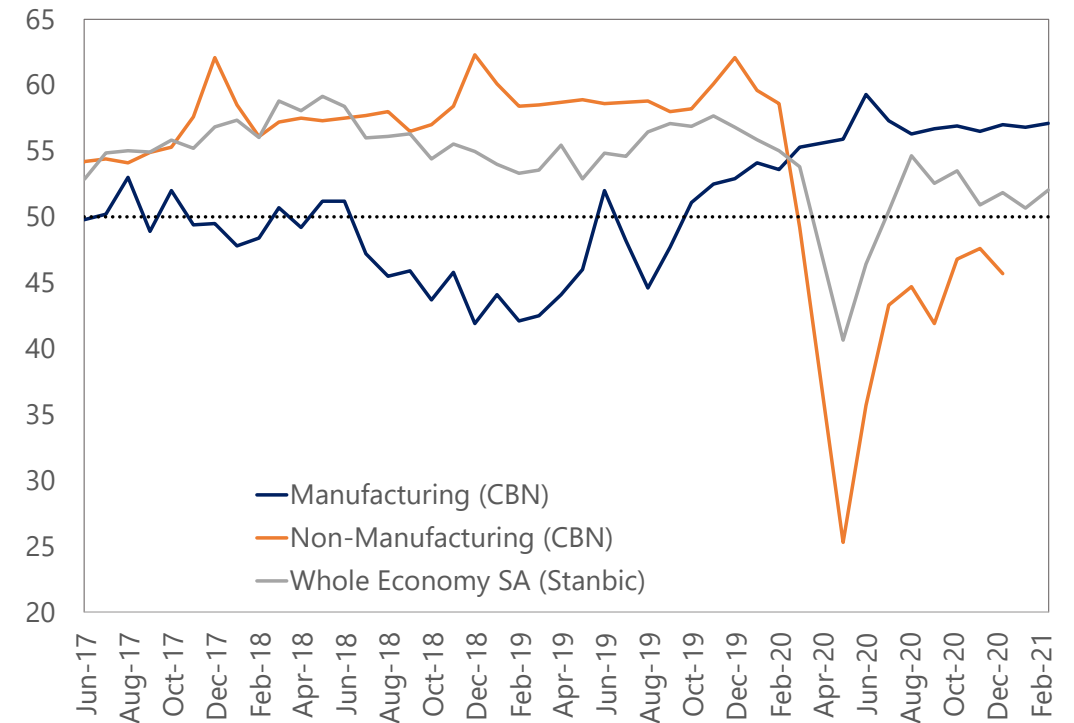
Developments in Nigeria also Pointing Upward

Nigeria: Quarterly real GDP growth by sector (percent, y-o-y)



Sources: Haver and IMF Staff Calculations

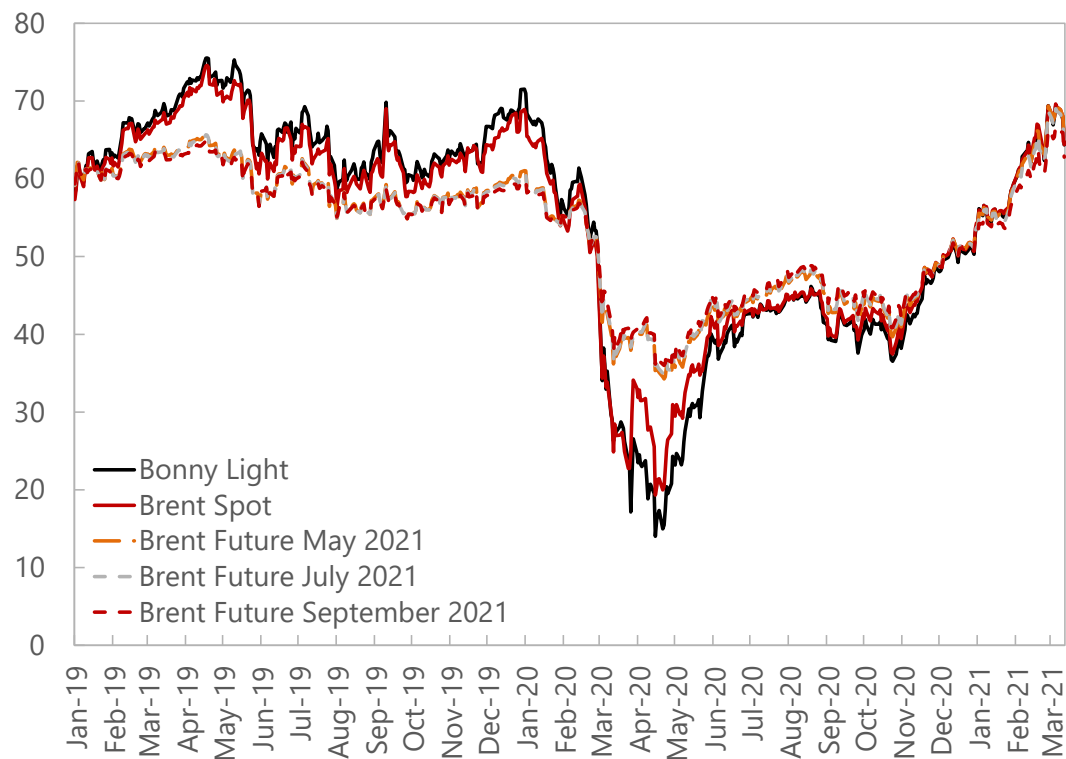
Nigeria: Purchasing Manager Index (index number, <50 indicates contraction)



