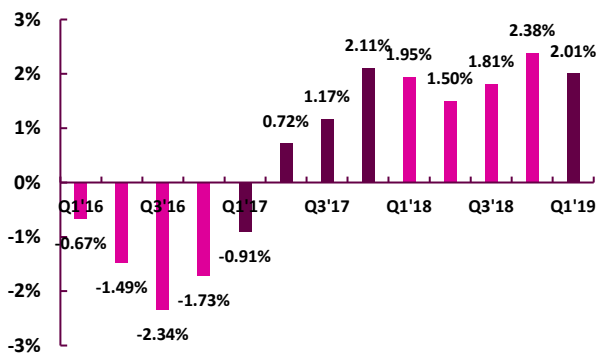


Q1'19 Gross Domestic Product (GDP) Update

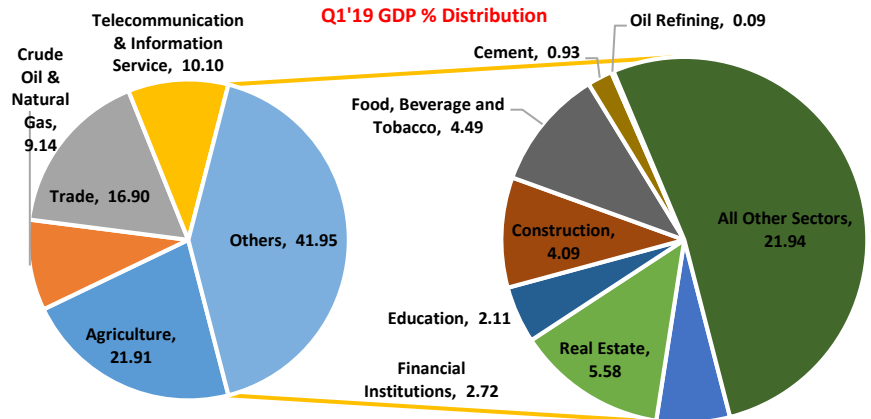
Key Statistics - % Growth (YoY)	Q1'19	FY'18
Real GDP	2.01	1.91
Oil Sector	-2.40	0.97
Non-Oil Sector	2.47	2.00
Agriculture Sector	3.17	2.12
Industrial Sector	0.04	1.87
Services Sector	2.41	1.83

- The Nigerian Bureau of Statistics (NBS) recently reported that the Q1'19 Gross Domestic Product (GDP) grew by 2.01% Year-on-Year (YoY) in terms of Real GDP (to ₦16.42tn). This is 0.12% points higher than the 1.89% growth recorded in Q1'18. On a Quarter-on-Quarter (QoQ) basis, Real GDP growth contracted by 13.77% in Q1'19 (vs 5.31% QoQ in Q4'18).
- In nominal terms, Q1'19 GDP grew by 11.80% YoY to ₦31.79tn in comparison with Q1'18 (₦28.44tn). However, nominal GDP growth contracted by 9.75% QoQ from ₦35.30tn in Q4'18.

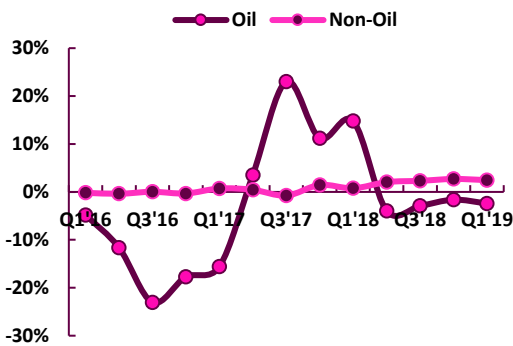
GDP Growth



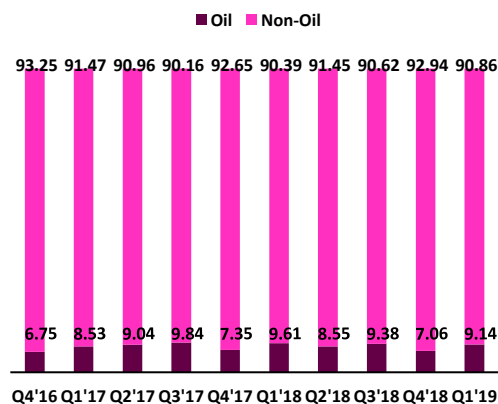
Q1'19 GDP % Distribution



Oil and Non-Oil GDP % Growth Trend



% Contribution to GDP



- In Q1'19, the Oil sector Real GDP contribution came in at 9.14% which is 0.41% lower than the recorded rate of Q1'18 (+9.55%) but 2.08% higher than the GDP contribution captured in Q4'18. Furthermore, crude oil production averaged 1.96 million barrels per day (mbpd) which was 0.02mbpd lower than the daily average production in Q1'18 and 0.05mbpd higher than the Q4'18 figure. Real growth rate of the sector contracted by 2.40% YoY in the period (16.43% points drop compared to Q1'18 growth). However, the Oil sector grew by 11.60% YoY in Q1'19.
- The non-oil sector grew by 2.47% YoY in real terms in Q1'19, higher by 1.72% points when compared to the growth rate recorded in Q1'18 but 0.23% lower from Q4'18 figure. The sector growth was driven mainly by Information and Communication Services. Other notable drivers were Agriculture, Transportation, Storage and Other Services. In real terms, the non-oil sector contributed 90.86% to the GDP in Q1'19 (vs. 90.39% in Q1'18 and 92.94% in Q4'18).
- The NBS noted that the general elections held in Q1'19 aided the positive GDP growth rate in the same period since Q1'15 (+3.95%). However, the weakened global oil demand permitted the nation's oil sector to contract on a YoY basis.**
- With heightened global protectionism and ongoing trade wars and the late passage of the 2019 budget, we opine that the GDP growth rate will be dampened under the aforementioned circumstances. However, the GDP growth rate for the oil sector is positioned to grow if OPEC cuts and favorable crude oil prices are maintained during Q2'19.**