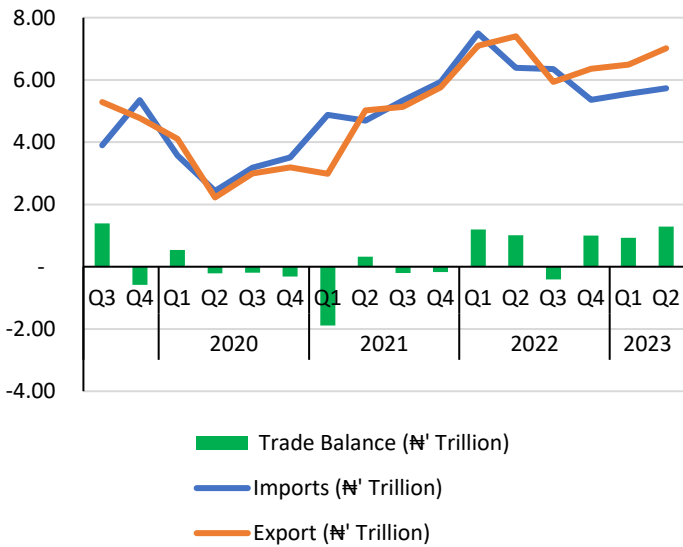


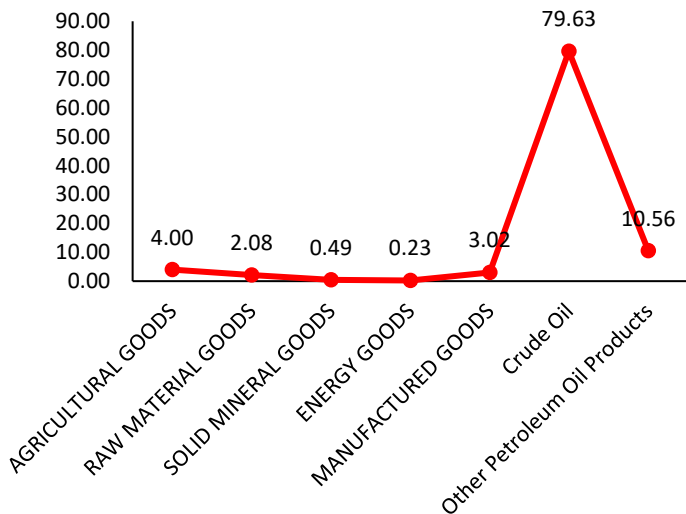
FOREIGN TRADE Q2'2023

Nigeria's Foreign Trade Q2'2023



Source: NBS, Atlasportfolio

% Share of Total Exports by Sector



Source: NBS, Atlasportfolio

Third Consecutive Quarter of Trade Surplus

Nigeria's foreign trade stood at ₦12.74 trillion in the second quarter of the year (Q2'2023), which was 5.77% higher than ₦12.05 trillion recorded in the first quarter of the year, but 7.60% lower than the ₦13.79 recorded in the corresponding quarter of 2022, according to the data released by the Nigerian Bureau of Statistics (NBS).

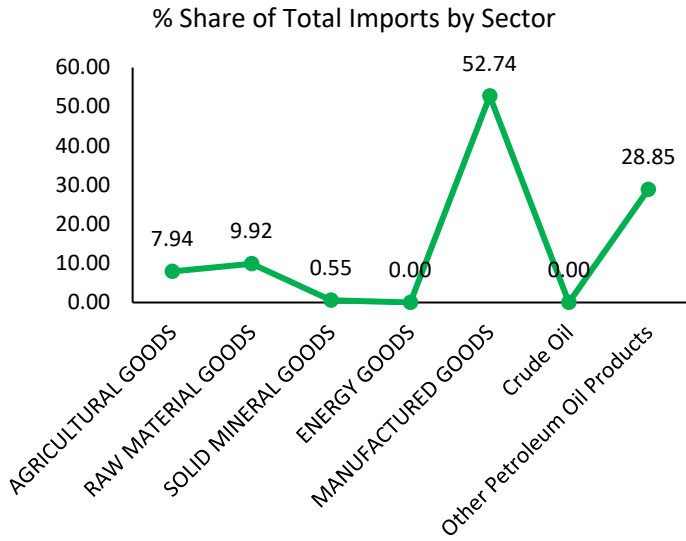
The data showed a positive trade balance due to an increase in export compared to import in the period under review compared to the previous quarter. The country's **total export** increased by 8.15% to ₦7.02 trillion in Q2'2023, from ₦6.49 trillion in Q1'2023, but declined by -5.20% when compared to ₦7.40 trillion recorded in the second quarter of 2022, while **total imports** increased by 2.99% to ₦5.73 trillion in the second quarter of the year, compared to ₦5.56 trillion recorded in Q1'2023, but dropped by 10.37% in comparison to ₦6.39 trillion imported in the corresponding period of 2022.

The value of export traded by the country was dominated by Crude oil, which accounted for 79.63% (₦5.59 trillion) of the total export, trailed by Other Oil Products, which accounted for 10.56% (₦740.74 billion) of the total export, and then Agricultural goods, Manufactured goods, and Raw Materials accounted for 4.00%, 3.02%, and 2.08% of total export accordingly in Q2'2023.