Sources: Haver, CBN.

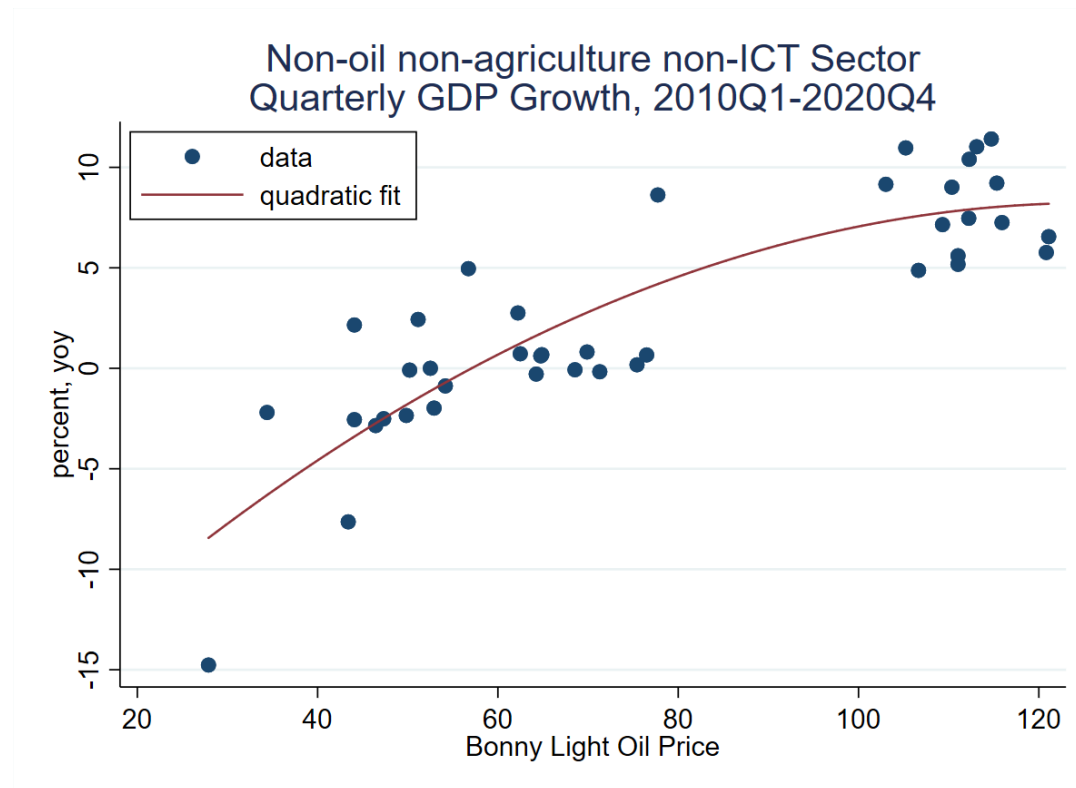
Particularly with Rising Oil Prices

Daily oil prices (USD per barrel)



Sources: Bloomberg.

