



**MAINTAINING SANITY
IN PANDEMONIUM**

PART A

PRESENTED BY: BISMARCK REWANE

MARCH 08, 2023



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Politics – **Is Nigeria at the Cusp?**

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Outlook for the **Month of March**



Pandemonium -

*Loud , wild, tumultuous protest, disorder, or chaotic situation - **Wiktionary***





Famous Quotes

*Embrace the pandemonium, finding happiness in the unique insanity of being here, now – **Eleanor Shellstrop***

*Opinion has caused more trouble on this little earth than plagues or earthquakes – **Voltaire***

*Something must die, so that others can live – **Lauren Oliver***

*If they cannot find bread let them buy cake – **Marie-Antoinette***



Cases of Pandemonium

The Arab Spring



The French Revolution



- Is Nigeria in pandemonium?

End-sars



*Is this a calm before
the storm?*

*Or a mini-storm
before the perfect
storm?*

Fuel scarcity in Nigeria



Occupy Ojota



Election Violence



- What are components of the current pandemonium in Nigeria?



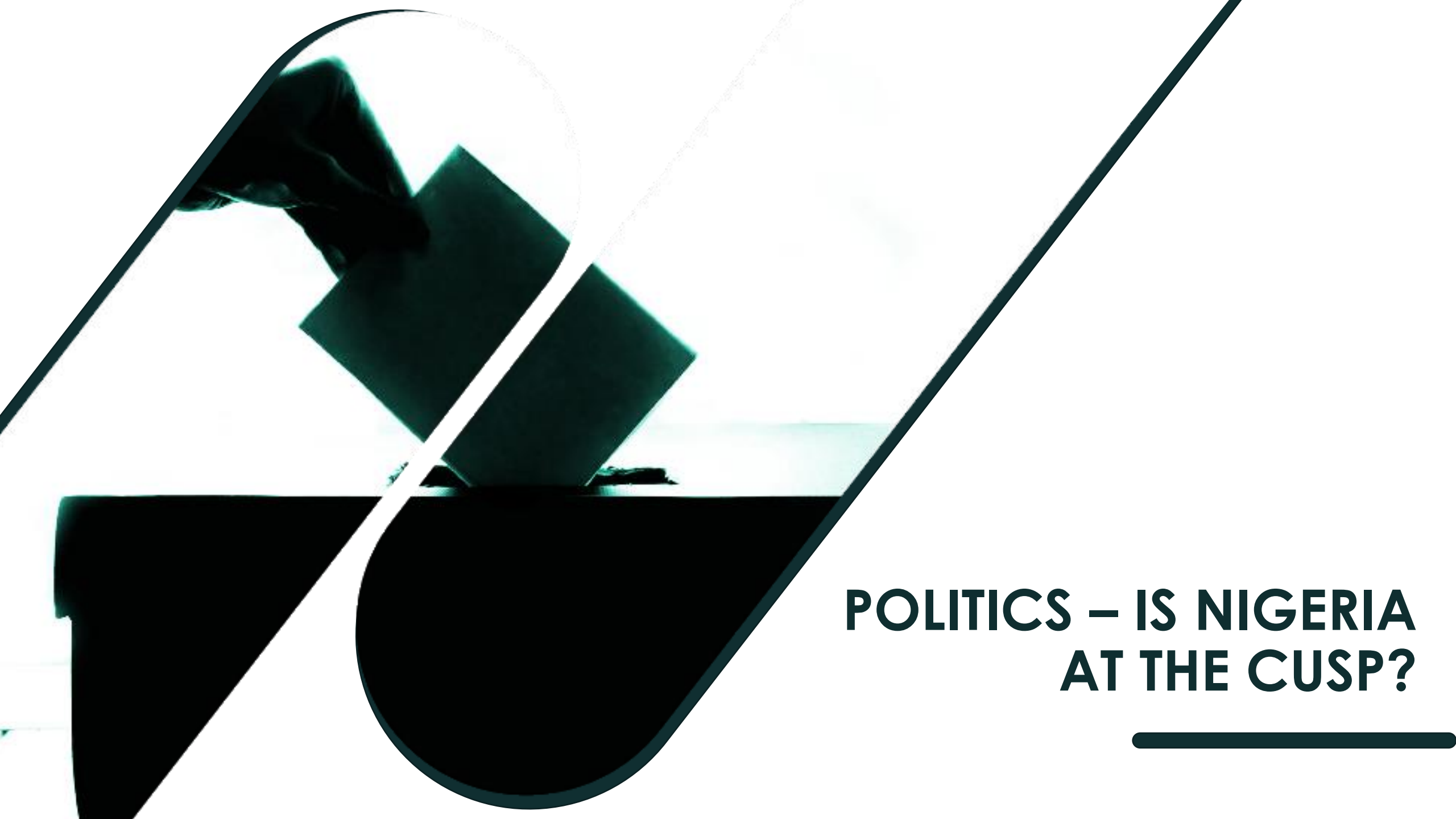
Forex scarcity leading to shortage of goods



Naira cash crunch



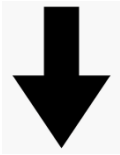
Elevated prices



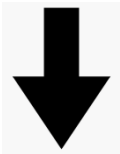
POLITICS – IS NIGERIA AT THE CUSP?

POST ELECTION CRISIS IN NIGERIA – HISTORICAL CONTEXT

Action & Reaction



Chemical reaction – Instantaneous



Political/Social reaction – Timelag

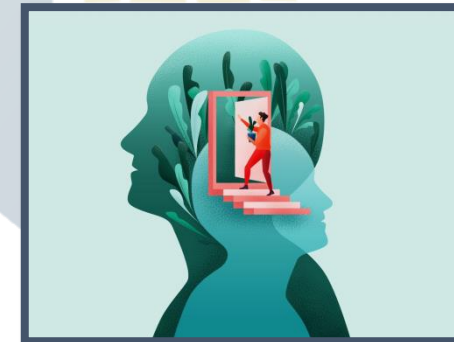
	Election period	Political Misunderstanding & Violence	Time-lag
1st Republic	1959 Parliamentary election	Misunderstanding – 1962 Violence - 1965	5 years
2nd Republic	Presidential election of 1979 & 1983	Misunderstanding – 1983 Military Rule - 1984	4 years
June 12, 1993	Presidential election of 1993	Misunderstanding – July 7 August 27 – Interim Gov. Military rule – Nov 17	1 year
2023	Presidential election of Feb 25, 2023	Post-election crisis is simmering	?

POST ELECTION CRISIS IN NIGERIA – HISTORICAL CONTEXT

Media Platforms

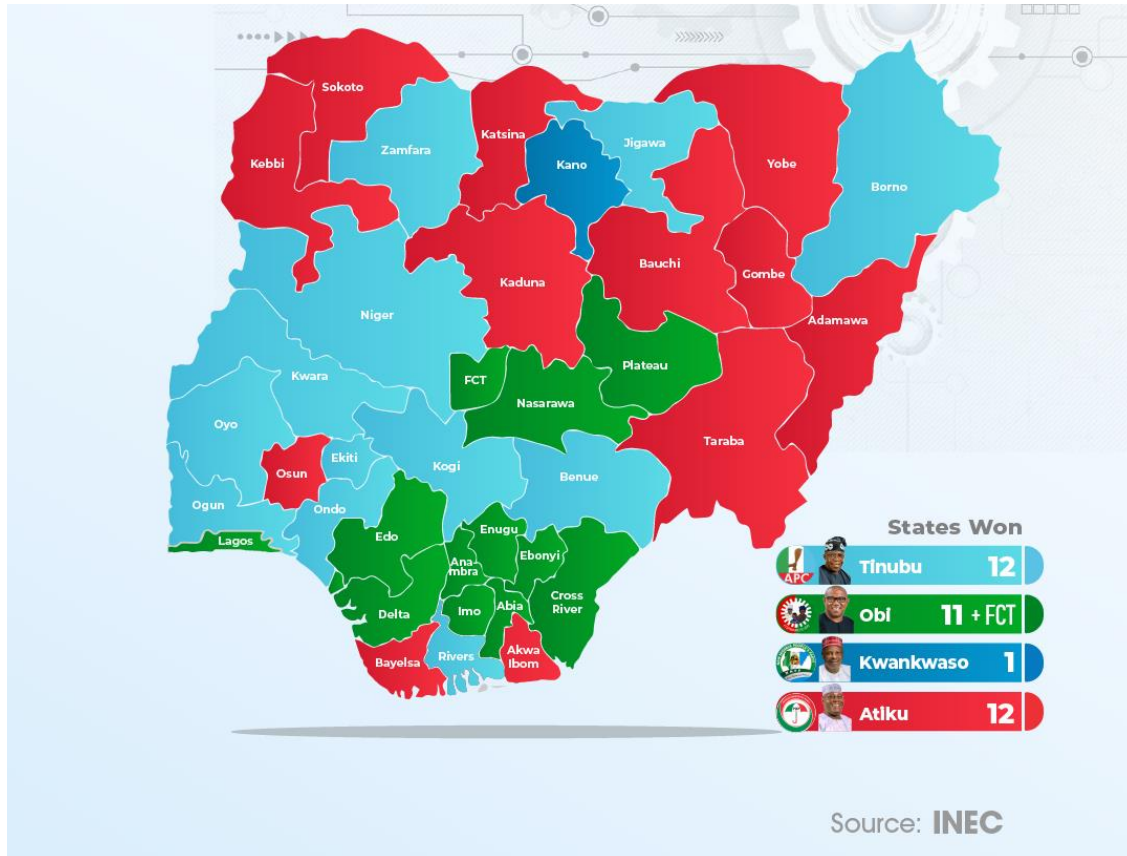
1 st Republic	TV & RADIO
2 nd Republic	TV & RADIO
June 12, 1993	TV & RADIO
2023	TV, RADIO & SOCIAL MEDIA

- 1st , 2nd Republics and June 12 elections were dominated by radio and TV stations mostly controlled by the government

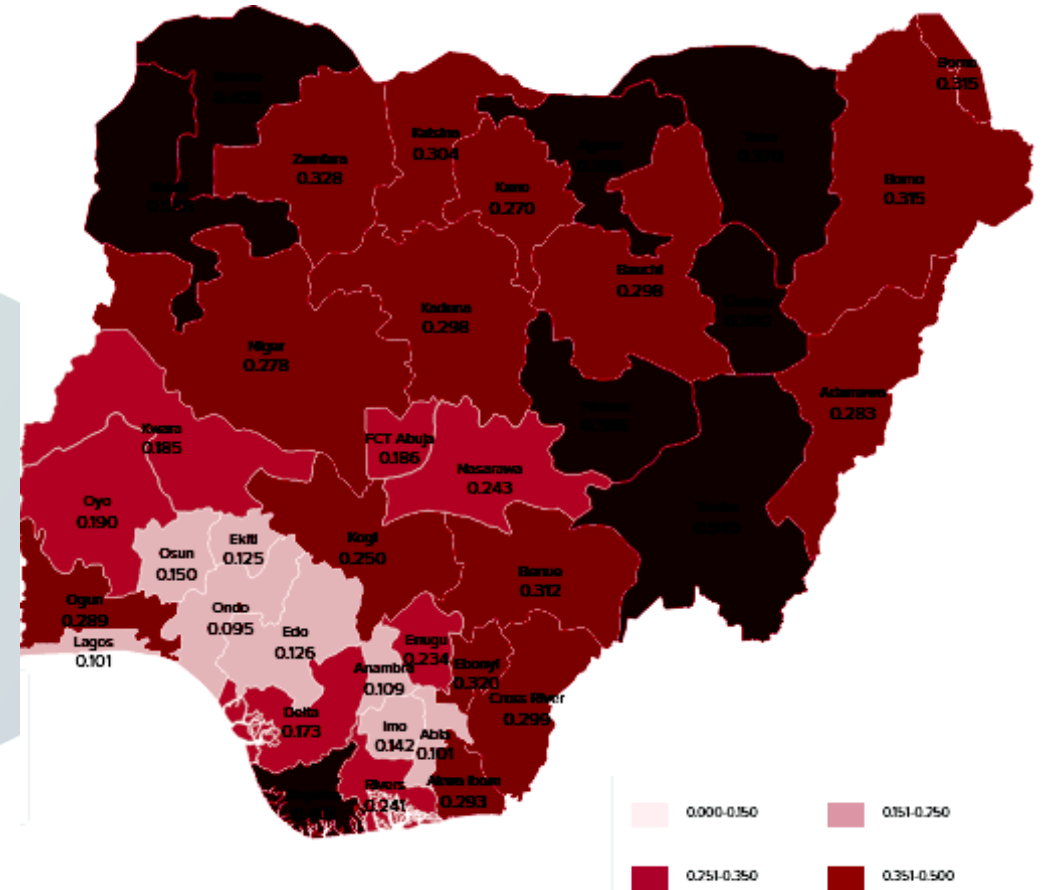


- 2023 election is dominated by social media which the government has little or no control over

2023 ELECTION – SIMILARITY BETWEEN POLITICS & POVERTY



Politics

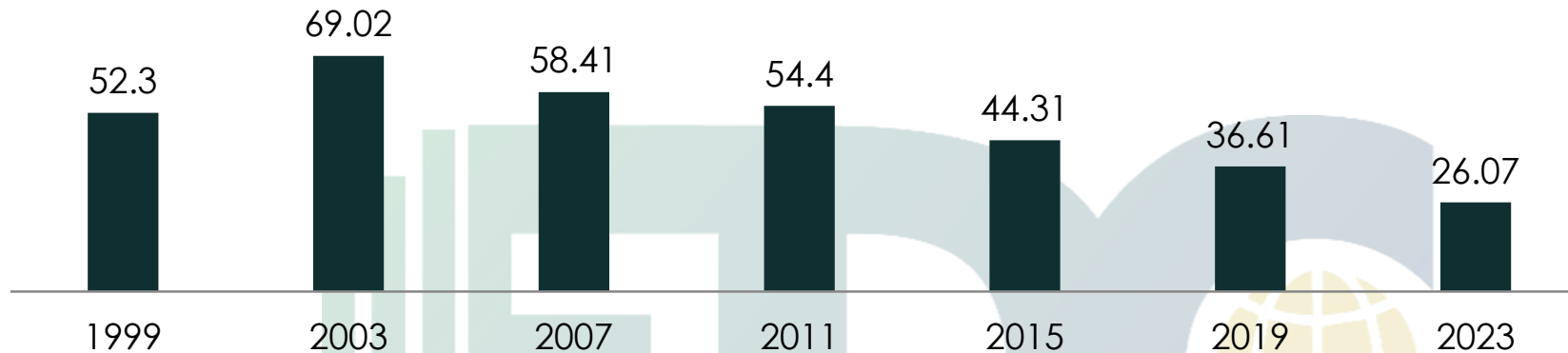


Poverty

- Tinubu & Atiku won mostly in states with high poverty rates
- Peter Obi won in mostly in Christian intensive states

CHARACTERISTICS OF 2023 PRESIDENTIAL ELECTION

Election Turnout (%)

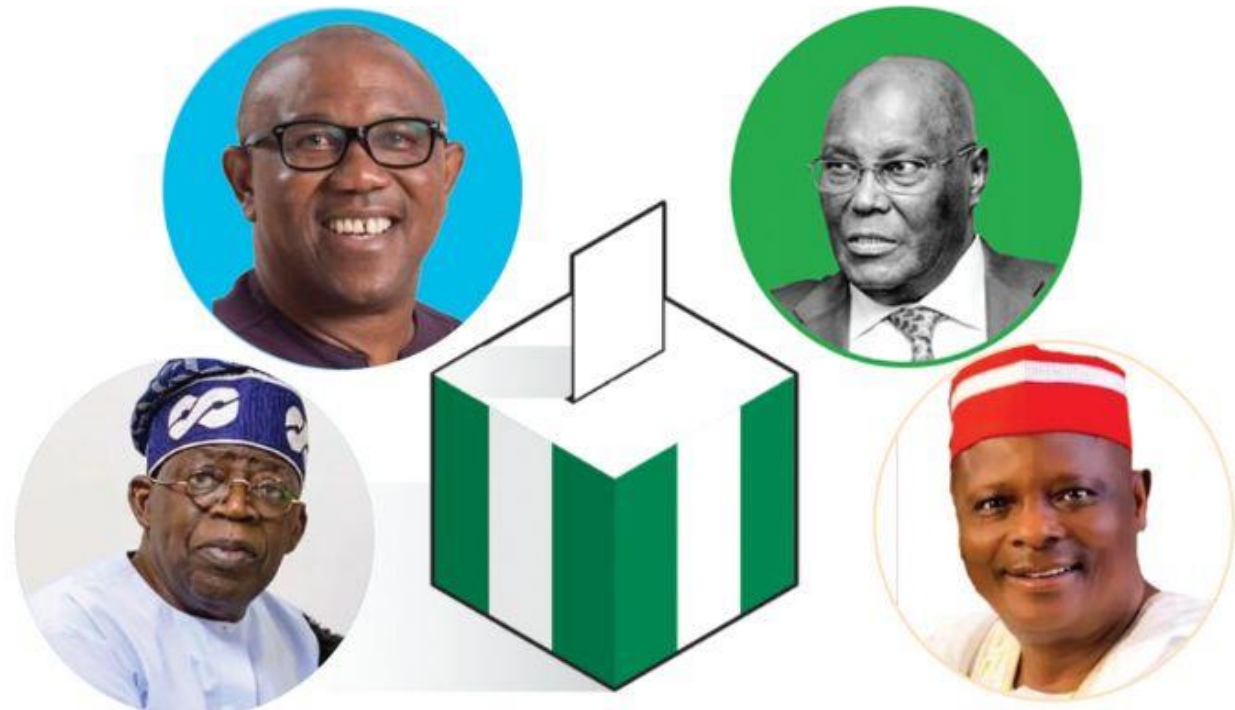


- Turnout is the lowest since the return to democracy in 1999 due to voter apathy
- 8.7 million votes won by President-elect: 9% of registered voters
- 15 million votes for the opposition
- Moral authority & legitimacy undermined
- Marred by voter suppression, ballot box snatching & violence

