

**LEASING INDUSTRY IN  
2020: MARGINAL GROWTH  
AMIDST TOUGH YEAR**

**ELAN**

EQUIPMENT LEASING ASSOCIATION OF NIGERIA LTD/GTE  
Creating Wealth & Growth Opportunities

## **LEASING INDUSTRY IN 2020: MARGINAL GROWTH AMIDST TOUGH YEAR**

The Nigerian Leasing industry continued to demonstrate its remarkable contribution to economic development in 2020. Though affected hugely by the covid 19 pandemic that caused serious health and economic disruptions, the industry remained resilient - recording a marginal growth of 4.3 percent.

Available statistics show that outstanding leases as at 2020 stood at N2.01trillion as against N1.91trillion in 2019. The oil and gas sector took the lead at 29% with N602 billion lease volume, followed by Transportation & Logistics sector taking N490billion (25%), Manufacturing N279billion (12.5%), Others (including Healthcare and Education accounted for N185billion (17%), while Agriculture, Telecommunications, and Government recorded considerable growth.

Obviously, the decline in lease volume in 2020 was mainly as a result of the lock down and other restrictions to contain the pandemic which adversely affected economic activities. The delayed rental payment, slow business activities; increased cost of assets and operations etc. impacted on new lease origination during the year.

Finance lease maintained its position at 60% of total leases with operating lease increasing its market share in recent times due to market dictates arising from the preference of corporate bodies to focus more on their core activities, while outsourcing other operational functions such as transportation and other logistics services. Operating lease is equally increasingly becoming a risk mitigant and niche market for several lessors in the industry.

In terms of assets categorisation, vehicle constitutes about 55% of the leased assets including trucks for haulage; buses for inter-state commercial transportation and staff shuttle, which have been major attraction in recent times.

It is expected that the equipment leasing industry will continue to grow due majorly to the need to re-inflate the economy, which requires enormous capital. Also, the increasing cost of assets further makes leasing more relevant as an alternative option especially to the MSMEs.

**Table 1: Equipment Leasing Table by Sector (2016 – 2020) (N'000)**

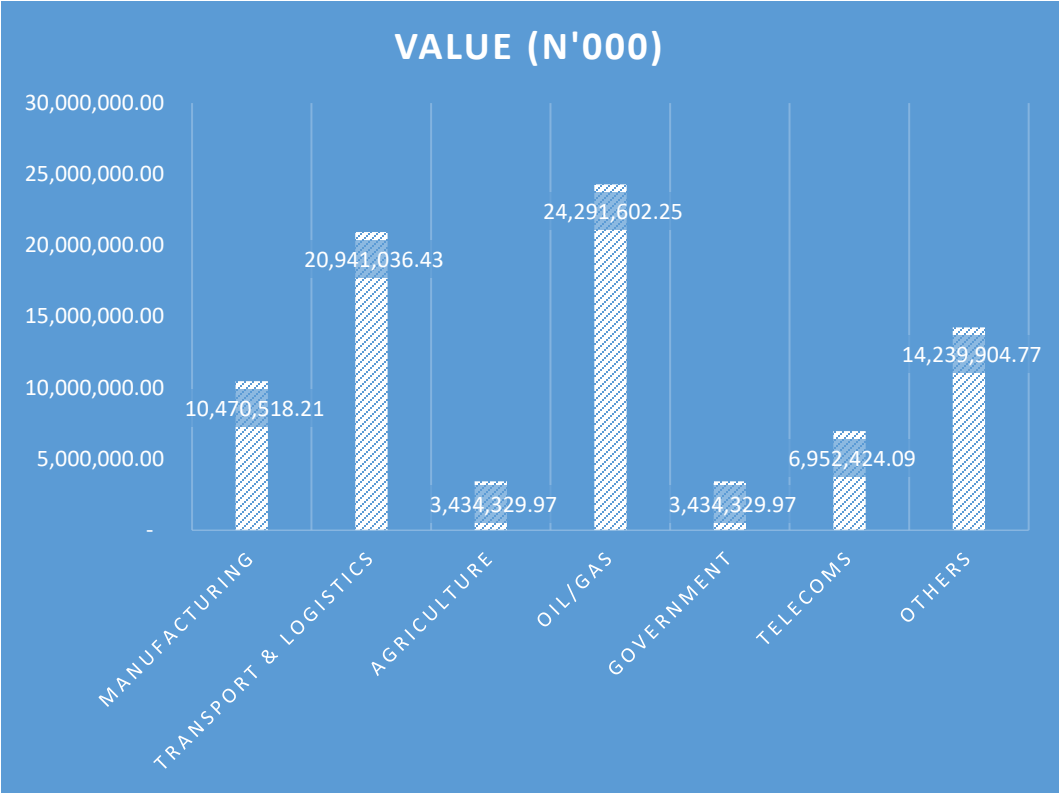
	2020	2019	2018	2017	2016
<b>Manufacturing</b>	279,725,073.29	269,254,555.08	245,432,614.52	217,167,991.02	180,569,189.39
<b>Transport/ Logistics</b>	490,720,981/52	469,779,945.09	421,909,188.36	355,958,400.20	319,359,598.57
<b>Agriculture</b>	148,565,322.14	145,130,992.17	133,106,584.08	96,618,887.04	89,299,126.71
<b>Oil and Gas</b>	602,120,031.43	577,828,429.18	518,160,139.98	449,853,966.53	398,615,644.24
<b>Government</b>	127,206,394.15	123,772,064.18	111,697,656.09	88,143,803.18	80,824,042.85
<b>Telecoms</b>	177,853,183.57	170,900,759.48	147,078,818.92	128,235,736.59	120,915,976.26
<b>Others</b>	185,285,839.80	171,045,935.03	123,175,178.30	109,042,866.55	72,444,064.92
<b>Total</b>	<b>2,011,476,831.90</b>	<b>1,927,712,680.21</b>	<b>1,680,560,180.25</b>	<b>1,445,021,651.11</b>	<b>1,262,027,642.73</b>