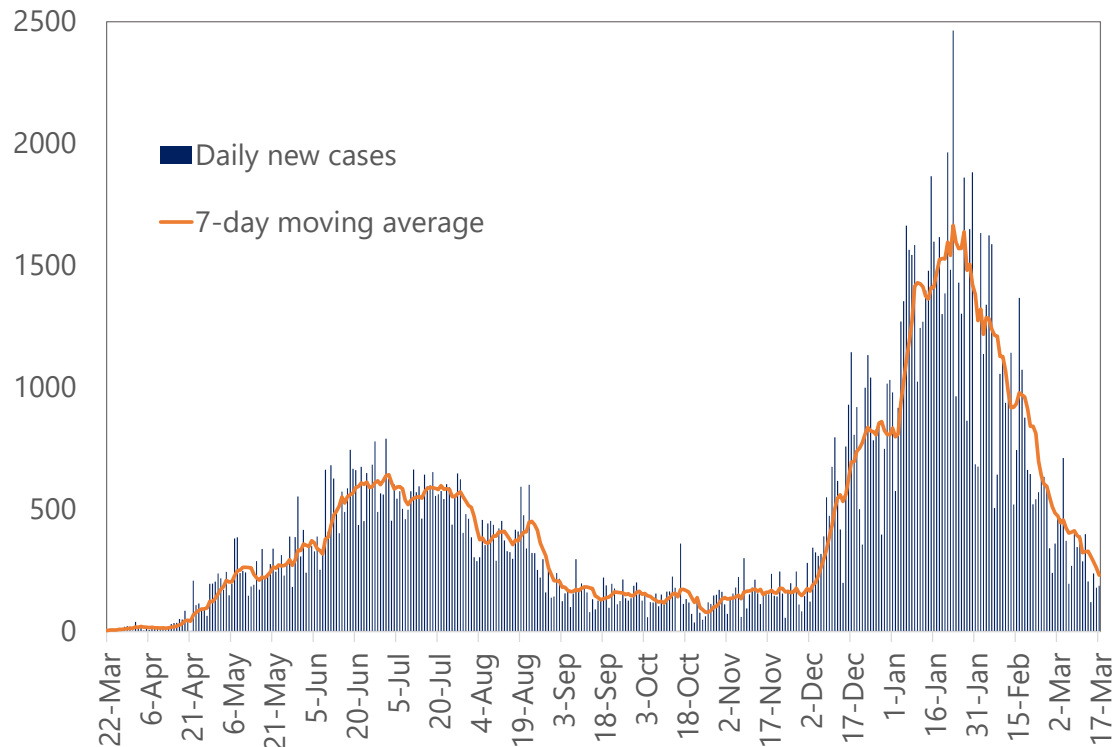
Nigeria: Oil price and growth



Sources: IMF staff calculation..

Near-Term Risks from the Pandemic..

Nigeria: Daily new cases of COVID-19



Sources: Our World In Data.

Vaccination plan

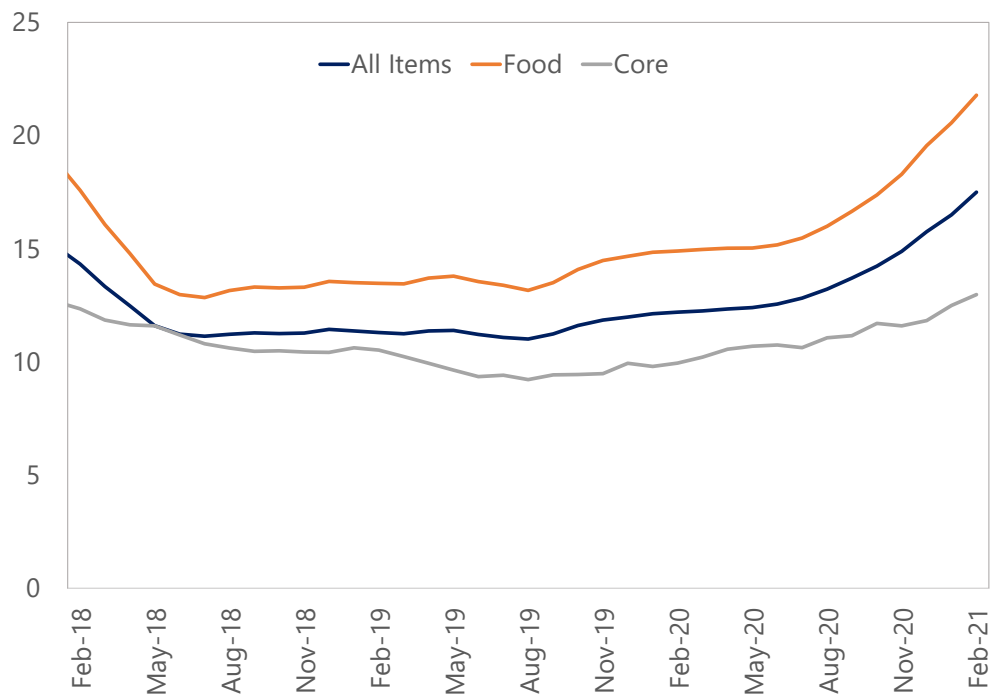
- National Vaccine Deployment Plan in place
- Goal is to vaccinate 40% of population in 2021 and 70% by 2022
- Two main platforms: WHO's COVAX and AU's COVID-19 Vaccine Deployment and Access Strategy