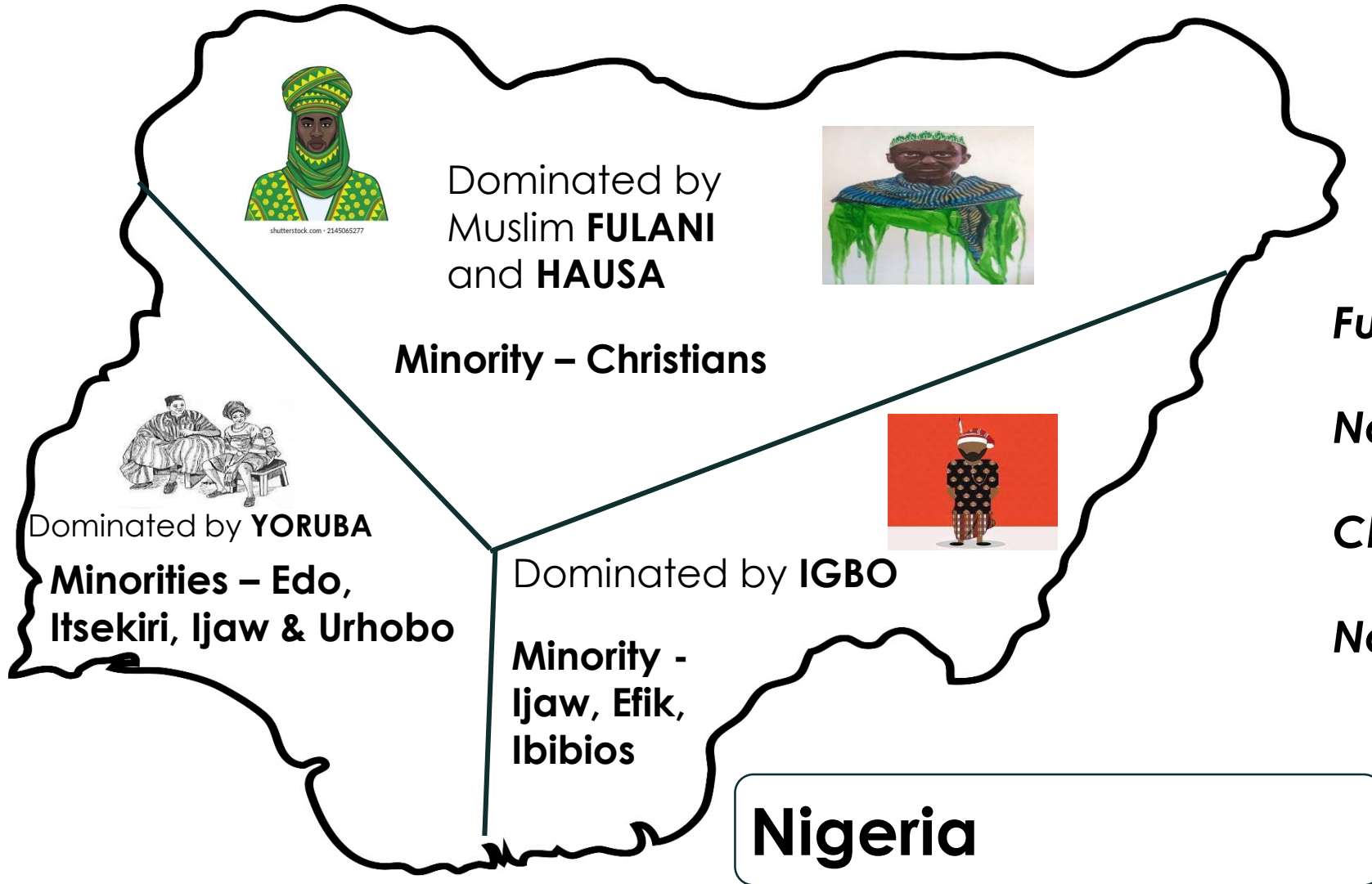


CHARACTERISTICS OF 2023 PRESIDENTIAL ELECTION

- In 1993, outcome was more important than process
- In 2023, process is now more important than outcome
- In 1993, it was a rejection of military rule
- In 2023 it is about process & youth frustration

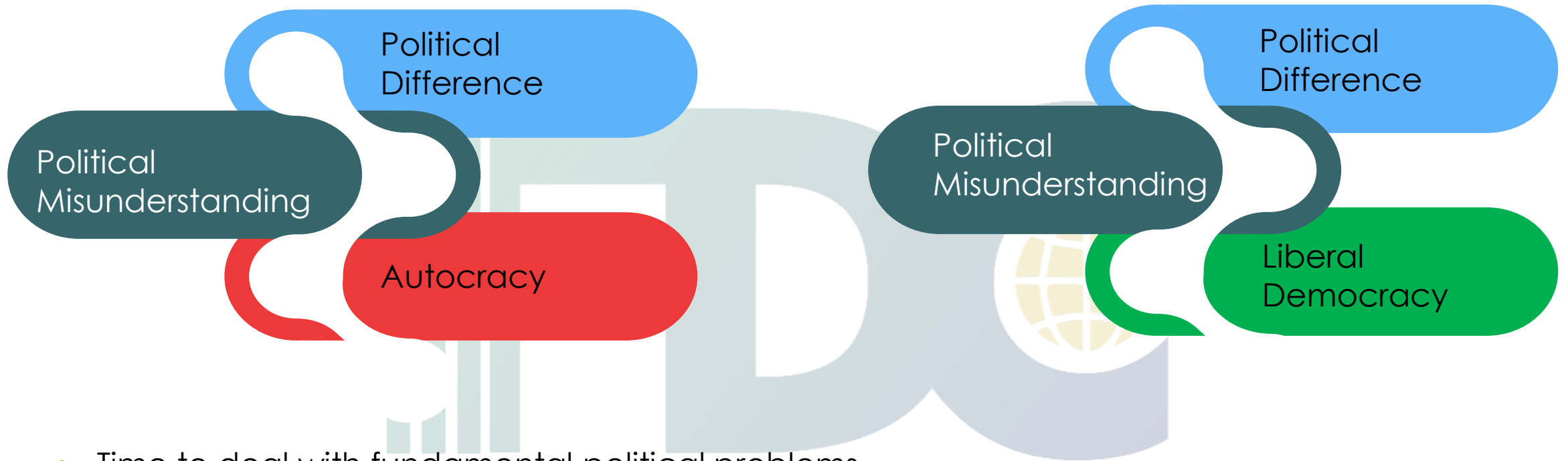


ETHNIC NATIONALITIES



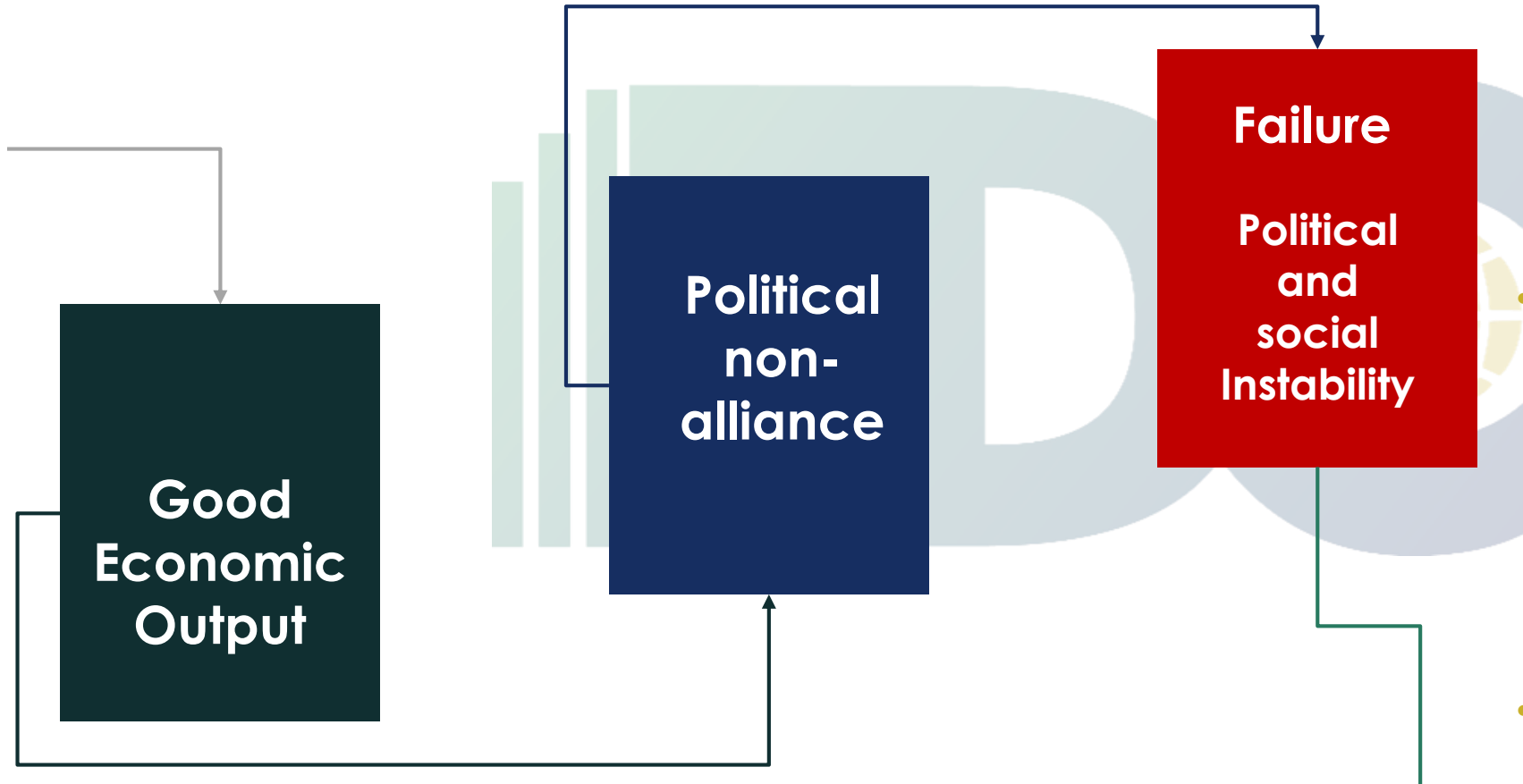
Fusion of Ethnic Nationalities and Characteristics into a Nation State

DOMINANCE OF A REGION & RESENTMENT BY OTHERS



- Time to deal with fundamental political problems
- Failure to do so will lead to unacceptability & autocracy
- No country has survived two civil wars
- **Either Balkanisation or Unification of Nigeria**

POLITICAL ALLIANCE & ECONOMIC OUTPUT



- Political alliance is stronger than good economic outcome
- **Ireland and Lebanon** are two good examples of political non-alliance countries
- Countries are typically governed by alliances

RISKS

- Risk of civil disobedience and disorderly change are increasing
- Political parties are not the same as political movements
- High risk of a rapid deterioration of political misunderstandings into political violence
- Law enforcement agents are not trusted and are ill equipped



WHAT NEXT?



- The moral authority of the new President is severely curtailed
- It now requires political acumen and maturity
- The current level of frustration is palpable & the crumbling economy is a flashpoint
- To defuse the socio-political tension requires astute intervention
 - To prevent end-SARS 2.0

THE MODEL OF SEQUENCING

- **Stability – Democracy – Economic take-off** is now prevailing over
- **Democracy – Economic take-off – Stability** in SSA
- Disorderly change is a recipe for the **Balkanisation of Nigeria**
- Orderly change will guarantee the emergence of the **First African Tiger nation**
- The choice is clear and the time is now!
- **United Nigeria or Yugoslavia**





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FUNDS MANAGEMENT

INVESTMENT BANKING

FINANCIAL ADVISORY

Head Office (Lagos)

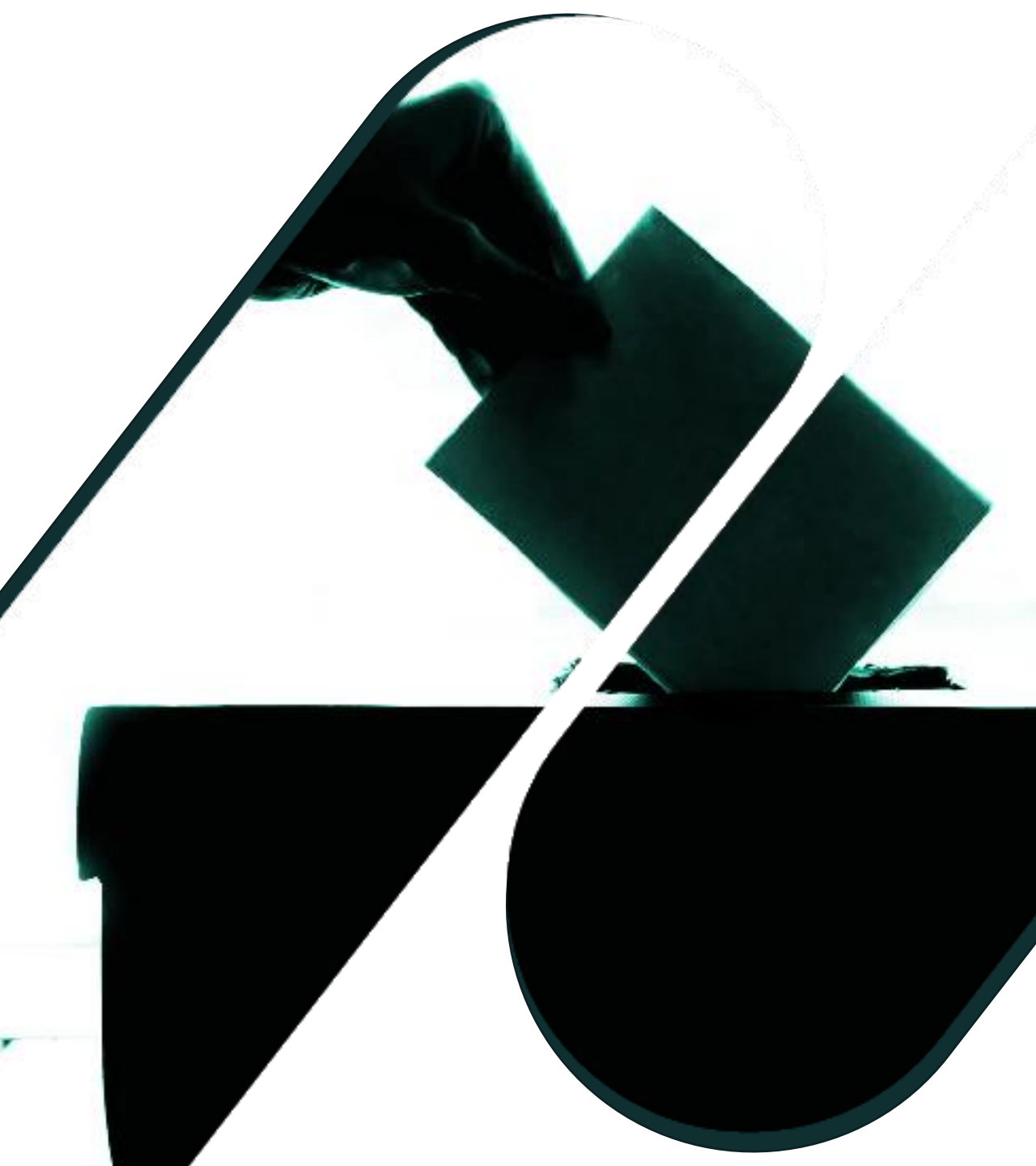
Union Bank Building (2nd floor) Plot 1668b,
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**POST-ELECTION & POLICY
OUTLOOK** – WHAT NEXT FOR NIGERIA'S
ECONOMIC, INVESTMENT, TRADE POLICIES & WHAT ARE THE
CONSTRAINTS?

