



NIGERIA GDP REBASING LIKELY DELAYED UNTIL 2014

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NIGERIA: ABUJA, NIGERIA -

The rebasing of Nigeria's GDP, which is expected to increase the estimated size of the nation's economy by around 40 %, is likely to be delayed until next year, director general of the National Bureau of Statistics (NBS), Yemi Kale, told Reuters Africa Investment Summit.

According to what CEOAFRICA Business News correspondent gathered from BusinessDay News Tabloid, the recalculation will enable Nigeria to join the ranks of middle-income countries and put it much closer in size to South Africa, the Continent's most developed economy. It will also make it an even bigger draw for foreign investors seeking a slice of Africa's fast growth rates.

However, the fourth quarter of this year had been tentatively picked as the time to implement the changes, due to several failed attempts. The reasons for this failure, as reported by BusinessDay, could be traced to the statement of Yemi Kale which goes thus "I underestimated how much work needs to be done... I think everyone understands that this is very, very crucial and has to be done properly", he said while explaining the delay.

The rebasing, when implemented, is expected to add about 40% to Nigeria's GDP, which would boost the economy of the nation from roughly \$ 250 billion to around \$ 350 billion. That brings it very growth rate of over 6% a year,

compared with 3% in South Africa, Nigeria may eventually overtake its rival to seize the top spot.

Yemi Kale further said “regardless of what our GDP is... we are still going to be small enough to produce even sharper growth rates”.

Sectors like telecommunications, construction, hotels and entertainment should get a greater weighting after rebasing, but Agriculture, which currently makes up around 40% of GDP and 60% of jobs, is likely to decrease in influence. Kale explained “growth in Agriculture is largely subsistence, largely labour intensive, so there is a limit to how much you can grow. We know that Capital intensive technology probably generates more output than labour intensive technology.

In conclusion, Kale said the oil and gas sector, which contributes around 80% of government revenues, is expected to maintain a similar weighting of around 15%.