



NIGERIA

ECONOMIC

UPDATE

**Weekly
Snapshot**

Nigeria's FX Inflows Reaches US\$109.9bn

According to the [2025 Annual Report and Statement of Accounts](#) published by the Central Bank of Nigeria (CBN), Nigeria recorded total foreign exchange (FX) inflows of US\$109.86 billion in 2025, representing a 13.81% increase from US\$96.53 billion in 2024. This growth was driven largely by autonomous inflows, particularly non-oil export receipts and capital importation. Net FX inflows rose to US\$60.81 billion, despite a 27.83% increase in aggregate outflows to US\$49.05 billion and a 59.36% rise in overall FX utilisation, which reached US\$42.83 billion. FX utilisation was largely concentrated in invisible imports and visible imports for the industrial sector, the latter accounting for 42.11% of total utilisation. Meanwhile, the decline in CBN-sourced inflows was primarily attributed to lower receipts from government debt and foreign exchange swap transactions. The increase in net FX inflows underscores the growing contribution of autonomous sources to Nigeria's foreign exchange liquidity. This development has strengthened private-sector liquidity, improved investor confidence, and supported the expansion of non-oil trade. However, the significant increase in autonomous outflows and the economy's ongoing reliance on imported industrial inputs highlight persistent structural weaknesses in the system. These include limited domestic manufacturing capacity and increased vulnerability to volatile short-term capital flows. To sustain this positive momentum, monetary and fiscal authorities must work in close coordination. The CBN and the Federal Government should introduce targeted tax incentives, improve trade and export logistics, and strengthen the competitiveness of the non-oil export sector to promote sustainable autonomous FX earnings over the long term. In addition, maintaining a transparent, market-reflective exchange rate regime, supported by effective regulatory oversight, will help reduce exchange rate volatility, enhance investor confidence, and channel capital inflows into productive sectors of the economy rather than speculative activities.

Nigeria's Capacity Index Stands at 54.2 in 2026

According to the [2026 Nigeria Capacity Index \(NCIx\)](#) published by the Capacity Institute, Nigeria scored 54.2 out of 100 in its ability to translate public policies into tangible outcomes, lagging regional peers such as Rwanda (71.3) and Ghana (60.7). The report attributes this underperformance primarily to systemic execution constraints rather than resource scarcity. Specifically, Nigeria's capital budget execution stands at just 58%, significantly below the peer median of 82%, while the average project experiences delays of up to 42 months. In addition, logistical inefficiencies account for 35% of the value of goods, almost double the peer median of 18%. These operational shortcomings continue to impede infrastructure development and public service delivery, as reflected in the country's low power availability of 22 MW per capita and a public service reliability score of 48, compared with the peer median of 70. The persistent inability to implement projects efficiently, on schedule, and at scale continues to undermine economic productivity, weaken institutional effectiveness, and erode public confidence in government. Addressing these challenges requires more than sound policy design; it demands a stronger focus on execution. To reverse this trend, the government should prioritise a limited number of high-impact national objectives and strengthen institutional coordination to reduce fragmentation across ministries, departments, and agencies. Bureaucratic processes should also be streamlined, while real-time monitoring and data-driven feedback mechanisms should be integrated into project implementation to enable the early identification and correction of operational bottlenecks. Ultimately, placing greater emphasis on execution discipline, accountability, and effective policy implementation, rather than merely formulating new policies, will be essential for accelerating national development and restoring public trust in government institutions.