THE NIGERIAN POLICY ENVIRONMENT

Conflict of
interest

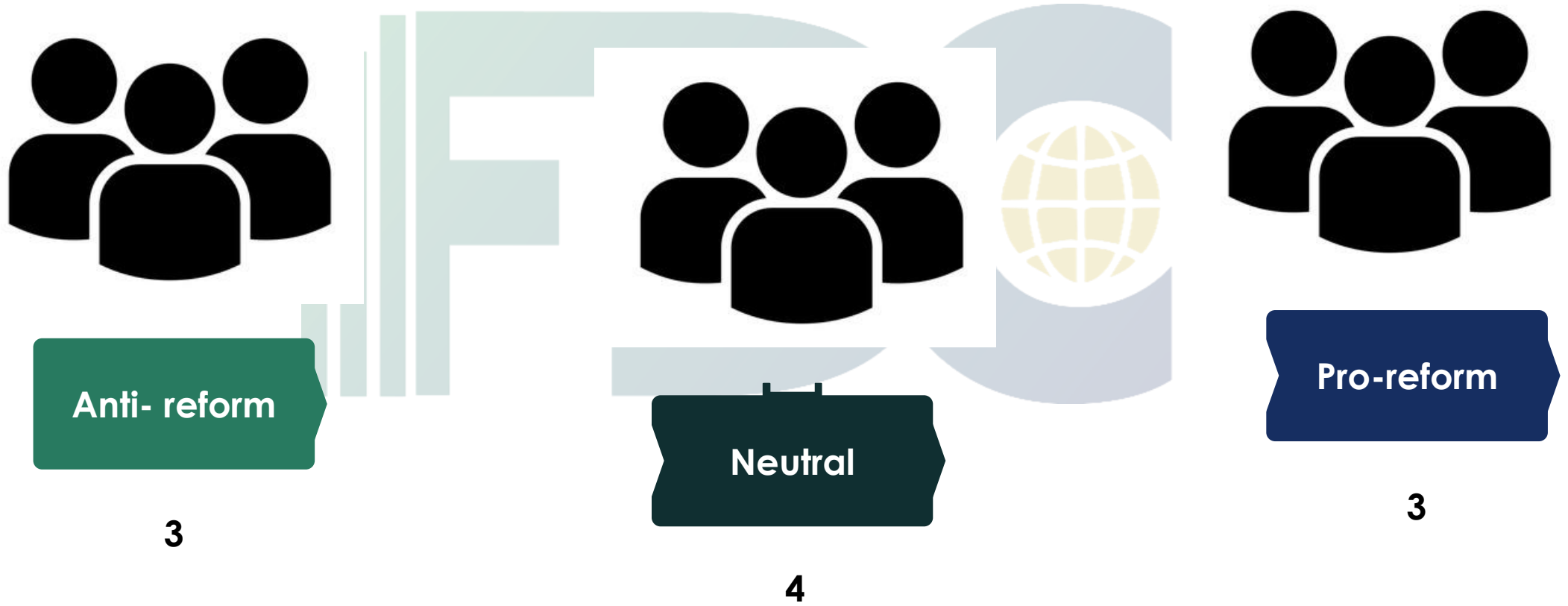
Contradiction in
policies

Lack of enthusiasm to
support any massive
change



CONFLICT OF INTEREST

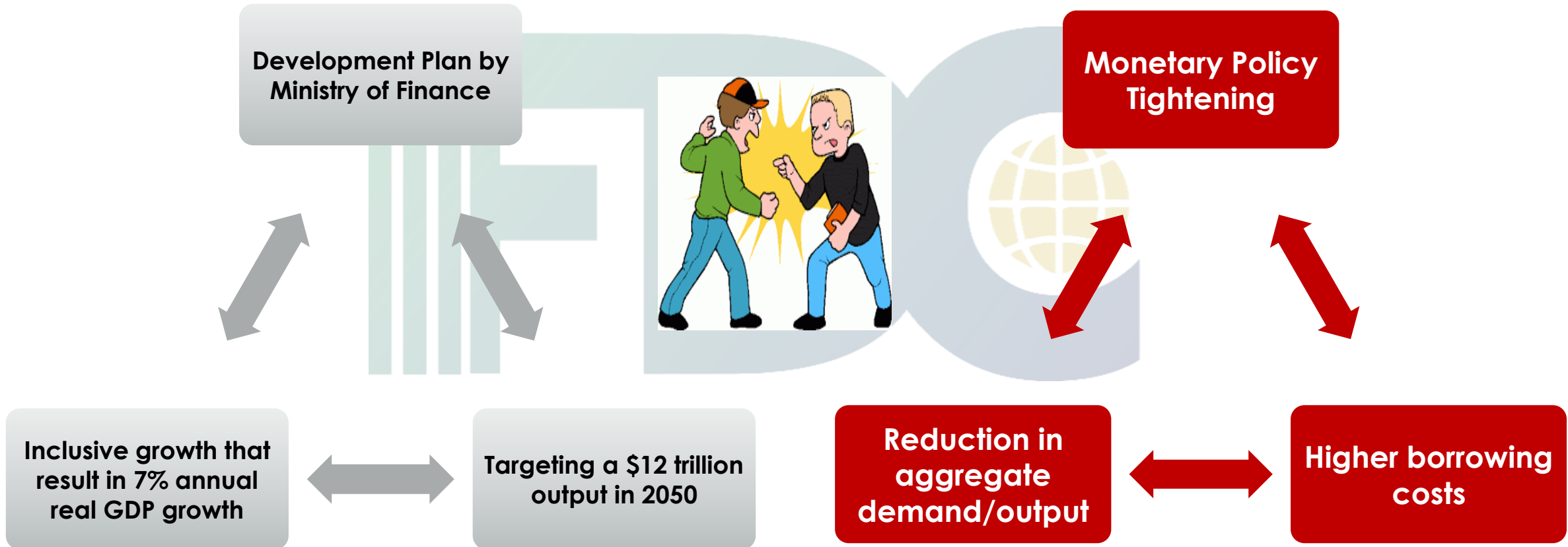
- 10 Nigerians in a policy making room



CONTRADICTION IN POLICIES

Fiscal Policymakers

Monetary Policymakers



POST ELECTION POLICY OUTLOOK

- President-elect is a product of the same political party (APC)
- Promises to continue & improve on the performance of the Buhari administration
 - Is there going to be **continuity**, a **major departure** or a **blend**?
- The policy making environment is marred by conflict of interest and contradiction in policies
- Nigeria's problems are daunting & overwhelming - prioritisation becomes a major issue
- There are problems of legitimacy & moral authorities
- Mobilising people to accept key policy changes will be difficult





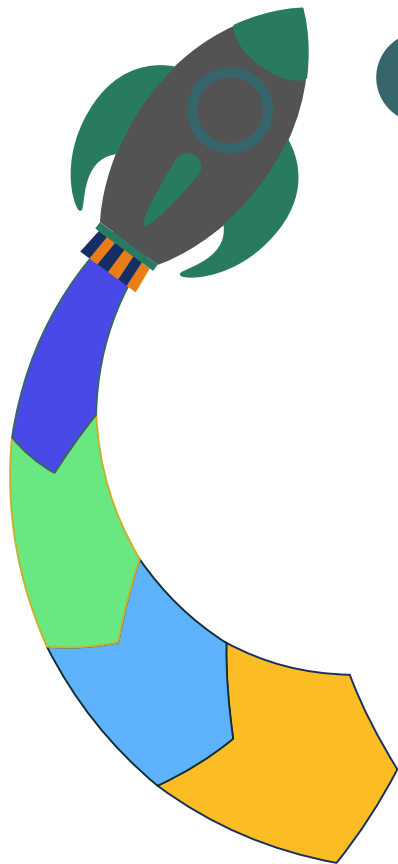
SHORT-TERM POLICY CHANGES

Exchange rate –
Crawling peg
*(Tinkering with the exchange
rate a little bit)*

Interest rates –
*Setting the tone for
engagement with*
* *The IMF & World Bank*
* *Donor - rescheduling &
restructuring of debt*

Dealing with the
ultimate problem of
growth & fiscal
consolidation

LONG-TERM POLICY CHANGES



Perfect Market



Imperfect Market

Transition from imperfect markets (monopolies & state capture) towards perfect market is being facilitated by

- Poverty
- Perfect information driven by increased use of modern technology



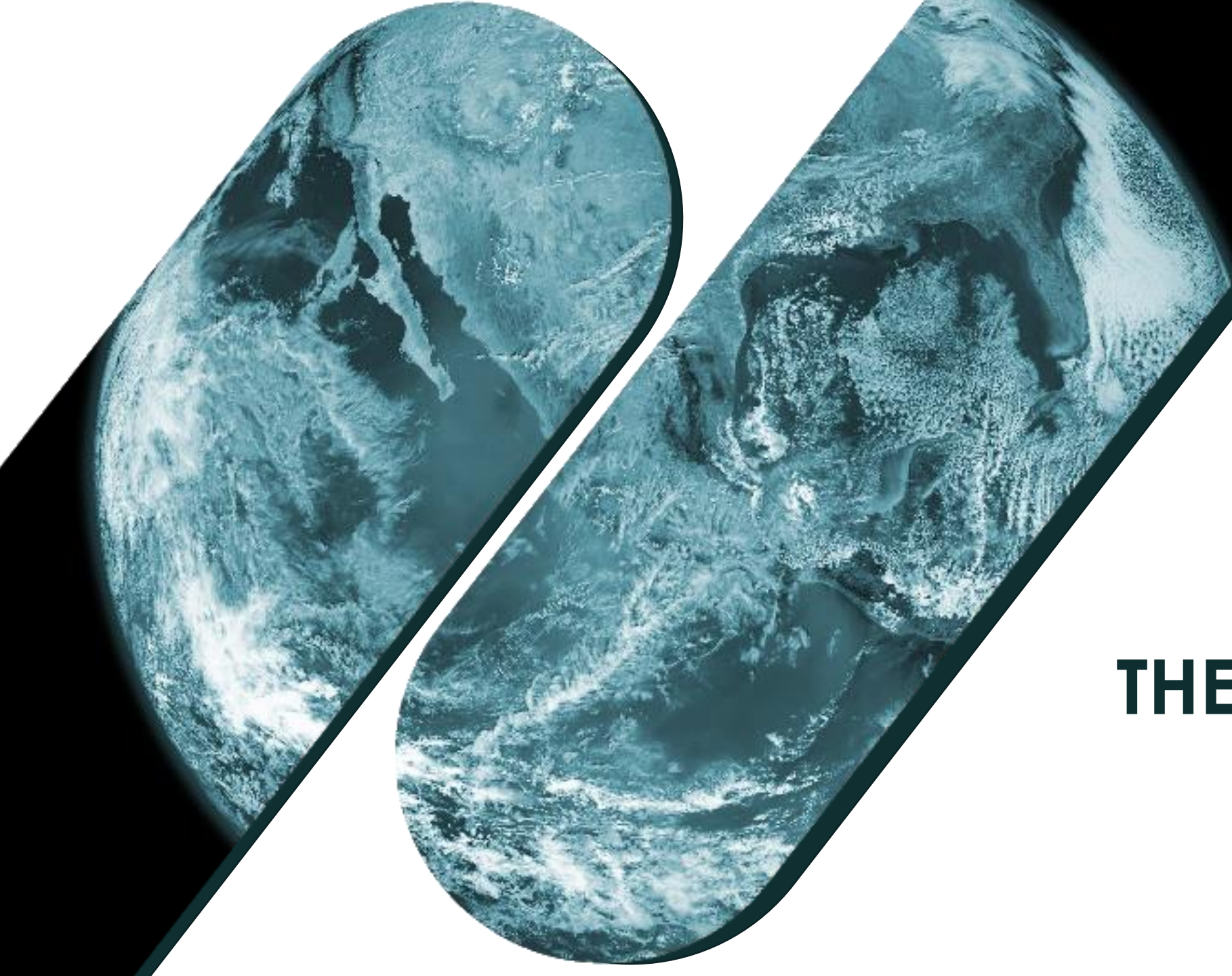
LONG-TERM POLICY CHANGES



Subsidy removal

Import substitution &
export promotion

Currency
convertibility



THE WORLD THIS MONTH



THE WORLD THIS MONTH - US

- Fed Chair Powell says interest rate is likely to be higher than previously anticipated
- Smaller quarter percentage point increase could be short-lived due to hotter inflation and labour market resilience
- The US economy has shown surprising strength despite decade-high interest rates
- 2-year treasury yield increased by 12bps to 5% for the first time since 2007 after Powell's hawkish remarks
- Further increase in interest rates could finally tip the US economy into recession
- The US dollar will gain against other currencies while fueling capital flight in emerging and developing countries
- Naira could depreciate further in H1'23



THE WORLD THIS MONTH - CHINA

- The Chinese government forecasts a conservative GDP growth rate of 5% in 2023
 - Below 7% average growth rate pre-covid
- Growth forecast supported by the impact of the three years of strict covid-19 measures
- Latest China's factory activity data marked the highest reading since April 2012
- Manufacturing PMI rose to 52.6 in February 2023 from 50.1 in January
 - Above the 50-point mark that separates growth from contraction

China

- Second largest economy in the world
- Nigeria's leading trading partner

THE WORLD THIS MONTH - IMF

- IMF revised its global GDP growth upwards to 2.9% from 2.7%
 - Rebounding growth in China
 - Global inflation declining
 - Central banks to reduce pace of interest rate hikes
- The UK and EU have concluded a new post-Brexit trade arrangement for Northern Ireland



NIGERIA & THE WORLD BANK (MORE THAN A PASSING INTEREST)

- Nigeria could be in talks with the IMF and the World Bank later this year
- Joe Biden nominates former MasterCard chief Ajay Banga as World Bank President
- A Wall Street veteran raised in India - a front-runner among emerging markets
- World Bank president is typically a US citizen nominated by the US president

Past presidents

2007 - 2012



Robert B. Zoellick

2012 - 2019



Jim Yong Kim

2019 - 2023



David Malpass

Current President



**Ajay Banga –
Indian Born American**

THE WORLD THIS MONTH

- The main focus of past presidents was to end poverty in developing countries
- World Bank now shifting interest from poverty to climate change
- The new president will support the redirection of interest
- Nigeria could benefit from the new interest due to its high risk of climate change impact



THE WORLD THIS MONTH – GEOPOLITICAL TENSION

- Russia-Ukraine war has raged for 12 months
- Biden pays a surprise visit as the battle escalates
- The impact of the war on commodity prices is waning
 - Countries have resorted to alternative sources
- US political campaign will try to influence oil prices downwards
- Natural gas price down by more than 65% since mid-

December - **WSJ**

- US gas market is currently oversupplied by about 5bn cubic feet a day





DOMESTIC HIGHLIGHTS

DOMESTIC HIGHLIGHTS

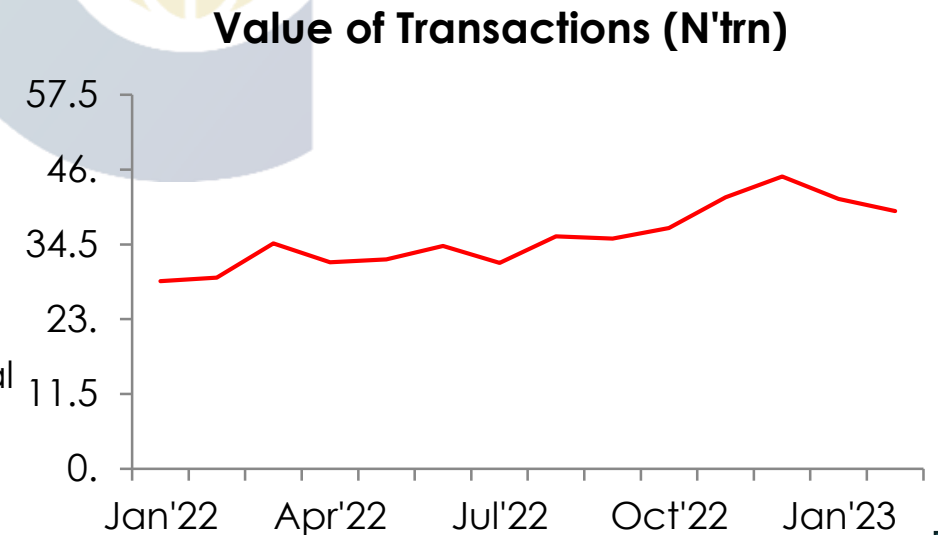
- Supreme court extends deadline of old naira notes till December 31st
- Total currency in circulation to increase by approx. 20%
 - **N3.2 trillion of old naira notes + N600 billion of new naira notes = N3.8 trillion**
 - Could raise inflation risks
- Uncertainty on old naira notes as a medium of exchange & store of value remains
- Confidence in the banking system will remain weak
- Velocity of circulation will stay low



DOMESTIC HIGHLIGHTS – VOLUME & VALUE OF TRANSACTIONS

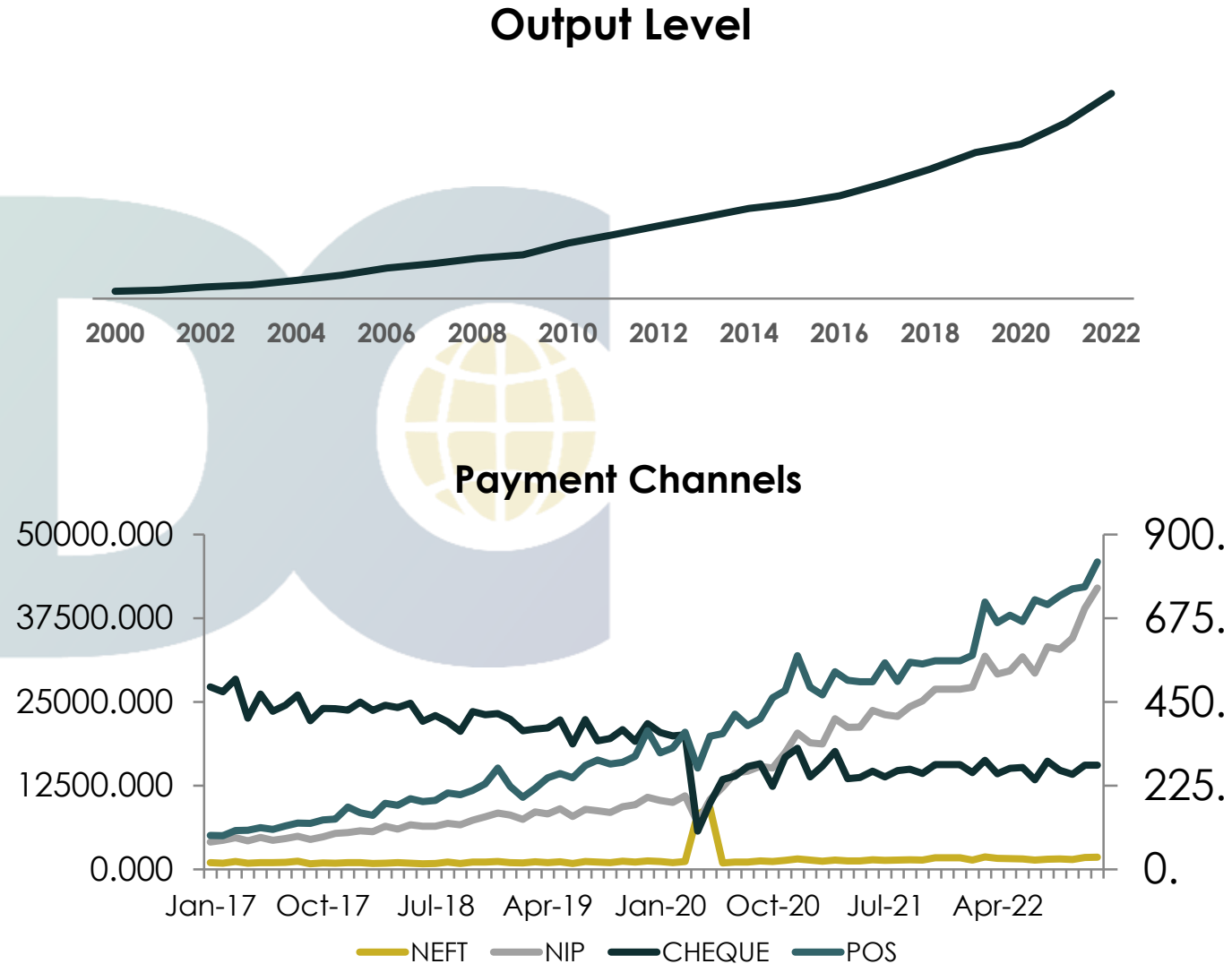
- Total volume of e-payment transactions surged by 41.25% in February
 - Reflecting increased use of digital payment channels due to cash shortages
- Meanwhile, total value of transactions declined by 4.45% to N39.63trn in February
 - Pointing to a drop in aggregate demand
- Only the value of POS transactions increased
 - Lack of cash at ATMs & high rate of financial illiteracy in the informal sector increasing the patronage of POS operators

