



## INFLATION WATCH – December 2023

### **Nigeria's Inflation: Final Inflation print for 2023 remains elevated.**

Nigeria's headline inflation increased at 28.92% y/y in December, adding 0.72 percentage points from 28.20% y/y in November 2023, and beating 28.60% y/y Bloomberg estimate. Similarly, the monthly headline inflation data jumped from 2.09% m/m in November to 2.29% m/m in December. Food inflation also increased to 33.93% from 32.84% in November. Moreso, core inflation (i.e excluding food and energy items), grew at 23.06% in December, surpassing the 22.38% recorded in November, as reported by the National Bureau of Statistics (NBS).

#### Summary of Nigeria's Inflation report for December 2023:

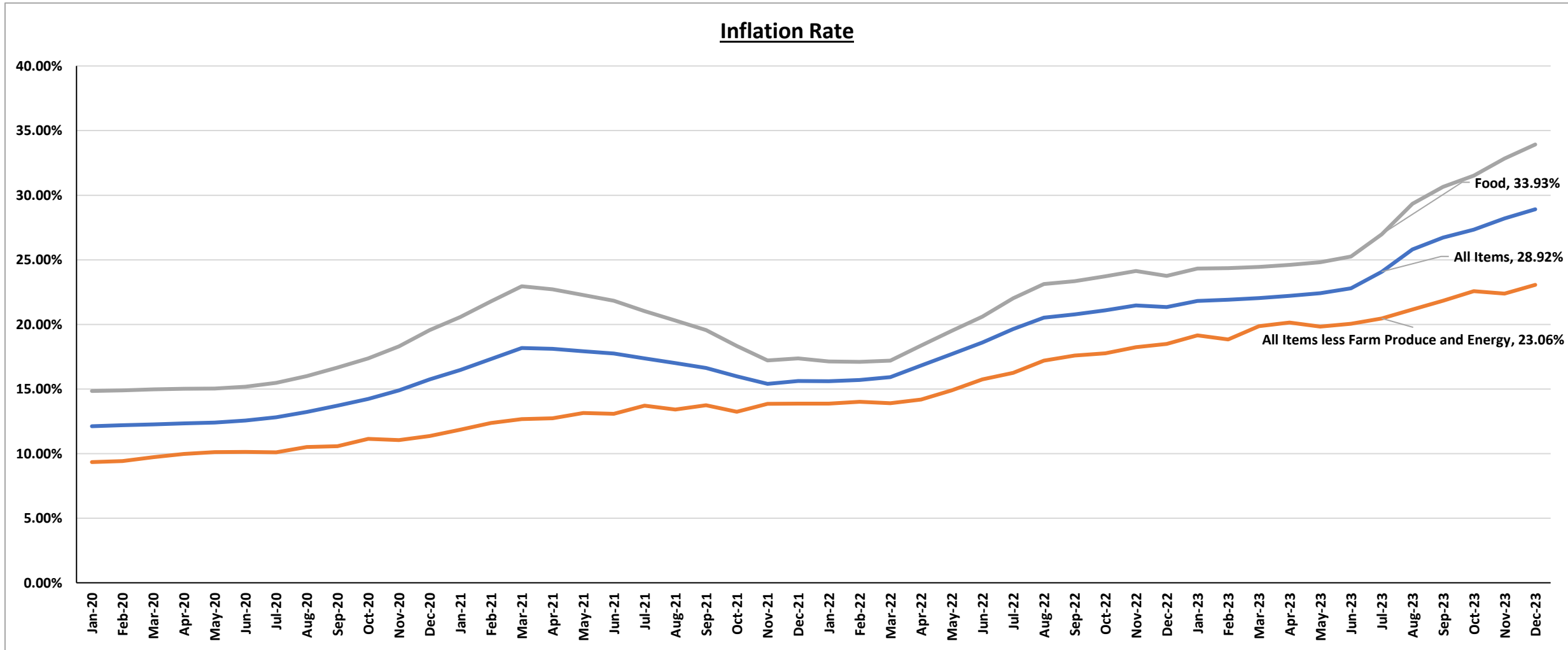
- On a monthly basis, the headline index grew by 2.29% in November (vs 2.09% in November).
- The core index increased at 1.82% m/m in December vs. 1.53% m/m in November. Similarly, the food sub-index grew at 2.72% m/m compared to 2.42% m/m in November.
- The urban inflation rate increased to 31.00% y/y (vs 30.21% y/y in November 2023).
- The rural inflation rate was rose at 27.10% y/y (vs 26.43% y/y in November 2023).

Considering the current economic situation, inflation is not expected to cool in the interim because the key drivers of upward price pressures namely: Import-driven inflation, poor infrastructures, high energy cost, distribution-driven issues partly linked to insecurity and bad road networks have not been properly addressed. However, we continue to assess & reassess the policies targeted to solve the inflation problem and knock-on impacts in that regards.

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