

## Foreign Trade

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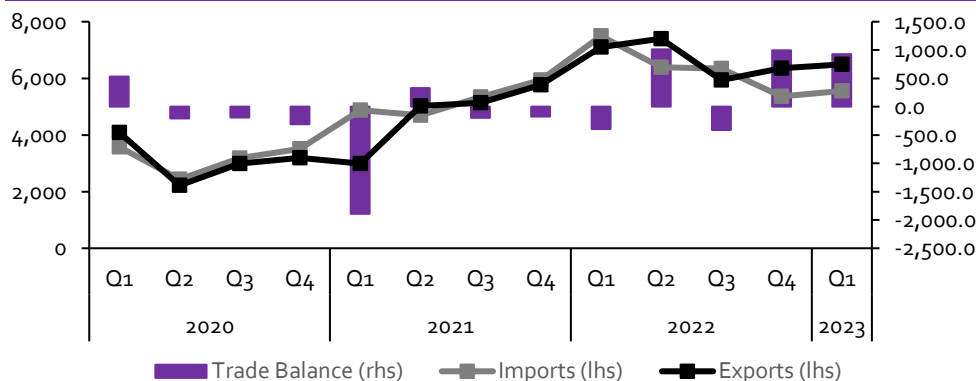
### Total foreign trade declines by 17.5% y/y in Q1 2023.

Based on data released by the National Bureau of Statistics (NBS), Nigeria recorded total foreign trade of N12.05 trillion in the first quarter of 2023, this represents a 17.5% decrease compared to N14.6 trillion recorded in Q1 2022. However, the total foreign trade value increased marginally by 2.8% from N11.72 trillion recorded in Q4 2022. Nigeria's imports stood at N5.56 trillion in Q1 2023 compared with N5.36 trillion and N7.49 trillion in Q4 and Q1 2022 respectively.

On the flip side, Nigeria's exports increased slightly by 2% to N6.49 trillion in the review quarter from N6.36trn recorded in Q4 2022 but declined 8.7% from N7.1trn in Q1 2022. This translates to a trade surplus of N927.2bn in Q1 2023, down from N996.8bn recorded in the previous quarter but compares favorably with the trade deficit of N393.6bn recorded in the corresponding period of 2022. We believe the marginal q/q increase in exports could be attributed to improved crude oil production. The country recorded an average daily oil production of 1.51 million barrels per day (mbpd) in Q1 2023, higher than the daily average production of 1.41mbpd recorded in Q4 2022.

In terms of percentage contribution, crude oil continued to dominate export earnings with a total value of N5.5trn representing 79.37%, followed by 'natural gas liquefied' with a value of N622.36bn accounting for 9.59%. On the other hand, motor spirit and gas oil accounted for the highest value (26.84%) of total imports in Q4 2022. In terms of destination, the Netherlands topped the export destination list closely followed by the United States. China topped the list on the import chart, followed by the Netherlands. Despite the commencement of the Africa Continental Free Trade Area (AfCFTA) coming into force, the Ivory Coast was the only African country among the top ten destinations of Nigeria's exports. We note that the constant devaluation of the Naira and the persistent scarcity of FX has continued to hamper trade.

### Foreign Trade (Ntn)



Source: CSL Research, NBS

### MARKET UPDATE

Indicators	1 year	30-Dec-22	1 day
NSE - Index*	53,270.88	51,251.06	56,038.85
Naira / US\$	416.07	461.50	464.67
Brent, US\$/bbl	120.57	85.91	76.29
MPR %	13.00	16.50	18.50

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

### CONTACT INFORMATION

**Head of Research:** Gloria Fadipe

+234 (1) 448 5436 ext.4516

[gloria.fadipe@fcmb.com](mailto:gloria.fadipe@fcmb.com)

**Banks:** Gloria Fadipe

+234 (1) 448 5436 ext.4516

[gloria.fadipe@fcmb.com](mailto:gloria.fadipe@fcmb.com)

**Brewers:** Goke Adetoyinbo

+234 (1) 448 5436 ext.4457

[adegoke.adetoyinbo@fcmb.com](mailto:adegoke.adetoyinbo@fcmb.com)