Channels	Jan'22 (N'bn)	Feb'23 (N'bn)	% Change
Cheques	244.02	238.49	-2.27
POS	807.16	883.45	9.45
NIP	38,772.91	36,786.42	-5.12
NEFT	1,657.71	1,726.02	-4.12
Total	41,481.08	39,634.38	-4.45



DOMESTIC HIGHLIGHTS – IMPACT

- There is a positive correlation between an efficient payment system and output level
- Delays and inefficiencies in payment systems could weigh on aggregate demand/output
- Could slow down inventory turnover rate and production level



*770#

Start now. Dial *770#

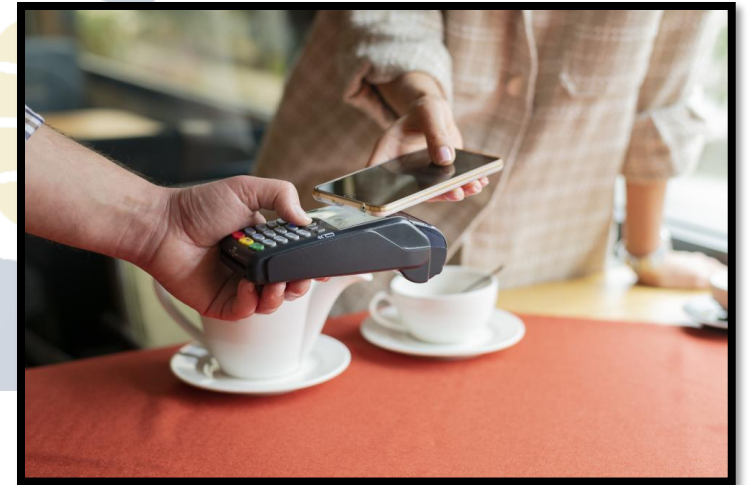


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IS NIGERIA READY FOR A CASHLESS ECONOMY?

- A sizeable proportion of Nigerians are unbanked
 - Financial inclusion: 64%
- Digital infrastructure to support cashless economy remains sub-optimal
- **Why?**
 - Limited broadband access
 - Poor mobile network coverage
 - Inadequate digital payment platforms
- A huge investment in technological infrastructure is crucial for an efficient payment system in Nigeria
- Nigeria's digital economy sees \$4.4 billion investment in four years



DOMESTIC HIGHLIGHTS

- Real GDP growth sustained its positive trajectory in Q4'22
 - Expanded by 0.46% to 3.52% from 2.25% in Q3'22
- Bringing the annual growth rate to 3.1%, in line with the IMF (3.2%) and World Bank (2.7%) projections
- Of the 46 activities tracked by the NBS, only 17 expanded compared to 26 in Q3'22
 - Most expanding sectors are job elastic, contributing positively to employment



DOMESTIC HIGHLIGHTS

- Money supply (M3) increased by 2.17% to N53.27trn in January
- Headline inflation climbed by 0.48% to 21.82% in Jan'23 after a slight decline in Dec'22
 - Driven by higher energy costs, persistent currency pressures and election uncertainties
- Nominal interest rates now moving in tandem with the MPR
 - 365-day t/bill up 5.12% to 9.9%p.a
 - Narrowing the negative real rate of return on investment
- Average opening position of banks was N507.87bn in February 2023
 - Down 29.69% from N722.37bn in January 2023



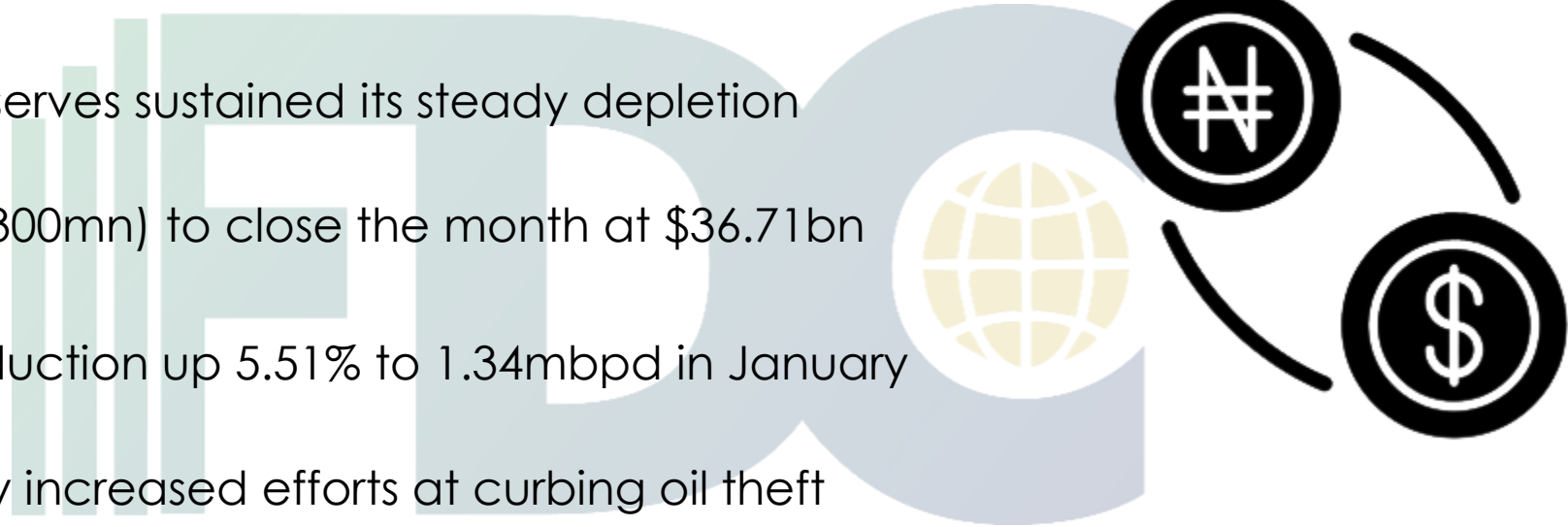
DOMESTIC HIGHLIGHTS

- Total FAAC disbursements down 24.31% to N750.17bn in January
 - From N990bn in December 2022
 - Largely due to the sharp drop in PPT, CIT and oil & gas royalties
- Excess crude account balance now \$473,754.57mn (As at Feb 20)
- Active oil rig count rose to 13 in Jan'23 from 12 in Dec'22
- Brent crude price traded above \$80pb in February
 - Averaged \$83.92pb, down from \$83.96pb in January



DOMESTIC HIGHLIGHTS

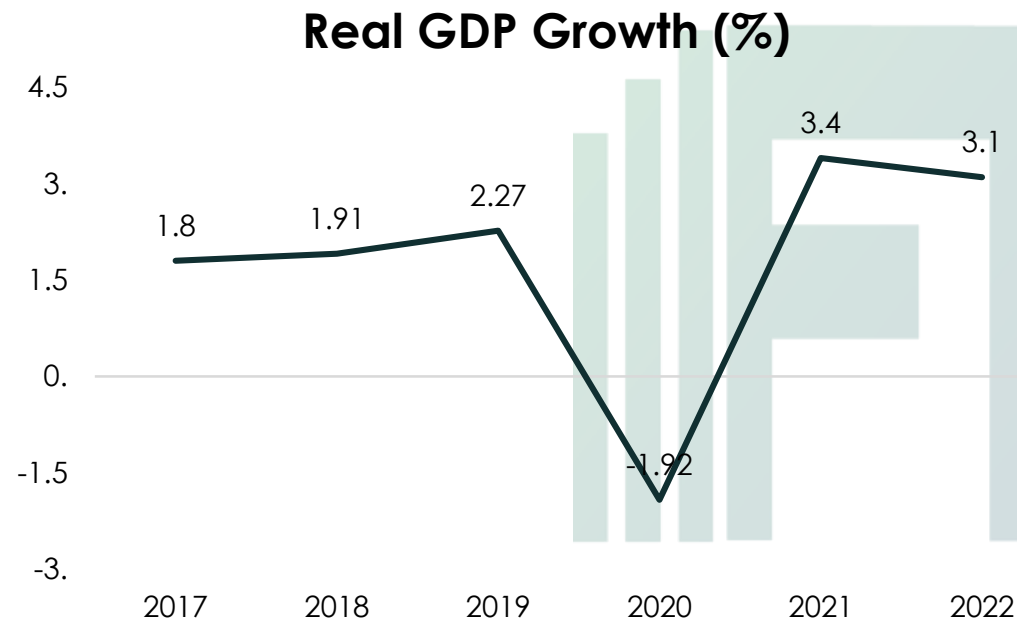
- The Naira touched a 2-month low of N775/\$ before appreciating to close the month of February at N755/\$
- Gross external reserves sustained its steady depletion
 - Lost 0.81% (\$300mn) to close the month at \$36.71bn
- Domestic oil production up 5.51% to 1.34mbpd in January
 - Supported by increased efforts at curbing oil theft
- The IMF urged the CBN to rethink monetary policy as a way of tackling inflation
 - Fiscal policy also plays a major role to controlling inflation





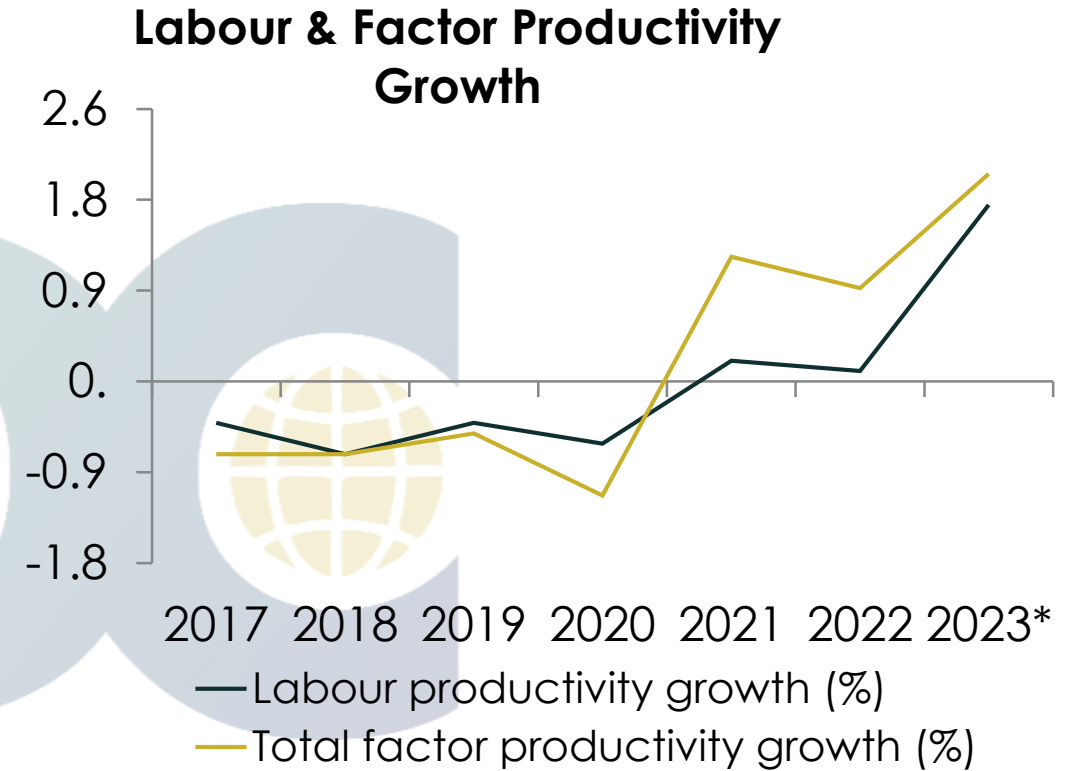
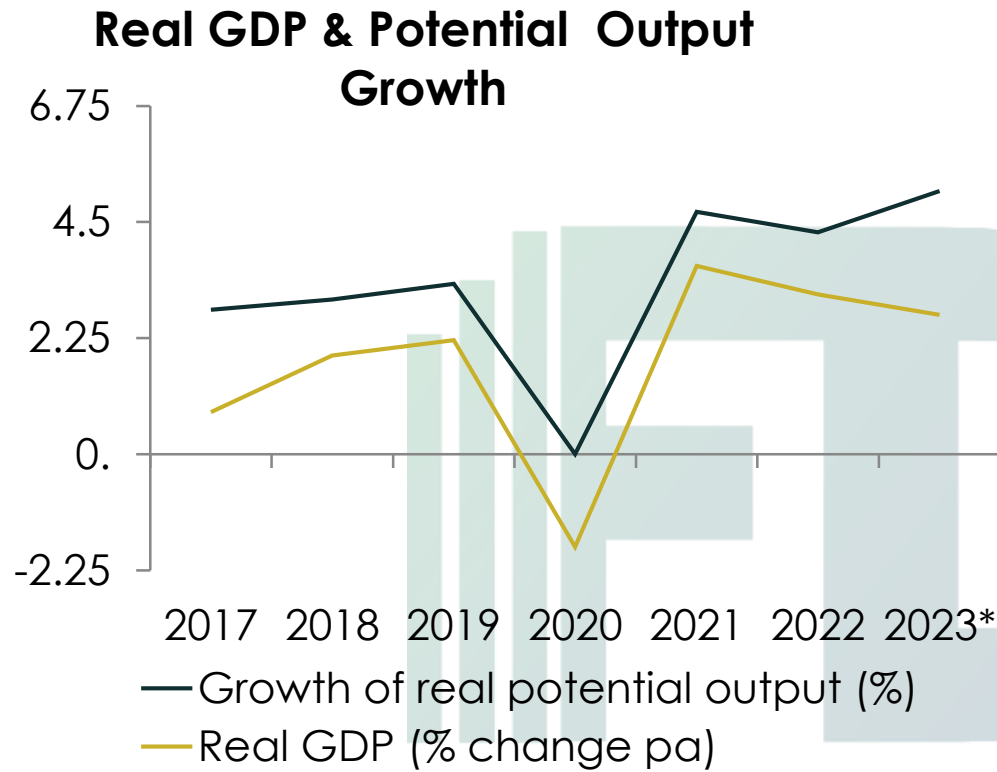
DOMESTIC ECONOMIC PERFORMANCE

