

FEDERAL REPUBLIC OF NIGERIA (THE PRESIDENCY)



**2011 AND ESTIMATES FOR Q1- Q2,
2012**

**GROSS DOMESTIC PRODUCT FOR
NIGERIA**



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PREFACE

This publication provides data on Quarterly Gross Domestic Product (GDP) estimates for the four quarters of 2011, the annual figure for 2011, and estimate for the first and second quarters of 2012.

Quarterly National Accounts (QNA) are integrated system of macroeconomic accounts designed to describe the entire system of production in a nation on a quarterly basis. They provide a picture of the current economic status of the economy that is more timely and frequent than the one provided by Annual National Accounts (ANA). The key attribute of QNA is that they provide a reasonable level of details of the economy that help government to assess, analyze, and monitor economic growth on a regular basis.

QNA adopts the same concepts, definitions and structure as ANA. In principle QNA covers the entire sequence of accounts and balance sheets as reflected in the 1993 System of National Accounts (SNA).

Data for this analysis were obtained from the Quarterly Establishment Survey (QES) conducted by the National Bureau of Statistics (NBS) in collaboration with the Central Bank of Nigeria (CBN). This series covers major aggregates of quarterly GDP by kind of economic activities at current and constant (1990) prices

We are grateful to the CBN for her financial support and the various agencies and establishments that made their data available as input to the estimates.

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2011 & Q1 – Q2 2012 GROSS DOMESTIC PRODUCT FOR NIGERIA

Introduction

The National Bureau of Statistics (NBS), in collaboration with the Central Bank of Nigeria (CBN) has, since 2005, been conducting Establishment Surveys to provide data for the estimation of the Gross Domestic Product (GDP) for the country. In 2008, the two agencies began to improve the GDP series by jointly conducting Quarterly Establishment Surveys (QES) for the four quarters of each year to complement the annual surveys which normally take place in the first and second quarters of the succeeding year.

In 2011, the National Bureau of Statistics (NBS) and the Central Bank of Nigeria (CBN) conducted the Quarterly Establishment Surveys for the first three quarters of 2011 (Q1 – Q3, 2011) while the fourth quarter survey for 2011 was conducted in first quarter of 2012. These four surveys produced the data that was used for the compilation of the quarterly GDP for the four quarters of 2011 (Q1 – Q4, 2011).

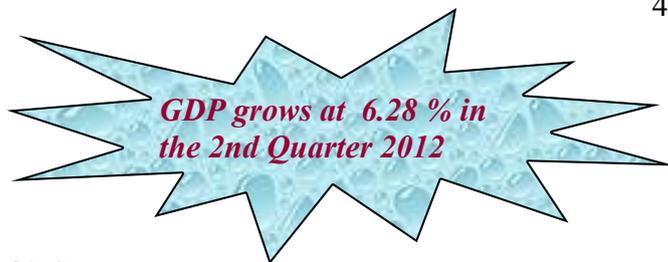
The first quarter GDP estimates for 2012 emanated from the quarterly Economic Survey for quarter one 2012 which was conducted in the second quarter of 2012. Similarly, the second quarter GDP estimates was compiled from the survey conducted in the third quarter of 2012.

The estimate of the four quarters of 2011 would be revised when the annual socio-economic survey for 2011 is conducted.

In subsequent sections of this report, emphasis will be given to the composition of GDP in the second quarter of 2012 and the corresponding quarter in 2011.

Overall GDP Estimates (2011 and Q1 - Q2 2012)

On an aggregate basis, the economy when measured by the Real Gross Domestic Product (GDP), grew by 6.28 percent in the second quarter of 2012 as against 7.61 percent in the corresponding quarter of 2011 as shown in Figure 1. The nominal GDP for the second quarter of 2012 was estimated at 9,840,226.91 million naira as against 9,170,095.36 million naira recorded during the corresponding quarter of 2011. The economy, broken into two broad output groups comprising Oil and Non-oil sectors, witnessed lower output in the second quarter of 2012. The non-oil sector was driven by growth in activities recorded in the building & construction sector, while oil sector output decreased.



Oil Sector

The average daily crude oil production was 2.38 million barrels per day in the second quarter of 2012 based on data provided by NNPC to NBS, against 2.45 million barrels per day recorded in the corresponding quarter of 2011.

These figures, with their associated gas components, resulted in a growth rate, in real terms, of -0.73 percent in oil GDP in the second quarter of 2012 compared with the 0.98 percent recorded for the corresponding period in 2011.