Following the NBS report, Manufactured products such as Used vehicles with diesel or semidiesel engine, Filters, motorcycles etc., were the highest imported

BALANCE OF TRADE REPORT Q2'23

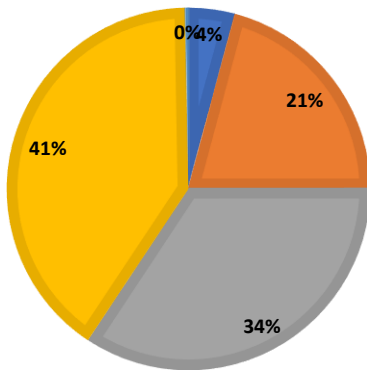
19 September 2023



Source: NBS, Atlasportfolio

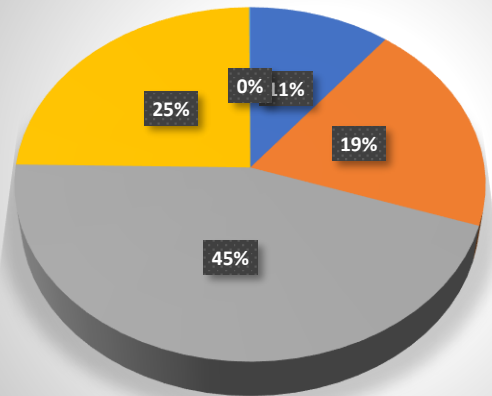
IMPORTATION BY REGION IN Q2'2023

■ Africa ■ America ■ Europe ■ Asia ■ Oceania



Exportation by Region

■ Africa ■ America ■ Europe ■ Asia ■ Oceania



Source: NBS, Atlasportfolio

items in the second quarter of the year, with 52.74% (₦3.02 trillion) of total importation, followed by other Petroleum oil Products with 28.85% (₦1.65 trillion), while Raw Material and Agriculture accounted for 9.92% and 7.94% respectively of the total import for the period under review.

Importation by Region and Country

Nigeria imported more goods from Asia, in the quarter under review, valued at ₦2.31 trillion or 40.40% of total import, trailed by Europe with ₦1.97 trillion or 34.33%, America with ₦1.19 trillion or 20.85%, Africa with ₦237.33 billion or 4.14%, and Oceania with ₦16.00 trillion or 0.28%. By country of origin, imported goods originated mainly from China, valued at ₦1.27 trillion, represent 22.17% of the total imports. This was followed by United States with ₦921.45 billion (16.09%), Belgium with ₦460.43 billion (8.04%), India with ₦417.77 billion (7.30%) of total imports, and then the Netherlands with ₦369.69 billion or 6.46% of the total imports.

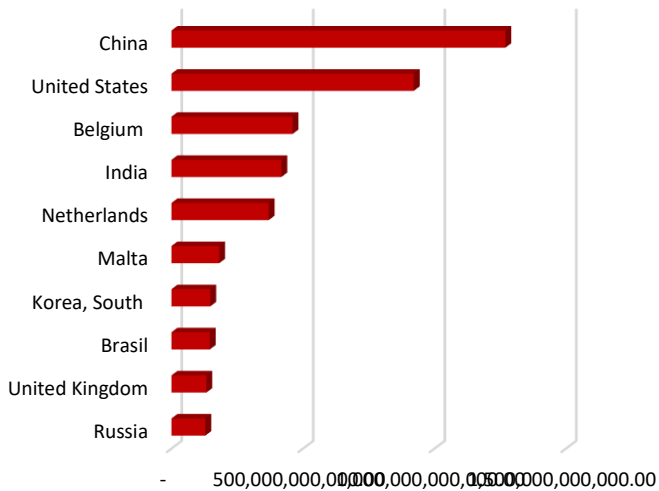
Exportation by Region and Country

Nigeria exported most products to Europe with goods valued at ₦3.16 trillion or 45.05% of total exports, trailed by exports to Asia valued at ₦1.73 trillion, America with ₦1.37 billion, and Africa with ₦747.84 billion of total exports. Netherlands topped the export destination for Nigeria during the quarter under review with ₦788.85 billion of export traded. The remaining top four export destinations were the United States of America, Indonesia, France, and Spain with goods valued at ₦718.63 billion, ₦550.18 billion, ₦540.73 billion, and ₦504.45 billion of export trade respectively.

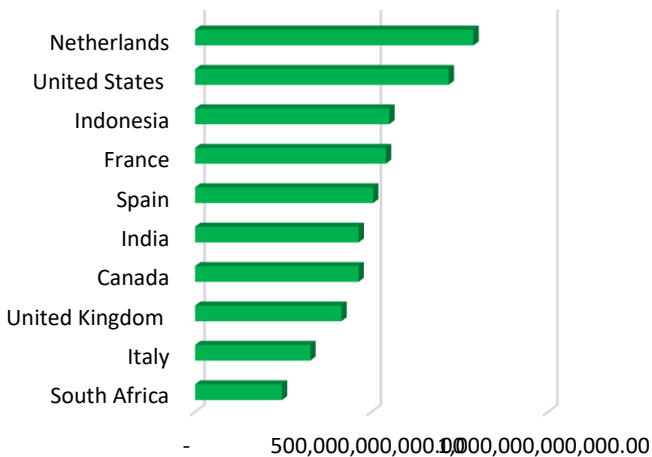
BALANCE OF TRADE REPORT Q2'23

19 September 2023

Import by Countries



Export by Countries



Our View

The report showed that the country's foreign trade was higher in the second quarter of the year, compared to the first quarter, and was able to export more than import, which led to a trade surplus in the period under review. However, importation has remained high quarter-on-quarter due to the country's sustained petrol import amidst decline in agricultural imports. Nigeria imported more goods from Asia in the period under review, while Europe topped the destination for most export.

Conclusively, a Positive trade balance implies increasing demand for the country's goods. This should relatively influence the value of the country's local currency when compared to international currencies, which means that the exchange rate of naira to dollars during a period of trade surplus will be lesser. However, the country is yet to benefit from the impact of its trade surplus and foreign exchange rates have only increased within these periods. This buoys down to the fact that Nigeria is largely a one sector export economy and that the trade surplus is still as a result of increase in crude oil prices.

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