GDP SLOWS TO 3.10% IN 2022



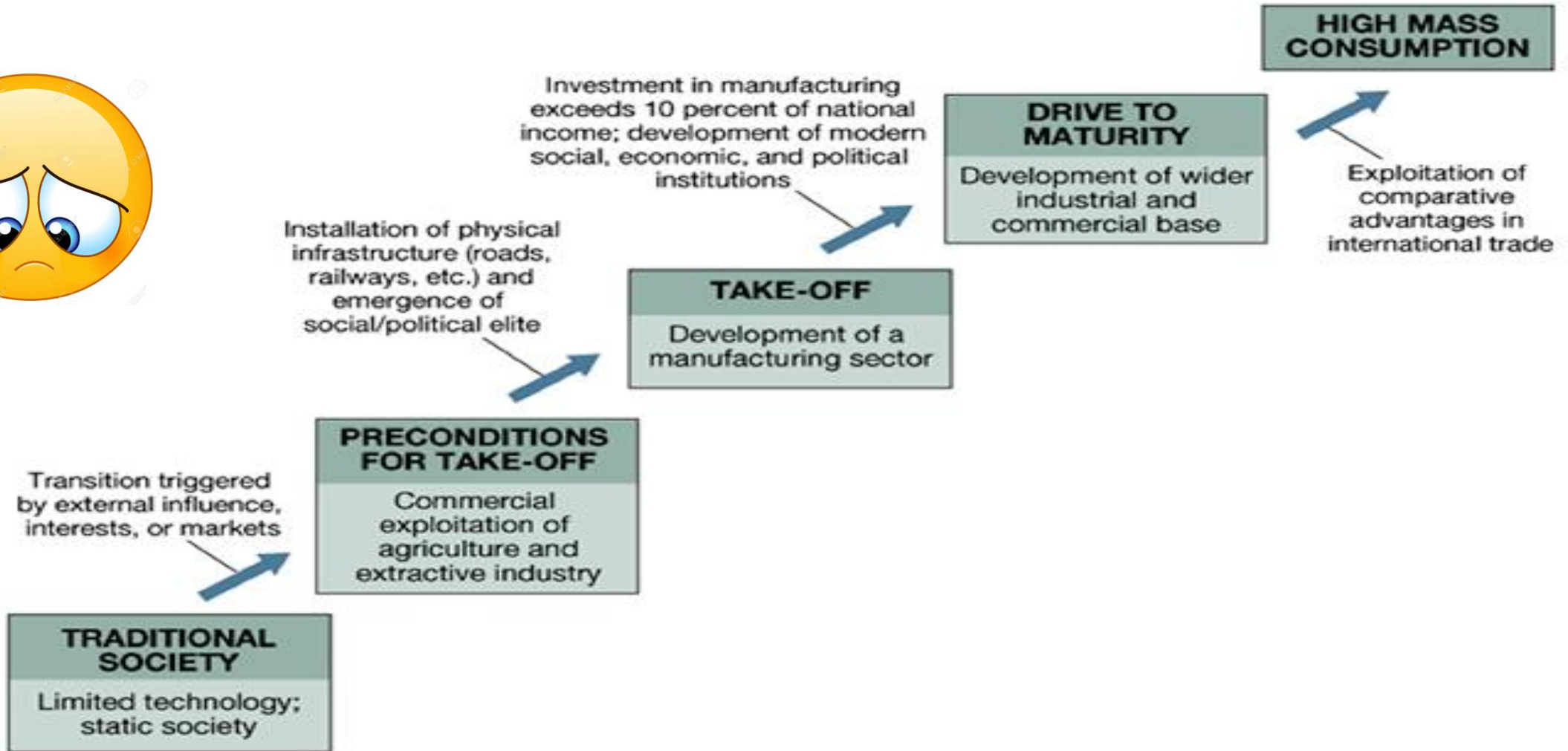
- Nigeria's GDP slowed to 3.1% in 2022 from 3.4% in 2021
- Fragile recovery subdued by:
 - The impact of the Russia-Ukraine war
 - Massive decline in oil production
- On a quarterly basis, the Nigerian economy expanded by 1.27% q-o-q to 3.52%
- Supported by growth in the service sector (5.69%)

NIGERIA'S GDP – PUNCHING BELOW ITS WEIGHT

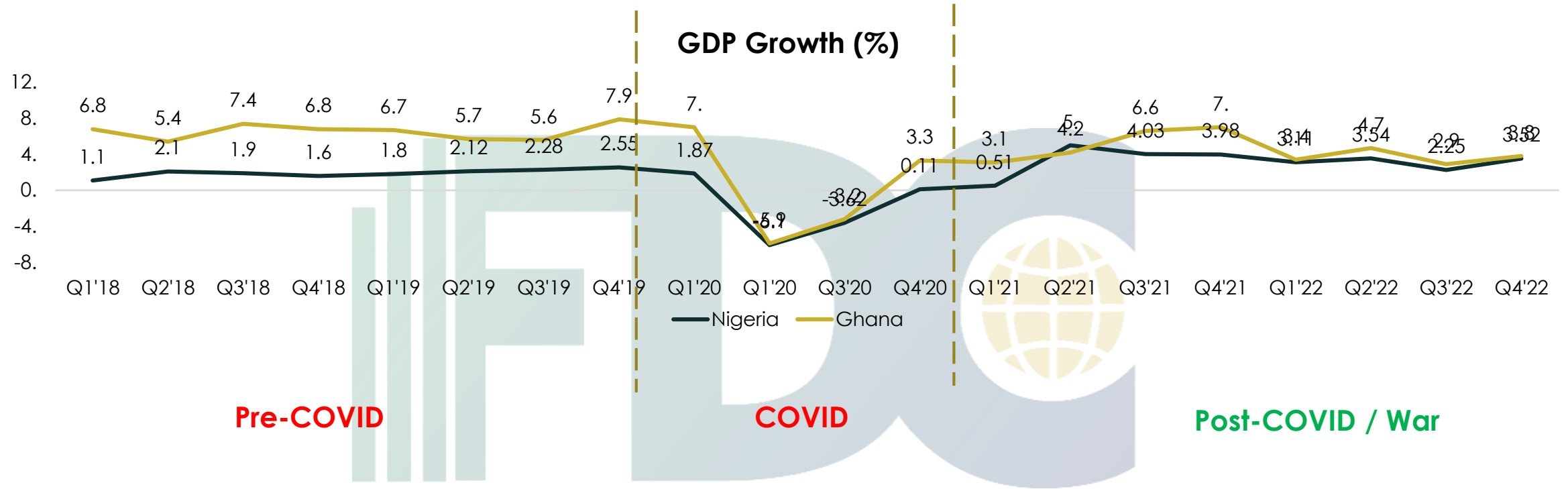


- Nigeria's growth rate remains below potential level
- Due to sub-optimal use of capital stock

ROSTOW STAGES OF ECONOMIC GROWTH

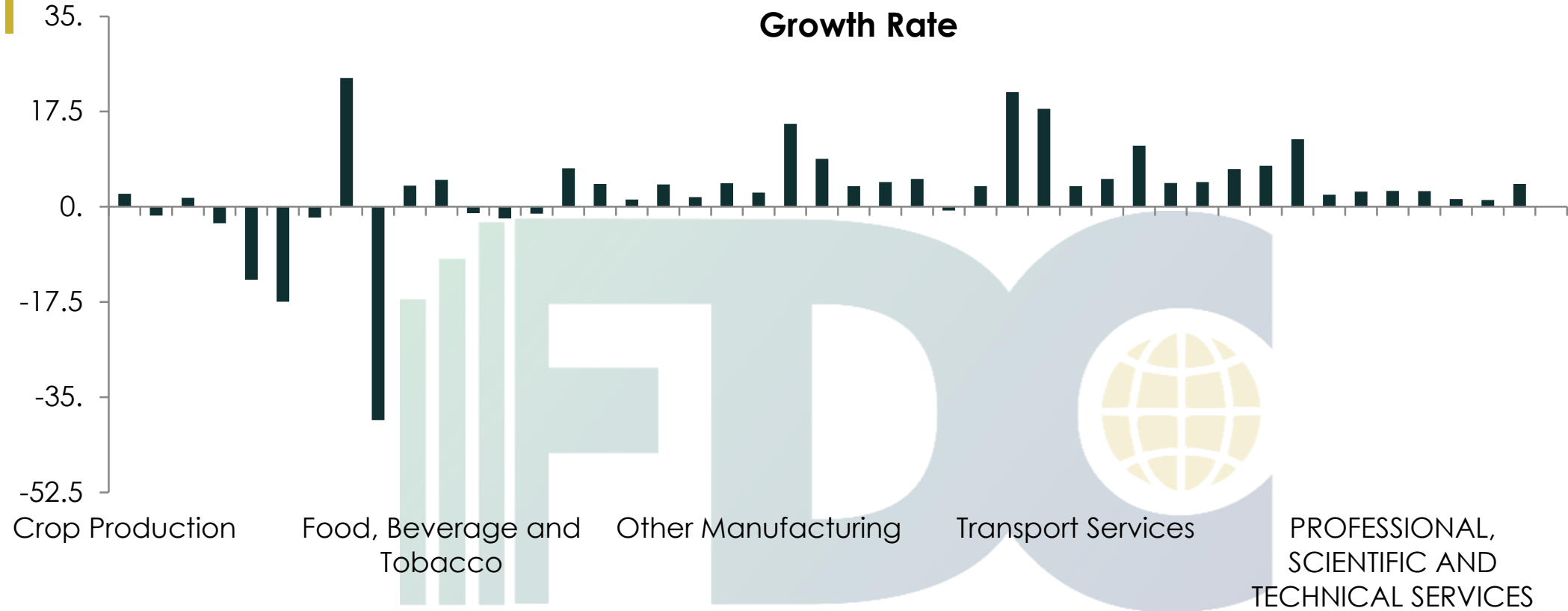


NIGERIA NOT AN OUTLIER



- The growth pattern between Nigeria and Ghana is consistent
- However, Ghana's economic growth has constantly outperformed Nigeria's except in Q2'21

SECTOR PERFORMANCE



- 17 of the 46 activities tracked by NBS expanded
- 18 slowed while 11 contracted
- Most of the expanding sectors are job elastic



EXPANDING SECTORS

Sectors	Q3'22 GDP Growth (%)	Q4'22 GDP Growth (%)	Reason	Share of Employment (%)
Agriculture	1.34	2.05	<ul style="list-style-type: none"> • Year-end harvest • Backward integration 	64.31
Manufacturing	-1.91	2.83	<ul style="list-style-type: none"> • Ease in global supply chain problems 	3.69
Telecommunication	10.06	11.24	<ul style="list-style-type: none"> • Increased internet penetration • 5G Launch 	8.0
Financial Institution	12.03	12.41	<ul style="list-style-type: none"> • High interest rates • Increased financial technology 	7.4

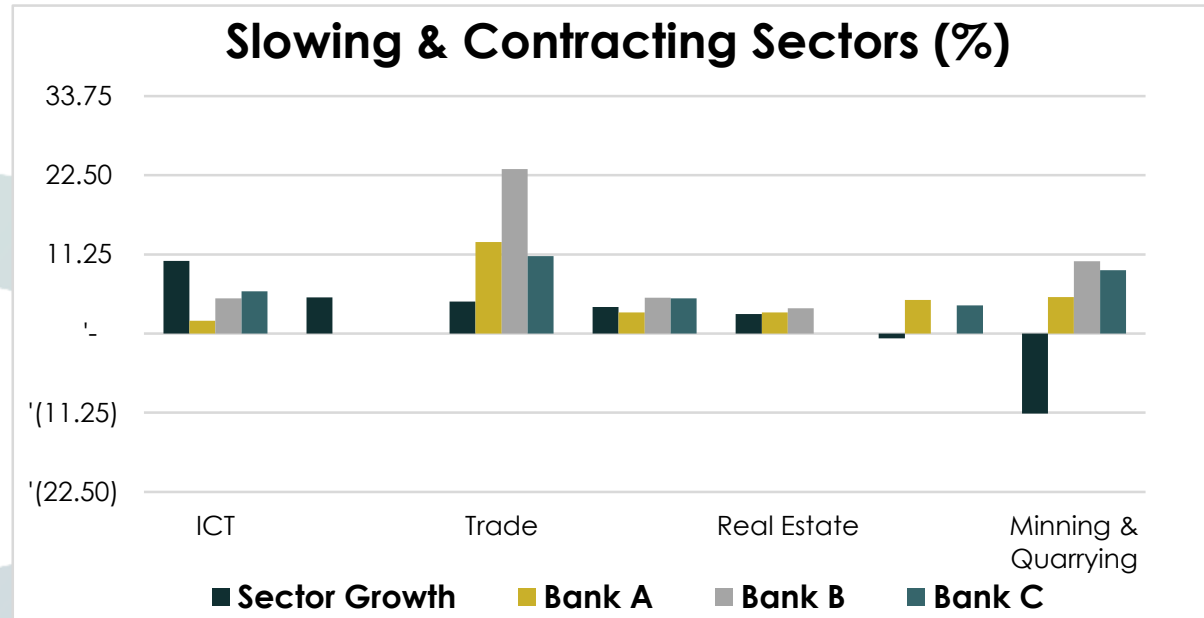
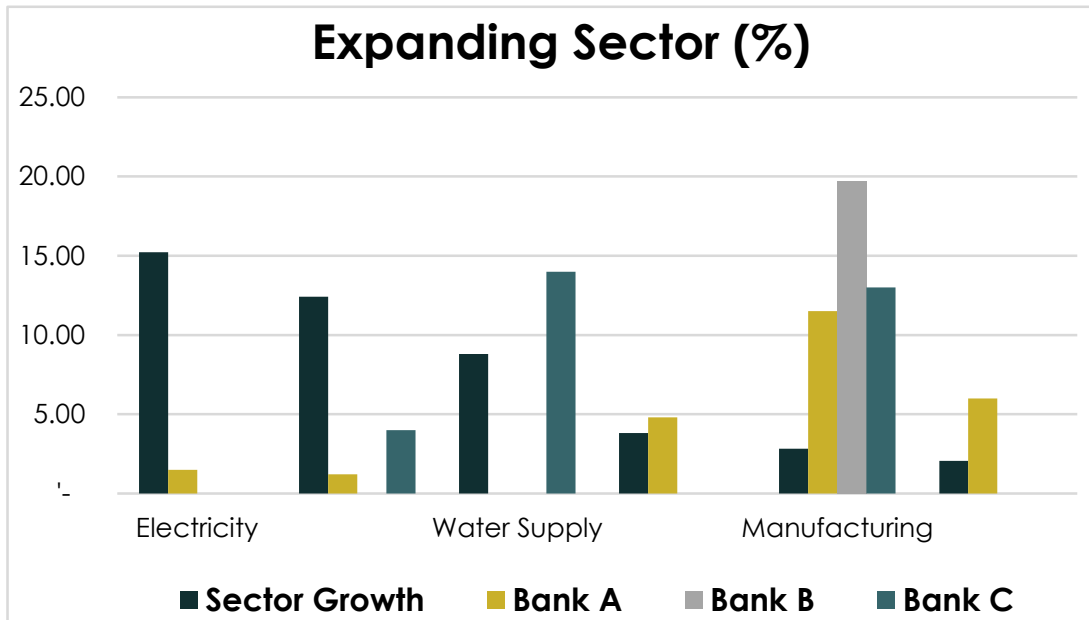


SLOWING SECTORS

Slowing	Q3'22 GDP Growth (%)	Q4'22 GDP Growth (%)	Reason	Share of Employment (%)
Transportation	41.59	0.78	<ul style="list-style-type: none"> • High energy prices • Insecurity 	1.05
Real Estate	4.56	2.78	<ul style="list-style-type: none"> • High cost of building materials • High interest rates 	1.20
ICT	10.53	10.35	<ul style="list-style-type: none"> • High logistics cost • Currency pressures 	0.61
Trade	5.08	4.54	<ul style="list-style-type: none"> • Forex scarcity • High transportation costs • Decline in aggregate demand 	22.88
Construction	5.52	3.8	<ul style="list-style-type: none"> • High cost of construction materials 	1.20

- A Marshall plan could provide new investment and infrastructure support to the slowing sectors

BANK'S EXPOSURE TO SECTORS



- Banks are mostly exposed to slowing and contracting sectors
- Average exposure of 4.21% and 5.39% to expanding and slowing/contracting sectors respectively
- Likely increase in non-performing loans and impairment charges

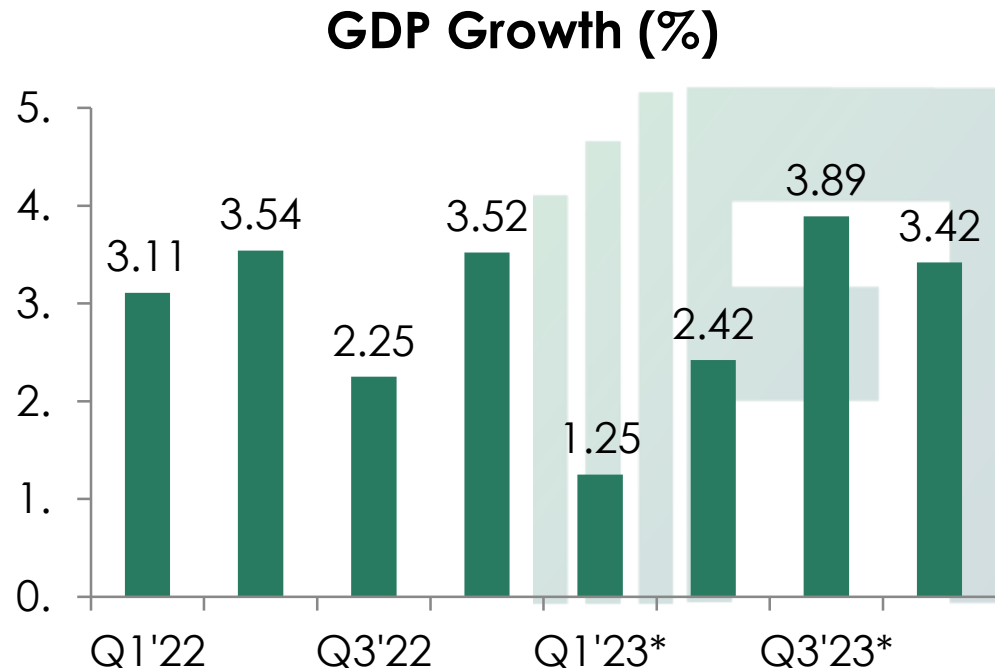
THE EFFECT OF NAIRA CASH CRUNCH ON GDP?