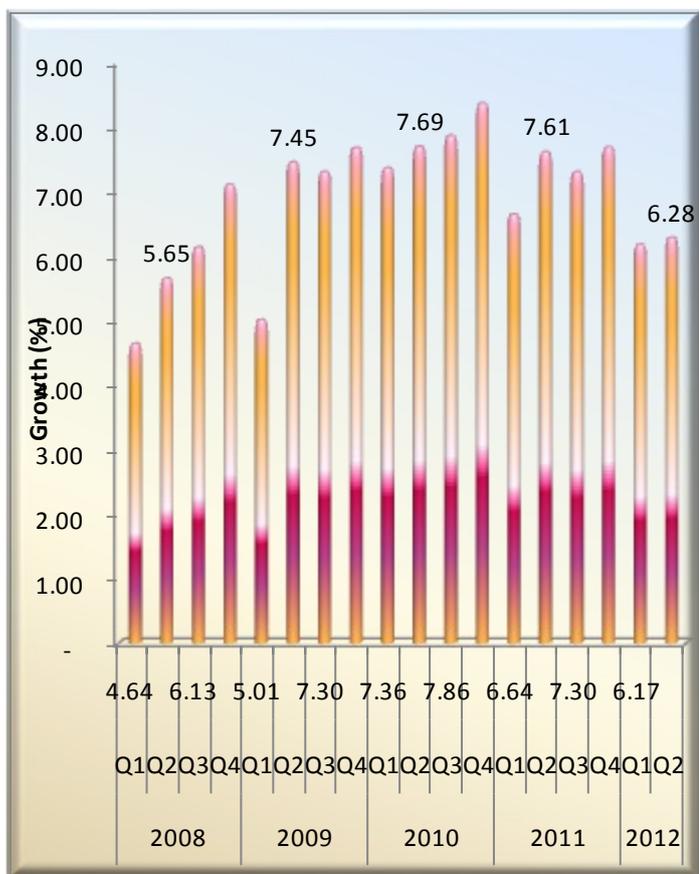


Fig.1: Real GDP Growth Rate (Q1 - Q4, 2011 and Q1 - Q2, 2012)

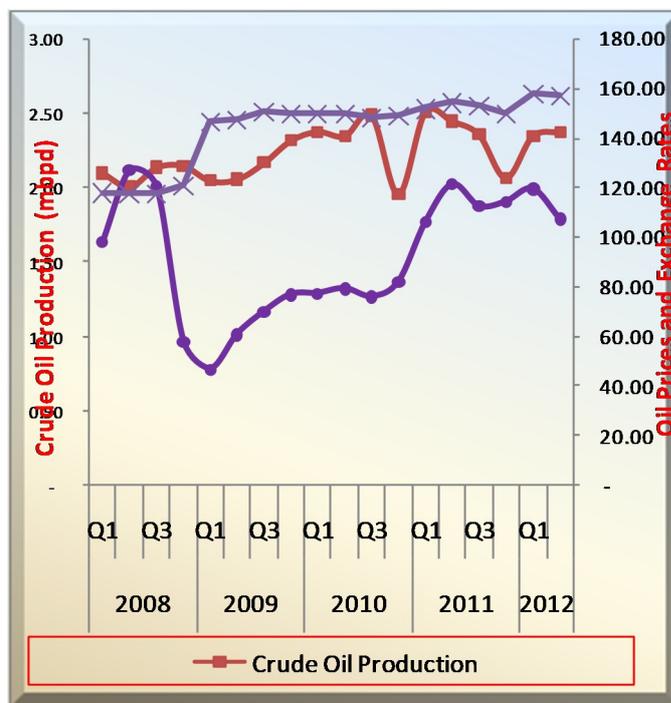


Fig. 2. Oil Sector Indicators (Q1 - Q4, 2011 - Q1- Q2, 2012)

The sector benefited immensely from the favourable international crude oil market price and the exchange rate of the Naira against the dollar. The Nigerian oil sector also witnessed some levels of disruptions due to activities of vandals, oil theft and facility shut downs.

The Oil sector contributed about 13.86 percent to real GDP in the second quarter of 2012, compared to 14.84 percent recorded in the corresponding quarter of 2011.

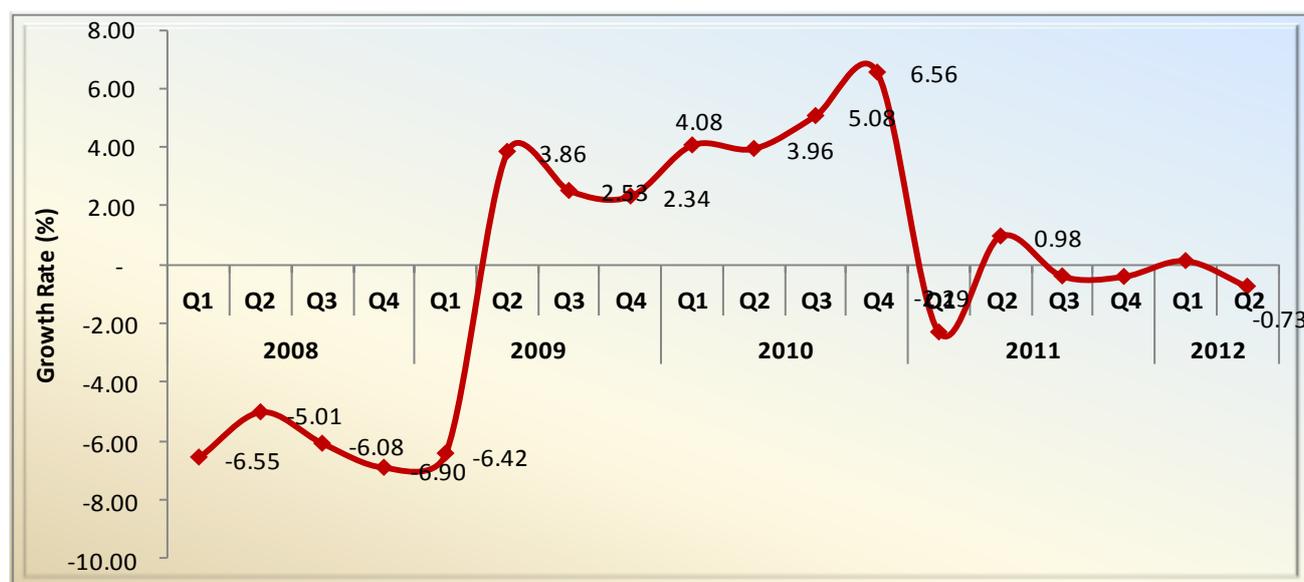


Fig. 3: Oil GDP Growth Rate at 1990 Constant Price (Q1-Q4, 2011 and Q1 – Q2, 2012)

Non-oil sector

The Non-oil sector continued to be a major driver of the economy in the second quarter of 2012. The sector recorded 7.50 percent growth in real terms in the second quarter of 2012 compared with 8.85 percent in the corresponding period of 2011. Non-oil sector growth slowed in the second quarter of 2012 when compared with the corresponding quarter of 2011 as indicated in Figure 4. The fall was largely attributed to a decline in activities in the Wholesale & Retail trade, Telecommunications and agricultural sectors in particular.

