

# Nigeria Business Forecast Report Q1 2015

<https://marketpublishers.com/r/N758EE9885AEN.html>

Date: October 2014

Pages: 51

Price: US\$ 1,195.00 (Single User License)

ID: N758EE9885AEN

## Abstracts

Includes 3 FREE quarterly updates

### Core Views

Although we continue to forecast robust economic growth in 2015 and the years thereafter, the risks to the Nigerian economy have increased over recent quarters thanks to shifting dynamics in global oil markets.

Nigeria's balance of payments position will come under renewed pressure as February 2015 elections approach. A balance of payments crisis is unlikely however owing to a healthy level of foreign exchange reserves. Over the longer term, Nigeria's external accounts will become increasingly susceptible to negative shocks owing to a subdued outlook for oil export growth.

September's hawkish monetary policy statement will calm lingering fears that new central bank governor Godwin Emefiele will prematurely loosen policy. This is important for macro stability given that food prices, rising banking sector liquidity and higher government spending ahead of the February 2015 election will increase inflationary pressures and exert depreciatory forces on the currency.

The People's Democratic Party (PDP) has recovered from some of the damage inflicted by defections in late 2013 and 2014 and is reasserting itself as Nigeria's dominant political force. The February 2015 election will be the most closely fought in the country's democratic history, but the power of incumbency, wrangling in the opposition and the fact that it remains the only truly national party means that the PDP is likely to win.

### Major Forecast Changes

No major forecast changes.

## Contents

Executive Summary  
Core Views  
Major Forecast Changes  
Key Risks To Outlook

### **CHAPTER 1: POLITICAL OUTLOOK**

SWOT Analysis

BMI Political Risk Index

Domestic politics

PDP Recovery Points To 2015 Election Win

The People's Democratic Party (PDP) has recovered from some of the damage inflicted by defections in late 2013 and 2014 and

is reasserting itself as Nigeria's dominant political force. The February 2015 election will be the most closely fought in the country's

democratic history, but the power of incumbency, wrangling in the opposition and the fact that it remains the only truly national party

means that the PDP is likely to win.

Long-Term Political Outlook

Inequality, Corruption And Militancy Pose Long-Term Challenges

Nigeria's stability continues to be undermined by competition for political and economic power between various ethnic, political and

geographical groups. The best -case scenario over the next 10 years is for a slow but steady move to a stable democracy. A more likely

outcome, however, would be a continuation of the fragility that has prevailed since 1999. Although unlikely, a major collapse of the state

cannot be ruled out.

### **CHAPTER 2: ECONOMIC OUTLOOK**

SWOT Analysis

BMI Economic Risk Index

Economic Activity

Shifting Oil Market Dynamics Pose Risks To Growth

Although we continue to forecast robust economic growth in 2015 and the years thereafter, the risks to the Nigerian economy have

increased over recent quarters thanks to shifting dynamics in global oil markets.

Table: Economic Activity

Exchange Rate Policy

NGN: Managed Depreciation Ahead

The naira will remain under depreciatory pressure in the short term but the unit will not fall through support at NGN165.00/USD over the next six months. A recent hawkish monetary policy statement by the central bank provides some comfort that the authorities will continue to focus on currency stability over the longer term. However, this will slow rather than prevent the depreciation of the naira over a multi-year time horizon.

Table: BMI CURRENCY FORECAST

Monetary Policy

Hawkish Monetary Policy Statement Augurs Macro Stability

September's hawkish monetary policy statement will calm lingering fears that new central bank governor Godwin Emefiele will prematurely loosen policy. This is important for macro stability given that food prices, rising banking sector liquidity and higher government spending ahead of the February 2015 election will increase inflationary pressures and exert depreciatory forces on the currency.

Table: Monetary Policy

Balance Of Payments

External Accounts: Short And Long-Term Risks Pervade

Nigeria's balance of payments position will come under renewed pressure as February 2015 elections approach. A balance of payments crisis is unlikely however owing to a healthy level of foreign exchange reserves. Over the longer term, Nigeria's external accounts will become increasingly susceptible to negative shocks owing to a subdued outlook for oil export growth.

Table: Current Account

## **CHAPTER 3: 10-YEAR FORECAST**

The Nigerian Economy To 2023

Power Sector Key For Long-Term Productivity

Despite being measured from a higher base following the recalculation of GDP in early 2014, Nigeria's economy will grow by around 7.0% per year over the next 10 years thanks to increasing productivity in the non-oil sector. Although the oil sector will not contribute

much to headline growth, it will be crucial to macro economic stability as it will remain the most important source of export and fiscal revenues. Major risks to the economy include a deterioration in the security situation, a fall in oil prices and/or production, and slower-than-expected improvement in the power sector.

Table: Long-Term Macroeconomic Forecasts

## **CHAPTER 4: OPERATIONAL RISK**

Operational Risk Index

Operational Risk

Table: Operational Risk

Transport Network

Table: Transport Network Risks

Economic Openness

Table: Economic Openness Risk

Table: Product Exports

Table: Product Imports From Top Five Trade Partners, USDmn

## **CHAPTER 5: KEY SECTORS**

Oil & Gas

table : Oil Production And Consumption Short -Term Forecast

Table: Oil Production And Consumption Long-Term Forecast

Infrastructure

Table: Construction And Infrastructure Industry Data

Other Key Sectors

table : Pharma Sector Key Indicators

Table: Telecoms Sector Key Indicators

Table: Food & Drink Sector Key Indicators

table : Freight Key Indicators

## **CHAPTER 6: BMI GLOBAL ASSUMPTIONS**

Global Outlook

Big Emerging Market Revisions

Table: Global Assumptions

Table: Developed States , Real GDP Growth, %

Table: BMI VERSUS BLOOMBERG CONSENSUS REAL GDP GROWTH

## FORECASTS, %

Table: Emerging Markets , Real GDP Gro wth , %

## I would like to order

Product name: Nigeria Business Forecast Report Q1 2015

Product link: <https://marketpublishers.com/r/N758EE9885AEN.html>

Price: US\$ 1,195.00 (Single User License / Electronic Delivery)

If you want to order Corporate License or Hard Copy, please, contact our Customer Service:

[info@marketpublishers.com](mailto:info@marketpublishers.com)

## Payment

To pay by Credit Card (Visa, MasterCard, American Express, PayPal), please, click button on product page <https://marketpublishers.com/r/N758EE9885AEN.html>