**Industrials:** Mustapha Umaru

+234 (1) 448 5436 ext.4512

[mustaphaumar@fcmb.com](mailto:mustaphaumar@fcmb.com)

**FMCGs:** Sunmisola Ikoli-Olowo

+234 (1) 448 5436 ext.4516

[Sunmisola.ikoli@fcmb.com](mailto:Sunmisola.ikoli@fcmb.com)

**Research Team:** [cslresearch@fcmb.com](mailto:cslresearch@fcmb.com)

**Retail Team:** [cslcsu@fcmb.com](mailto:cslcsu@fcmb.com)

**Sales Team:** [cslrmt@fcmb.com](mailto:cslrmt@fcmb.com)



## News headlines:

**Subsidy removal has doubled depot petrol price, say marketers:** Prices of petrol at depots have increased more than 100 per cent following the official removal of subsidies since May 29, The PUNCH findings have shown. National Controller Operations, Mike Osatuyi, on Tuesday, told The PUNCH that many downstream businesses were currently struggling to stay afloat as a result of the hike in prices of products at the depots. According to him, the price of a 33,000 metric tons tanker of petrol that was sold at N8m before subsidy removal now goes between N22m and N23m depending on the location of the filling station from the depots. The PUNCH noticed that most filling stations in Lagos were shut despite the Nigerian National Petroleum Company Limited declaring to have sufficient products in the country to last an extra month after subsidy removal. Source: Punchng.com

<https://punchng.com/subsidy-removal-has-doubled-depot-petrol-price-say-marketers/>

**Naira redesign, high inflation, FX shortage slows Nigeria's growth momentum — World Bank:** Nigeria's growth momentum has been affected by macroeconomic issues such as problems caused by the Naira redesign, issues around foreign exchange shortages and the persistently high inflation rate, the World Bank has said. This was revealed in its global economic prospects for Sub-Saharan Africa (SSA) report for June 2023 where it added that this dampened growth was also experienced in Angola and South Africa, as it stated that growth in these three countries which are the largest SSA economies slowed to 2.8 percent in 2022. The report added that the fragile and incomplete recoveries from earlier adverse economic and climate shocks in many countries, have been weakened by high and persistent inflation in some countries. Source: businessday.ng

<https://businessday.ng/news/article/naira-redesign-high-inflation-fx-shortage-slows-nigerias-growth-momentum-world-bank/>

**NADECO Congratulates Tinubu, Seeks Return to Federal:** The National Democratic Coalition (NADECO) has written Nigeria's President, Bola Tinubu, urging him to immediately work towards returning Nigeria to a federal system of government. In a statement by its General Secretary and Spokesman, Ayo Opadokun, the pro-democracy organisation maintained that Nigeria is currently a country and not a nation, stressing that the struggle to make Nigeria a truly federal state must be vigorously pursued. While congratulating the president on his inauguration, NADECO noted that it was without prejudice to the democratic rights of his opponents who are contesting his victory at the election tribunal. NADECO said it was gratified that one of its most prominent leaders who contributed to the democratic struggle has by destiny become the elected president of the country. Source: thisdaylive.com

<https://www.thisdaylive.com/index.php/2023/06/07/nadeco-congratulates-tinubu-seeks-return-to-federal-system>

**SEC partners SON on commodities standardisation:** The Securities and Exchange Commission says it has partnered with the Standards Organisation of Nigeria to develop standards for commodities meant for exports in a bid to grow the economy, provide jobs for Nigerians as well as provide the nation with foreign exchange. This was disclosed in a statement issued by the commission on Tuesday, stating that Nigeria's agricultural sector in the country is expected to grow significantly in the future. According to the National Bureau of Statistics' first quarter report, Nigeria's agric sector moderated by 0.90 per cent thus contributing to a decline in the overall Gross Domestic Product. This is the first time in seven years that the sector would be recording a decline in its growth. Source: Punchng.com

<https://punchng.com/sec-partners-son-on-commodities-standardisation/>

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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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CSL Stockbrokers Limited  
Member of the NGX Exchange  
PO Box 9117  
Lagos State, NIGERIA

CSL Stockbrokers  
A trading name of CSL Capital (UK) Ltd  
43-44 New Bond Street  
London  
W1s 2SA  
United Kingdom