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# CORPORATE DIGEST

Nigeria's 2021 GDP Growth: Outperforms Analysts Expectations



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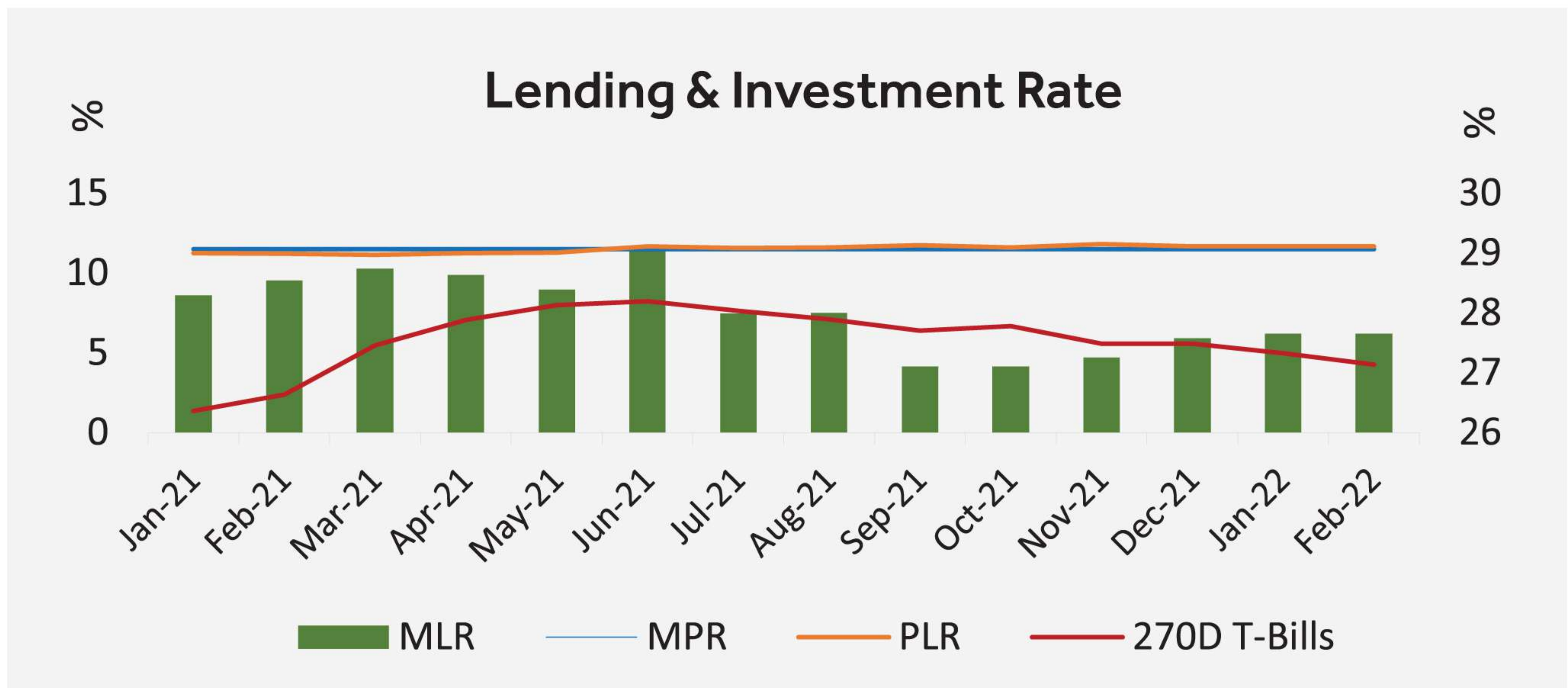
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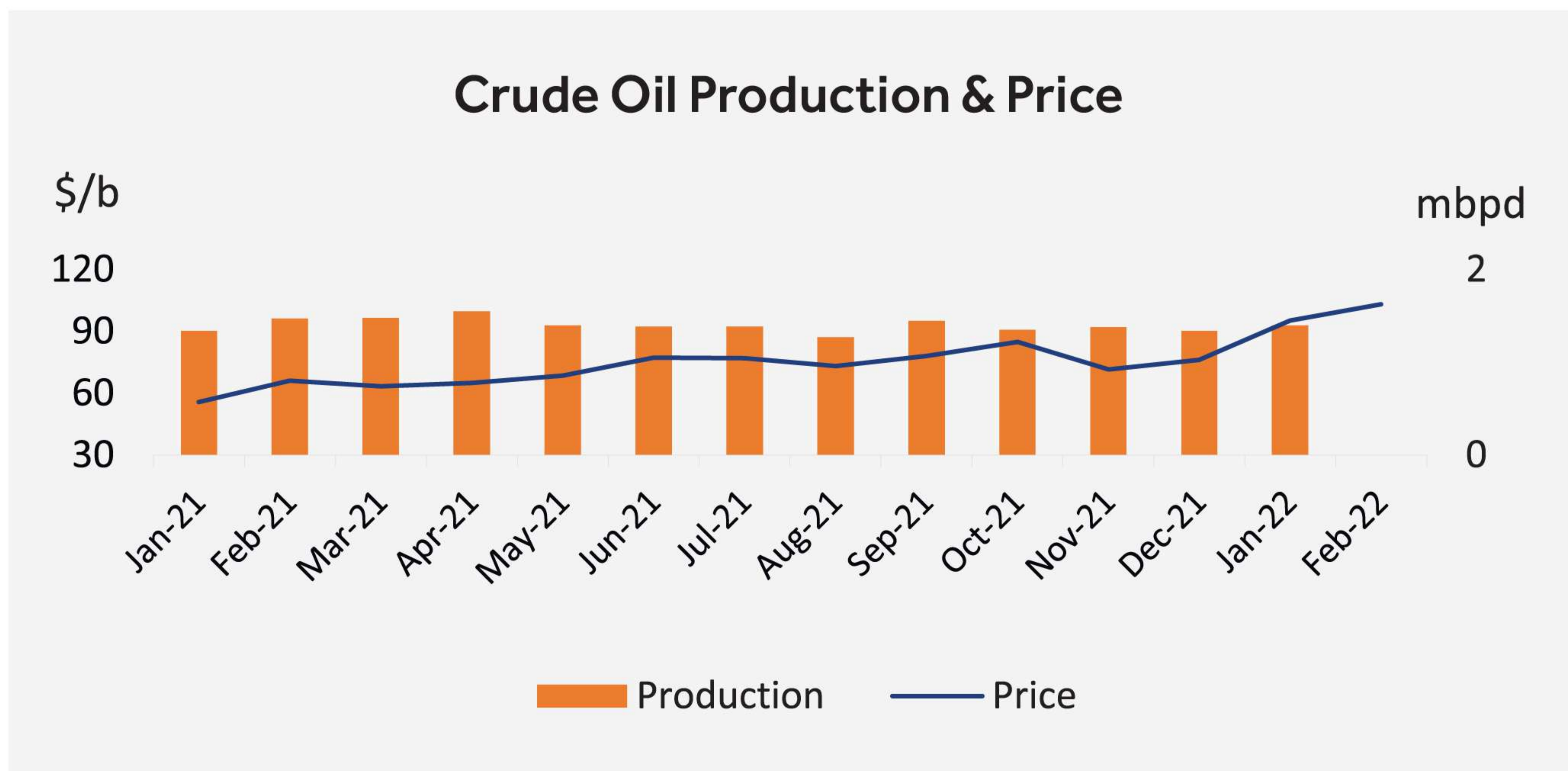
more than banking