Challenges

- Securing adequate doses
- Operational difficulties
- Financing

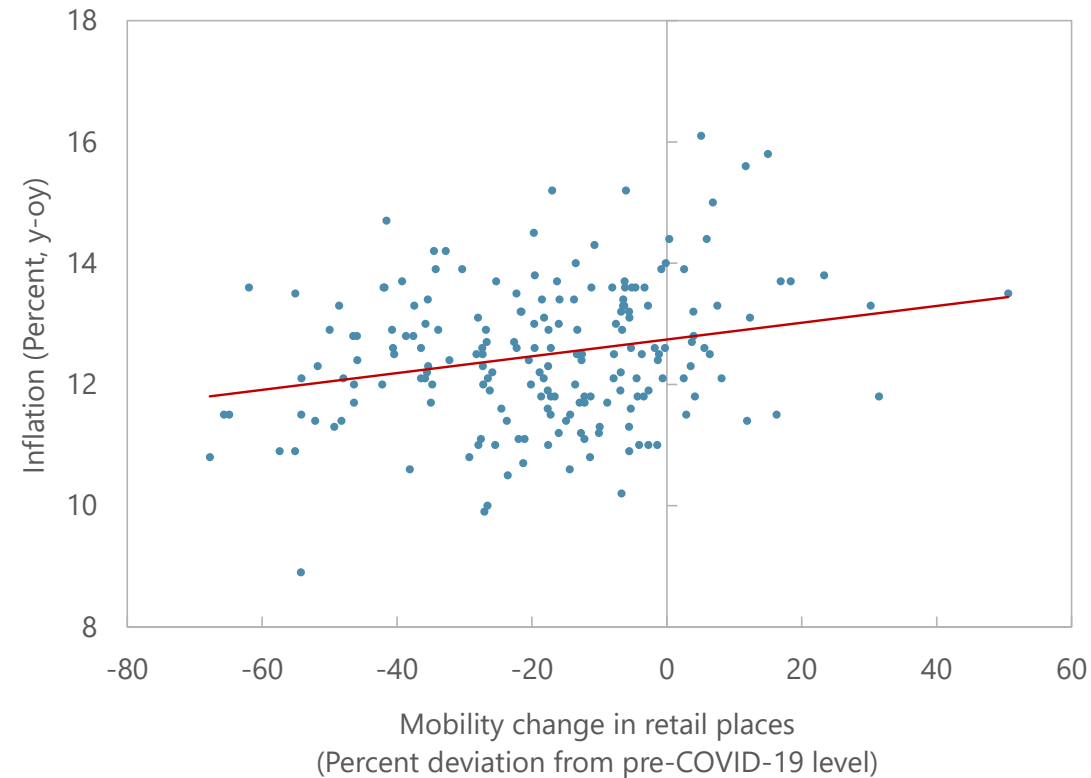
...Rising Inflation...

Nigeria: Headline, Food and Core Inflation (y-o-y, in percent)



Sources: NBS.

