

## Trade

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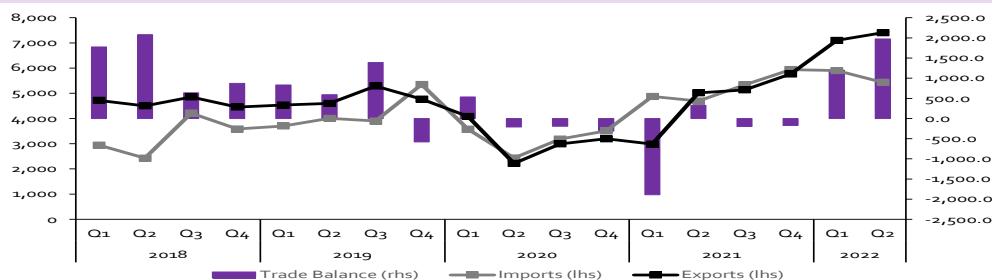
### Trade surplus for the second consecutive quarter

Based on the data released by the National Bureau of Statistics, Nigeria's foreign trade position in Q2 2022 was a surplus for the second consecutive quarter as exports (N7.4tn) significantly exceeded the value of the country's imports (N5.4tn) in the period resulting in a surplus position of N1.97tn. Compared to Q2 2021, total exports of N7.4trn was 47.5% y/y higher in Q2 2022 than the value of N5.0trn reported in Q2 2021 while total imports of 5.4trn was 15.8% y/y higher in Q2 2022 than the N4.7trn recorded in Q2 2021. Overall, the total trade value in Q2 2022 was N12.8tn, an improvement of 32.2% y/y compared to the value of Ng.7tn in Q2 2021. The elevated crude oil price in Q2 2022 played a significant role in amplifying the value of exports since the Africa's biggest economy's export is skewed to crude oil (79.8% of total exports in Q2 2022). When compared to Q1 2022, total imports of N5.4trn declined by 7.9% q/q, while total exports of 7.4trn increased by 4.3% q/q. Again, the increase in crude oil price in Q2 2022 proved supportive. Brent crude averaged US\$111.98/bbl compared to US\$97.86/bbl in Q1 2022, and an average price of US\$69.08/bbl in Q2 2021.

On the import side, mineral products accounted for the highest value of imports in Q2 2022, making up 27.9% of the value of total imports into the country and up by 9.0% y/y when compared to Q2 2021, but down 22.1% q/q compared to Q1 2022. The y/y increase in mineral products imports must have been driven by the increase in the price of PMS as crude oil prices increased in Q2 2022, arising from geopolitical tensions amid the demand recovery. This was followed by machinery and transport equipment, which accounted for 19.5% of the total value of imports and was up by 11.2% y/y, but down by 13.4% q/q when compared with Q2 2021 and Q1 2022, respectively. In the first quarter of 2022, the top eight countries where imports came from were China, Netherlands, the United States, India, Belgium, Germany, Russia and Italy.

Gains from crude oil prices were the fulcrum of the increased crude oil exports as the country keeps grappling with low production owing to theft, vandalism, and terminal shutdowns. Looking ahead, the oil environment remains favourable and bodes well for Nigeria, given its oil dependency, and this should boost export value. However, the continued low oil production is a reminder that gains associated with high crude oil prices that should have accrued to export value will remain sub-optimal if the perennial issues affecting production persist.

### Imports, Exports and Trade balance (Q1 2018-Q2 2022)



Source: NBS, CSL Research

### MARKET UPDATE

	1 year	31-Dec-21	1 day
NSE - Index*	39,201.33	42,716.44	49,695.12
Naira / US\$	411.67	435.00	436.33
Brent, US\$/bbl	71.45	77.78	92.84
MPR %	11.50	11.50	14.00

Source: Nigerian Stock Exchange, Central Bank of Nigeria, Bloomberg. \*Nigerian Stock Exchange All-Share Index.

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## Today's news headlines:

**FG loses 13.21m-barrels oil worth N603.64bn in 2022:** Nigeria lost about 13.21 million barrels of crude oil with an estimated worth of N603.64bn between January and August this year, an analysis of the monthly reports of the country's crude oil and condensate production showed. Figures contained in the reports, obtained from the Nigeria Upstream and Downstream Petroleum Regulatory Commission in Abuja on Sunday, indicated that the country's oil production only increased in two months, but crashed in others. Total crude oil production (without condensates) in January, for instance, was 43.35 million barrels, but this dropped to 35.22 million barrels in February, indicating a loss of 8.13 million barrels. It moved up in March, increasing by 3.14 million barrels to close at 38.36 million barrels in the third month of 2022. Source: [punchng.com](https://punchng.com)

<https://punchng.com/fg-loses-13-21m-barrels-oil-worth-n603-64bn-in-2022/>

**FAO: Poor Quality Standards Danger to Food Security:** The Food and Agriculture Organisation (FAO) Country Representative in Nigeria and ECOWAS, Mr. Fred Kafeero, has said the organisation remained committed to ensuring the supply of safe, quality, and nutritious foods, adding that this is as important as ensuring the availability of foods and their standardisation. Kafeero insisted that poor-quality foods posed a real threat to national food security. Speaking at the one-day sensitisation workshop for high-level policy and decision-makers and the public presentation of the National Codex Committee Procedural Manual in Abuja, the FAO country representative said it has been providing Nigeria with requisite support towards ensuring food safety and availability. Source: [thisdaylive.com](https://www.thisdaylive.com)

<https://www.thisdaylive.com/index.php/2022/09/12/fao-poor-quality-standards-danger-to-food-security/>

**Africa lack resources to tackle climate change –AfDB:** The President, African Development Bank Group, Dr Akinwumi Adesina, has said that Africa lacks the resources to tackle climate change as the continent receives only three per cent of global climate financing. This was contained in a statement by the bank's Abuja office. It was also disclosed that the bank plans to provide \$12.5bn to support the Africa Adaptation Acceleration Program. The African Adaptation Acceleration Programme, which is supported by African Heads of State, was established to mobilize more resources for climate change, to advance the objectives of the African Adaptation Initiative. Both the AfDB and the Global Centre on Adaptation are mobilising \$25bn for this programme over five years, to accelerate and scale climate adaptation action across the continent. Source: [punchng.com](https://punchng.com)

<https://punchng.com/africa-lack-resources-to-tackle-climate-change-afdb/>

**Report: 83% of New Phone Subscribers in July Chose Glo:** The latest report by telecommunications industry regulator, Nigerian Communications Commission (NCC), indicates that more new phone subscribers settled with Globacom in the month of July. According to the report published on NCC's website, Globacom added 2,103,721 million new customers in July to take its subscriber base to 58,330,200 from 56,226,479 the previous month. This represents 83 per cent of the total number of 2,523,276 new phone users recorded in the country in July. MTN came second with 392,440 new subscriptions in July, while Airtel was third with 90,955 new customers, followed by gmobile. Source: [thisdaylive.com](https://www.thisdaylive.com)

<https://www.thisdaylive.com/index.php/2022/09/12/report-83-of-new-phone-subscribers-in-july-chose-glo/>

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% distribution	49%	29%	14%	9%	
Investment banking clients	0	1	1	0	2
% distribution	0%	50%	50%	0%	

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