*NB: Others include Education, Healthcare, Construction and Consumers sectors*

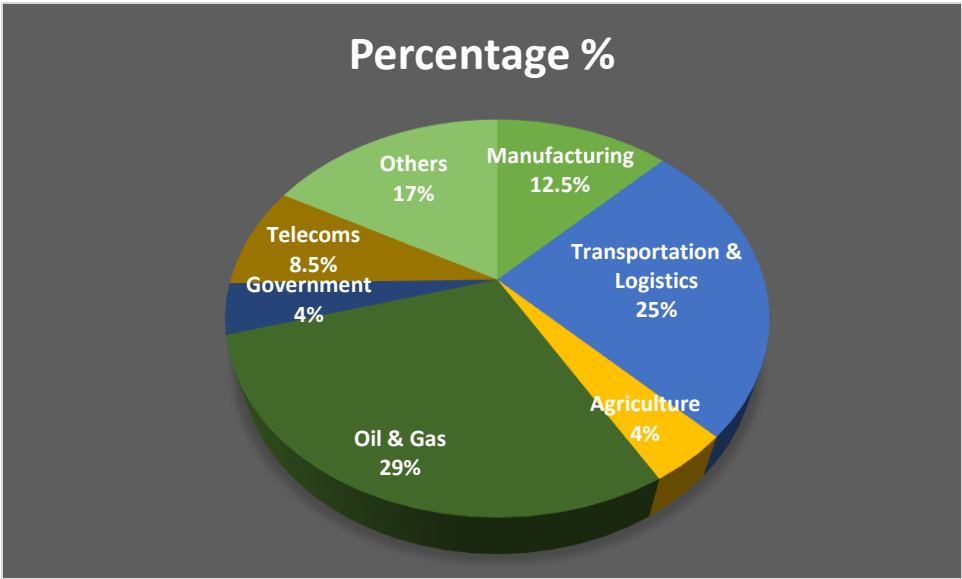
**Table 2: Trends in Nigerian Leasing Market (2010 – 2020) (N'000)**

Year	Leasing Volume ('000)	Growth (%)
2010	537,907,637.75	21
2011	622,907,637.75	16
2012	671,494,433.53	8
2013	780,661,932.99	16
2014	869,017,875.10	11
2015	1,107,041,794.67	27
2016	1,262,027,642.73	14
2017	1,445,021,651.11	14.5
2018	1,680,560,180.25	16.3
2019	1,927,712,680.21	14.5
2020	2,011,476,831.90	4.3

**Fig. 1: Distribution of Lease Volume by Sector**



**Fig. 2: Distribution of Lease Volume by Sector**



**Fig. 3: Analysis by types of Asset**

