

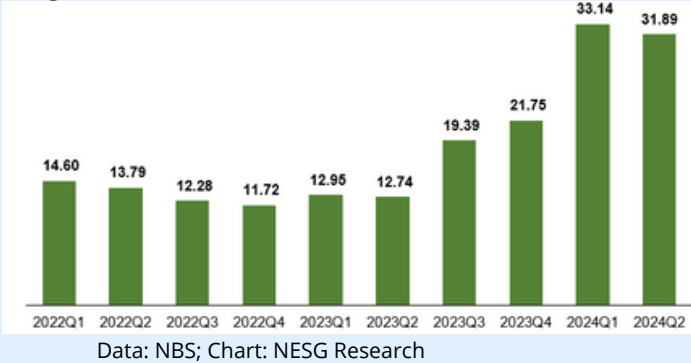
# NESG 2024Q2 FOREIGN TRADE ALERT

September 2024

## Trade Surplus rose to a record high, whilst External trade weakened q/q in 2024Q2

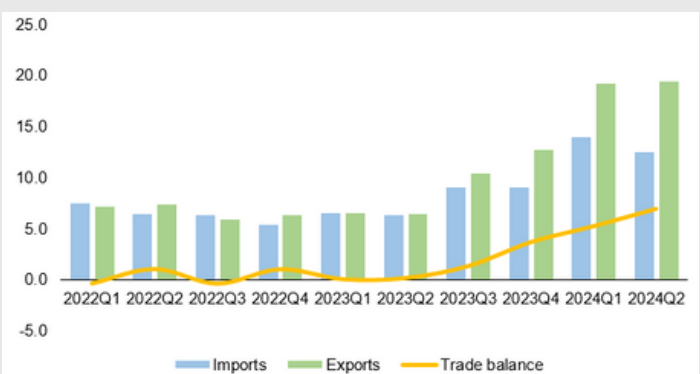
Nigeria's external trade value rose sharply to N31.9 trillion in the second quarter of 2024 from N12.7 trillion in the corresponding period of 2023 (see **Figure 1**). The increase in the value of external trade was driven by the jump in merchandise exports, which accounted for 60.8 percent of the total trade in 2024Q2. However, the external trade value in 2024Q2 fell from N33.1 trillion in 2024Q1. Cumulatively, the value of external trade stood at N65.0 trillion in the first half of 2024, significantly rising from N25.7 trillion in the corresponding period of 2023.

**Figure 1: Total External Trade (N'trillion)**



Remarkably, export growth outpaced import growth, resulting in a trade surplus of N6.9 trillion in 2024Q2, rising significantly from a trade surplus of N0.13 trillion and N5.2 trillion recorded in 2023Q2 and 2024Q1, respectively (see **Figure 2**). This represents the country's highest trade surplus in many years and the seventh consecutive quarter of an uninterrupted favourable trade balance position. In H1'2024, the trade surplus stood at N12.1 trillion, higher than N0.15 trillion posted in H1'2023.

**Figure 2: Imports, Exports & Trade Balance (N'trillion)**



## Oil Export and Non-Oil Export Earnings rose sharply in 2024Q2.

The total value of goods exported climbed to N19.4 trillion in 2024Q2 from N6.4 trillion and N19.2 trillion in 2023Q2 and 2024Q1, respectively. The impressive performance could be attributed to a sharp increase in oil exports – accounting for 90.2 percent of total exports – to N17.5 trillion in 2024Q2 from N5.7 trillion in 2023Q2. The higher oil exports were largely driven by elevated global oil prices and increased domestic crude oil production, which averaged US\$86.6/barrel and 1.4 million barrels/day, respectively, in 2024Q2. In H1'2024, total exports stood at N38.6 trillion, significantly higher than N12.9 trillion in H1'2023.

Similarly, non-oil exports – which accounted for 9.8 percent of total export earnings in 2024Q2 – increased sharply to N1.9 trillion in 2024Q2 from N0.70 trillion in 2023Q2 (see **Table 1**). The increase in non-oil exports – which exclude petrochemicals and oil-related items – was due to the rise in the earnings from all categories of export commodities, with agricultural exports posting the most significant increase. However, only the shares of agricultural and energy products in the total non-oil exports rose in the quarter. In H1'2024, non-oil exports stood at N3.7 trillion, rising from N1.4 trillion posted in H1'2023.

**Table 1: Performance of Non-Oil Exports and Components in 2023Q2 and 2024Q2**

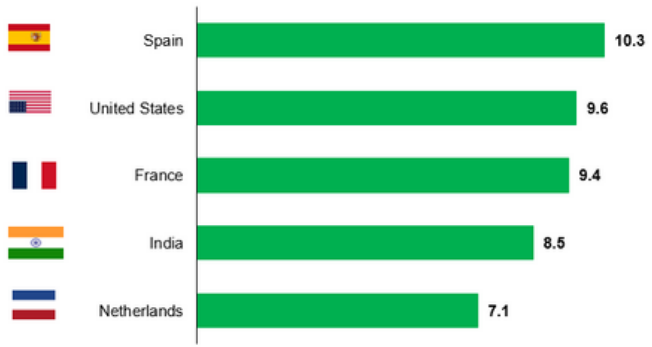
Period	Non-oil exports (N'trillion)	Share of Non-oil commodities in Non-oil exports (percent)				
		Agric products	Raw materials	Solid minerals	Energy goods	Manufactured goods
2023Q2	0.70 ↑	41.8 ↑	20.8 ↓	4.9 ↓	2.3 ↑	30.2 ↓
2024Q2	1.94 ↑	50.1 ↑	18.9 ↓	3.0 ↓	3.3 ↑	24.7 ↓

Data: NBS

**Europe remained Nigeria's largest export destination in 2024Q2.**

Europe maintained its position as Nigeria's largest export market, accounting for 42.2 percent of total exports in 2024Q2, followed by Asia, with a share of 25.6 percent. On a country level, Nigeria's top five export trading partners—led by Spain—accounted for 44.9 percent of total merchandise exports in 2024Q2 (see **Figure 3**). On a regional level, Ivory Coast was Nigeria's largest export trading partner in 2024Q2. The bulk of goods exported to these countries in the quarter was crude oil.

