

# NIGERIA'S Q2'2023 GDP REPORT

REAL GDP Y/Y GROWTH RATE

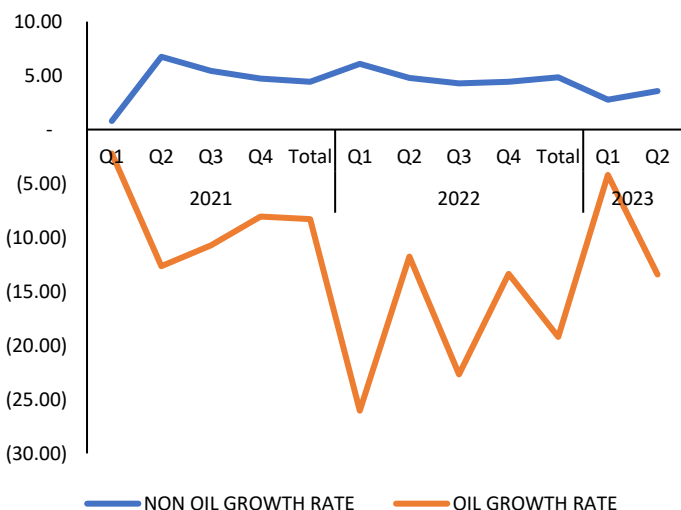


Following the data published by NBS, the country's GDP grew by 2.51% in Q2'2023 from 2.31% in the first quarter of the year, sustaining the country's economic expansion. However, Q2'2023 growth rate decreased by -1.03% points from 3.54% recorded in Q2'2022 due to slow down in the country's economic activities buoyed by various macro/microeconomic headwinds, but increased by 0.20% when compared to 2.31% recorded in Q1'2023.

### Oil Sector Contribution Dipped by -13.97% q/q

As regards components contributing to the GDP, the Non-Oil contributed 94.66% to the GDP growth, which was 1.05% higher than 93.67% contribution in Q2'2022, and 0.93% higher than 93.79% contribution in Q1'2023. On the other hand, the Oil contribution to the GDP declined by 13.97% to 5.34% in Q2'2023 as against 6.21% in Q1'2023, due to drop in Crude oil production in the quarter under review.

Real GDP Oil and Non-Oil Growth Rate



In terms of growth, the non-Oil components advanced by 81 basis point to 3.58% in Q2'2023, as against 2.77% in Q1'2023. Whereas, the real growth in the Oil component of the GDP stood at -13.43% in Q2'2023, which represent a decrease of 9.22% points relative to -4.21% recorded in Q1'2023. The slight growth recorded in the oil sector in the first quarter of the year was hampered in the second quarter due to increase cases of oil theft and pipeline vandalism. The average daily oil production (1.22mbpd in Q2'2023) was lower than the daily average crude oil production of 1.43mbpd recorded in the same quarter of 2022, and

Source: NBS, Atlasportfolio

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also 0.29mbpd lower than the Q1'2023 production volume of 1.51mbpd.

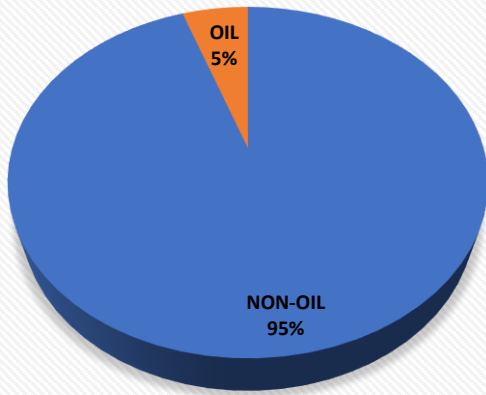
## Services and Agricultural Sectors Recorded Positive Growth

After a decline of -0.90% in the first quarter of the year due to the naira crunch in the, alongside existing issues such as disruption in food supply caused by the Russian-Ukraine war, Flooding, and Insecurity, the Agricultural sector recorded a positive growth rate in Q2 2023 (grew by +2.40% basis point to +1.50%, when compared to -0.90% recorded in Q1 2023). It also increased by 30bps when compared to the corresponding period of 2022. Furthermore, the sector contributed 23.01% to the overall GDP in real terms in Q2'2023, which is higher than its contribution in Q1'2023 (21.66%), but lower than its contribution in the second quarter of 2022 (23.24%).