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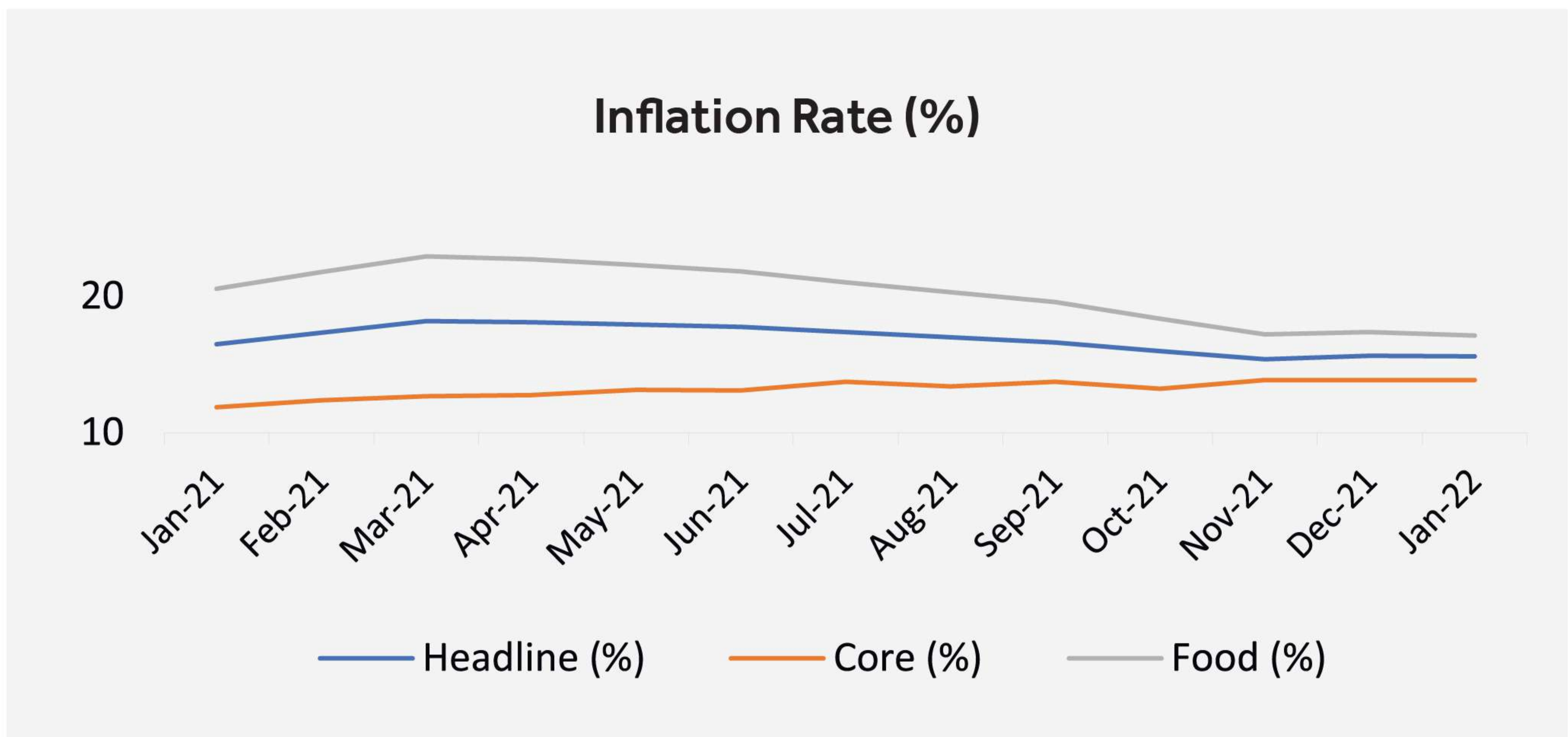
# Macroeconomic Updates