Credit Easing: Lenders Expand Credit Access

According to the Central Bank of Nigeria's [Q2 2026 Credit Conditions Survey](#), credit availability expanded across the secured, unsecured, and corporate lending segments. Demand for credit also strengthened, rising to 15.1 index points for secured loans and 15.2 index points for corporate lending, driven largely by corporate balance sheet restructuring and increased capital investment. In contrast, household demand for unsecured credit remained weak, recording -1.2 index points. On the supply side, financial institutions approved a higher proportion of loan applications while reporting a decline in default rates across all lending categories. However, loan pricing presented a mixed picture. Interest rate spreads relative to the Monetary Policy Rate (MPR) narrowed for most corporate borrowers but widened for secured household loans (-4.5 index points) and small businesses (-3.8 index points). Overall, the survey suggests that Nigeria's credit market is becoming more resilient, with stronger liquidity conditions, improving asset quality, and renewed confidence among lenders. Increased corporate borrowing for investment purposes is particularly encouraging, as it has the potential to stimulate productive capacity, job creation, and economic growth. Nevertheless, the higher borrowing costs faced by households and small businesses highlight persistent structural inefficiencies in credit allocation. Since Micro, Small and Medium Enterprises (MSMEs) account for most businesses and employment in Nigeria, sustained financing constraints could weaken entrepreneurship, limit business expansion, and reduce the sector's contribution to inclusive economic growth. To address these challenges, the monetary and fiscal authorities should work collaboratively to expand targeted credit intervention programmes, strengthen credit guarantee schemes, and introduce risk-sharing mechanisms that encourage banks to lend to viable MSMEs at more affordable rates. Accelerating reforms to the collateral registry, expanding credit information systems, and promoting digital lending platforms would also reduce information asymmetry and lower the cost of credit intermediation. At the same time, financial institutions must maintain prudent underwriting standards and robust risk management practices to ensure that the current expansion in credit does not translate into a future build-up of non-performing loans. Achieving a balance between greater financial inclusion and sound credit risk management will be essential for sustaining credit growth and supporting long-term economic development.

ECONOMIC SNAPSHOT		
Quarterly Indicators	'25Q4	'26Q1
GDP Growth Rate (%)	4.07	3.89
Oil GDP Growth Rate (%)	6.79	9.31
Non-oil GDP Growth Rate (%)	3.99	3.94
Unemployment Rate (%)	NA	NA
Foreign Direct Investment (US \$ Million)	357.8	135.1
Portfolio Investment (US \$Millions)	5,486.03	9,862.34
Other Investment (US \$Million)	599.65	374.48
External Debt (FGN & States- N'Trillion)	74,426,735	NA
Domestic Debt (FGN + States & FCT N'Trillion)	84,849,333	NA
Manufacturing Capacity Utilization (%)	NA	NA
Imports (N'Billion)	17.25	13.62
Exports (N'Billion)	18.96	21.17
Total trade (N'Billion)	36.21	34.79
Trade balance (N'Billion)	1.71	7.55
Crude oil Export (N'Billion)	9.702	NA
Non-Crude Oil Export (N'Billion)	9.26	NA
Non-Oils Export (N'Billion)	3.145	NA
Monthly Indicators	April 26'	May 26'
Headline Inflation (%)	15.69	15.93
Food Sub-Index (%)	3.63	2.98
Core Sub-Index (%)	1.03	1.94
External Reserves (End Period) (US\$ Billion)	48.36	49.58
Official Rate Approx. (N/US\$)	1,374.94	1,373.25
BDC Rate Approx. (N/US\$)	1,474	1,373
Manufacturing PMI	52.4	54.1
Non-Manufacturing PMI	48.8	49.3
Average Crude Oil Price (US\$/Barrel)	108.79	114.55
Petrol (PMS-N/litre)	1,531.93	NA
Diesel (AGO -N/Litre)	2,474.69	NA
Kerosene (HHK -N/Litre)	2,976.94	NA
Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)	8,706.93	NA
MPR (%)	26.50	26.50
CRR of Deposit Money Banks (%)	45	45
T-Bill Rate (%)	15.95	15.95
Savings Deposit Rate (%)	7.34	7.24
Prime Lending Rate (%)	18.87	19.10
Maximum Lending Rate (%)	35.17	34.78
Narrow Money (N'Trillion)	44.62	43.76
Broad Money (N'Trillion)	124.99	129.21
Net Domestic Credit (N'Trillion)	120.18	121.42
Credit to the Government (Net) (N'Trillion)	39.60	40.38
Credit to the Private Sector (N'Trillion)	80.59	81.04
Currency in Circulation (N'Trillion)	5.65	5.69
FAAC (N'Trillion)	2.63	NA

1. Nigeria's FX Inflows Reaches US\$109.9bn report from:

<https://www.cbn.gov.ng/Out/2026/CCD/Annual%20Report.pdf>

2. Nigeria's Capacity Index Stands at 54.2 in 2026 report from:

<https://the-capacity-institute.org/ncix/#results>

3. Credit Easing: Lenders Expand Credit Access report from:

[https://www.cbn.gov.ng/Out/2026/STD/Q2%202026%20CCS%20Report-STA DIR INT REP 003 005.pdf](https://www.cbn.gov.ng/Out/2026/STD/Q2%202026%20CCS%20Report-STA_DIR_INT_REP_003_005.pdf)