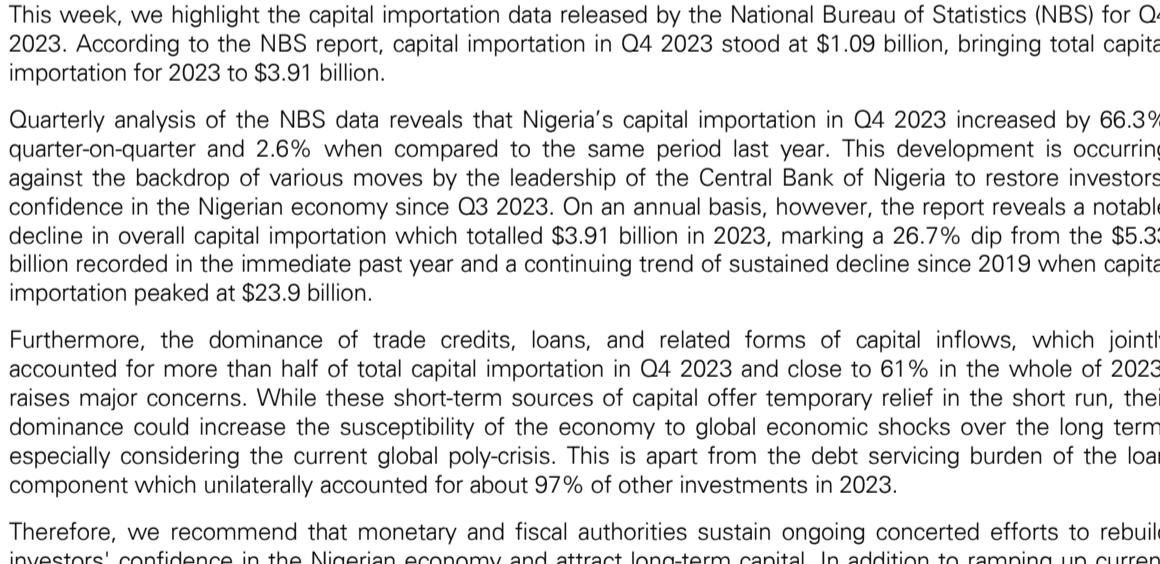
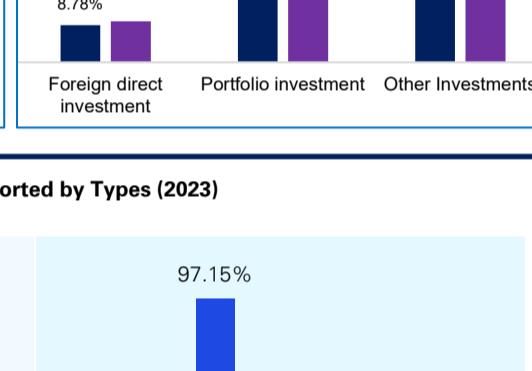
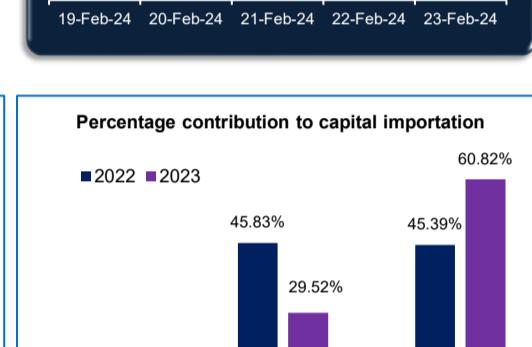
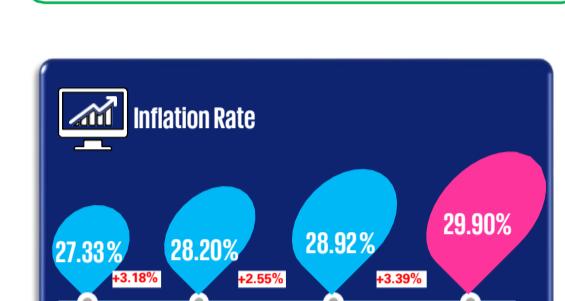


# Macroeconomic Snapshot

Research & Insights | KPMG in Nigeria

Monday 26 February 2024



## KPMG Analysis: Quarterly Increase in Nigeria's Capital Importation

This week, we highlight the capital importation data released by the National Bureau of Statistics (NBS) for Q4 2023. According to the NBS report, capital importation in Q4 2023 stood at \$1.09 billion, bringing total capital importation for 2023 to \$3.91 billion.