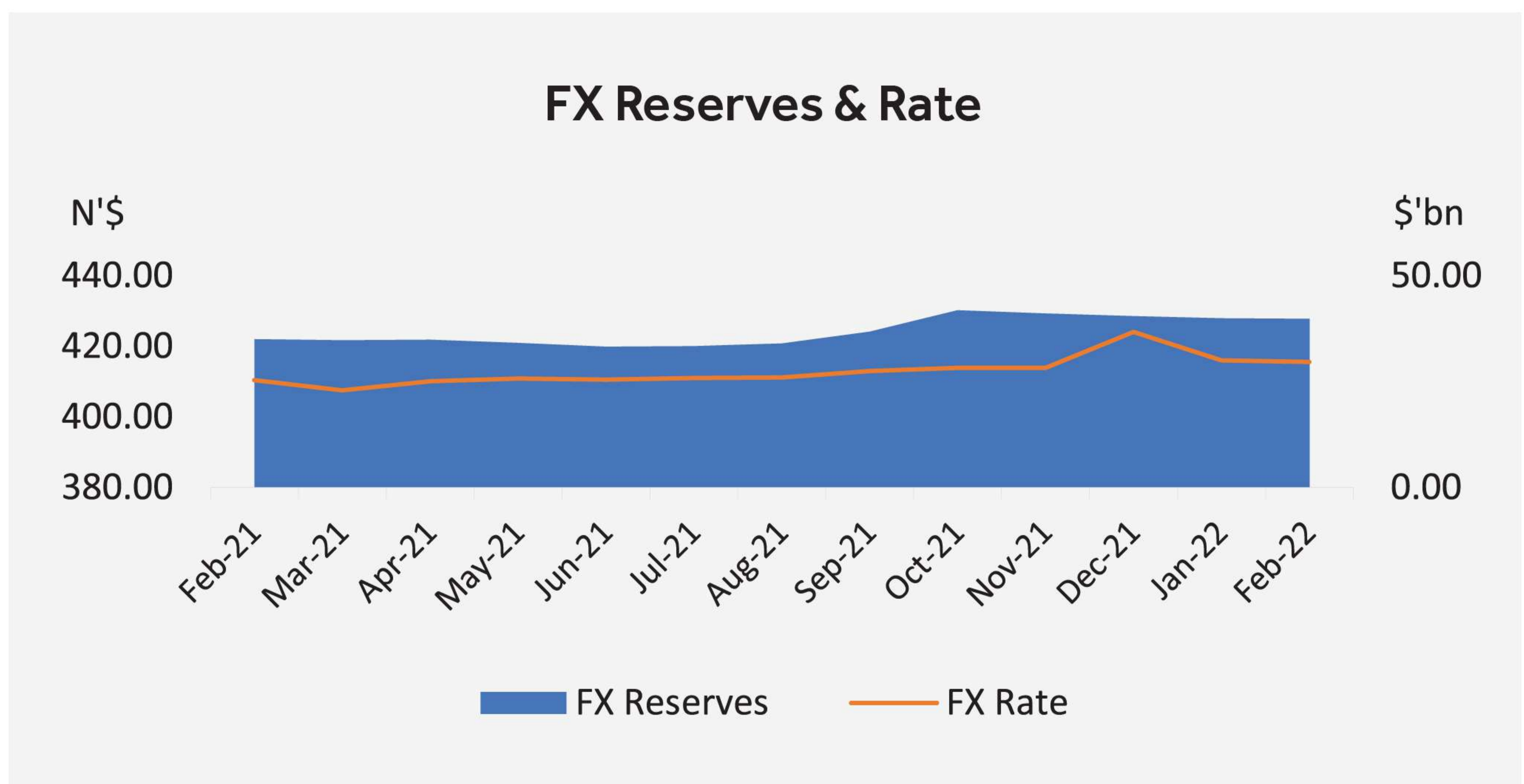
- The Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) met in January 2022 and left the Monetary Policy Rate (MPR) and other parameters unchanged.
- The Prime Lending Rate (PLR) remained at 11.68% showing no change in January 2022 relative to the preceding month.
- The Maximum Lending Rate (MLR) slightly increased to 27.65% from 27.58% within the same period.
- The 270-Day Treasury Bills (T-Bills) declined in February 2022 to 4.26% from 4.96% posted in January 2022.



