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Weekly Snapshot

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NESG Forecasts 3.8% GDP Growth, 24% Inflation by End-2025

The Nigerian Economic Summit Group (NESG) provided an update on recent economic performance in its Half-Year 2025 report, alongside projections for the second half of the year (2025H2). Real GDP growth is expected to average 4.0% in 2025H2, bringing the full-year growth rate to 3.8%. This modest rebound, relative to growth performance in 2023 and 2024, is to be driven mainly by the Services sector and supported by increased digitalisation, financial services growth, and urban expansion. However, the Agriculture and Industrial sectors are projected to post modest performances, weighed down by flooding risks, high input costs, and weak infrastructure. Nonetheless, the Oil sector and the Oil-Refining sub-sector are expected to boost the industrial sector's output, with additional gains expected from higher domestic crude oil output and improved domestic refining capacity, respectively. The implication is that, although growth is recovering, it remains insufficient to raise per capita income or tackle unemployment significantly. Without stronger linkages between macroeconomic stability and household welfare, the benefits of recovery will remain narrow. By NESG's projection, crude prices are expected to stay between US$76 and US$80 per barrel in 2025H2, above the national benchmark of US$75 per barrel. Nigeria's crude oil output is forecast at 1.7 million barrels per day (mbpd), higher than in 2024 but below the 2.06 mbpd budgeted production target. This points to continued operational constraints and infrastructural bottlenecks. Meanwhile, the inflation rate is projected to average 24.5% in 2025H2, closing the year at 24%. The moderation reflects the waning effects of fuel subsidy removal, greater FX liquidity from exchange rate unification, and relative price stability, though cost-push factors may keep inflation elevated. To sustain momentum, policymakers must prioritise structural reforms that unlock agricultural productivity, address infrastructural bottlenecks, and deepen non-oil exports. Equally, fiscal discipline and targeted public investments in social services and strategic sectors will be essential to ensure that macroeconomic recovery translates into inclusive growth and improved living standards.

CBN Cuts MPR to 27% as Inflation Drops to 20.1%

At its 302nd meeting held in September 2025, the Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) reduced the Monetary Policy Rate (MPR) by 50 basis points to 27%, while retaining the Liquidity Ratio at 30%. The Committee also adjusted the Cash Reserve Ratio (CRR) for commercial banks to 45%, retained the CRR for merchant banks at 16%, and introduced a 75% CRR on non-TSA public sector deposits. These moves were guided by the continued decline in inflation in the past five months and the need to balance inflation management with economic recovery. Other factors cited by the committee include relative stability in the prices of Premium Motor Spirit (PMS), improved exchange rate conditions, and increased agricultural supply. At the same time, Q2 GDP growth was 4.23% year-on-year, up from 3.13% in Q1. The oil sector grew by 20.46%, foreign exchange reserves stood at US$43.05 billion (equivalent to 8.28 months of import cover), and the current account surplus reached US$5.28 billion, all of which signal positive growth for the economy. By implication, the reduction in MPR signals that macroeconomic stability is gradually being restored, allowing the CBN to cautiously ease its tightening stance while still guarding against excess liquidity in the banking system. To consolidate the gains, policymakers should focus on maintaining exchange rate stability, deepening agricultural productivity, accelerating infrastructure investments, and completing the ongoing bank recapitalisation exercise. These steps will ensure that monetary easing efforts translate into inclusive growth while maintaining financial stability.