Quarterly analysis of the NBS data reveals that Nigeria's capital importation in Q4 2023 increased by 66.3% quarter-on-quarter and 2.6% when compared to the same period last year. This development is occurring against the backdrop of various moves by the leadership of the Central Bank of Nigeria to restore investors' confidence in the Nigerian economy since Q3 2023. On an annual basis, however, the report reveals a notable decline in overall capital importation which totalled \$3.91 billion in 2023, marking a 26.7% dip from the \$5.33 billion recorded in the immediate past year and a continuing trend of sustained decline since 2019 when capital importation peaked at \$23.9 billion.

Furthermore, the dominance of trade credits, loans, and related forms of capital inflows, which jointly accounted for more than half of total capital importation in Q4 2023 and close to 61% in the whole of 2023, raises major concerns. While these short-term sources of capital offer temporary relief in the short run, their dominance could increase the susceptibility of the economy to global economic shocks over the long term, especially considering the current global poly-crisis. This is apart from the debt servicing burden of the loan component which unilaterally accounted for about 97% of other investments in 2023.

Therefore, we recommend that monetary and fiscal authorities sustain ongoing concerted efforts to rebuild investors' confidence in the Nigerian economy and attract long-term capital. In addition to ramping up current initiatives, focus should also be on establishing a stable and supportive macroeconomic environment, implementing consistent and investor-centric policies, enhancing infrastructure, bolstering the competitiveness of macroeconomic fundamentals, promoting the rule of law, reducing the loan component of capital importation, increasing local investments, and eliminating structural and regulatory barriers hindering capital inflows and outflows. We anticipate that these and other complementary initiatives will put the nation on course for greater macroeconomic stability.

**Sources:** World Bank, CBN, NGX, NBS, DMO & KPMG Research

## Other Stories

- Nigeria's capital importation plunged to \$3.9bn in 2023
- Nigeria's inflation hits 29.9% as food prices rise
- CBN stops international oil companies from remitting 100% of forex abroad

- IMF warns Nigeria over worsening cost-of-living crisis
- Naira devaluation: CBN stops dollar cash for BTA/PTA
- IMF warns Nigeria over worsening cost-of-living crisis

© 2024 KPMG Africa. All rights reserved. KPMG is a registered partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that the information contained herein is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular circumstances involved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

© 2024 KPMG Africa. All rights reserved. KPMG is a registered partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that the information contained herein is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular circumstances involved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

© 2024 KPMG Africa. All rights reserved. KPMG is a registered partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that the information contained herein is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular circumstances involved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

© 2024 KPMG Africa. All rights reserved. KPMG is a registered partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that the information contained herein is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular circumstances involved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

© 2024 KPMG Africa. All rights reserved. KPMG is a registered partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that the information contained herein is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular circumstances involved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

© 2024 KPMG Africa. All rights reserved. KPMG is a registered partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that the information contained herein is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular circumstances involved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

© 2024 KPMG Africa. All rights reserved. KPMG is a registered partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that the information contained herein is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular circumstances involved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

© 2024 KPMG Africa. All rights reserved. KPMG is a registered partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that the information contained herein is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular circumstances involved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

© 2024 KPMG Africa. All rights reserved. KPMG is a registered partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that the information contained herein is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular circumstances involved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

© 2024 KPMG Africa. All rights reserved. KPMG is a registered partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that the information contained herein is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular circumstances involved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

© 2024 KPMG Africa. All rights reserved. KPMG is a registered partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that the information contained herein is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular circumstances involved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

© 2024 KPMG Africa. All rights reserved. KPMG is a registered partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that the information contained herein is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular circumstances involved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

© 2024 KPMG Africa. All rights reserved. KPMG is a registered partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that the information contained herein is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular circumstances involved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

© 2024 KPMG Africa. All rights reserved. KPMG is a registered partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that the information contained herein is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular circumstances involved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

© 2024 KPMG Africa. All rights reserved. KPMG is a registered partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that the information contained herein is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular circumstances involved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

© 2024 KPMG Africa. All rights reserved. KPMG is a registered partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

The information contained herein is