

## Trade

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### AfCFTA Guided Trade Initiative.

On 7 March 2024, the National Action Committee on African Continental Free Trade Area (NAC – AfCFTA) organised a stakeholder's workshop in Abuja in preparation to sign onto the AfCFTA protocol on digital trade. The Executive Secretary of NAC-AfCFTA, Mr Olusegun Awolowo, stated that Nigeria was already signed onto the protocol on goods and services. He highlighted that the country was yet to start trading under the AfCFTA agreement but expressed optimism that by the end of April, Nigeria would start exporting officially through the Guided Trade Initiative (GTI) of the AfCFTA. He noted that the process involved for commercially meaningful trade to kick start under the AfCFTA agreement is long and laborious as all member countries must sign and agree on all protocols. The NAC – AfCFTA is a committee that was set up in December 2019 by the president Buhari led government to implement interventions needed to prepare Nigerian businesses to benefit from the AfCFTA agreement.

Recall that in March 2018, Africa reached a landmark agreement to create a free trade area in the continent. This was done through the signing of the African Continental Free Trade Agreement (AfCFTA) which was later ratified in May 2019. Meanwhile, Nigeria joined the pact on 7 July 2019 after initially pulling out of the agreement. Notably, the agreement which entered its operational phase on 7 July 2019 was expected to kick start in July 2020. As a result of the COVID-19 global pandemic however, the commencement date was postponed to 1 January 2021. According to the Africa Union (AU), AfCFTA is the world's largest free trade area bringing together 55 countries of the AU and eight Regional Economic Communities (RECs). The overall aim of AfCFTA is to create a single continental market with a population of 1.3bn people and a combined GDP of approximately US\$3.4trn by 2063. The practical implementation of the AfCFTA has the potential to foster industrialisation, job creation and attract foreign investments into the continent.

Protocols are an integral part of the AfCFTA agreement. They represent rules and procedures on the various sections of the agreement. Given that commercially meaningful trade has not commenced under the AfCFTA because of the length of time needed for all member countries to agree and sign all the protocols, the GTI was launched by the Africa Union on 7 October 2022. The Guided Trade Initiative is a vehicle through which countries that have met the minimum requirements for trade under the AfCFTA can engage in export and import activities among themselves.

According to the foreign trade in goods statistics report for that last quarter of 2023, Nigeria's imports from Africa accounted for 1.71% of total imports while its exports to Africa amounted to 9.93% for the same period. We expect that in the medium- long term, these statistics will improve if Nigeria takes advantage of the AfCFTA platform. Given the current economic challenges, low foreign investment and over reliance on oil export proceeds, the AfCFTA is an opportunity for the nation to enhance productivity and improve employment opportunities. We however reiterate that Nigeria does not appear to be in a strong position to benefit from the agreement. Key infrastructure such as power, transportation, storage systems etc. needed for businesses to enhance output remain largely underdeveloped.

### MARKET UPDATE

|                 | 1 year    | 30-Dec-23 | 1 day      |
|-----------------|-----------|-----------|------------|
| NGX - Index*    | 54,936.11 | 74,773.77 | 204,387.47 |
| Naira / US\$    | 461.18    | 899.89    | 1,453.28   |
| Brent, US\$/bbl | 76.38     | 77.04     | 85.60      |
| MPR%            | 18.00     | 18.75     | 22.75      |

Source: NGX, Central Bank of Nigerian, Bloomberg, All Share Index\*

### CONTACT INFORMATION

**Head of Research:** Gloria Fadipe

+234 (1) 448 5436 ext.4516

[gloria.fadipe@fcmb.com](mailto:gloria.fadipe@fcmb.com)

**Banks:** Gloria Fadipe

+234 (1) 448 5436 ext.4516

[gloria.fadipe@fcmb.com](mailto:gloria.fadipe@fcmb.com)

**FMCGs & Brewers:** Goke Adetoyinbo

+234 (1) 448 5436 ext.4457

[adegoke.adetoyinbo@fcmb.com](mailto:adegoke.adetoyinbo@fcmb.com)

**Industrials:** Mustapha Umaru

+234 (1) 448 5436 ext.4512

[mustaphaumar@fcmb.com](mailto:mustaphaumar@fcmb.com)

