

# NESG 2024Q3 FOREIGN TRADE ALERT

December 2024

## External Trade and Trade Surplus surged in 2024Q3

Nigeria's external trade value increased sharply to N35.2 trillion in the third quarter of 2024 from N19.4 trillion in the corresponding period of 2023 and N31.0 trillion in the second quarter of 2024 (see **Figure 1**). This was driven by the jump in merchandise exports, which accounted for 58.2 percent of the total trade in 2024Q3. Cumulatively, the value of external trade stood at N99.3 trillion in the first three quarters of 2024, significantly rising from N45.0 trillion in the corresponding period of 2023.

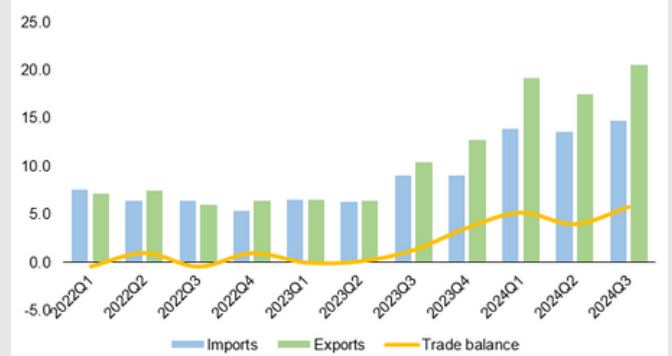
**Figure 1: Total External Trade (N'trillion)**



Data: NBS; Chart: NESG Research

Remarkably, exports outpaced imports, resulting in a trade surplus of N5.8 trillion in 2024Q3, rising significantly from a trade surplus of N1.3 trillion and N4.0 trillion recorded in 2023Q3 and 2024Q2, respectively (see **Figure 2**). This represents the country's highest trade surplus in many years. In the first three quarters of 2024, the trade surplus stood at N15.0 trillion, higher than N1.4 trillion posted in the corresponding period of 2023.

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



Data: NBS; Chart: NESG Research

## Oil Export and Non-Oil Export Earnings improved significantly in 2024Q3.

The total value of goods exported climbed to N20.5 trillion in 2024Q3 from N10.3 trillion and N17.5 trillion in 2023Q3 and 2024Q2, respectively. This impressive performance could be attributed to a sharp increase in oil exports—accounting for 87.8 of total exports—to N18.0 trillion in 2024Q3 from N9.7 trillion in 2023Q3. The higher oil exports were primarily driven by elevated global oil prices and increased domestic crude oil production, which averaged US\$82.2/barrel and 1.5 million barrels/day, respectively, in 2024Q3. In the first three quarters of 2024, total exports stood at N57.2 trillion, higher than N23.2 trillion in the corresponding period of 2023.

Similarly, non-oil exports—which accounted for 12.2 percent of total export earnings in 2024Q3—jumped from N683.0 billion in 2023Q3 to N2.5 trillion in 2024Q3 (see **Table 1**). This sharp 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 manufactured and agricultural commodities posting the most significant increase. However, only the shares of agricultural and manufactured products in the total non-oil exports rose in the quarter. In the first three quarters of 2024, non-oil exports stood at N6.2 trillion, rising from N2.0 trillion recorded in the corresponding period of 2023.

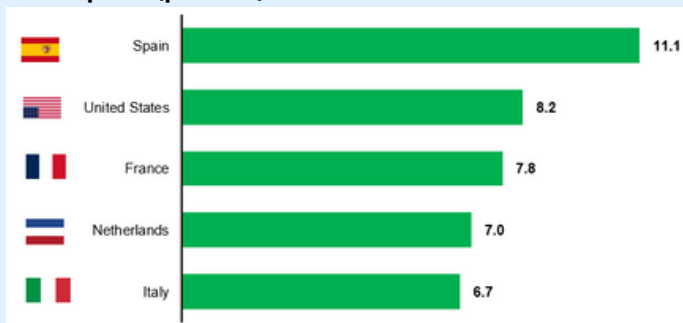
**Table 1: Performance of Non-Oil Exports and Components in 2023Q3 and 2024Q3**

Period	Non-oil exports (N'billion)	Share of Non-oil commodities in Non-oil exports (percent)				
		Agric products	Raw materials	Solid minerals	Energy goods	Manufactured goods
2023Q3	683.0 ↑	33.0 ↑	27.7 ↓	6.1 ↓	3.9 ↓	29.3 ↑
2024Q3	2,501.8 ↑	35.3 ↑	17.5 ↓	3.1 ↓	2.4 ↓	41.6 ↑