- The naira cash crunch has direct impact on the following sectors

Q1'23 Growth rate	Pre-cash crunch	Post-cash crunch
Agriculture	3.2%	2.0%
Trade	5.2%	3.1%
Manufacturing	5.3%	3.2%
Construction	4.9%	3.0%
Financial Institutions	21.1%	10%



GDP GROWTH OUTLOOK



- GDP growth to slow to an average of 1.83% in H1 '23 from 3.3% in H1 '22 due to

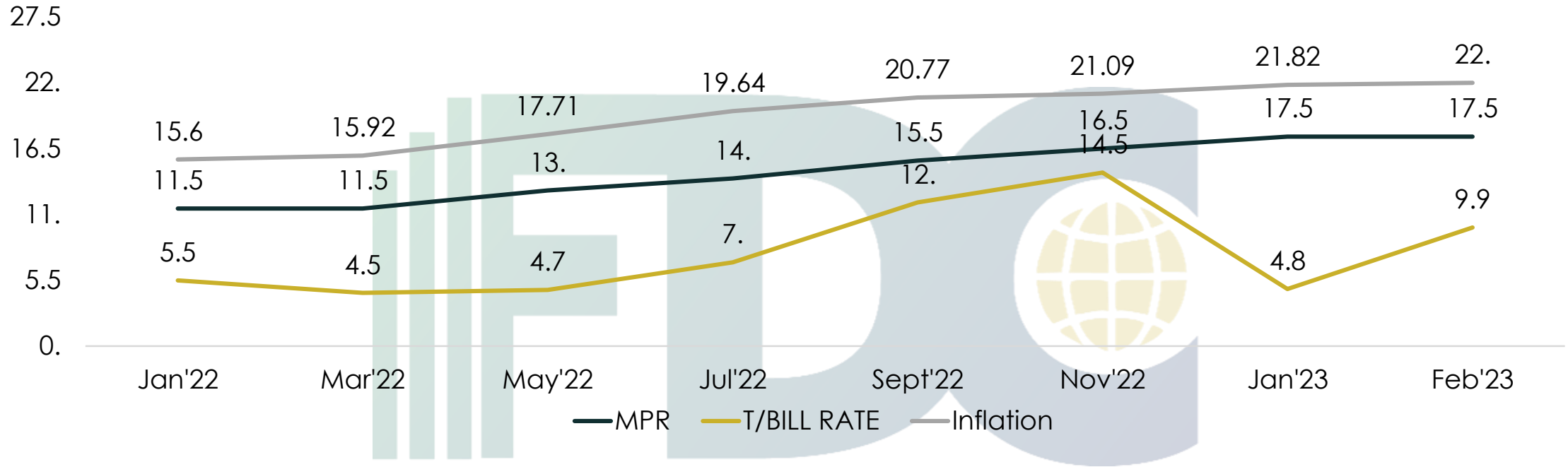
- Naira cash impact on aggregate demand
- Planting season effect
- High inflation
- Forex scarcity

- GDP growth in H2'23 will improve on the basis of

- Policy reforms
- Increase in aggregate demand
- Increased investments as uncertainties wane

INFLATION-INTEREST RATE GAP NARROWING

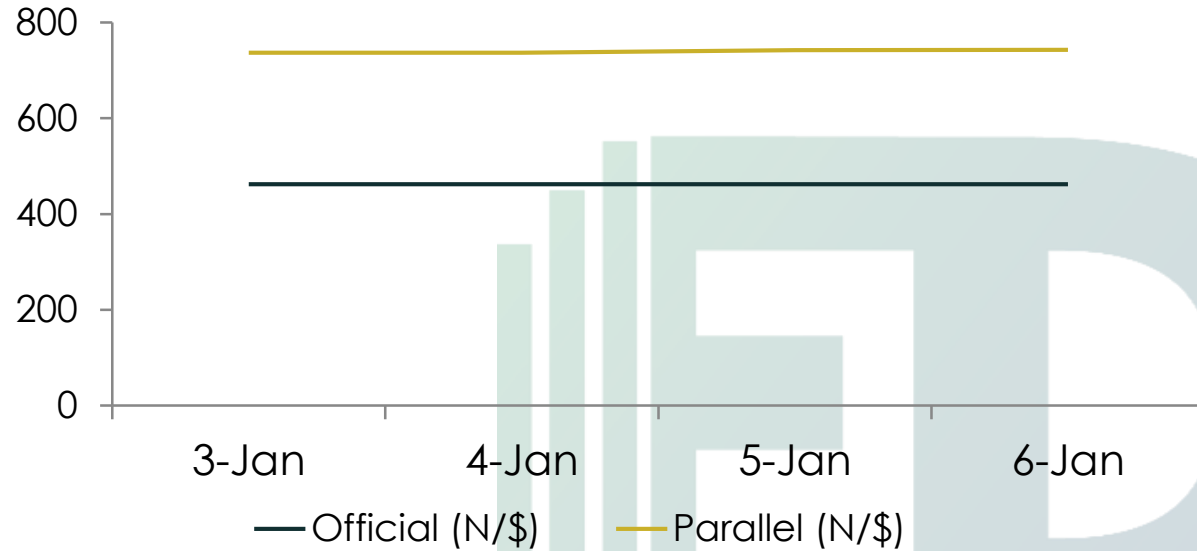
Negative Real Rate of Return (%)



- Effective interest rates now reflecting CBN's monetary tightening policy
- 1-year T-bill rate rose to 9.9%p.a. in February'23 after falling to 2.29%p.a
- Narrowing the negative real rate of return on investment

NAIRA FALLING ON INCREASED UNCERTAINTY


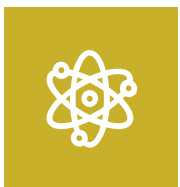
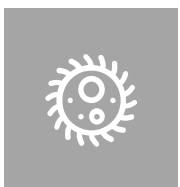
Exchange Rate



Purchasing Power Parity			
	=N=	Jan-23	
		US \$	PPP ('=N=/US\$)
Bottle of Pepsi (50cl)	200	2.50	80.00
Beer (60cl)	900	0.90	1000.00
Hamburger (Burger King)	4,900	4.95	989.90
Indomie (1 unit)	150	0.68	220.59
Toyota Corolla	22,000,000	21,000	1047.62
Nestle Bottled Water (60cl 1 unit)	150	0.12	1250.00
Big Loaf Bread	1,050	2.50	420.00
Irish Spring Soap (1 cake)	400	0.47	851.06
Chicken Breasts (1 kg)	3,650	8.00	456.25
Trolley	3,999	6.00	666.50
Peak evaporated milk (pack of 12)	7,500	34.40	218.02
Uncle Ben's rice (5.44kg 1 pack)	14,550	14.85	979.80
Eggs (30 large eggs)	2,800	2.30	1217.39
Average PPP			722.86
Naira Price at IEFX			462.00
PPP (%)			
Decision: Naira is		Overvalued	56.46%
Spot Rate (Parallel)			765
Outcome: Compared to IEFX rate of N462/\$1, the Naira is Overvalued by 56.46%			

- The naira lost 3.8% from N737/\$ at the beginning of the year to close February at N755/\$
- Fueled by heightened uncertainty as naira cash crunch bites hard
- IEFX rate steadied at N462/\$ in January & February
- Official exchange rate remains overvalued

SOURCES OF FOREIGN EXCHANGE REMAIN WEAK

		Pre-covid 2019	2022	% Change	
	Oil Production	1.79mbpd	1.20mbpd	-33%	↓
	Capital Importation (Q1-Q3)	\$19.91bn	\$4.27bn	-54%	↓
	Diaspora remittances (Q1-Q3)	\$19.32bn	\$14.98bn	-22.46%	↓

- Nigeria's sources of foreign exchange remain weak due to
 - Sub-optimal oil production induced by oil theft
 - Capital flow reversal owing to global monetary tightening
 - Exchange rate premium at the parallel market

A stylized illustration of a server room. In the foreground, a person in a dark suit and white shirt is seen from behind, holding a large orange folder and a white document. In the background, two other people, a woman in a white top and dark jacket, and a man in a dark suit, are standing and talking. The server racks are filled with blue and white lights, creating a futuristic, high-tech atmosphere.

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EXCHANGE RATE MANAGEMENT IN NIGERIA

- Exchange rate management is the use of official policies to influence the exchange rate in the forex market

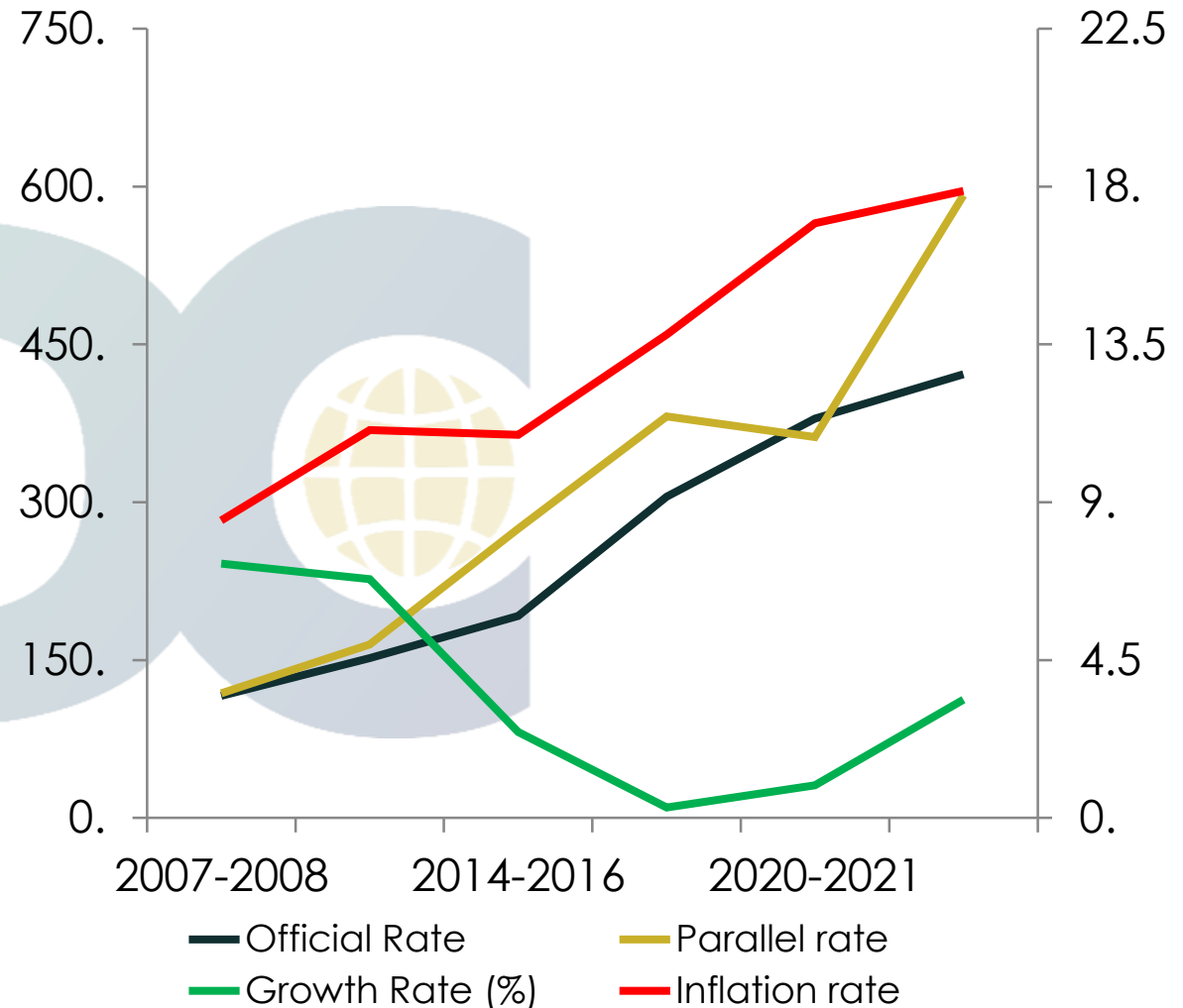
Exchange rate management in Nigeria

- Managed floating exchange rate
- Introduction of foreign exchange window for investors and auctions apart from the official window



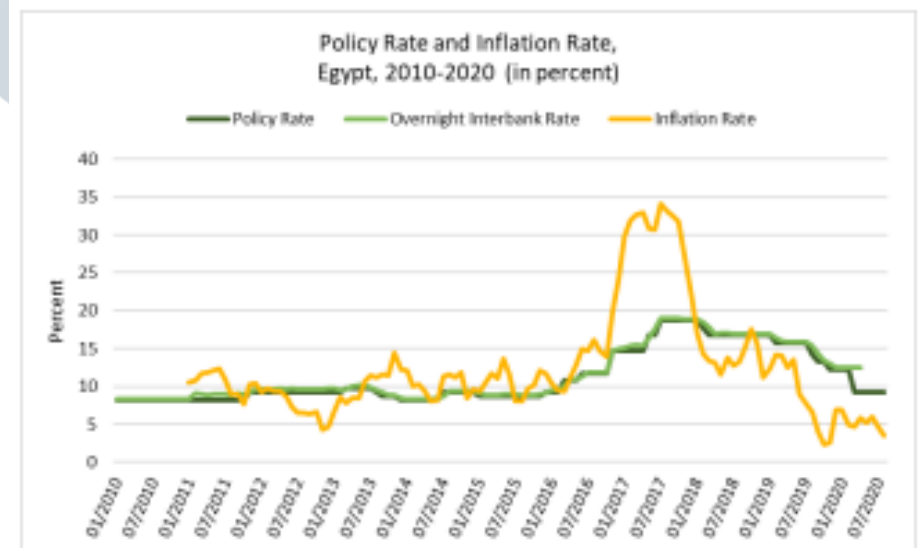
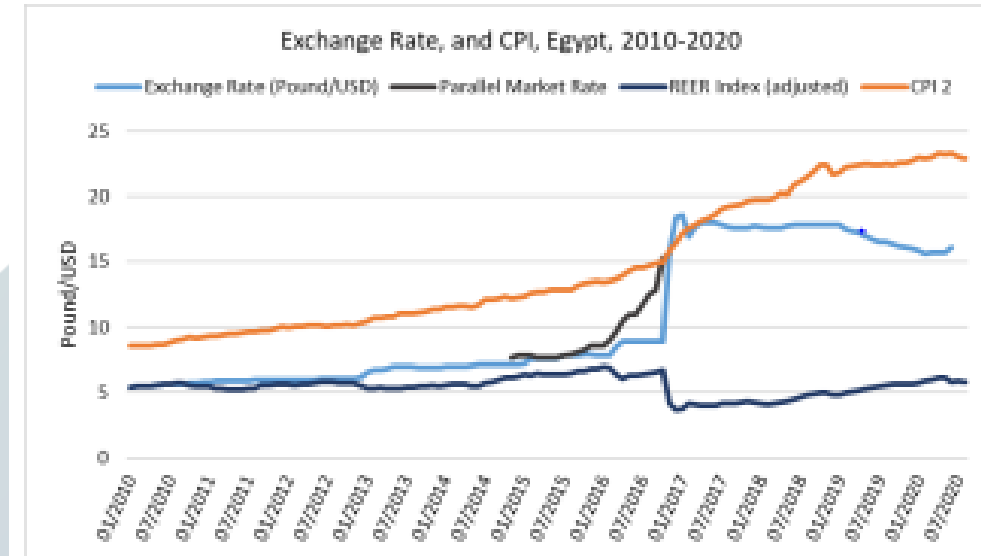
HISTORY OF EXCHANGE RATE ADJUSTMENT IN NIGERIA

- The parallel market rates deviated further from official rate when forex restrictions were imposed
- Fuelled inflation and led to sub-optimal GDP growth rate
- Nigeria's GDP growth rate was below an average of 7% between 2006-2011
- Exchange rate management is key to boosting growth in Nigeria



EXCHANGE RATE ADJUSTMENT – EGYPT AS AN EXAMPLE

- Egypt adjusted its currency in November 2016
 - To unify rates at the parallel and the official markets
 - Led to a sharp rise in inflation rate by 30%
- Devaluation was complimented with tight monetary and fiscal policies to reduce liquidity build-up
 - Consequently, inflation dropped back to single digit
- Forex demand backlog cleared and reserve accrued to \$45 billion in 2019





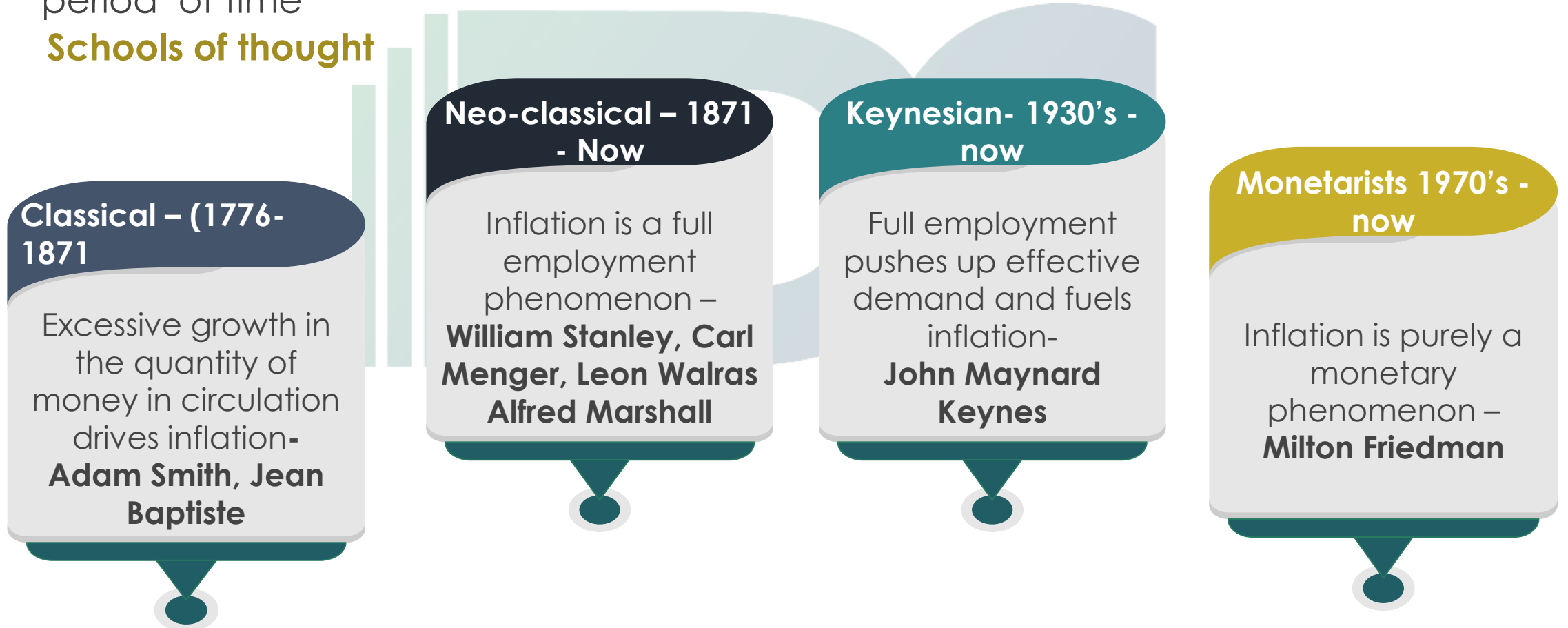
INFLATION – REAL OR HYPE?

