



INFLATION EXPECTATIONS SURVEY

STATISTICS DEPARTMENT

ECONOMIC POLICY DIRECTORATE

OCT' 2024

CENTRAL BANK OF NIGERIA



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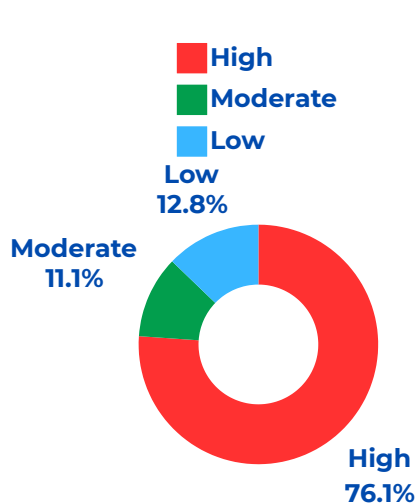


PERCEPTION OF CURRENT INFLATION

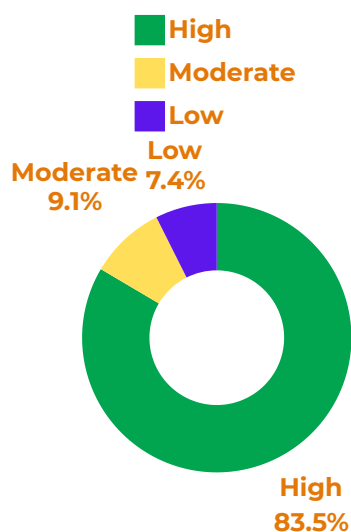
The overall perception of the current inflation rate shows that most respondents believe the inflation rate is high.

Further analysis indicates that this perception is mainly driven by household respondents.

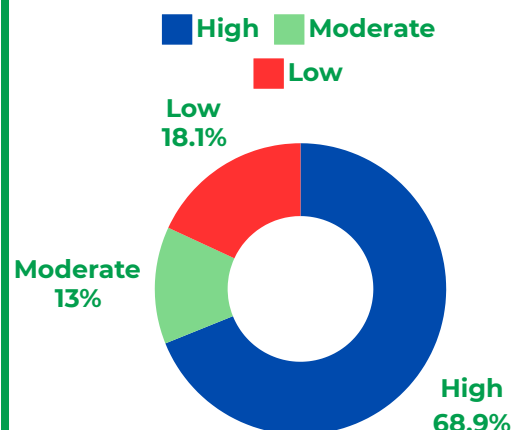
Inflation Perception



Overall



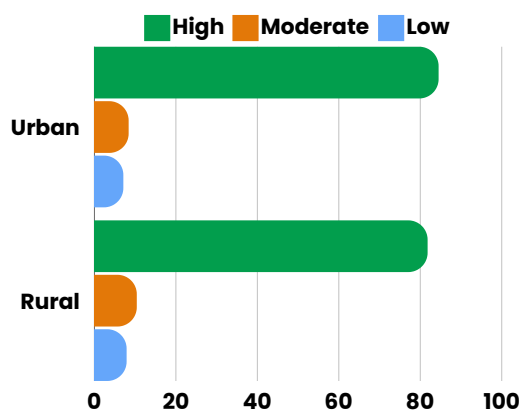
Household



Firms

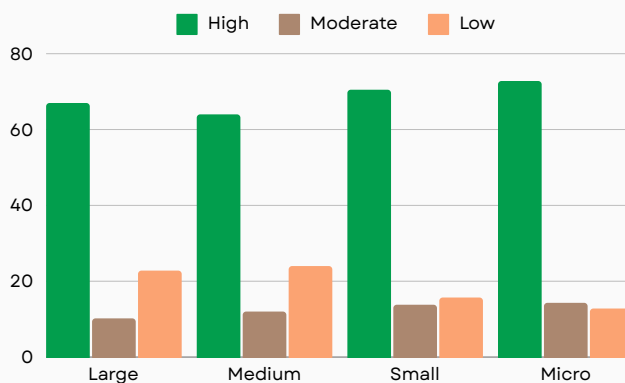
Businesses and household believe that the current rate of Inflation is high