**Research Team:** [csresearch@fcmb.com](mailto:csresearch@fcmb.com)

**Retail Team:** [csesu@fcmb.com](mailto:csesu@fcmb.com)

**Sales Team:** [cslrmt@fcmb.com](mailto:cslrmt@fcmb.com)

## News headlines:

### **FG to Meta: Nigeria Ready with Gifted Youths to Lead Africa in Digital Technology Vision:**

President Bola Tinubu has disclosed that his administration is sustaining investments in digital technology to enhance the sustainability of small businesses, expand opportunities across sectors, and propel Nigeria to become the lodestar of information and communications technology in Africa. Speaking yesterday while playing host to a delegation from Meta Platforms Incorporated, led by former UK Deputy Prime Minister and Meta's President of Global Affairs, Sir Nick Clegg, at State House, Abuja, Tinubu said Nigeria could not afford to be left behind in this age of technological advancements. In his remarks, Clegg thanked Tinubu for an executive order issued, which enabled the landing of Meta-backed deep Source: THISDAY [FG to Meta: Nigeria Ready with Gifted Youths to Lead Africa in Digital Technology Vision - THISDAYLIVE](#)

**States owe FG N1.7tn budget loans:** The governments of Nigeria's 36 states and the Federal Capital Territory owe the federal government an outstanding liability of N1.72tn in budget support facilities. The FCT owes N49.11bn and each of the 36 states carries the same debt burden totalling N1.72tn. The figures were revealed in a presentation on state budget support facility by Office of the Accountant General of the Federation, at the 140<sup>th</sup> meeting of the National Economic Council (NEC) presided over by the Vice President Kashim Shettima at the Aso Rock Villa, Abuja, on Thursday. At a previous NEC meeting held in November 2023, the FG had emphasised that it ceased providing budget support loans in July 2023, partly due to an increase in the federation's revenue. Source: Punch

[States owe FG N1.7tn budget loans \(punchng.com\)](#)

**Safe Schools project: Standard Operating Procedure (SOP) ready soon- CDS:** The Chief of Defence Staff (CDS), General Christopher Musa, has said the Armed Forces of Nigeria is committed to providing every necessary assistance for the security of school children and other learning institutions against attacks from terrorists/kidnappers within the ambit of Nigeria's constitution. To this end, the CDS said the armed forces of Nigeria would be launching a standard operating procedure, SOP, summit to support its operational activities in order to checkmate further attacks on schools. Speaking at the Safe Schools summit held yesterday in Abuja, the special guest of honour and former Chief of Defence Staff, Gen. Martin Luther Agwai, retd., said the Safe Schools' summit with the theme "Providing a Secure and Safe Learning Environment for the Advancement of National Development, and also the development of its Standard Operating Procedures, SOP", couldn't have come at a better time than now. Source: Vanguard [Safe Schools project: Standard operating procedure ready soon — CDS \(vanguardngr.com\)](#)

**World Meteorological Organization (WMO) Predicts Extreme Weather Conditions for Nigeria:** The WMO has said Nigeria is likely to witness extreme weather conditions judging from the current weather conditions experienced in various parts of the country. Therefore, the organisation has called for more responsiveness to weather predictions released by the Nigerian Meteorological Agency (NiMet). The WMO representative, Bernard Gomez, disclosed this in Abuja on Thursday during the celebration of the 2020 World Meteorological Day with the theme "At the Frontline of Climate Action". Source: LEADERSHIP

[World Meteorological Organisation Predicts Extreme Weather Conditions For Nigeria \(leadership.ng\)](#)

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|----------------------------|-----|------|------|-----------|-------|
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| % distribution             | 49% | 29%  | 14%  | 9%        |       |
| Investment banking clients | 0   | 1    | 1    | 0         | 2     |
| % distribution             | 0%  | 50%  | 50%  | 0%        |       |

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|--------------------------|---|
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CSL Stockbrokers Limited

Member of the Nigerian Stock Exchange

PO Box 9117

Lagos State, NIGERIA

CSL Stockbrokers

A trading name of CSL Capital (UK) Ltd

43-44 New Bond Street

London

W1s 2SA

United Kingdom