In what follows, the performance of the major industries in the non-oil sector in the second quarter of 2012 is further analysed to give a better understanding of their contribution to the Nigerian economy.

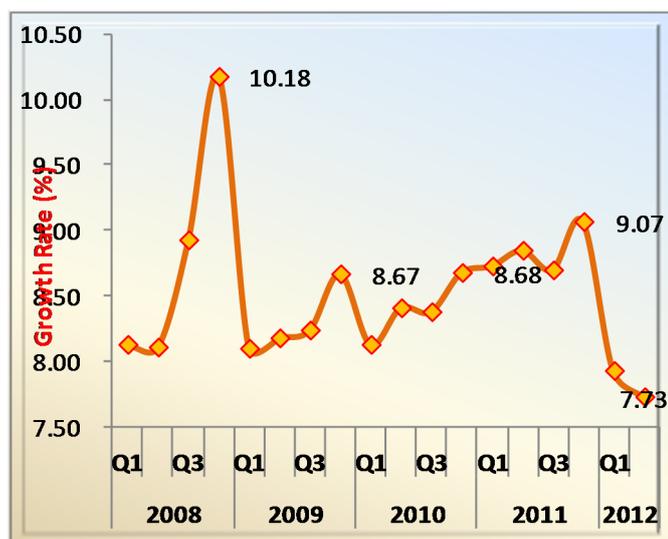


Fig.4: Non-Oil GDP Growth Rate at 1990 Constant Price (Q1-Q4, 2011 and Q1 – Q2, 2012)

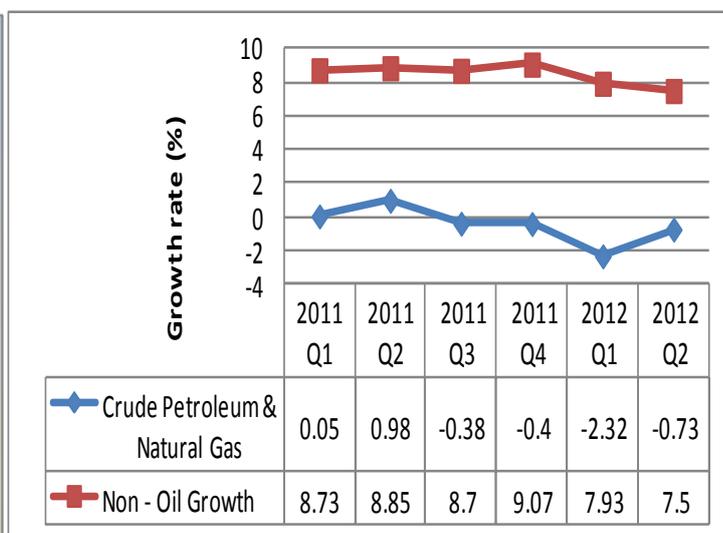


Fig. 5: GDP at 1990 Constant Price – Growth Rate % (Oil & Non-Oil), (Q1-Q4, 2011 and Q1 – Q2, 2012)

Agriculture

During the second quarter (April—June) of 2012, like other years, the major agricultural activities were planting activities in the Northern part of the country and harvesting of matured crops in the southern part of the country. Crop production, which dominates agricultural activities in the country, is largely driven by rainfall levels, as well as the ability to open up new areas for cultivation. Irrigation and other factors such as extension services and quality of seeds also contributed to production levels. Crop production is also being increasingly affected by adoption of mechanization but this is still not a major determinant of output levels, although it is improving.

The rainfall situation is depicted in figure 6 which shows the pattern of rainfall in Kaduna State (typical of northern locations) and Ondo State (typical of Southern locations).

The rainfall pattern this year as predicted by the Nigerian Meteorological Agency shows a decrease in the volume of rainfall expected when compared with 2011.