Urban Settlers Drives Inflation Perception of Household



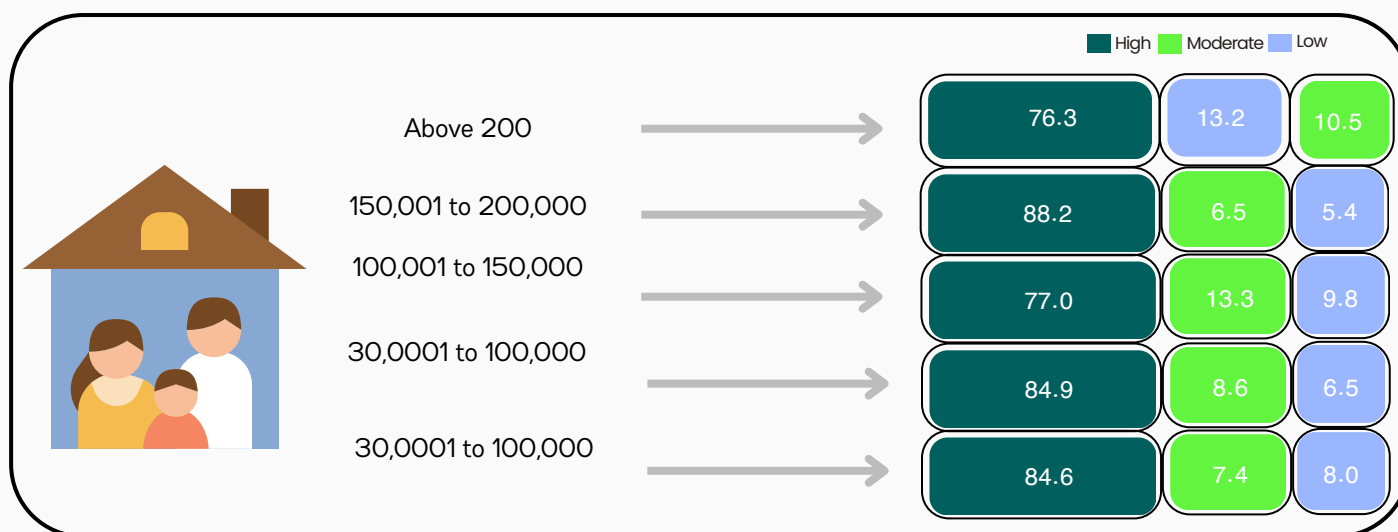
A breakdown of responses by types of settlement shows that urban settlers have higher inflation perception compared to rural settlers in the current month

Micro Businesses recorded highest Inflation Perception in October



All business types are of the opinion that the current inflation rate is high with micro businesses having the highest perception.

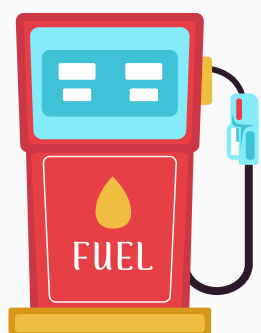
N150,000 – N200,000 Income group recorded highest Inflation Perception in October



- The distribution by income group shows that households earning between N150,001 and N200,000 monthly have the highest perception on the current inflation

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Energy cost is the major driver of inflation perception for both firms and households



Drivers	Overall (Firms + HHs)		Firms		Households	
	Score (%)	Rank	Score (%)	Rank	Score (%)	Rank
Activities of Middlemen	77.5	7	74.9	8	80.1	7
Energy	91.1	1	93.4	1	88.7	1
Exchange Rate	87.8	3	91.0	2	84.4	3
Infrastructural Challenges	76.5	8	76.9	7	76.1	8
Insecurity	83.9	5	85.8	5	81.9	4
Interest Rate	84.2	4	87.4	4	80.9	6
Natural Disaster	67.1	9	65.2	9	69.2	9
Raw Materials	81.1	6	80.7	6	81.6	5
Transportation	89.2	2	90.4	3	88.0	2

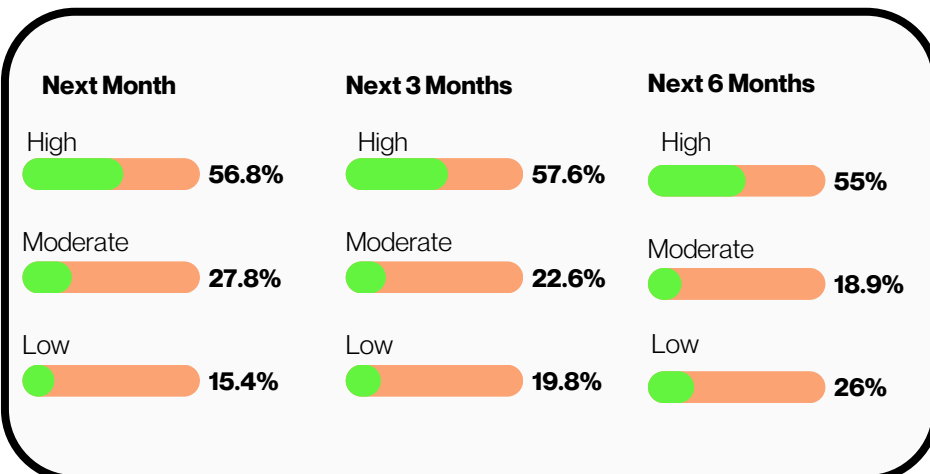
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EXPECTATION OF INFLATION

Respondents expect inflation to ease over the next 6 months



Over the next 6 months, Business and Household respondents expect that the level of inflation will ease.