Data: NBS

**Europe remained Nigeria's largest export market in 2024Q3.** Europe maintained its position as Nigeria's largest export destination, accounting for 45.1 percent of total exports in 2024Q3, followed by Asia, with a share of 25.3 percent. On a country level, Nigeria's top five (5) export trading partners—led by Spain—accounted for 40.8 percent of total merchandise exports in 2024Q3 (see **Figure 3**). The bulk of goods exported to these countries in the quarter was crude oil. On a regional level, Ivory Coast led Nigeria's export trading partners in Africa, with a share of 26.7 percent of the total exports to the continent in 2024Q3.

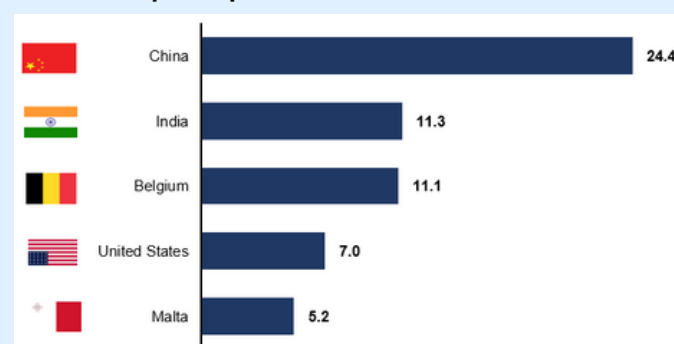
**Figure 3: Major Export Destination in 2024Q3 – Share of Exports (percent)**



Data: NBS; Chart: NESG Research

**Asia remained Nigeria's largest import trading partner in 2024Q3.** In 2024Q3, Asia accounted for 49.7 percent of Nigeria's merchandise imports, followed closely by Europe, with a 36.5 percent share. On a country level, China maintained the lead as Nigeria's largest import trading partner, with a share of 24.4 percent in total imports in 2024Q3 (see **Figure 4**). On a regional level, Ivory Coast was Nigeria's largest import trading partner in the quarter.

**Figure 4: Major Import Trading Partners in 2024Q3 – Share of Imports (percent)**



Data: NBS; Chart: NESG Research

**Overall imports surged in 2024Q3.** The value of imported commodities climbed to N14.7 trillion in 2024Q3 from N9.0 trillion in 2023Q3 and N13.5 trillion in 2024Q2 (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 machinery & transport equipment. Cumulatively, the total import bill stood at N42.1 trillion in the first three quarters of 2024, significantly higher than N21.8 trillion posted in the corresponding period of 2023.

**Table 2: Performance of Merchandise Imports and Components in 2023Q3 and 2024Q3**

Period	Total Imports (N'trillion)	Share of Total Imports (percent)					
		Food & Live Animals	Mineral Fuel	Chemicals	Manufactured goods	Machinery & Transport Equipment	Others
2023Q3	9.0	11.5	38.0	11.8	7.7	25.5	5.5
2024Q3	14.7	10.1	35.0	13.5	9.0	25.8	0.7

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

Data: NBS

## CONCLUDING REMARKS

- \* **The improvement in oil exports in 2024Q3 is remarkable. However, proactive measures are required to sustain this trajectory.** The recent decline in the oil rig count signals a possible drop in domestic crude oil production in the near term. It is important to urgently address impediments to domestic crude oil production, including oil theft, low investments, and deteriorating oil and gas infrastructure.
- \* **The significant proceeds from non-oil export commodities, particularly agricultural and manufactured exports, in 2024Q3 cannot be overemphasised.** This suggests that binding constraints—such as insecurity, flooding, and high production costs due to rising inflation and exchange rate depreciation—need to be suppressed to improve productivity in the Agricultural and Manufacturing sectors in order to enhance their contributions to economic growth and non-oil exports in subsequent quarters.
- \* **The surge in mineral fuel imports in 2024Q3 suggests that Nigeria is still not self-sufficient in local oil refining.** The refurbished Port Harcourt refinery has yet to commence operations, and issues around its functionality remain controversial. Moreover, the Dangote Refinery, which is supposed to support local refining of fuel products, keeps lamenting about the limited supply of crude oil from the domestic market and that it had to resort to foreign markets to cover the shortfall. Hence, persistent importation of refined petroleum products would put upward demand pressure on the Foreign Exchange (FX) market, thereby reducing the availability of FX for other productive uses.

### 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.

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