In the US, a report released by the Commerce Department showed the pace of growth in economic activity slowed by slightly more than was initially estimated in the second quarter. The Commerce Department said gross domestic product increased by 2% in the second quarter compared to 5.1% growth in the first quarter. The downward revised GDP growth was due to the previous reported 2.1% growth. The downward revised government spending in a separate report, custom-made by the US trade balance with exports fell by 1.0% year-on-year (y-o-y) in July, as shipments to the US lowered significantly. Meanwhile, imports registered a 5.6% y-o-y drop, leaving a trade surplus of US$4.84 billion. The weak trade figures come amid the escalating trade war between the US and China. President Donald Trump’s administration raised tariffs on Chinese goods at the start of September and is set to raise levies further in October and November of this year if there is no breakthrough. Elsewhere, the European Central Bank (ECB) announced a host of stimulus measures to boost the Eurozone economy in the final rate-setting session chaired by the outgoing President Mario Draghi. The central bank slashed the deposit rate by 10 basis points to -0.50%, while it left the main refinancing rate unchanged at 0.00% and the边际 lending rate unchanged at 0.25%, respectively. The ECB also restarted its asset purchase programme, or APP, which it had previously ended in December 2018. The move said it will make monthly asset purchases of EUR 20 billion from November 1.

In Nigeria, the Federal Executive Council (FEC) approved N10.07trillion 2020 Budget proposal for onward transmission to the National Assembly for consideration and approval. The Minister of Finance, Budget and National Planning, made this known when she briefed State House correspondents on the outcome of the meeting of the Council which was presided over by the President. The minister also said the council approved the increase of value added tax (VAT) from the current 5% to 7.5%. She added that implementation of the new VAT rate was subject to the approval of the National Assembly. The seat of the Nigerian Parliament received a $3.4 billion payment from the International Monetary Fund (IMF). Briefing reporters at the end of the first FEC meeting, the Minister said the estimate was contained in 2020-2022 Medium Term Expenditure Framework (MTEF) and Fiscal Policy Paper (FSP) presented by the country’s Finance Minister to the council. According to her, the document contains N10.07 trillion budget proposal for 2020 fiscal year. The revenue target of N7.5 trillion, a 4.6% increase compared to 2019, but 24.76% higher when compared with Q2, 2018. The trade balance remained favourable, valued at N1.76 trillion. Major import items include agricultural products, raw material imports, cars and chemicals. The major export items include Manufactured products, crude oil and other oil products. Major export partners are India (17.5%), China (12.1%), the United States (12.1%), France (6.5%) and Japan (6.5%). Major import partners are the USA (30.5%), Netherlands (7.9%) and Belgium (6.5%).

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