

Inflation Hits 22.22% In April 2023, Highest in 19years

Nigeria’s headline inflation rate rose to 22.22% in April 2023, a 0.18% point higher than the 22.04% recorded in the previous month.

According to the latest Consumer Price Index (CPI) report by the National Bureau of Statistics (NBS), Nigeria’s inflation rate has increased for the fourth consecutive month, maintaining the highest rate in 17 years. Compared to the corresponding period of 2022, inflation increased by 5.4% from 16.82% recorded in April 2022.

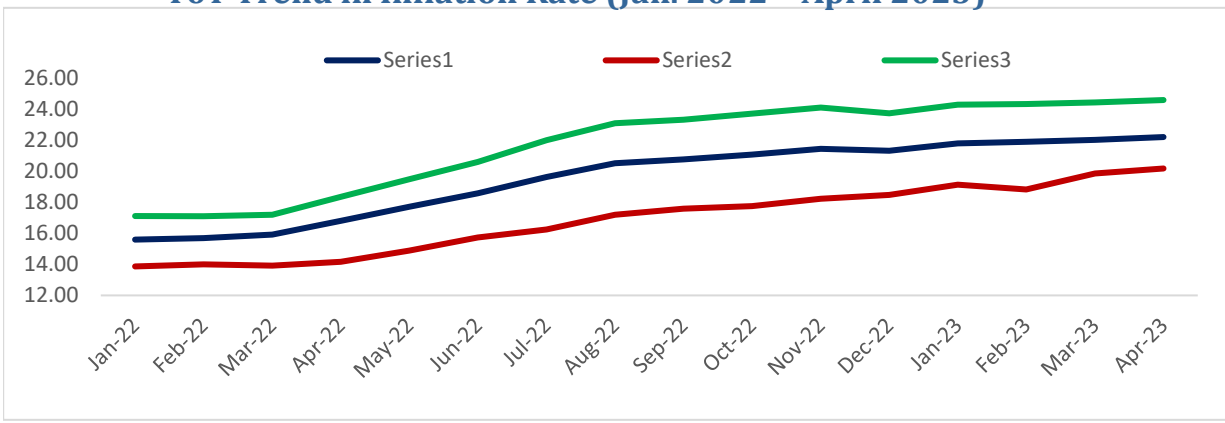
On a month-on-month basis, the All-Items Index in April 2023 was 1.91%, which was 0.05% points higher than the rate recorded in March 2023 (1.86%). This means that in April 2023, on average, the general price level was 0.05% higher relative to March 2023.

Food Inflation rose to 24.61% in April

The food inflation rate in April 2023 was 24.61% on a year-on-year basis, which was 6.24% points higher compared to the rate recorded in April 2022 (18.37%) and 24.35% recorded in the previous month.

The rise in food inflation on a year-on-year basis was caused by increases in prices of Oil and fat, Bread and cereals, Fish, Potatoes, Yam and other tubers, Fruits, Meat, Vegetable, and Spirits.

YoY Trend in Inflation Rate (Jan. 2022 - April 2023)



Source: NBS, PFI Research

Highlights

Headline Inflation (Y/Y)
22.22%

Headline Inflation M/M
1.91%

Food Inflation (Y/Y)
24.61%

Food Inflation (M/M)
2.13%

Core inflation (Y/Y)
20.14%

Core Inflation (M/M)
1.46%

Highlights

Headline
Inflation (Y/Y)
22.22%

Headline
Inflation M/M
1.91%

Food Inflation
(Y/Y)
24.61%

Food Inflation
(M/M)
2.13%

Core inflation
(Y/Y)
29.14%

Core Inflation
(M/M)
1.46%

Imoh
Okoronkwo,
Analyst

Core Inflation rose by 5.96 YoY

Core inflation, which excludes the prices of volatile agricultural produce stood at 20.14% in April 2023 on a year-on-year basis, up by 5.96% when compared to the 14.18% recorded in April 2022. The highest increases were recorded in prices of Gas, Passenger transport by Air, Liquid fuel, Vehicle spare parts, Fuels, and lubricants for personal transport equipment, Medical services, Passenger transport by road, etc. On a month-on-month basis, the Core inflation rate was 1.46% in April 2023. It stood at 1.84% in March 2023, down by 0.38%. The average twelve months annual inflation rate was 17.91% for the twelve months ending April 2023; this was 4.23% points higher than the 13.68% recorded in April 2022.

Inflation Outlook for the Month of May

Despite anticipated rates hike by the CBN (MPC meets in May 22) to further contend rising inflation; increasing energy prices as a result of OPEC+ cut, global inflationary pressure, and food shortages, we expect inflation rate to tick higher in the month of May, 2023, driven by rising food and transportation prices as the major driver of inflation in Nigeria. Food prices in the month of May is likely to tick higher as a result of food shortages occasioned by planting season and excess demand over supply, while transportation prices may accelerate on the back of rising oil prices.

Inflation Rate (%) in Nigeria