- Oil prices passed the \$100/b mark in February 2022, closing the month at \$103.23/b, the highest since 2014 and higher than the \$95.23/b recorded in January 2022.
- The ongoing crisis between Russia and Ukraine fueled the spike in oil prices and the sanctions on Russia has stoked fear of further supply disruptions across the globe.
- Nigeria pumped about 1.4 million barrels per day (mbpd) in January 2022, slightly higher than the 1.34mbpd pumped in December 2021.



- Headline inflation rate returned to its declining trend to sit at 15.6% in January 2022 relative to 15.63% in December 2021.
- Core inflation rate showed no change in January 2022, maintaining 13.87%, same as the figure posted in December 2021.
- Food inflation declined to 17.13% in January 2022 from 17.37% recorded in December 2021.
- The inflation rate remains outside the CBN's target range of 6%-9%.



- External reserves declined further in February 2022 by \$0.18 billion to settle at \$39.86 billion, relative to the \$40.04 billion posted in January 2022
- Increasing fuel subsidy payments owing to rising oil prices negates the impact of higher oil export proceeds on the reserves.
- The Naira further appreciated in February 2022, closing at ₦415.67/\$, up from ₦416.03/\$ recorded in the previous month at the NAFEX window, reflecting the CBN's efforts towards upholding the Naira value.

