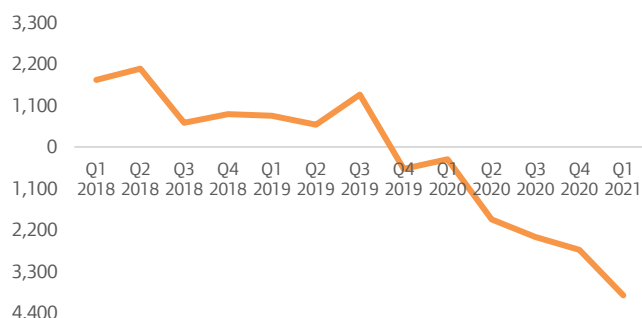


Merchandise Trade Balance (N' Bn)



%age Change in Export Proceeds

Export Category	Q1 2021	Q4 2020	Q-o-Q Change
Crude Oil (N' Bn)	1,929.83	2,521.35	-23.46%
Non-Crude Oil Exports (N' Bn)	977.39	673.15	45.20%
Non-Oil exports (N' Bn)	435.43	241.28	80.46%

%age Change in Major Imported Goods

Import Category	Q1 2021	Q4 2020	Q-o-Q Change
Manufactured goods (N' Bn)	4,532.37	3,825.91	18.47%
Other Petroleum Oil products (N' Bn)	978.75	822.34	19.02%
Raw materials (N' Bn)	669.15	715.68	-6.50%
Agricultural goods (N' Bn)	630.18	532.40	18.37%

Exports to Regions

Year	Africa (N' Bn)	America (N' Bn)	Europe (N' Bn)	Asia (N' Bn)	Oceania (N' Bn)
2018	2,331.61	2,416.94	8,182.67	5,397.20	203.63
2019	3,922.45	2,048.39	7,617.29	5,421.55	182.55
2020	2,374.89	850.18	4,868.97	4,307.66	120.99
Q1 2021	449.84	316.62	997.79	1,132.55	10.41

Imports from Regions

	Africa (N' Bn)	America (N' Bn)	Europe (N' Bn)	Asia (N' Bn)	Oceania (N' Bn)
2018	467.04	1,400.98	5,392.60	5,792.20	112.31
2019	1,105.78	2,282.57	5,080.86	8,419.93	70.74
2020	666.05	2,635.79	6,626.07	9,808.34	161.79
Q1 2021	183.44	827.80	2,471.58	3,319.35	48.48

Sources: National Bureau of Statistics, Cowry Research

## Nigeria Records N3.94 Merchandise Trade Deficit Q1 2021.

Recently released data by the National Bureau of Statistics (NBS) on foreign trade statistics showed that total merchandise trade rose by 6.99% to N9.75 trillion in Q1 2021 (from N9.12 trillion printed in Q4 2020). Given the higher import transactions which outweighed exports, Nigeria recorded a merchandise trade deficit of N3.94 trillion in Q1 2021.

Specifically, exports which constitute 29.7% of the total trade fell q-o-q by 8.99% to N2.90 trillion in Q1 2021. Imports which accounted for 70.21% of the total trade rose by 15.6% to N6.85 trillion. Further breakdown of the total exports showed that sale of crude oil accounted for 66.38% (N1.93 trillion), falling from N2.52trn in Q4 2020 – likely due to the country's compliance with Opec's production quota as well as difficulty in selling Nigeria's grades amid competition. Non crude oil exports which represented 33.62% (N0.98 trillion) of the total export grew q-o-q by 45.20%.

Imports into the country rose q-o-q by 15.6% to N6.85trn in Q1 2021. The rise was partly driven by higher agricultural goods imports (+18.37%), solid minerals import (+36.77%), energy goods import (+34.39%) and imported manufactured goods (+18.47%) respectively. Major suppliers of goods to Nigeria include China, Netherlands and India respectively as their respective share of total imports stood at 29.57%, 10.20% and 8.56% in Q1 2021.

In the quarter under review, Nigeria exported goods worth N2.82trn to fellow members of the Economic Community of West African States, lower than the value of N1.44trn recorded in the previous quarter. This represented 37% of total exports within Africa.

The dilapidated state of infrastructure in the country, insecurity and the unfriendly business environment has continued to adversely impact on Nigeria's foreign trade balance. These challenges have hampered the country's transformation to an industrialised, export-oriented economy which could have enabled value addition to commodities in order to boost exports. We thus anticipate lower foreign currency receipts and sustained foreign exchange pressures in the medium term pending the rebalancing of the trade equation on account of likely energy independence being anticipated when Dangote Refinery kicks off.