The Industrial sector declined by 226bps to -1.94% in Q2'2023 in real terms, compared to a positive growth of +0.31% witnessed in Q1'2023, driven by high exchange rate of Naira to the US Dollar, high inflation rate and high lending rate. Also, the sector's contribution to GDP was down to 18.56% in Q2 2023 from 21.05% in Q1 2023, also down by -0.84% points when compared 19.40% contribution in Q2 2022.

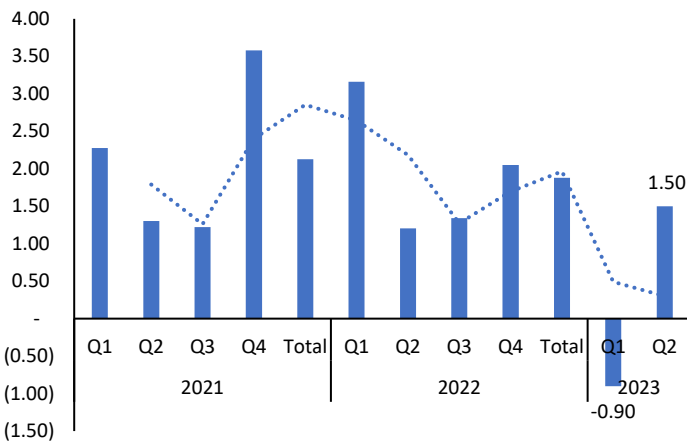
Metal Ores sub-sector recorded the highest growth rate in the Nigerian economy in the second quarter of the year with a growth rate of 65.56%, also from a growth of +52.56% in Q1 2023. Quarrying and Other Minerals recorded the second highest growth rate under the sub-sectors, in Q2 2023, with a growth rate of 39.18%, lower than 0.23% stated in Q1 2023. Financial Institutions recorded the third highest growth under the Sub-sector with a growth of 29.23% from 24.96% in Q1'2023, then followed by Water Supply, Sewerage, Waste Management and Remediation,

