

Gross Domestic Product Flash



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A Welcomed Exit from Recession as Q4' 2020 GDP grows by 0.11%

Nigeria's Gross Domestic Product (GDP) grew by 0.11%(year-on-year) in real terms in the fourth quarter of 2020, representing the first positive quarterly growth in the last three quarters. Though weak, the positive growth reflects the gradual return of economic activities following the easing of restricted movements and limited local and international commercial activities in the preceding quarters. As a result, while the Q4 2020 growth rate was lower than growth rate recorded the previous year by -2.44% points, it was higher by 3.74% points compared to Q3 2020. On a quarter on quarter basis, real GDP growth was 9.68% indicating a second positive consecutive quarter on quarter real growth rate in 2020 after two negative quarters. Overall, in 2020, the annual growth of real GDP was estimated at -1.92%, a decline of -4.20% points when compared to the 2.27% recorded in 2019.

THE OIL SECTOR

In the fourth quarter of 2020, an average daily oil production of 1.56 million barrels per day (mbpd) was recorded. This was lower than the daily average production of 2.00mbpd recorded in the same quarter of 2019 by -0.44mbpd and the third quarter of 2020 by -0.11mbpd. Real growth for the oil sector was -19.76% in Q4 2020, indicating a decrease of -26.12% points relative to the rate recorded in the corresponding quarter of 2019. However, quarter on quarter, the oil sector recorded a growth rate of -26.27% in Q4 2020. The oil sector contributed 5.87%, though a decrease in its contribution of 7.32% in Q4 2019 and 8.73% in Q3 2020.

THE NON-OIL SECTOR

The non-oil sector grew by 1.69% in real terms in Q4 2020, slower than the 2.26% recorded in the corresponding quarter of 2019, but better than the -2.51% growth rate recorded in the preceding quarter. For the full year of 2020 however, the non-oil sector grew -1.25% compared to 2.06% in 2019. Growth in the sector was driven by Information and Communication (Telecommunications & Broadcasting). Other driver were Agriculture (Crop Production), Real Estate, Manufacturing (Food, Beverage & Tobacco), Mining and Quarrying (Quarrying and other Minerals), and Construction, accounting for positive GDP. In real terms, the Non-Oil sector contributed 94.13% to the nation's GDP in the fourth quarter of 2020, higher than the share recorded in the fourth quarter of 2019 (92.68%) and the third quarter of 2020 (91.27%). For 2020, the Non-Oil sector contributed 91.84% to real GDP, higher than 91.22% recorded in 2019.

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