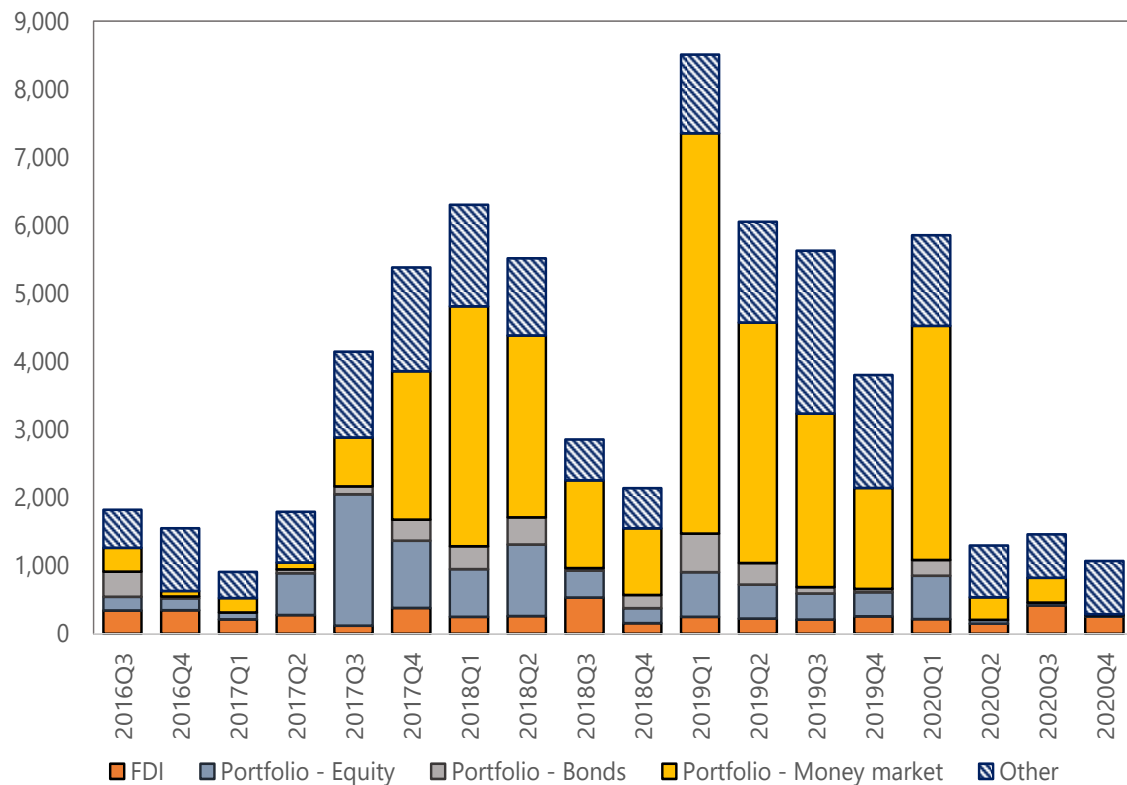
Nigeria: Regional Inflation and Mobility (y-o-y, in percent)



Sources: NBS and Google.