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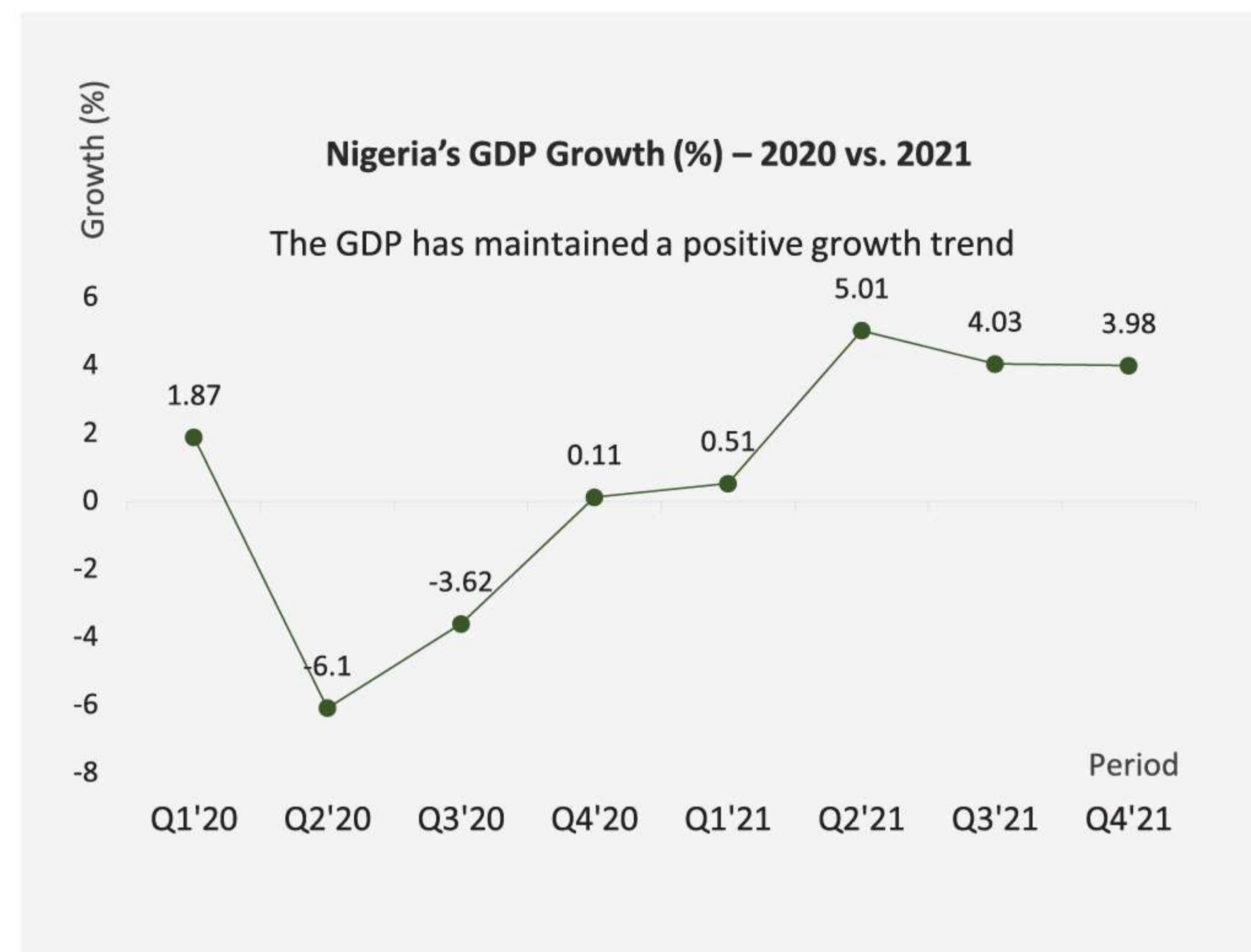


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# A look at Nigeria's 2021 GDP Growth