**Non-Oil and Oil Sectors Contribution**



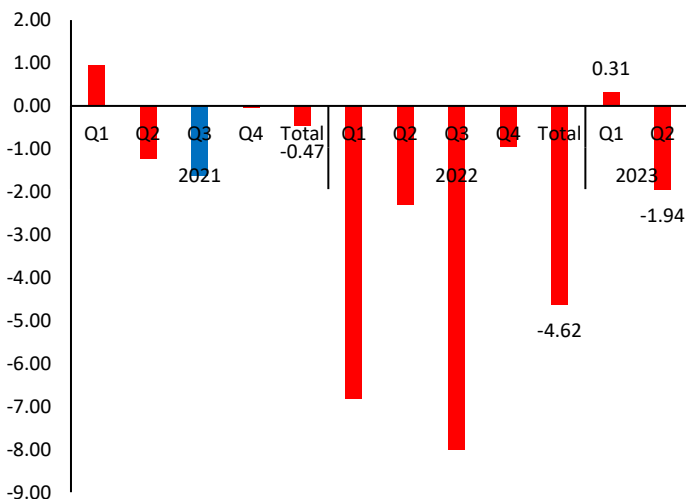
Source: NBS, Atlasportfolio

**AGRICULTURAL SECTOR GROWTH RATE**



Source: NBS, Atlasportfolio

**Industrial Sector Growth Rate**

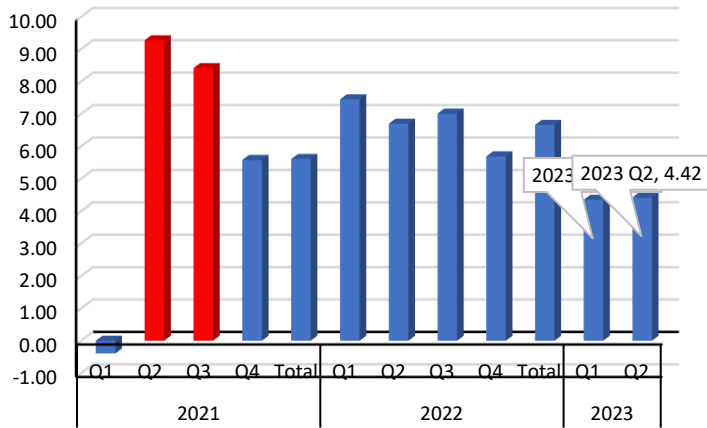


Source: NBS, Atlasportfolio

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Services Sector Growth Rate

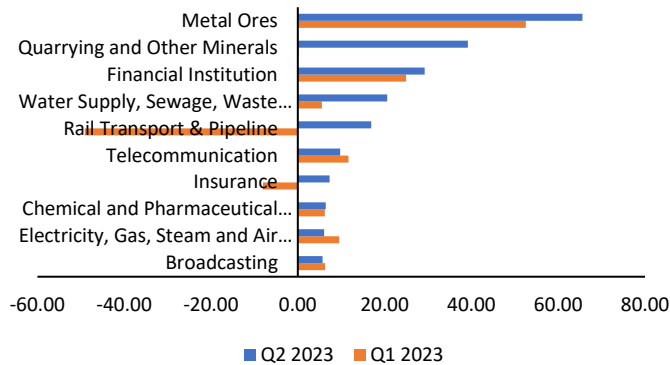


Source: NBS, Atlasportfolio

expanding by 20.56% in Q2'2023 from 5.57% in Q1'2023.

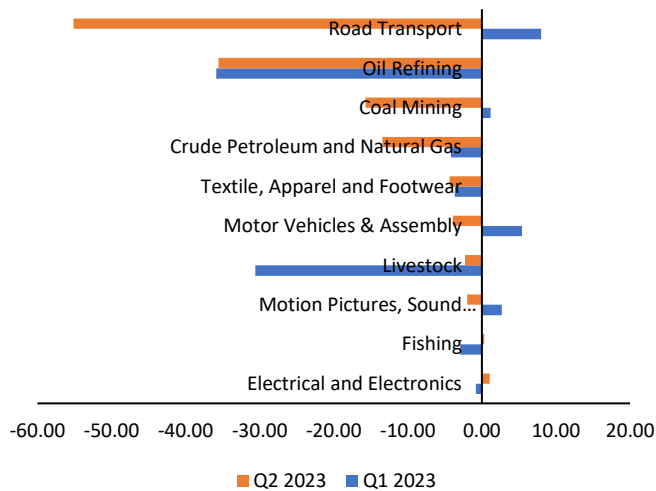
The Services sector recorded the highest contribution to the GDP, grew by 113bps to 58.42% in Q2'2023 from 57.29% in Q1'2023. In addition, the sector recorded a rise in its growth in real terms, increasing by 0.07% points to 4.42% in Q2'2023 from 4.35% in Q1 2023. The growth recorded in the services sector was driven by growth in financial institution and Telecommunication sub-sectors. The financial subsector in real terms grew to 29.23% in Q2'2023, increased by 17.12% points when compared to the previous quarter, while the telecommunication sub-sector was also up by 9.74% in the period under review, -16.82% below the 11.71% it recorded in Q1'2023. The growth in the financial sector is likely to continue due to the continuous increase in the interest rates by the Central Bank of Nigeria in a bid to fight the rising cost of goods and services, unification of the exchange rate, and increase in online transaction.

Top 10 Advancing Sub-sectors for the Quarter



Source: NBS, Atlasportfolio

Top 10 Declining Sub-sectors for the Quarter



Source: NBS, Atlasportfolio

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