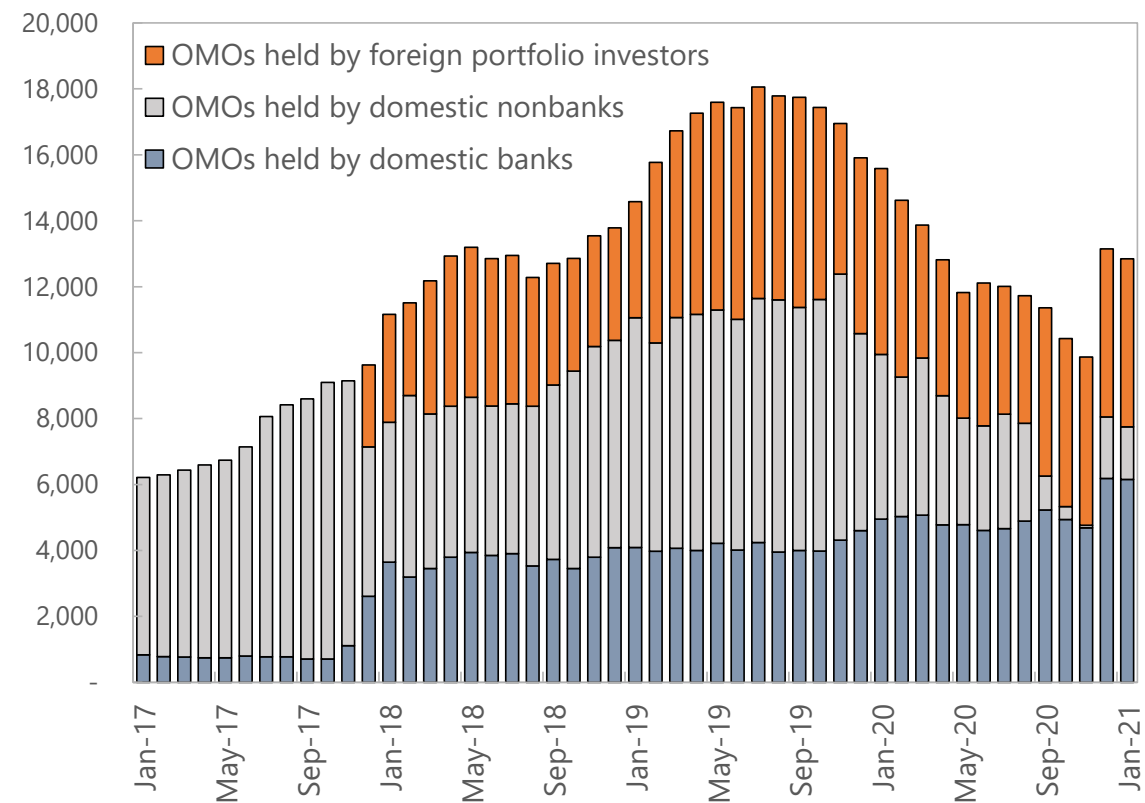
...And Weak Investor Sentiment

Nigeria: Capital inflows (USD million)



Sources: CBN.

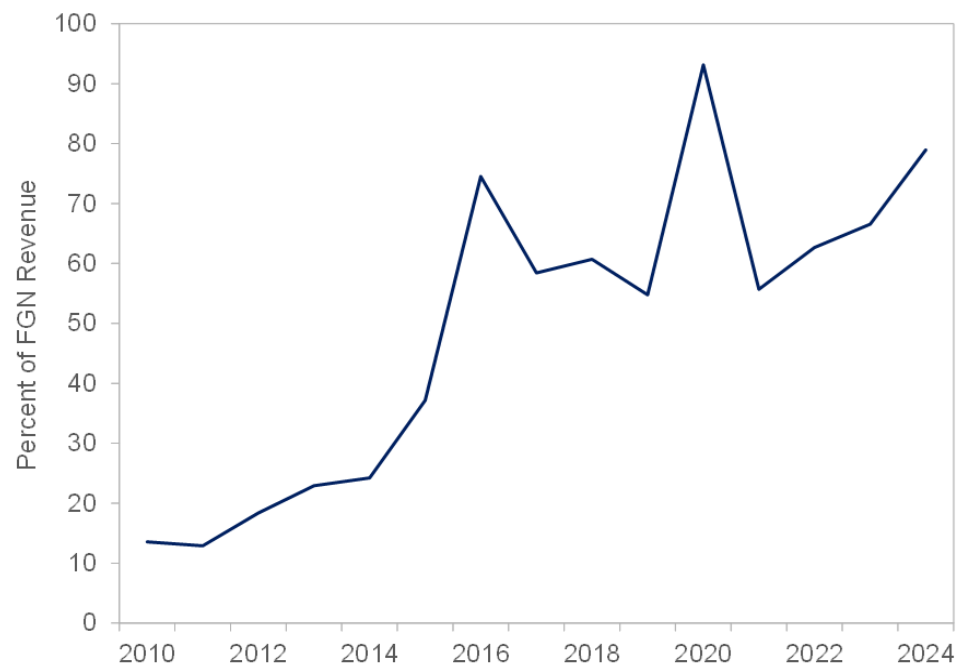
Nigeria: Stock of OMO bills and holders (Naira billion)