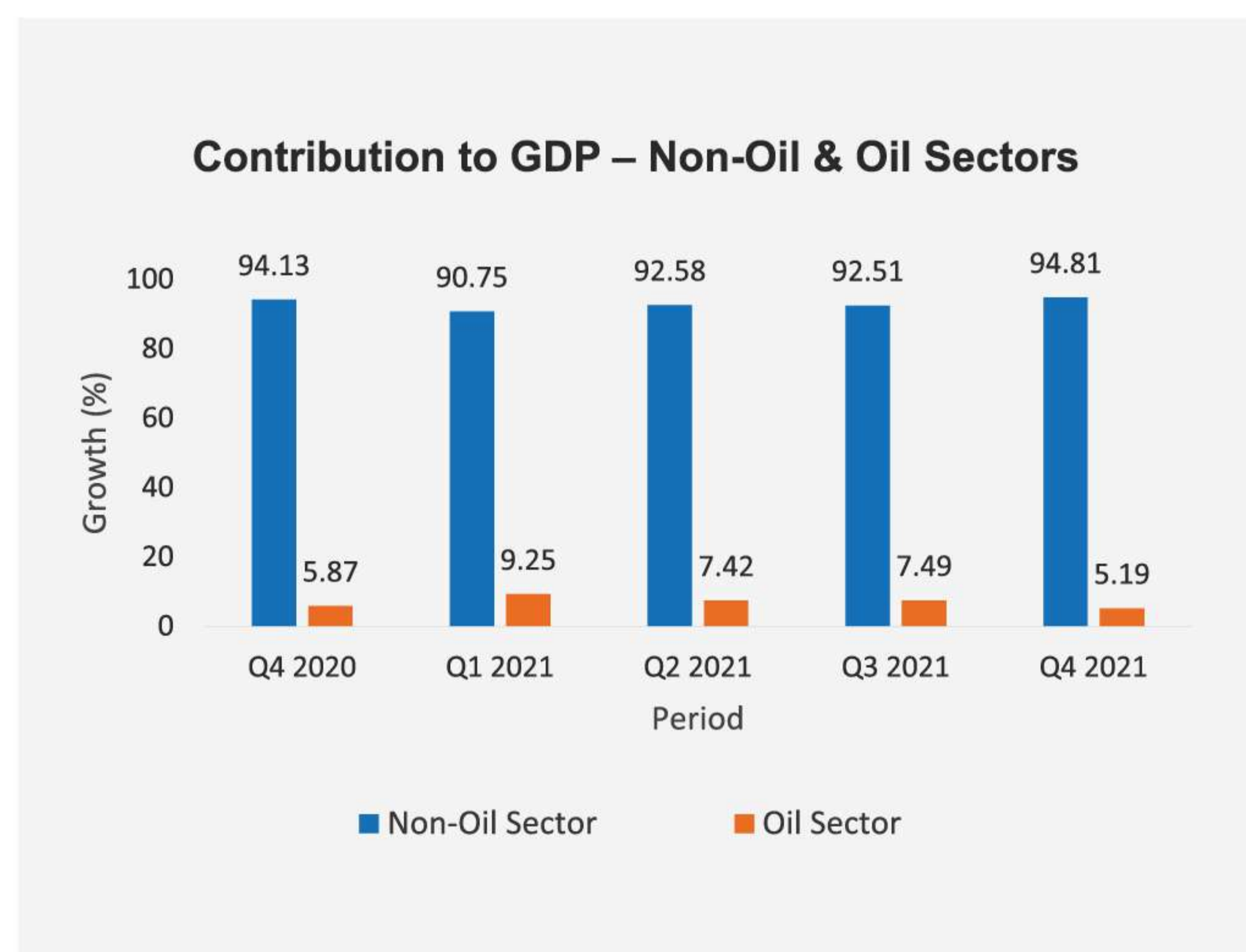
## Overview:

- ◆ Although the Nigerian economy witnessed declining growth for the better part of 2021 due to waning 2020 base effect, growth remained positive throughout the year.
- ◆ The last quarter of 2021 recorded a 3.98% growth, which although was lower than the 4.03% growth recorded in Q3 2021, was higher than 0.11% growth posted in the corresponding quarter of 2020 (i.e. Q4 2020).
- ◆ The full year 2021 GDP growth set at 3.4%, outperforming analyst expectations which hovered around 2% and full year 2020 GDP growth of -1.92%. It was the fastest expansion witnessed since 2014, as growth exceeds Nigeria's population growth of about 2.6%.



## The Non-Oil Sector a major contributor to the GDP

- ◆ The non-oil sector remained the chief contributor to the GDP, accounting for 94.81% of the GDP, while the oil sector contributed the remaining 5.19%. Growth in the non-oil sector was mainly driven by crop production, trade, telecommunications and Financial Institutions activities.
- ◆ Although the oil sector growth remained in the negative space, it continued to show improvement, posting -8.76% in Q4 2021, higher than -10.73% posted in Q3 2021. The non-oil sector, on the other hand, declined by 0.71% to post 4.73% in Q4 2021 relative to 5.44% posted in Q3 2021.
- ◆ Government policy support, improving oil prices and international financial assistance has helped the economy bounce back stronger. However, rising global tension, low vaccination rates, worsening debt service dynamics and deteriorating insecurity at the local front amongst others, remain the downside risks to sustained economic recovery.