Next Month Next 3 Month Next 6 Month

High	49.3	50.9	47.9
Moderate	30.5	21.5	19.1
Low	20.1	27.7	33.0

More business respondents expect inflation to be lower by the next 6 months as majority expects inflation rate to moderate over the next 6 months.

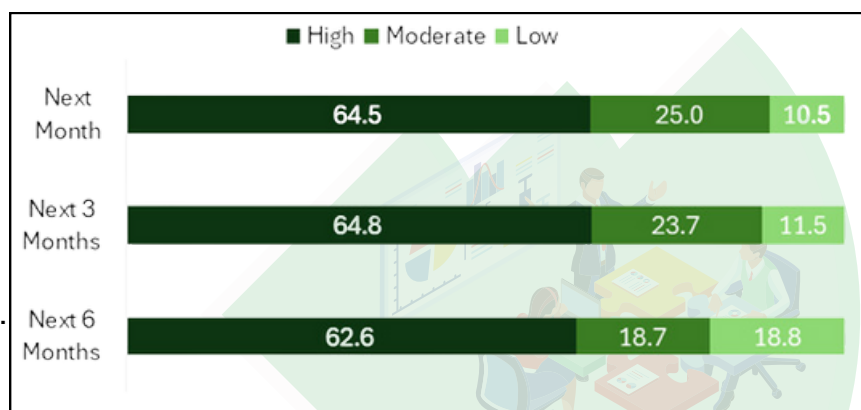
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Businesses expect inflation to ease over the next 6 months

07

Household expect easing of inflation over the next 6 months

Majority of household respondents expect inflation to be high over the next 6 months.



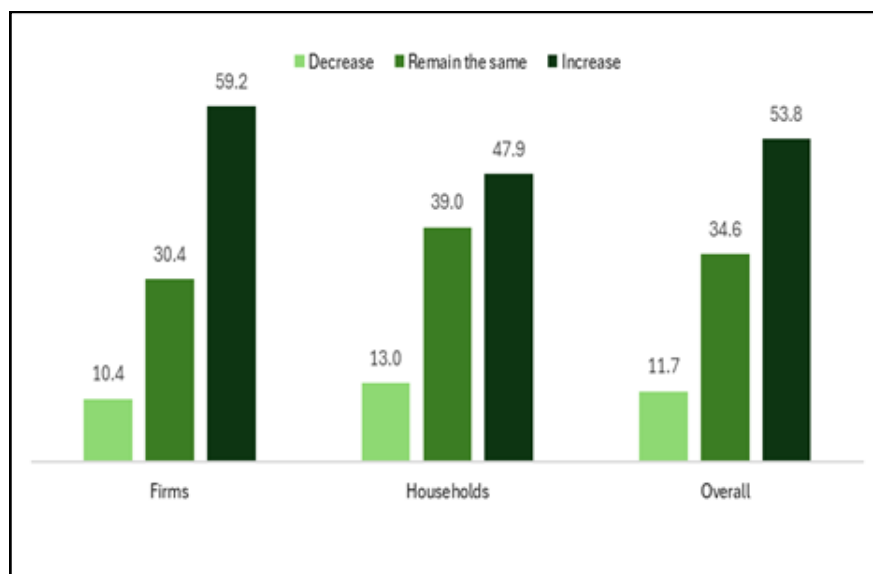
However, their expectations indicates that the inflation level may ease compared to the current level in October 2024

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EXPENDITURE OUTLOOK



In line with the easing inflation perception over the next 6 months, more respondents opined that their expenditure will increase.



Respondent	Decrease	Remain Stable	Increase
Overall (Firms+HHs)			
Next month	12.4	38.8	48.8
Next 3 months	15.9	35.0	49.0
Next 6 months	17.4	33.8	48.8
Firm			
Next month	9.7	36.1	54.1
Next 3 months	12.7	33.7	53.7
Next 6 months	15.9	34.0	50.1
Household			
Next month	15.4	41.6	42.9
Next 3 months	19.7	36.6	43.7
Next 6 months	19.2	33.5	47.4



Businesses anticipate higher expenditure over the next 6 months.

Households and businesses anticipate higher spending. Expenditure is expected to increase over the next 6 months

CENTRAL BANK ACTIVITIES AND KEY ANNOUNCEMENTS



Majority of respondents wants CBN to reduce Interest rate



(16.0%) Raise Interest Rate



(16.5%) Raise Interest Rate



(67.5%) Raise Interest Rate



More Respondents follow up on CBN's Communication



(64.4%) Closely



(33.7%) Ocassionally



(2.0%) Never



Majority believe CBN is transparent in its Communication



(88.3%) Transparent



(11.7%) Not Transparent



Many respondents believe that CBN announcements impact Inflation




(45.5%) Somewhat



(32.8%) Significantly



(21.7%) No



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