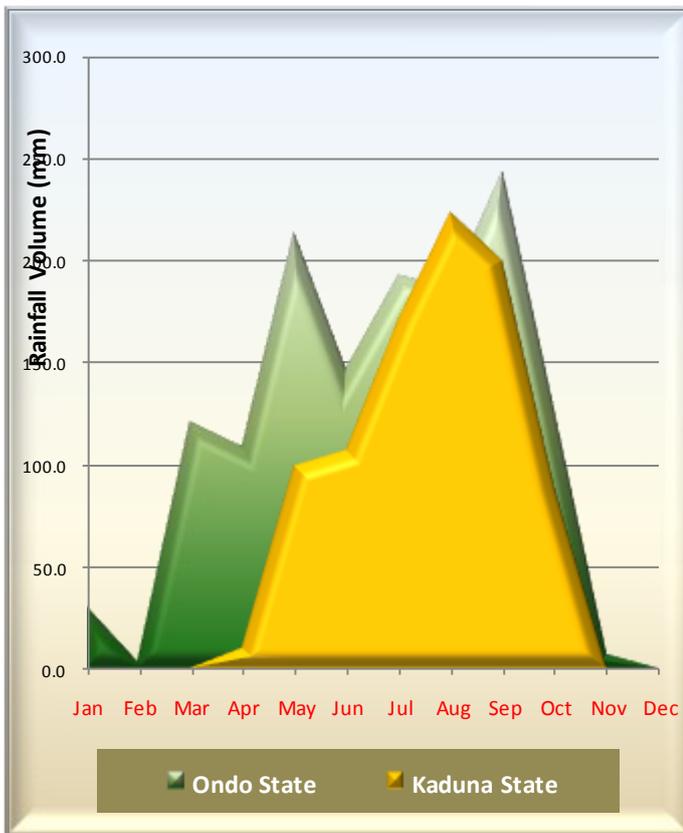


Fig. 6: Rainfall pattern in Kaduna and Ondo States of Nigeria

In terms of output, real agricultural GDP growth in the second quarter of 2012 stood at 3.97 percent as against 5.95 percent in the corresponding period of 2011. The year on year decline in agriculture output may be largely attributed to persisting constraints in some of the major agricultural producing states especially in the northern part of the country which has hindered movement of farm inputs and produce, as well as opportunities to expand farming areas. On another level, high rainfall intensity during the quarter resulted in flooding in some parts of the country further affecting output levels.

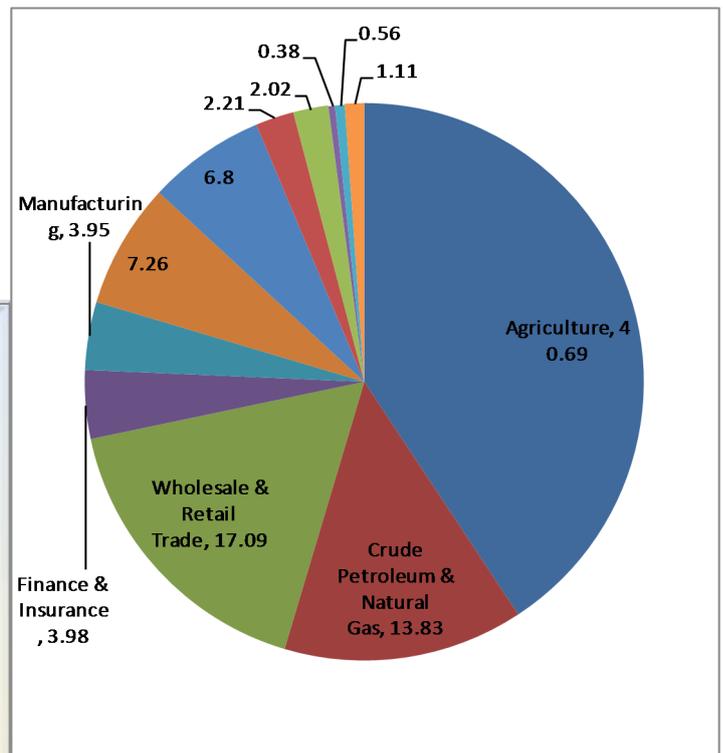


Fig. 7: Percentage Share in GDP at 1990 Constant Basic Prices (Q2 2012)

Agriculture remains the largest contributor to growth in the Nigerian economy

Finance & Insurance

The Finance and Insurance sub-sector comprises banking, insurance, pension and stock-broking firms. These firms operate in the various segments of the financial markets such as money market, capital market and the foreign exchange market. They play prominent role in ensuring an efficient financial intermediation in the economy.

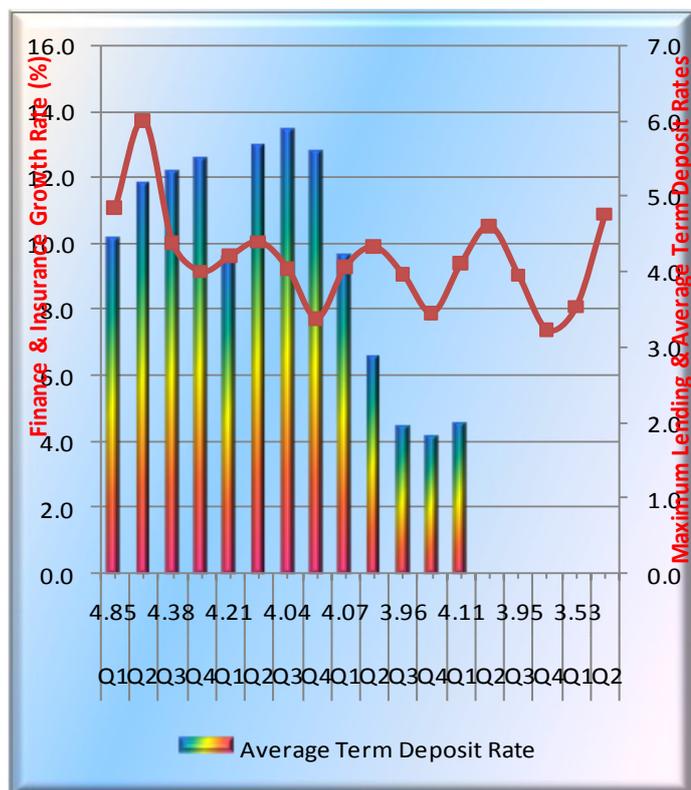


Fig 8: Finance & Insurance Growth Rate (Q1- Q4, 2011 and Q1 – Q2, 2012)

As shown in Figure 8, this sector recorded a growth of 4.77 percent in the second quarter of 2012 compared with 4.61 percent recorded in the same period of 2011.

The increase in growth of the sector was traceable to the increased activities in the bond market which has favoured key players in the industry especially pension fund managers, banks and insurances firms, thus increasing the vibrancy in business activities in the sector.

Wholesale and Retail Trade

This sector, given its level of contribution to total GDP at 17.12 percent in the second quarter of 2012, was a major driver of the growth recorded in non-oil GDP. The wholesale & retail trade sector grew by 8.61 percent in the second quarter of 2012, representing a decline of 2.86 percent over the 11.47 percent recorded in the corresponding quarter of 2011. (See Figure 9) The decline in growth recorded in the second quarter of 2012 was attributed to a decrease in consumer demand, as a result of continued re-allocation of consumption budgets in the face of generally higher prices of consumer goods while disposable income remained relatively unchanged.