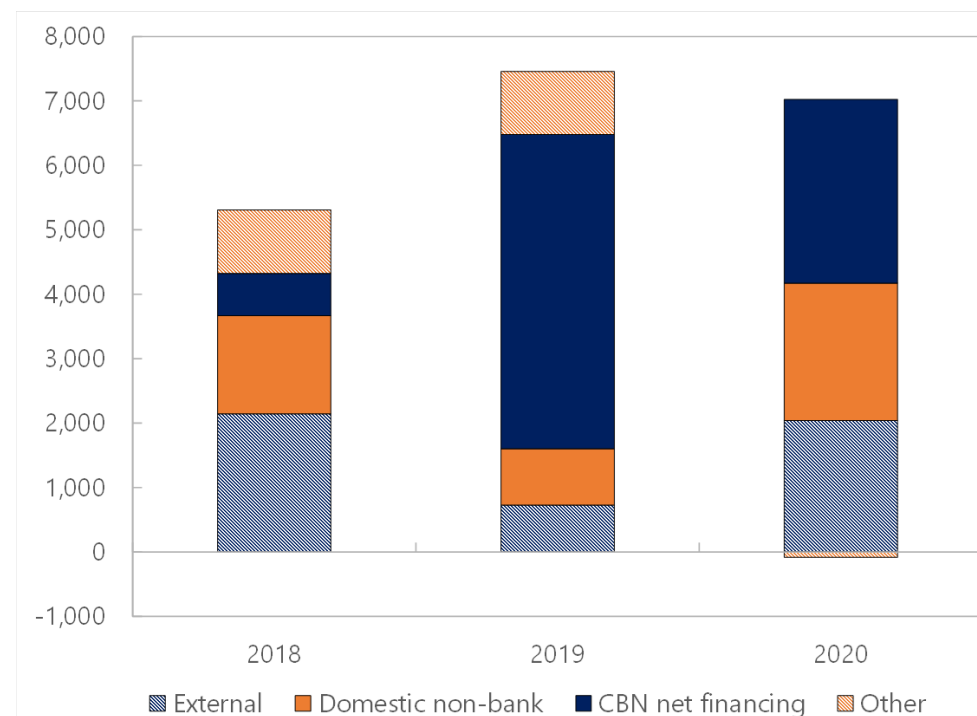
Sources: CBN, custodian data.

Top Policy Priorities are Domestic Revenue Mobilization

Nigeria: FGN interest payments to revenue



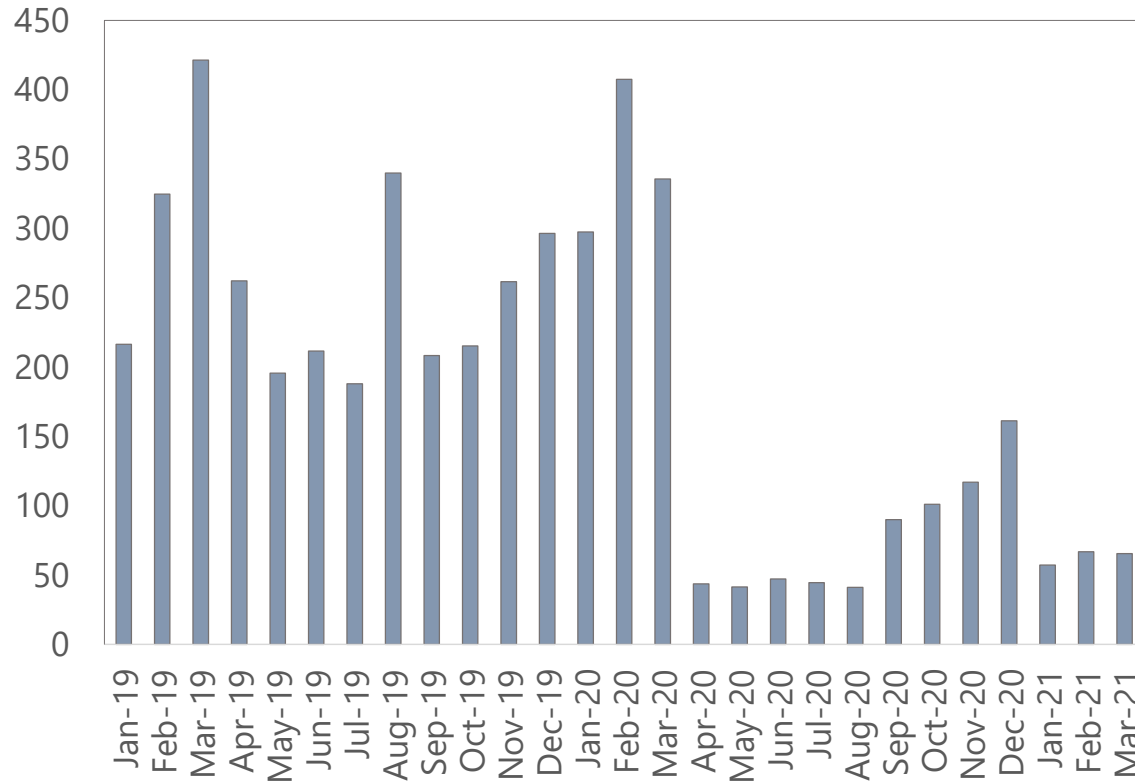
Financing of Federal Government's Deficit (Billions of Naira)