## Sectoral Growth in Q4 2021

There are 46 activity sectors across Nigeria. The image below looks at the Growth rate in these sectors at Q4 2021, in comparison to the Q3 2021 performance.

Sector	Growth Rate		
	Q4 2021	Q3 2021	
<b>Top 5 Resilient Sectors</b>			<div style="text-align: center;"> <p><b>46</b> activity sectors</p> <p>37 sectors remained positive</p> </div>
Air Transport	63.05%	33.31%	
Metal Ores	46.96%	54.92%	
Rail Transport & Pipelines	37.74%	59.93%	
Road Transport	30.39%	21.11%	
Water Supply, Sewage & Waste	28.84%	12.97%	

Sector	Growth Rate			
	Q4 2021	Q3 2021		
<b>Sectors in Recovery</b>	 ♦ Coal Mining	62.91%	-4.20%	These 4 sectors moved into the positive space
	 ♦ Quarrying & Other Minerals	42.92%	-4.20%	
	 ♦ Fishing	1.69%	-3.97%	
	 ♦ Public Administration	1.13%	-0.15%	
<b>Volatile Sectors</b>	 ♦ Wood & Wood Products	-4.82%	1.38%	These 3 sectors moved into the negative space
	 ♦ Pulp & Paper Products	-3.33%	1.67%	
	 ♦ Textile, Apparel & Footwear	-2.37%	1.03%	
<b>Sectors in Recession</b>	 ♦ Oil Refining	-43.94%	-47.83%	These Oil & Gas sectors remained negative
	 ♦ Crude Petroleum & Natural Gas	-8.06%	-10.73%	

## Notes on the Performance of Sectors

Category: Growth ■ | Recovery ■ | Recession ■

S/N	Activity Sector	Q4'21	Q3'21	Comments	Category
1.	Accommodation & Food Services	1.27%	2.09%	Increased mobility/ travels supported the industry, thus, improving revenue, albeit at a slower pace at the end of 2021.	<span style="color: #003366;">■</span>
2.	Agriculture	3.58%	1.22%	Improved growth was driven by increased demand for agricultural products coupled with the rise in food inflation at the end of Q4 2021	<span style="color: #003366;">■</span>
3.	Chemical & Pharmaceutical Products	8.96%	10.02%	The improved vaccination rate and gradual decline in the spread of COVID-19 infection in Q4 slowed the growth of the industry	<span style="color: #003366;">■</span>
4.	Construction	3.46%	4.10%	The industry remained resilient as government revenue collection improves and public debt-funded infrastructure investment increase.	<span style="color: #003366;">■</span>
5.	Education	1.42%	1.37%	Rising private investment and patronage of private education has kept the sector's GDP in the positive space.	<span style="color: #003366;">■</span>
6.	Financial Institutions	24.14%	23.23%	Increased demand for financial services especially from the insurance segment kept the industry in a positive double-digit space.	<span style="color: #003366;">■</span>

## Notes on the Performance of Sectors

Category: Growth <span style="color: blue;">■</span>   Recovery <span style="color: green;">■</span>   Recession <span style="color: red;">■</span>					
S/N	Activity Sector	Q4'21	Q3'21	Comments	Category
7.	Food & Beverage	4.84%	6.07%	Despite macroeconomic challenges, the industry maintained a positive growth, however lower than the growth recorded in the previous quarter	<span style="color: blue;">■</span>
8.	General Commerce	5.34%	11.90%	Industry's growth remained positive for the better part of 2021 as economic activities generally improved.	<span style="color: blue;">■</span>
9.	Human Health	5.14%	4.99%	The widespread of telemedicine and continuous public and private investment in healthcare has kept the sector on the resilient path	<span style="color: blue;">■</span>
10.	Manufacturing	2.28%	4.29%	Although 4 out of the 13 subsectors that make up the manufacturing industry recorded a negative growth, the industry remained resilient	<span style="color: blue;">■</span>
11.	Electricity, Gas, Steam & Air Conditioner	2.78%	14.36%	Ongoing reforms and investment in the industry ensured that the industry's growth remained positive despite structural challenges.	<span style="color: blue;">■</span>
12.	Professional Services	1.50%	1.11%	Increased business activities has seen the need of professional services grow thus improving the growth of the industry	<span style="color: blue;">■</span>
13.	Real Estate	1.47%	2.32%	Industry maintained a positive growth owing to fast-growing private sector-led residential and commercial building industry	<span style="color: blue;">■</span>
14.	Telecommunications	5.31%	10.87%	The reopening of offices which led to the decline in remote work/meetings slowed the growth of the industry in Q4 2021 relative to Q4 2020	<span style="color: blue;">■</span>
15.	Transportation	29.72%	20.61%	Increased traveling activities owing to the yuletide season saw revenue the transportation sector grow especially for the road and air transport	<span style="color: blue;">■</span>
16.	Public Administration	1.13%	-0.15%	Rebound in economic activities which translates to improved taxes and levies payment for the year pushed the public administration industry into recovery.	<span style="color: green;">■</span>
17.	Oil & Gas	-8.06%	-10.73%	Despite the improvement in energy prices throughout the year, the industry remained in the negative space largely owed to structural challenges	<span style="color: red;">■</span>