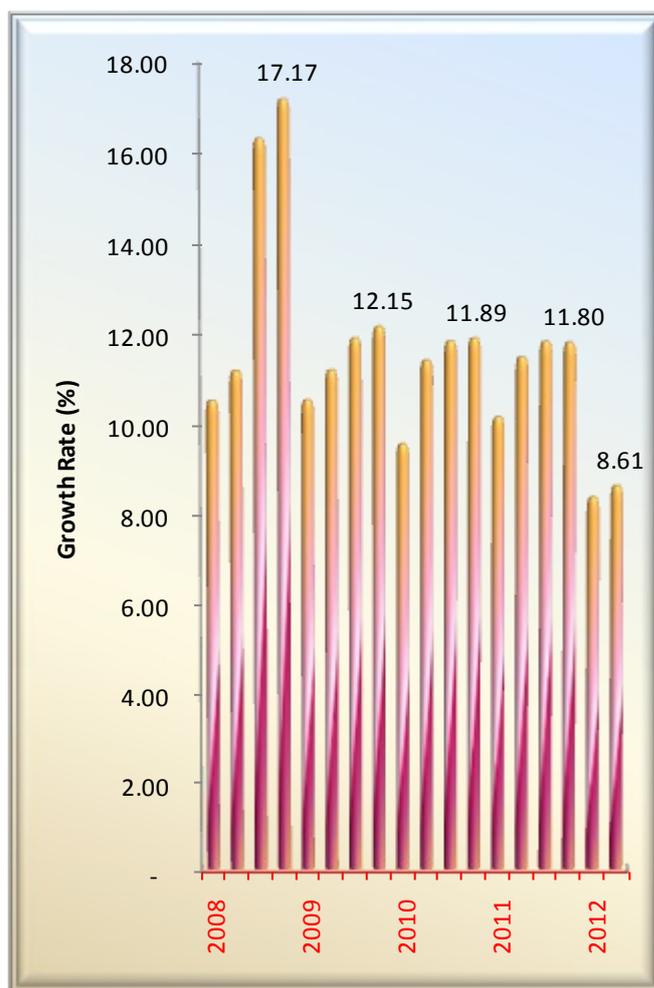


Fig 9: Wholesale and Retail Trade Growth Rate (Q1-Q4, 2008 and Q1 – Q2, 2012)

Telecommunications

This sector continued to perform impressively and has remained one of the major drivers of growth in the Nigerian economy with its contribution to total GDP increasing continuously.

With a highly competitive market backed by intensive marketing strategies and value added services by operators, the sector has continued to add more services to its activities.

Demand for telecommunications services, while still surging, grew at a slower rate compared to the corresponding level in 2011. Accordingly, the telecommunication sector recorded a real GDP growth of 29.77 percent in the second quarter of 2012 compared to 33.70 percent recorded in the corresponding period of 2011. Figure 10 shows the performance of the sector in the second quarter of 2012.



Fig 10: Telecommunication & Post Growth Rate % (Q1- Q4, 2011 and Q1 – Q2, 2012)

Manufacturing

During the second quarter of 2012, manufacturing activities increased relative to the same period in 2011. It recorded an increase in growth rate from 7.34 percent in the second quarter of 2011 to 7.45 percent in the review period in 2012 as shown in Figure 11. The development is traceable to the noticeably improving power supply for manufacturing activities in parts of the country.

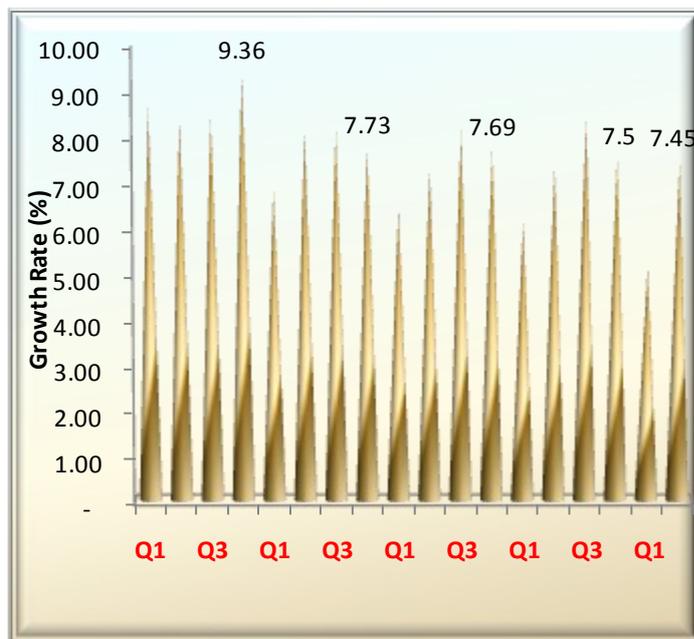


Fig 11: Manufacturing Growth Rate % (Q1- Q4, 2011 and Q1 -Q2 2012)

Real Estate

The sector is characterised by two major classes of properties: the low end and the high end. While the low end includes places of low development which are driven by investments from individuals and few corporate bodies mostly in form of residential buildings, the high end comprises of those areas where aggressive and high valued investments into real estate properties are made. The situation at the high end areas is nearing a zero-demand situation given the credit liquidity constraint witnessed in the Nigerian economy in during the period. However, investments from individuals and some corporate entities still trickle into the low end of the sector.

