

## **Nigeria's new GDP a sign of progress in shaping Africa's narrative - says ECA's Lopes**

Addis Ababa, 17 April 2014 (ECA) - As a result of rebasing and re-benchmarking of the national accounts series of the Gross Domestic Product (GDP), Nigeria's nominal GDP has been nearly doubled, becoming Africa's largest economy and the 26<sup>th</sup> largest economy in the world.

Carlos Lopes, the Executive Secretary of the Economic Commission for Africa (ECA) noted that the upward revision of Nigeria's GDP has significant implications at the country level. The improved quality of the data more broadly captures the size and structure of the Nigerian economy.

According to the Nigerian National Bureau of Statistics (NBS), the latest GDP estimate of 80.2 trillion naira or US\$ 509.9 billion is 89% higher than the previous figure for the year 2013, based on the Central Bank of Nigeria's average exchange rate for 2013. As a result of the revision, 2012 GDP per capita in current US\$ has increased to US\$ 2,689 from US\$ 1,555, while Nigeria's debt to GDP ratio is down from 19% to 11%.

The increase in GDP is attributed to the emergence of new economic activities, particularly the growing services sector including telecommunications, banking and entertainment services. In general, the share of services in GDP has significantly increased from 29% to 52%. A more diverse economy and a strengthening consumer base are expected to attract more foreign direct investment. In releasing the new GDP figure, NBS made available all the data and methodological bases for the figures. This shows the maturity of the Nigerian statistical system, which is a foundation for good governance and sound policy and decision-making.

"Nigeria's new GDP has important implications for the rest of the continent. It raises the question whether there are other African economies with a systematically underestimated GDP," said Lopes. He added that using a recent base year and applying the 2008 System of National Accounts (2008 SNA) imply that the price structure is more representative of the economy. Also, a wider basket of products

and activities are considered when national accounts are calculated.

ECA's African Centre for Statistics reports from a survey conducted in January 2014 that seven African countries still base on 1990 or earlier years, 10 countries have base years between 1991 and 2000, and further 19 have base years between 2001 and 2005.

“On the system of national accounts, only nine African countries are reported to have partially or wholly adopted the 2008 SNA, while the other countries are still using previous versions,” said Dozie Ezigbalike, who heads the African Centre for Statistics at ECA.

He added: “This suggests that the real size of many African economies is likely to be larger than their current estimates. It also suggests that as a whole, the role of the African continent in the global economy might have been underestimated.”

Lopes, who consistently champions the need to tell the African narrative from credible statistical data said, "As shown by Nigeria's case, it is crucial for African countries to regularly rebase and re-benchmark their GDP figures, considering current lists in the basket of products and activities that better capture the size, structure, and trends of economy; it is also important that countries use the same classification and methodologies for better cross-country comparisons and regional integration."

These frameworks are provided in the system of national accounts, of which the latest version is the 2008 SNA.

Note to editors:

The pan-African institutions (Economic Commission for Africa, African Union Commission and the African Development Bank ) have embarked on a continental project to support the implementation of the 2008 Statistical National Accounts in all African countries. Launched in January 2014, the African Project for the Implementation of the 2008 SNA has been translated in to a Plan with clearly defined roles and responsibilities for all the relevant stakeholders, and concrete timelines for defined activities. A continental steering committee for the project was inaugurated in September 2013 comprising representatives from countries, Regional Economic Communities (RECs), Afristat, the United Nations Statistics Division, international organizations, such as IMF, the World Bank, and development partners. Through this continental project, it is expected that all African countries will soon adopt the 2008 SNA classification and methodologies for compiling their national accounts to ensure better comparability.

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