WHAT IS INFLATION?

General Definition: Persistent increase in the price of goods & services over a given

period of time

Schools of thought



FAMOUS QUOTES

Inflation quotes by famous economists

Milton
Friedman

*"Inflation is always
and everywhere a
monetary
phenomenon"*

Coulbourn

*"Inflation is too
much money
chasing too few
goods"*

*"When the Fed decides
that inflation is too high ,
they have the tools and
they've shown historically
that they have the will, to
bring it down. And it might
be painful"*

Paul Krugman

*"It is clear that inflation is
significantly contributing
to distrust in the institutions
and to pessimism about
the future"*

Larry Summers

WHAT WAS INFLATION LIKE IN THE PAST?

Global Economy

- Elimination of price controls
- Supply shortages
- Pent-up demand

1946-1948

Average Inflation 17.6%

Average Inflation 21%

1950-1951

- Supply shortages
- High demand

- Economic boom led to inflation

Economic expansion
1969-1971

Average Inflation 4.63%

Average Inflation 8.75%

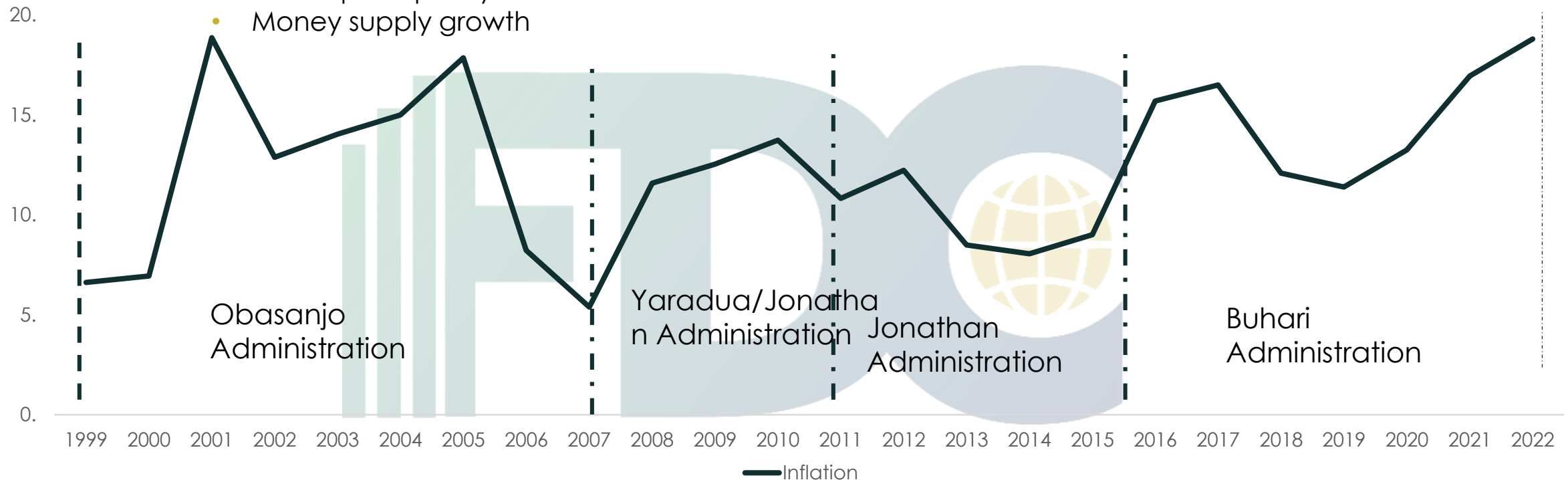
Oil shocks

- **Stagflation** fuelled by high energy prices, low-interest rates and high budget deficits
- Paul Volcker became Fed chair
- Began interest rate hikes to bring down inflation

WHAT WAS INFLATION LIKE IN THE PAST? (NIGERIA)

Drivers

- Exchange rate instability
- Increased fiscal deficits
- Inadequate policy co-ordination
- Money supply growth



- Past drivers of inflation are still prevalent
- Inflation in Nigeria remains a monetary phenomenon

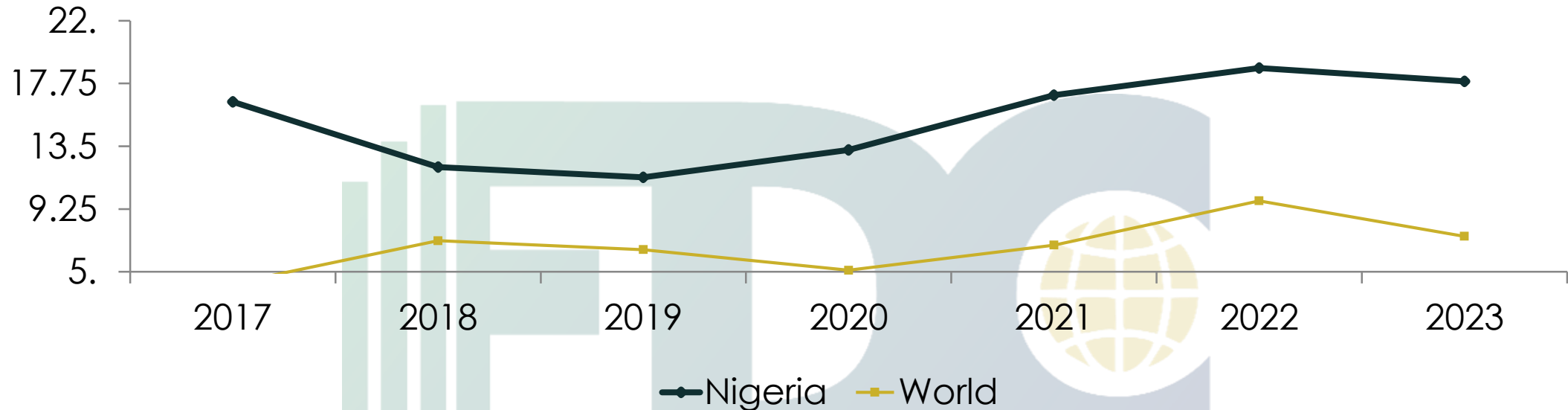
NEW PHASE OF INFLATION

- New drivers of inflation



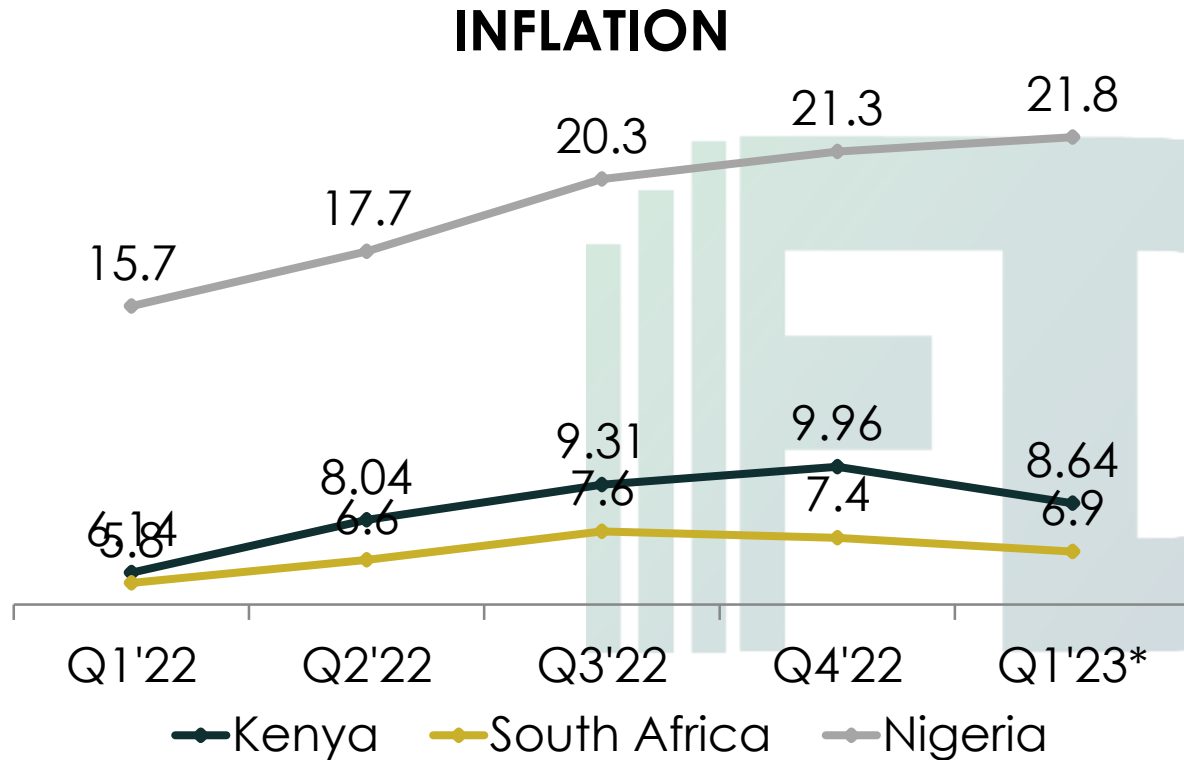
NIGERIA'S CONNECTEDNESS WITH THE WORLD

Nigeria and Global Inflation



- More recent increase in inflation is as a result of Nigeria's connectedness to the rest of the world
- Ease in global supply chain problems and decline in commodity prices will support decline in inflation in 2023

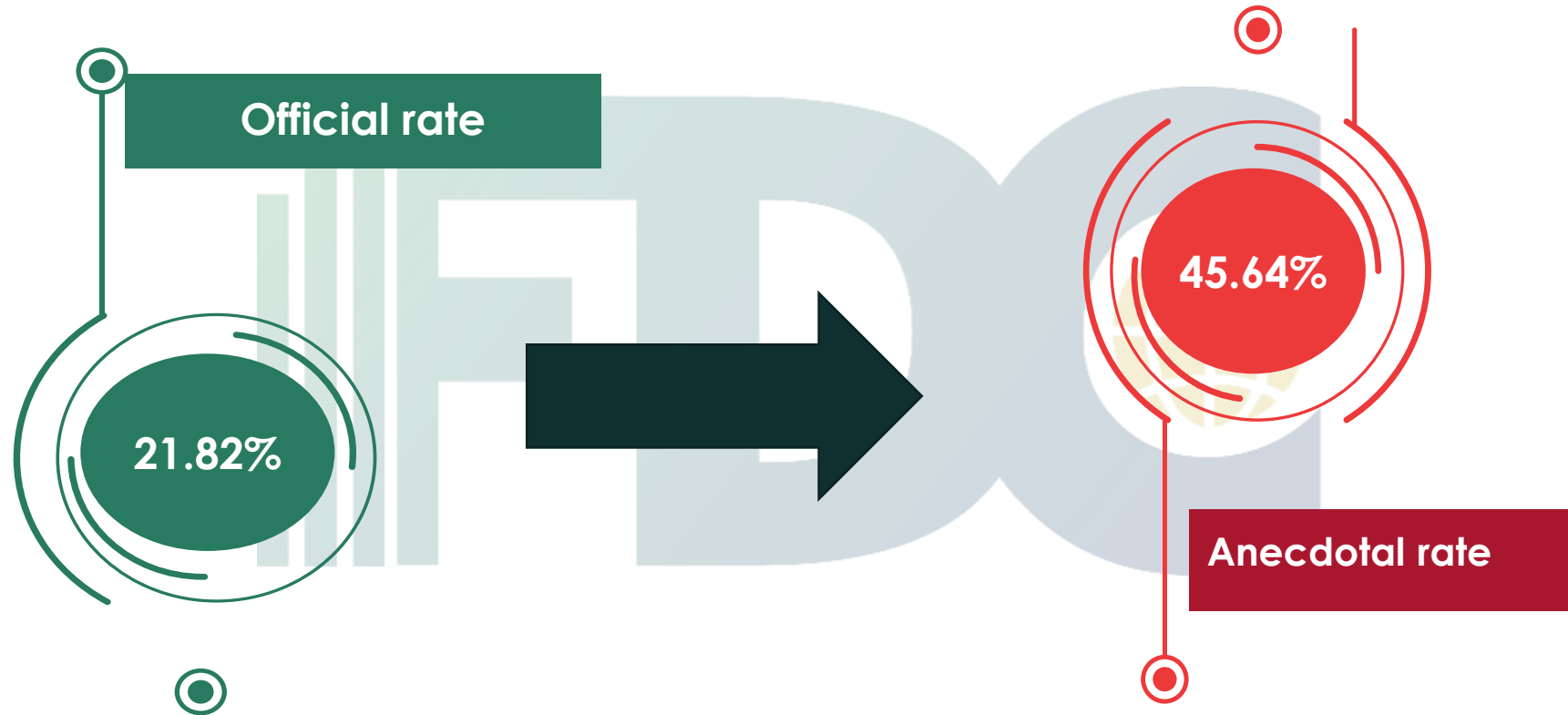
INFLATION: NIGERIA AND SSA



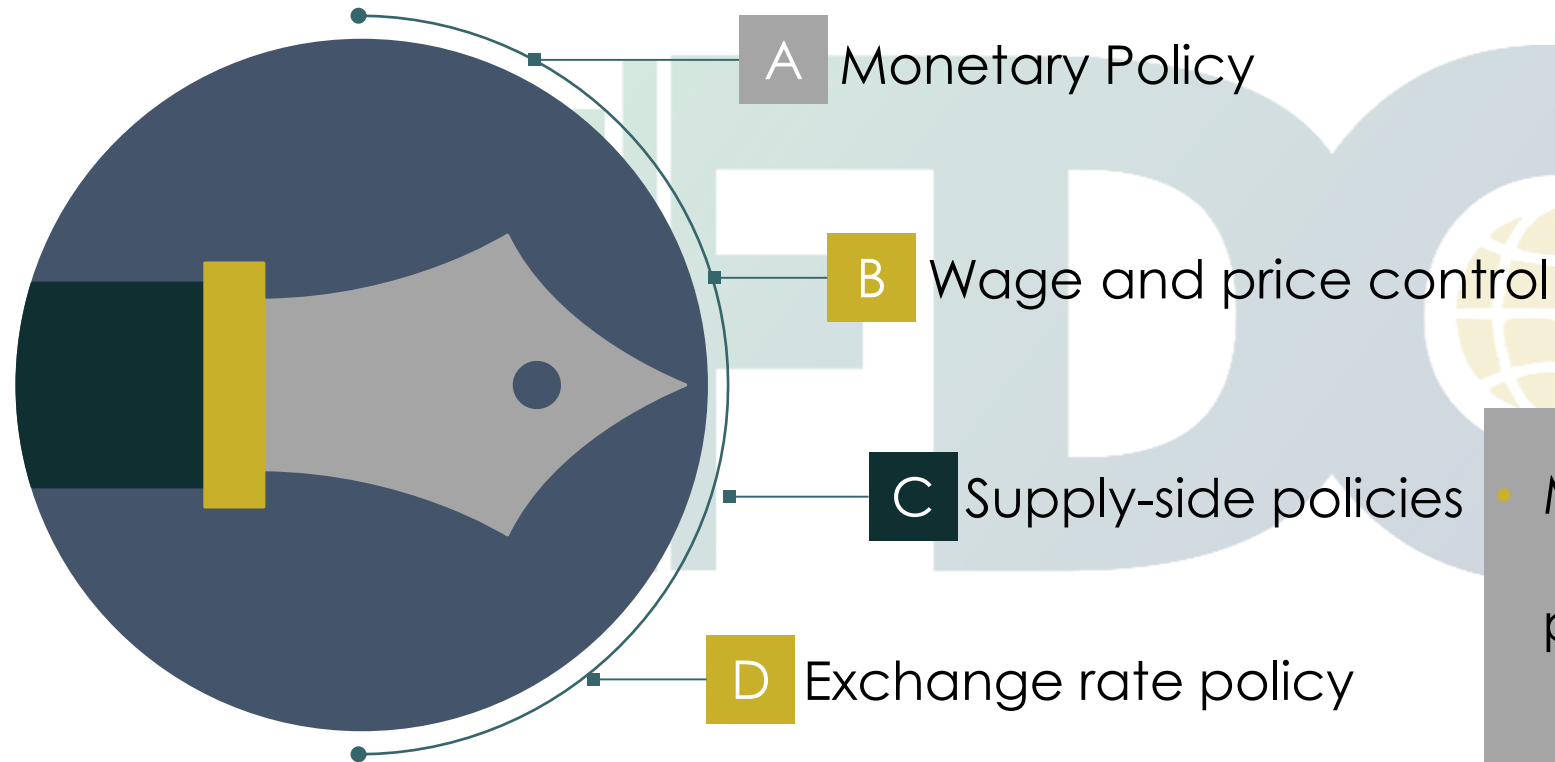
- Increase in global commodity prices mainly contributed to inflationary pressures in SSA countries in 2022
- However inflation has begun to decline as global commodity prices fall
- But Nigeria's inflation continues to trend upwards due to
 - High logistics cost
 - Cash crunch effect
 - Panic buying on expectation of election crises