Sources: Nigerian authorities and IMF staff calculations and projections.

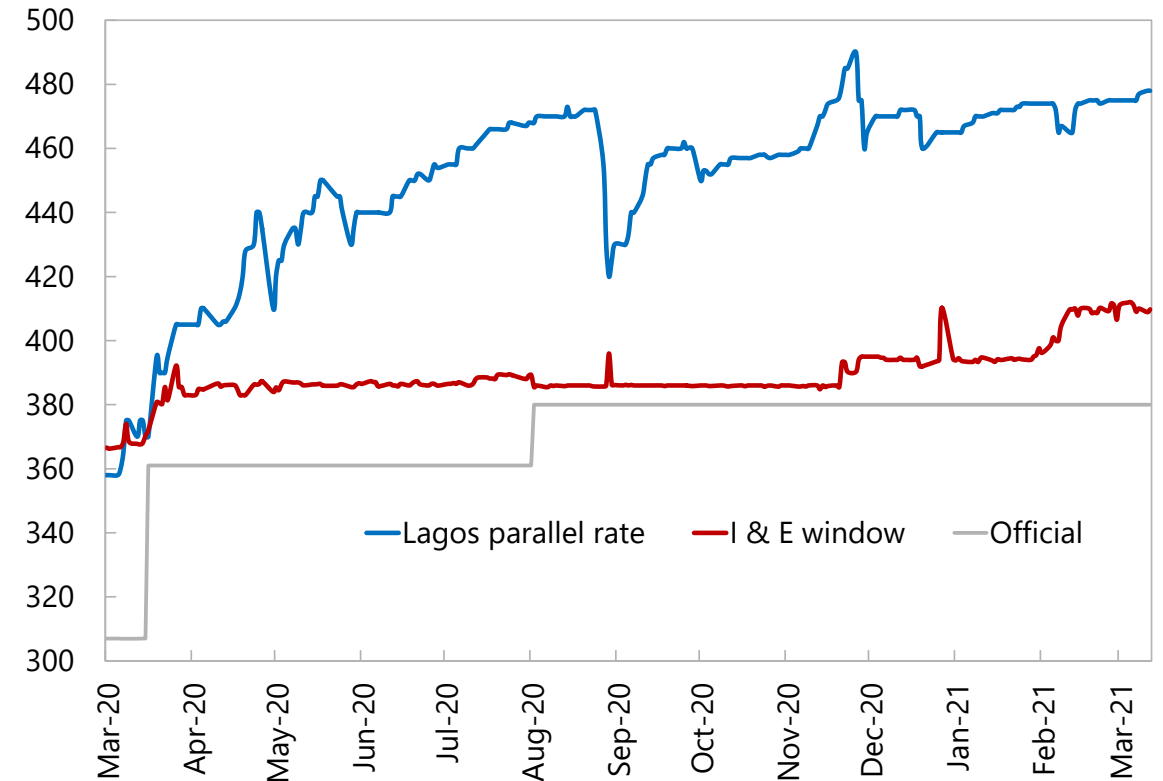
... And Exchange Rate Reforms

Nigeria: Daily turnover in the I&E FX window
(USD million, monthly average)



Sources: CBN.

Nigeria: Exchange rates
(Naira per USD, daily)



Sources: CBN, FMDQ.