

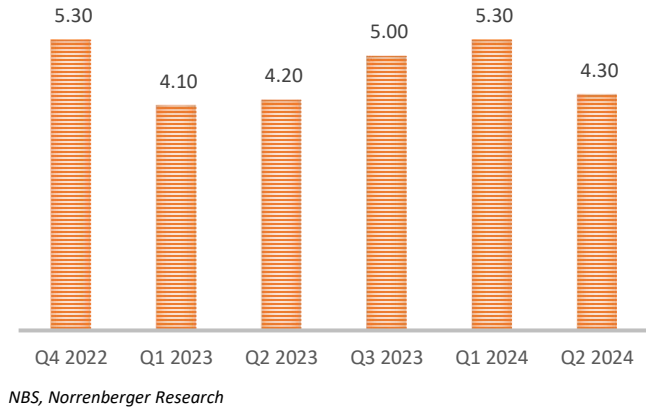
INTRODUCTION

Nigeria's latest unemployment rate show a notable improvement in the second quarter of 2024, dropping to 4.3% from 5.3% in the previous quarter.

This data, released in the latest labour report by the National Bureau of Statistics (NBS), marks the lowest unemployment rate since Q2 2023, reflecting progress in job creation despite prevailing economic challenges, including a rising cost of living, increased poverty amongst others.

This decline is the first recorded since Q1 2023. However, when compared to the corresponding period in 2023, the unemployment rate edged up slightly from 4.2%.

UNEMPLOYMENT RATE (%)



REPORT SHOWS OVERALL IMPROVEMENT IN LABOUR MARKET

The labour force participation rate showed a notable improvement, rising to 79.5% in the current period, compared to 77.3% recorded in the previous quarter. This indicates a higher proportion of the working-age population actively engaged in the labour market, either employed or seeking employment.

Similarly, the employment-to-population ratio increased from 73.2% in Q1 2024 to 76.1% during the review period, reflecting a significant uptick in the proportion of individuals within the working-age group who are gainfully employed. These trends suggest an overall strengthening in labour market dynamics, potentially driven by increased economic activities, policy interventions, or seasonal factors contributing to job creation.

Key indicators	Q2'23	Q1'24	Q2'24
Labour force participation rate	80.4	77.3	79.5
Employment to population ratio	77.1	73.2	76.1
Subsistence Farmer	4.8	4.5	3.7
Youth Unemployment Rate	7.2	8.4	6.5
Urban Unemployment Rate	5.9	6.0	5.2
Rural Unemployment Rate	2.5	4.3	2.8

A noteworthy development is the impact of the new methodology adopted by the NBS in defining employment in Nigeria. Under this revised framework, the working-age population comprises individuals aged 15 years and above. Employed individuals are classified as those within the working-age group who engaged in any form of activity aimed at producing goods or providing services for pay, profit, or family gain during the review period.

- This shift in methodology has significantly altered the way employment rates are calculated and reported, leading to a substantial decline in the unemployment rate from 33.3% in Q4 2020 to single-digit figures over the past two years.
- The redefinition emphasizes inclusivity by accounting for informal sector activities, short-term engagements, and other non-traditional forms of employment, providing a broader and arguably more realistic picture of the labour market. However, this change also necessitates careful interpretation, as it highlights a methodological departure rather than a sudden improvement in labour market conditions.
- Moving forward, maintaining momentum in labour market reforms, improving economic conditions, and creating enabling environments for businesses will be pivotal in ensuring these gains translate into meaningful economic growth and improved livelihoods for Nigerians.