The growth recorded in the sector stood at 10.87 percent in the second quarter of 2012 compared with 10.48 percent in corresponding period of 2011.

Real Estate activities continues to boom driven by investments at the low end

Business and Other services

The Business and Other Services sector recorded a real GDP growth of 11.27 percent in the second quarter of 2012 compared to 11.03 percent recorded in the corresponding quarter of 2011. The improvement in growth recorded in the second quarter of 2012 relative to its performance in the second quarter of 2011 was traceable to the impact of increased micro-credit to small business enterprises by Microfinance Banks (MFBs).

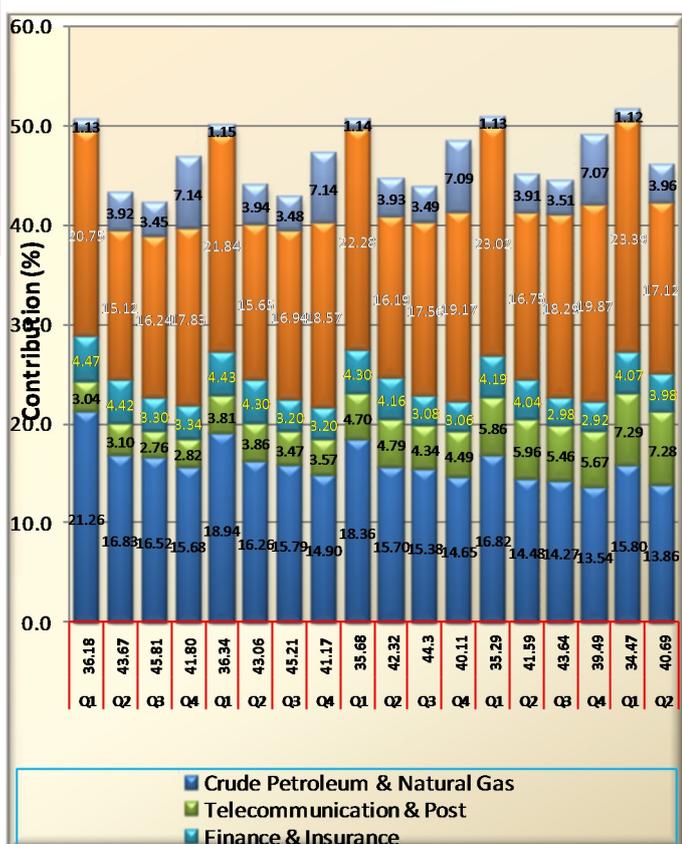


Fig 12: Contribution of key sectors to GDP in percentage (Q1- Q4, 2011 and Q1 – Q2, 2012)

Figure 12 shows the percentage contribution of key sectors to the Nigerian economy in the four quarters of 2008 2009, 2010,2011 and the first and second quarters of 2012 while Figures 13 and 14 show the growth rate of key sectors for the four quarters of 2008 to the first two quarters of 2012 and the second quarter of 2012 respectively.

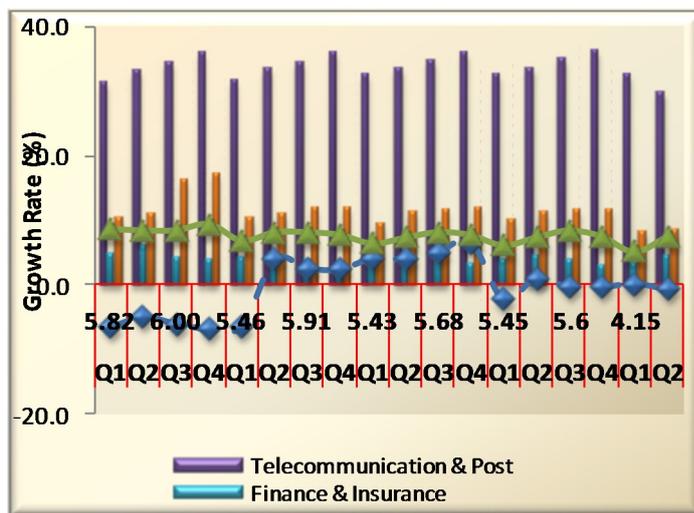


Fig 13: Growth Rate of Key Sectors % (Q1 – Q4, 2011 & Q1 – Q2, 2012)

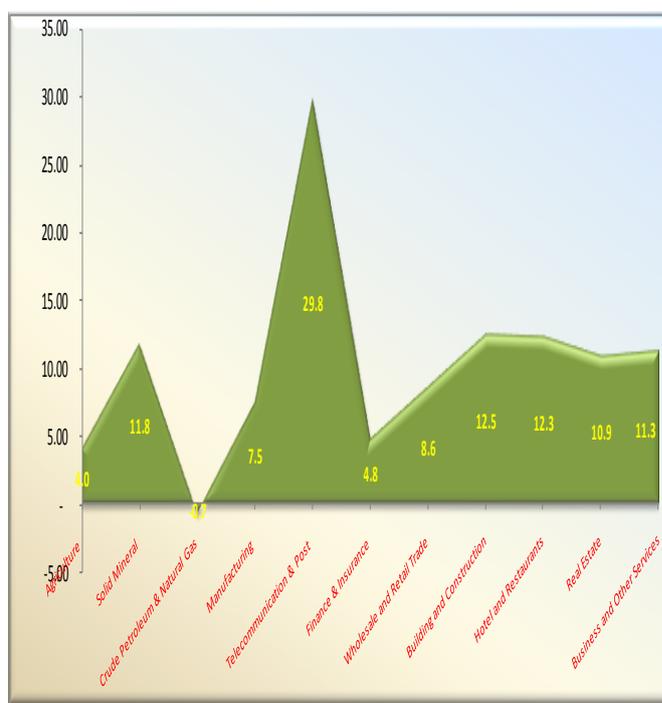


Fig 14: Q2, 2012 Drivers of the Economy

GDP Estimates for 2011, Q1 – Q2, 2012

In what follows, the results of the various computations that gave rise to the analyses of the National Accounts estimates for 2011, and the first two quarters of 2012 are as indicated in Tables 1- 6.