THE DATA INTEGRITY IS IMPROVING

- The gap between the synthetic basket and the official basket is thinning out



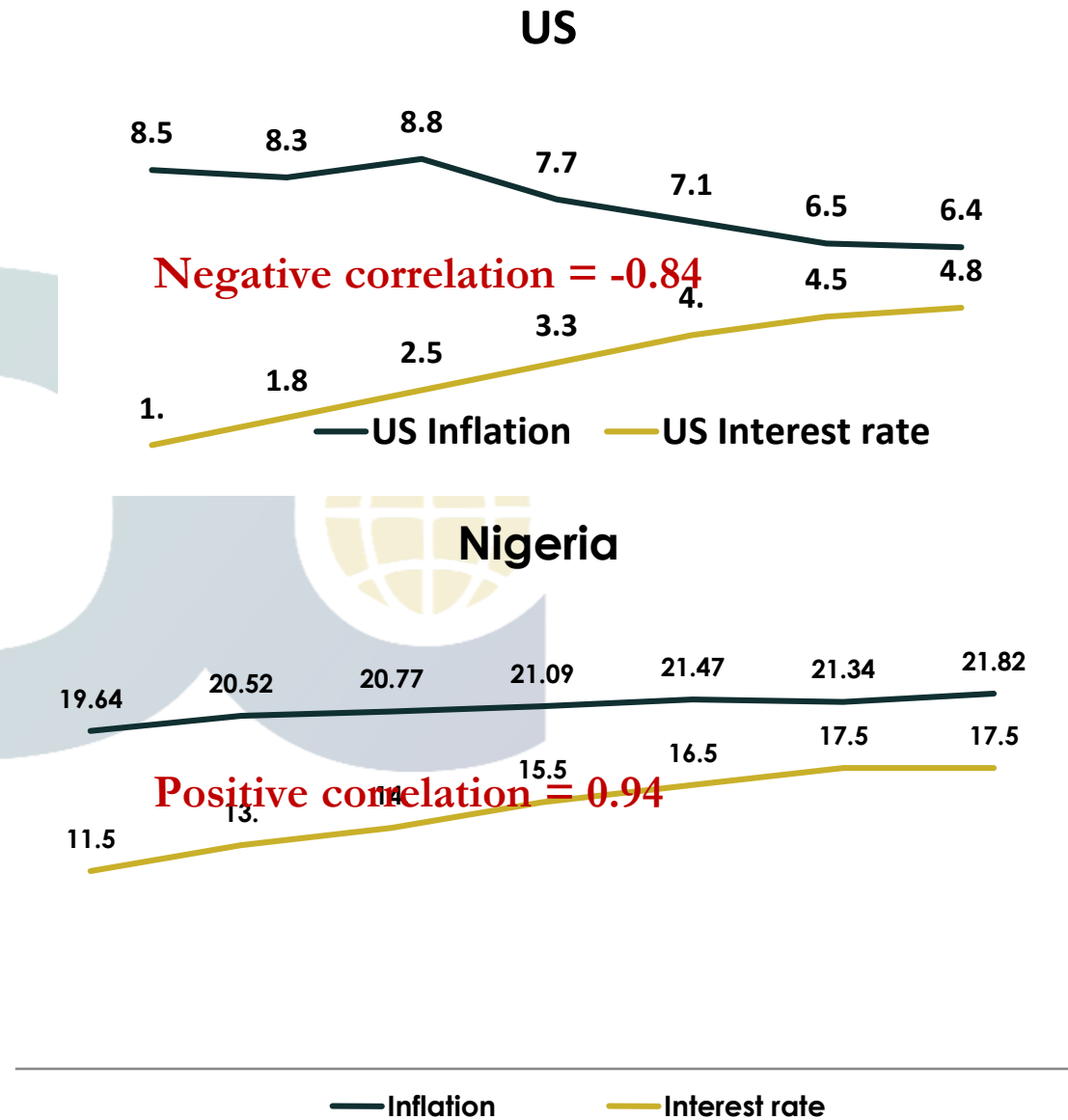
TOOLS OF INFLATION CONTROL



- Monetary policy has been a primary tool for curbing inflation

IS MONETARY POLICY AN EFFECTIVE TOOL?

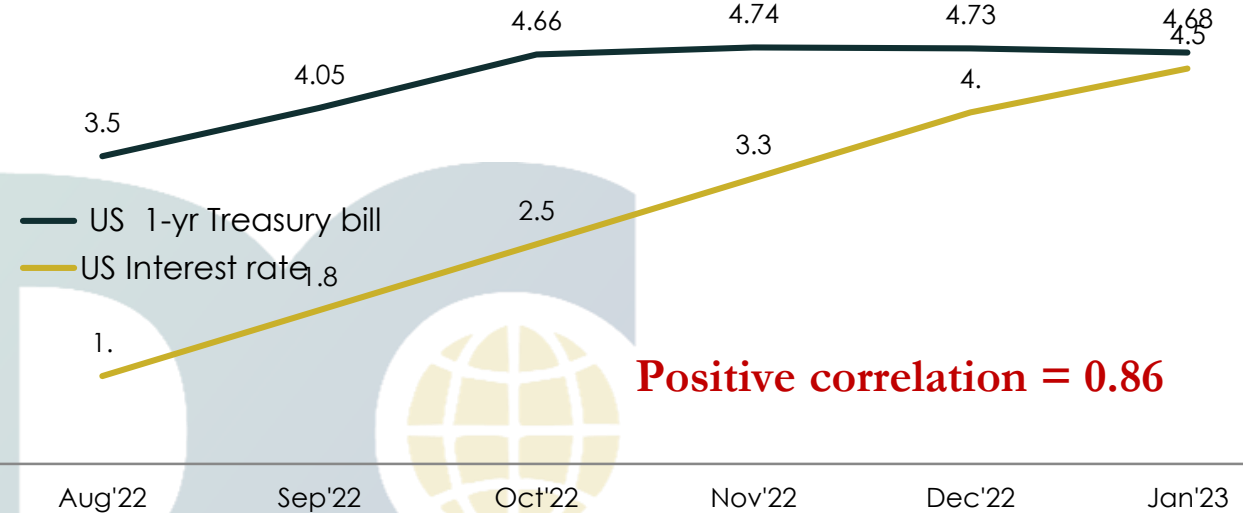
- The US economy shows the effectiveness of monetary policy on inflation
- Nigeria's inflation remains irresponsive to monetary tightening



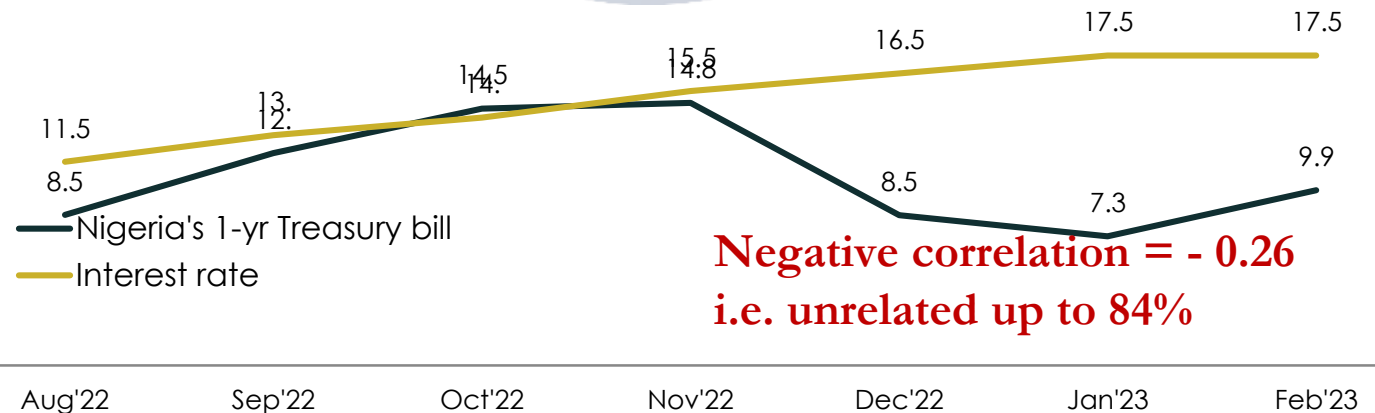
IS MONETARY POLICY AN EFFECTIVE TOOL?

- Anchor rate in Nigeria is disconnected from the short-term interest rates & t-bill rates
- Making monetary policy ineffective
- Intervention loans undermining the effect of tightening cycle


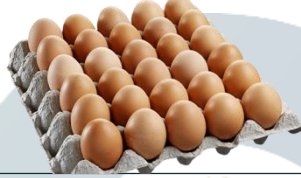



US Anchor interest Vs. short-term interest rate



Nigeria's Anchor interest Vs. short-term interest rate



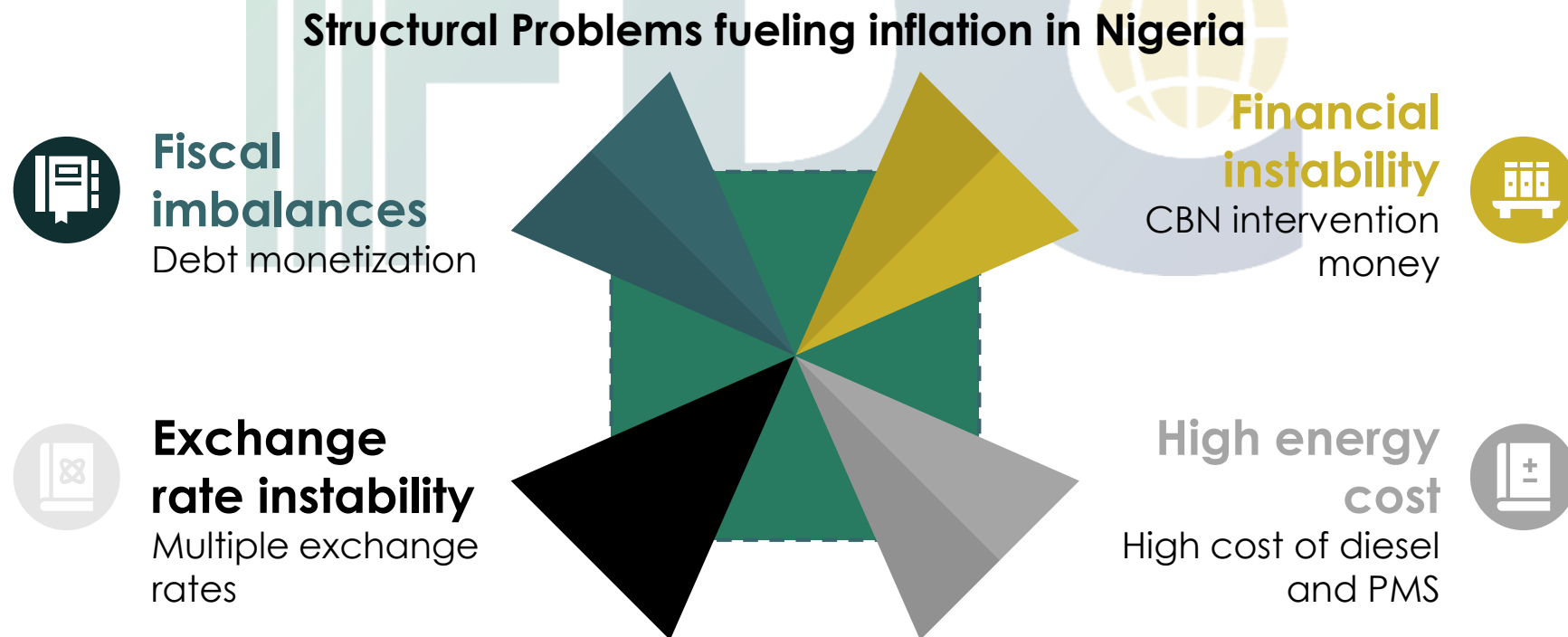
MARKET SURVEY

	Jan 2023	Feb 2023		Jan 2023	Feb 2023		
A Bag of Garri 	N16,000	N20,000	↑ 25%	A crate of Eggs 	N1,300	N2,400	↑ 25%
1 basket of Tomatoes 	N15,000	N19,000	↑ 5.3%	1 Tuber of Yam 	N1,500	N1,800	↑ 20%
A Bag of Beans 	N42,000	N56,000	↑ 33%				

- Sellers reported increased demand fuelled by expectation of election crises
- Part of inflation in Q1 '23 will be **transitory**

IS NIGERIAN INFLATION TRANSIENT OR STRUCTURAL?

- Nigeria's inflation problem is largely structural
- Will remain in double digits until major policy reforms are implemented



ECONOMIC SHOCKS & POLITICAL BACKLASH

- Inflation is the most potent symptom of economic shocks
- Economic grievances precedes political animosity
- Manifesting itself in **Xenophobia**

History is replete with events

In Germany



German Jews

1933

In Nigeria



Ghana must go

1983

In South Africa



Nigeria must go

1994

In Ghana



Nigeria must go

2018

In the UK



Brexit

2020

CORPORATE HUMOUR

Behind every successful man stands a surprised mother-in-law.

– *Hubert Humphrey*

My mothers two categories: nice men did things for you, bad men did things to you.

– *Margaret Atwood*

A woman can become a mans friend only in the following stages – first an acquaintance, next a mistress and only then a friend

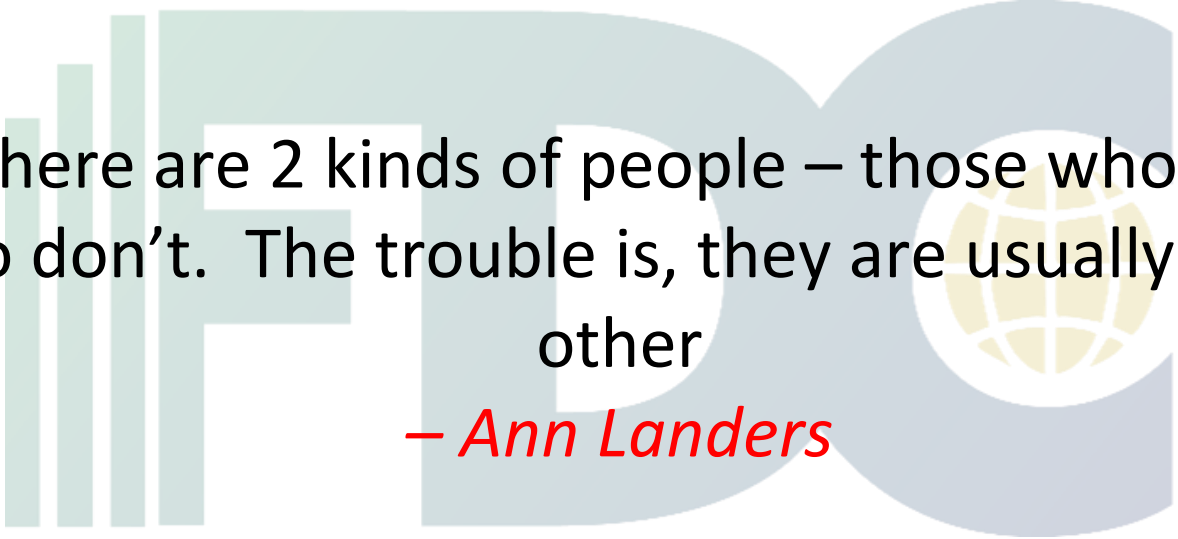
– *Anton Chekhov*



CORPORATE HUMOUR

An optimist is a girl who mistakes a bulge for a curve.

– *Ring Lardner*



At every party there are 2 kinds of people – those who want to go home and those who don't. The trouble is, they are usually married to each other

– *Ann Landers*

I will take questions from the guys but from the girls I want telephone numbers.

– *Silvio Berlusconi at a youth rally*



CORPORATE HUMOUR

Manuscript is something submitted in a haste and returned at leisure.

– *Oliver Herford*



Women need a reason for intimacy, men just need a place.

– *Lowell Ganz*

An after dinner speech should be like a lady's dress.
Long enough to cover the subject but short enough
to be interesting

– *Anonymous*



CORPORATE HUMOUR

There are 3 golden rules for parliamentary speakers – stand up, speak up and shut up

– *Anonymous*



If it were not for the wedding presents an elopement would be preferable to the event.

– *George Ade*

Desks are really bacteria cafeteria.

– *Charles Gerba*

CORPORATE HUMOUR

Inanimate objects are classified scientifically into 3 major categories

- those that don't work
- those that breakdown
- & those that get lost

– *Russel Baker*

The king died and the queen died is a story. The king died and the queen died of grief is a plot.

– *E. M. Forster*



CORPORATE HUMOUR

Books are like mirrors. If a fool looks in, you cannot expect a genius to look out.

– J. K. Rowling



Writing is one tenth perspiration and nine tenth inspiration

– Alan Bennett



Proceed to Part B