Source: NBS

## Business Advice for Companies and their value chain

- ◆ The effects of Covid-19 had highlighted the importance of businesses putting a workable Business Continuity Plan (BCP) in place, which can be triggered in the event of a disaster.
- ◆ Costs should also be kept under tight control and businesses be more strategic about reducing waste by operating at higher efficiency levels. This will help the company remain profitable in the face of difficult economic conditions. Manufacturing firms for instance, should localize inputs to reduce dependence on dollars. This action will help to drive a lower cost profile and improve profitability margins.

- ◆ Firms should continue to be inventive and fit their company goals with contemporary realities. This prevents the company from going out of business. Loss-making segments should be restructured or divested by companies operating in distinct business areas. In order to increase productivity, businesses might develop strategic alliances with other companies. Customers must also be prioritized, and their feedback must be acknowledged and acted upon. Discounts, loyalty benefits, and competitive pricing should all be used in driving retention.
- ◆ Firms should take advantage of various intervention funds and government initiatives aimed at boosting business growth. The CBN's new RT200 (Race To \$200billion) FX programme is a policy targeted at non-oil exporters with the purpose of boosting foreign exchange inflow. The objective of this programme is to prioritize and finance non-oil export businesses, upgrade export infrastructures, encourage the export of value-added goods, etc, whilst trying to attain the goal of \$200 billion in FX repatriation from non-oil exports over the next 3-5 years.
- ◆ Lastly, business owners are encouraged to engage the services of financial and economic professionals to obtain advice, as required. Access Bank remains dedicated to providing her customers with the tools they need to grow their companies and compete in the current macroeconomic environment.

## Find the Word Puzzle

This puzzle contains the answers to the Five (5) questions below.

The first Two (2) customers who correctly provide all the answers to the questions stand a chance to win a N5,000 airtime voucher each. To participate in this draw, [please submit your answers via this link.](#)

E	T	R	P	Z	L	C	Q	R	A
N	K	Y	O	I	T	U	S	E	C
A	C	X	P	N	R	S	N	B	D
I	B	T	G	T	P	T	Y	T	O
R	Y	A	I	E	O	O	U	X	L
A	T	L	K	R	Y	M	W	V	L
Z	R	S	J	E	Z	E	K	J	A
X	O	Q	G	S	K	R	M	Y	R
M	N	P	H	T	U	L	D	B	E
P	R	I	M	U	S	P	L	U	S

### Find the Word:

1. Regulatory authority for capital markets in Nigeria (abbreviation)
2. Monetary charge paid on borrowed money
3. Widely used foreign currency, commonly called Greenback
4. Recent digital innovation by the Central Bank of Nigeria
5. Access Bank's Corporate Internet Banking Platform

*The correct answers will be shared in the next edition. Stay tuned!*



# Breaking the Bias:

Pictures from the 2022 International Women's Day Conference

The International Women's Day Conference was hosted on March 10th, 2022 at Eko Hotels and Suites, Victoria Island, Lagos.

It was truly an exciting event, filled with powerful fireside conversations, phenomenal insights, and special performances all to celebrate the beautiful women that are a big part of the Access family.

Access Bank is committed to breaking the bias in every sphere of influence, and to achieving a gender equal world, free of stereotypes and discrimination. **#ThinkW**