**Table 2: Gross Domestic Product At 1990 Constant Basic Prices (=N=Million):
2011 And Q1 – Q2, 2012**

ACTIVITY SECTOR	2011				Total	2012	
	Q1	Q2	Q3	Q4		Q1	Q2
Crop Production	51,556.61	68,778.17	90,653.88	87,620.74	298,609.40	53,624.03	71,302.33
Livestock	5,027.26	5,618.12	5,193.08	5,679.35	21,517.81	5,248.46	5,982.74
Forestry	1,051.91	1,064.48	1,059.76	1,075.93	4,252.09	1,112.50	1,125.26
Fishing	2,637.12	2,749.07	2,739.16	2,887.28	11,012.63	2,790.07	2,906.04
Coal Mining	0.05	0.05	0.05	0.05	0.21	0.06	0.06
Crude Petroleum & Natural Gas	29,463.07	27,902.51	32,586.28	33,344.75	123,296.61	28,778.93	27,699.15
Metal Ores	2.32	4.96	3.55	3.92	14.75	2.56	5.48
Quarrying & Other Mining	519.15	673.59	918.39	840.43	2,951.56	579.89	752.81
Oil Refining	283.06	285.61	273.02	273.68	1,115.37	300.47	305.63
Cement	201.02	202.36	180.94	168.46	752.78	221.99	226.00
Other Manufacturing	1,448.33	6,870.71	7,564.00	16,960.12	32,843.16	1,509.45	7,375.02
Electricity	4,216.98	5,416.84	7,525.13	6,907.71	24,066.66	4,326.20	5,560.93
Water	298.94	318.02	326.81	325.56	1,269.33	325.16	351.39
Building & Construction	4,844.89	3,928.41	3,684.47	4,891.14	17,348.90	5,486.84	4,418.28
Wholesale and Retail Trade	39,314.78	31,501.51	41,748.87	48,945.96	161,511.11	42,597.56	34,213.79
Hotel and Restaurants	1,129.64	993.97	1,137.05	1,098.03	4,358.70	1,258.99	1,116.23
Road Transport	4,675.90	4,742.69	5,165.08	5,427.03	20,010.70	4,960.66	5,038.63
Rail Transport & Pipelines	0.32	0.73	0.52	0.80	2.37	0.34	0.77
Water Transport	108.32	110.58	115.37	116.13	450.40	114.49	116.72
Air Transport	122.62	108.75	121.28	139.76	492.41	131.09	115.58
Transport Services	295.49	272.58	289.21	340.87	1,198.15	313.93	287.11
Telecommunications	9,875.97	11,071.17	12,295.94	13,788.53	47,031.62	13,149.86	14,394.74
Post	125.83	136.01	162.02	166.96	590.82	135.70	148.38
Financial Institutions	6,838.28	7,277.98	6,494.76	6,878.61	27,489.62	7,060.52	7,609.85
Insurance	321.91	321.33	313.80	323.24	1,280.29	352.49	352.02
Real Estate	3,382.13	3,653.14	3,815.80	4,031.75	14,882.82	3,699.71	4,050.24
Business Services (Not Health or education)	230.79	248.70	241.62	233.65	954.76	242.63	263.67
Public Administration	1,289.85	1,311.03	1,345.92	1,350.62	5,297.42	1,334.35	1,364.65
Education	428.34	437.37	442.72	424.82	1,733.25	466.93	482.59
Health	100.33	98.52	101.81	98.28	398.94	108.53	108.06
Private Non Profit Organisations	8.54	8.44	8.64	8.67	34.29	9.42	9.33
Other Services	1,571.96	1,756.15	1,628.12	1,757.07	6,713.30	1,698.51	1,967.07
Broadcasting	164.31	167.33	176.46	171.49	679.59	177.15	181.00
GDP at 1990 constant price	171,536.01	188,030.90	228,313.51	246,281.41	834,161.83	182,119.44	199,831.56
Net Indirect Taxes	4,698.74	4,574.85	4,987.83	4,044.97	18,306.39	4,300.75	4,558.48
GDP Constant Market Price	176,234.75	192,605.76	233,301.34	250,326.39	852,468.23	186,420.19	204,390.04
						6.17	6.28