**Figure 3: Major Export Destination in 2024Q2 - Share of Exports (percent)**

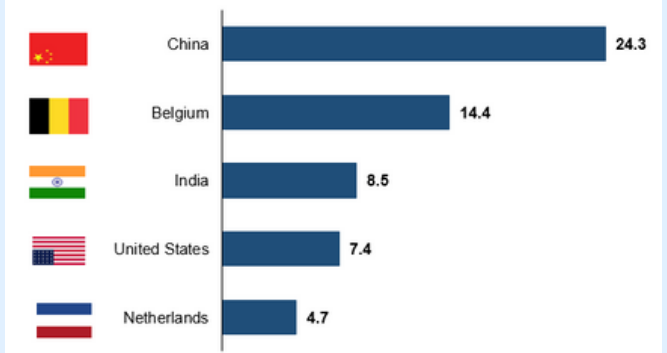


Data: NBS; Chart: NESG Research

**Asia remained Nigeria's largest import trading partner in 2024Q2.**

In 2024Q2, Asia accounted for 44.7 percent of Nigeria's merchandise imports, followed closely by Europe, with a 39.6 percent share. On a country level, China maintained the lead as Nigeria's largest import trading partner, with a share of 24.3 percent in total imports in 2024Q2 (see **Figure 4**). On a regional level, South Africa was Nigeria's largest import trading partner in the quarter.

**Figure 4: Major Import Trading Partners in 2024Q2 - Share of Imports (percent)**



Data: NBS; Chart: NESG Research

**Overall imports almost doubled (year-on-year) in 2024Q2.** The value of imported commodities jumped to N12.4 trillion in 2024Q2 from N6.3 trillion in 2023Q2 (see **Table 2**), attributable to the rise in the various tradable items. The most significant increase in import value was recorded in favour of mineral fuel and chemical products, whose shares of the total import bill also rose in the quarter. However, import value fell from N13.9 trillion in 2024Q1. The total import bill stood at N26.8 trillion in H1'2024, significantly higher than N12.8 trillion recorded in H1'2023.

**Table 2: Performance of Merchandise Imports and Components in 2023Q2 and 2024Q2**

Period	Total Imports (N'trillion)	Share of Total Imports (percent)					
		Food & Live Animals	Mineral Fuel	Chemicals	Manufactured goods	Machinery & Transport Equipment	Others
2023Q2	6.3	10.5	35.3	10.3	6.9	31.5	5.5
2024Q2	12.4	11.4	35.4	15.1	9.1	23.1	5.9

Note: The category "others" include beverages & tobacco; crude inedible materials; oil, fats & waxes; miscellaneous manufactured commodities and articles

Data: NBS


## CONCLUDING REMARKS


- \* **In 2024Q2, Nigeria was a net exporter and net importer of agricultural and manufactured products, respectively.** This reflects limited progress in local value chain development, sector integration and low manufacturing capacity utilisation in the country. Both the Agricultural and Manufacturing sectors have struggled with growth for many quarters. This suggests the need to address bottlenecks hampering agricultural productivity such as insecurity and lack of quality seedlings and modern inputs. There is also the need to drive production of raw materials and intermediate inputs for the Manufacturing sector players to reduce their dependence on imports.
- \* **Nigeria's dependence on imported fuel exposes it to foreign exchange (FX) pressures and global supply chain vulnerabilities.** A case in point is the recent fuel scarcity partly attributed to limited FX to import refined petroleum products. Therefore, the government should expedite actions to refurbish Port Harcourt and other local refineries, as well as, ensure a steady supply of crude oil to the Dangote Refinery to resolve the ongoing fuel scarcity. Fully producing refined petroleum products locally would reduce FX demand pressures.
- \* **As a major crude oil exporter, Nigeria has a limited market for its non-oil exports.** Aside from the fact that the country's exports are less diversified, logistics and infrastructural challenges hinder substantial penetration into regional markets. Efforts to boost non-oil exports should be complemented with strategic investment in cross-border connectivity through modern rail systems and pipelines to tap into the benefits associated with regional proximity. This explains why Nigeria's exports to Africa have the most significant presence in West Africa, which accounted for 8.5 percent of the overall exports and 70 percent of the regional exports in 2024Q2.


## About the NESG

The NESG is an independent, non-partisan, non-sectarian organisation, committed to fostering open and continuous dialogue on Nigeria's economic development. The NESG strives to forge a mutual understanding between leaders of thought to explore, discover and support initiatives to improve Nigeria's economic policies, institutions and management.


Our views and positions on issues are disseminated through electronic and print media, seminars, public lectures, policy dialogues, workshops, specific high-level interactive public-private sessions and special presentations to the executive and legislative arms of government.

 **THE SUMMIT HOUSE**  
6, Oba Elegushi Street,  
off Oba Adeyinka Oyekan Avenue,  
Ikoyi, Lagos.  
P.M.B 71347, Victoria Island, Lagos

 **ABUJA LIAISON OFFICE**  
4th Floor, Unity Bank Tower,  
Beside Reinsurance Building  
Plot 785, Herbert Macaulay Way,  
Central Business District, Abuja.

 [www.nesgroup.org](http://www.nesgroup.org)

 [info@nesgroup.org](mailto:info@nesgroup.org)

 +234-01-295 2849

     officialNESG