Nigeria'Nigeria's GDP Grows by 4.23% in Q2 2025

According to the National Bureau of Statistics' GDP Report for Q2 2025, Nigeria's real GDP grew by 4.23% year-on-year, higher than the 3.48% recorded in Q2 2024 and above the 3.13% reported after the rebasing in Q1 2025. Aggregate nominal GDP stood at ₦100.73 trillion, up by 19.23% from ₦84.48 trillion in the same quarter of 2024. In the quarter under review, the oil sector recorded strong growth of 20.46%, a sharp rebound from 1.87% in Q1 2025 and higher than the 10.08% in Q2 2024, supported by increased crude oil production at 1.68 million barrels per day. Similarly, the non-oil sector grew by 3.64% in real terms, driven by agriculture, telecommunications, real estate, finance, trade, and construction. Growth in the agricultural sector stood at 2.82%, an improvement from the 2.60% recorded in the corresponding quarter of 2024. Furthermore, growth in the industrial sector reached 7.45% in Q2 2025, up from 3.72% in Q2 2024, contributing 17.31% to aggregate GDP compared to 16.79% in the same quarter of 2024. The services sector also recorded growth of 3.94%, compared to 3.83% in Q2 2024. This improved performance occurred largely due to stronger oil output and resilient non-oil activity. However, it also implies that while the non-oil sector has shown resilience, the oil sector's rebound remains vulnerable to disruptions in global oil prices. Furthermore, the 2.82% growth in agriculture remains below the sector's potential, with negative implications for food security, employment, and inflation management. Therefore, there is a need for the government to invest more in local agricultural production, focusing on mechanisation and improved access to finance for smallholder farmers and the provision of improved seedlings and technical support, among others.

ECONOMIC SNAPSHOT		
Quarterly Indicators	'24Q3	'24Q4
GDP Growth Rate (%)	3.46	3.84
Oil GDP Growth Rate (%)	5.17	1.48
Non-oil GDP Growth Rate (%)	3.37	3.96
Unemployment Rate (%)	NA	NA
Foreign Direct Investment (US $ Million)	103.82	NA
Portfolio Investment (US $Millions)	88.31	NA
Other Investment (US $Million)	249.53	NA
External Debt (FGN & States- N'Trillion)	69.23	56.02
Domestic Debt (FGN + States & FCT N'Trillion)	68.89	61.58
Manufacturing Capacity Utilization (%)	60.70	61.90
Imports (N'Billion)	14.67	16.56
Exports (N'Billion)	20.48	20.01
Total trade (N'Billion)	35.16	36.60
Total trade (N'Billion)	5.81	3.42
Trade balance (N'Billion)	13.40	13.78
Crude oil Export (N'Billion)	7.08	6.23
Non-Crude Oil Export (N'Billion)	2.50	2.84
Monthly Indicators	May 25'	June 25'
Headline Inflation (%)	22.97	22.22
Food Sub-Index (%)	21.14	21.97
Core Sub-Index (%)	22.28	22.76
External Reserves (End Period) (US$ Billion)	38.45	37.21
Official Rate Approx. (N/US$)	1,586.2	1549.8
BDC Rate Approx. (N/US$)	NA	NA
Manufacturing PMI	51.60	51.4
Non-Manufacturing PMI	51.70	51.3
Average Crude Oil Price (US$/Barrel)	65.90	73.50
Petrol (PMS-N/litre)	1,027.76	1,037.66
Diesel (AGO -N/Litre)	1,758.26	1,813.81
Kerosene (HHK -N/Litre)	2,175.29	2,192.63
Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)	8,167.43	8,323.95
MPR (%)	27.50	27.50
CRR of Deposit Money Banks (%)	50.00	50.00
T-Bill Rate (%)	19.07	17.90
Savings Deposit Rate (%)	7.53	7.52
Prime Lending Rate (%)	18.01	18.19
Maximum Lending Rate (%)	29.84	29.51
Narrow Money (N'Trillion)	40.38	39.92
Broad Money (N'Trillion)	119.01	117.50
Net Domestic Credit (N'Trillion)	102.90	99.86
Credit to the Government (Net) (N'Trillion)	25.07	23.73
Credit to the Private Sector (N'Trillion)	77.83	76.13
Currency in Circulation (N'Trillion)	5.01	5.0
FAAC (N'Trillion)	1.66	1.82

NA: Not Available

1. NESG Forecasts 3.8% GDP Growth, 24% Inflation by End-2025 report from**:**
Staying the Course on Reforms_1756134354.pdf

2. CBN Cuts MPR to 27% as Inflation Drops to 20.1%
report from:https://www.cbn.gov.ng/Out/2025/CCD/Final MPC Communique No. 159 September 23 2025.pdf

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