Table 3: Implicit Price Deflators: 2011 And Q1 – Q2, 2012

ACTIVITY SECTOR	2011				Total	2012	
	Q1	Q2	Q3	Q4		Q1	Q2
Crop Production	3,633.98	3,558.53	3,600.69	3,121.52	3,456.13	3,854.87	3,780.96
Livestock	3,642.82	3,102.23	3,629.56	3,700.43	3,513.68	3,919.36	3,281.97
Forestry	2,812.02	3,475.21	3,275.82	3,614.24	3,296.63	3,172.97	3,493.95
Fishing	3,790.84	3,441.41	3,025.87	3,328.44	3,392.11	3,929.28	3,702.83
Coal Mining	543.64	449.36	205.99	439.39	409.94	554.03	517.26
Crude Petroleum & Natural Gas	12,679.46	13,133.55	11,969.59	12,641.09	12,584.23	13,909.00	13,007.49
Metal Ores	646.73	273.79	290.72	157.29	305.47	676.87	315.72
Quarrying & Other Mining	2,721.88	1,503.35	1,439.84	1,773.36	1,774.80	2,486.02	1,601.95
Oil Refining	6,398.42	5,487.73	5,608.41	7,876.88	6,334.61	7,356.28	5,486.19
Cement	2,879.26	3,213.20	3,337.86	4,426.86	3,425.59	3,111.93	3,375.75
Other Manufacturing	1,923.06	1,932.12	2,220.36	1,590.38	1,821.63	1,900.03	2,041.38
Electricity	459.92	334.42	247.64	308.11	321.72	464.10	388.69
Water	269.83	289.26	270.23	207.41	258.79	273.65	322.17
Building & Construction	2,364.13	3,094.97	2,823.92	2,368.98	2,628.63	2,276.74	3,382.54
Wholesale and Retail Trade	3,333.74	4,742.67	3,105.25	2,629.30	3,336.00	3,628.84	4,944.41
Hotel and Restaurants	2,962.35	2,882.28	3,044.83	3,102.27	3,000.86	2,910.27	3,111.47
Road Transport	2,261.23	3,100.07	2,539.64	2,663.68	2,641.05	2,305.61	3,541.27
Rail Transport & Pipelines	484.52	477.38	468.42	522.88	491.73	472.07	542.07
Water Transport	254.08	375.86	413.30	293.35	334.89	249.37	429.49
Air Transport	1,178.24	1,462.49	1,511.85	1,219.85	1,334.99	1,203.16	1,668.49
Transport Services	1,577.51	2,444.79	2,900.68	2,562.52	2,374.44	1,575.42	2,838.91
Telecommunications	676.27	786.02	545.81	513.40	620.25	570.56	687.18
Post	356.98	346.81	282.42	338.38	328.94	367.82	365.69
Financial Institutions	2,144.96	1,906.24	2,023.51	2,036.49	2,025.92	2,250.94	2,086.36
Insurance	1,252.88	1,472.43	1,305.01	1,392.87	1,356.11	1,324.13	1,604.56
Real Estate	8,960.72	9,733.82	9,501.37	9,991.89	9,568.45	8,776.77	10,989.29
Business Services (Not Health or education)	9,497.33	8,905.85	9,728.35	10,131.18	9,556.84	9,554.95	10,099.51
Public Administration	4,910.94	4,610.23	4,435.87	5,172.81	4,782.58	4,901.97	5,253.33
Education	3,832.04	3,804.54	3,690.13	3,785.24	3,777.38	3,773.85	4,215.20
Health	3,642.49	3,808.85	3,270.11	3,560.06	3,568.24	3,480.45	4,056.80
Private Non Profit Organisations	802.47	824.86	756.03	843.15	806.56	792.85	930.93
Other Services	6,684.07	4,426.25	4,594.29	5,264.13	5,214.98	7,404.65	4,599.73
Broadcasting	533.03	445.73	383.28	518.15	468.90	518.21	471.57
Implicit Price Deflator	4,845.18	4,876.91	4,385.97	4,080.12	4,500.76	5,020.25	4,924.26

Table 6: 2011 and Q1—Q2 2012 Real Gross Domestic Product (Constant 1990): Sectoral Contribution & Growth Rate (Percentages)

	2011				Total	2012	
	Q1	Q2	Q3	Q4		Q1	Q2
Contribution to GDP in (%)							
Agriculture	35.14	41.59	43.64	39.49	40.21	34.47	40.69
Solid Mineral	0.30	0.36	0.40	0.34	0.36	0.32	0.38
Crude Petroleum & Natural Gas	17.18	14.84	14.27	13.54	14.78	15.80	13.86
Manufacturing	1.13	3.91	3.51	7.07	4.16	1.12	3.96
Telecommunication & Post	5.83	5.96	5.46	5.67	5.71	7.29	7.28
Finance & Insurance	4.17	4.04	2.98	2.92	3.45	4.07	3.98
Wholesale and Retail Trade	22.92	16.75	18.29	19.87	19.36	23.39	17.12
Building and Construction	2.82	2.09	1.61	1.99	2.08	3.01	2.21
Hotel and Restaurants	0.66	0.53	0.50	0.45	0.52	0.69	0.56
Real Estate	1.97	1.94	1.67	1.64	1.78	2.03	2.03
Business and Other Services	1.05	1.07	0.82	0.81	0.92	1.07	1.12
Others	6.83	6.91	6.84	6.22	6.67	6.74	6.81
Sectoral Growth (%)							
Agriculture	5.54	5.95	5.60	5.74	5.71	4.15	3.97
Solid Mineral	12.86	11.82	11.56	10.31	11.48	11.69	11.75
Crude Petroleum & Natural Gas	0.05	0.98	-0.38	-0.40	0.02	-2.32	-0.73
Manufacturing	6.16	7.34	8.38	7.50	7.60	5.15	7.45
Telecommunication & Post	33.36	33.70	35.13	36.31	34.76	32.83	29.77
Finance & Insurance	4.11	4.61	3.95	3.22	3.98	3.53	4.77
Wholesale and Retail Trade	10.13	11.47	11.82	11.80	11.33	8.35	8.61
Building and Construction	13.22	12.24	11.32	12.05	12.26	13.25	12.47
Hotel and Restaurants	12.20	12.39	11.79	12.01	12.09	11.45	12.30
Real Estate	9.46	10.48	10.57	11.01	10.41	9.39	10.87
Business and Other Services	8.61	11.03	8.51	9.81	9.52	7.68	11.27
Others	4.88	4.64	5.06	5.55	5.06	4.77	4.80
Real Growth at Basic Prices	7.13	7.61	7.30	7.68	7.45	6.17	6.28
Non - Oil Growth	8.73	8.85	8.70	9.07	8.85	7.93	7.50