CSEA
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Nigeria’s Trade Prices Remain Stable Amid Weak External Price Advantage

According to recent data from the National Bureau of Statistics, Nigeria’s trade price indices in Q4 2025 showed broadly stable but slightly positive movements. The All-Commodity Import Index increased by 0.11 percent, driven by higher prices of papermaking materials, textiles, mineral products, and stone, plaster, and cement, among others. The All-Commodity Group Export Index rose by 0.12 percent, supported by increases in prices of miscellaneous manufactured articles, vehicles and aircraft parts, base metals, and plastic and rubber products. Consequently, the All-Commodity Group Terms of Trade improved marginally by 0.01 percent between October and December 2025. The implication of these movements is that Nigeria’s external price competitiveness remains broadly stable but weak, with marginal gains insufficient to generate meaningful improvements in real trade income. The near-zero improvement in Terms of Trade suggests that export price gains are being almost fully offset by import price increases, limiting the economy’s ability to extract net value from external trade. This reinforces structural dependence on imported intermediate and capital goods, which continues to expose domestic production costs to external price fluctuations. Policy should therefore focus on strengthening export value addition rather than relying on marginal price movements. Priority should be given to industrial growth in manufacturing, agro-processing, and other productive value chains to improve export pricing power. Trade diversification efforts should also be strengthened, while adding value to products, to expand access to higher-value markets beyond current trading partners, thereby improving resilience and strengthening Nigeria’s external exports and foreign earnings.

Nigeria’s External Reserves Decline by US$1.4bn Amid FX Intervention Pressures

Recent data from the Central Bank of Nigeria show that Nigeria’s external reserves declined slightly, indicating that some of the earlier improvement in external buffers are being gradually reversed by market support operations and sustained foreign exchange demand rather than a fundamental deterioration in the external position. Reserves increased to about US$50.03 billion on 11 March 2026 before declining to approximately US$48.65 billion as of 16 April, implying a drawdown of roughly US$1.37 billion within one month. This movement is consistent with FX market interventions aimed at stabilising the exchange rate amid moderated inflows and stronger dollar demand pressures. The recent naira stability may have been partly supported through active reserve management rather than solely from improved autonomous FX supply. While the decline does not show immediate external vulnerability, it reveals underlying liquidity constraints in the FX market, where demand continues to outpace inflows from oil receipts, remittances, and capital flows. In a global environment still shaped by persistent geopolitical disruptions and tighter financial conditions, such pressures are more likely to translate quickly into exchange-rate management challenges. Policy attention should therefore focus on strengthening the durability of FX inflows while reducing structural demand pressures. Priority should also be given to boosting export competitiveness, improving oil production reliability, and attracting more stable foreign investment inflows.

Nigeria's Growth Outlook Revised Amid Global Cost Pressures and Geopolitical Risks

The International Monetary Fund (IMF) in their Global Outlook report for April has revised Nigeria’s 2026 real GDP growth forecast downward to 4.1 percent, from 4.4 percent in its January outlook, reflecting rising input costs, particularly fuel, fertiliser, and shipping, which are weighing on non-oil sector activity. This moderation comes despite some offset from stronger oil prices. The growth path shows relative stability, with output estimated at 4.0 percent in 2025 and projected at 4.1 percent in 2026 and 4.3 percent in 2027. Inflation, while expected to ease, remains elevated, estimated at 23.0 percent in 2025, then declining to 16.0 percent in 2026 and 15.9 percent in 2027. External balances appear positive, with the current account surplus estimated at 5.1 percent of GDP in 2025, rising to 5.8 percent in 2026 before moderating to 3.1 percent in 2027. These revisions reflect a more complex global environment shaped by ongoing geopolitical conflicts, including the Iran crisis, the Russia-Ukraine War, and the Israel-Hamas War, which continue to disrupt energy markets, global supply chains, and shipping routes. For Nigeria, the situation translates into higher imported inflation and cost pressures for production and distribution, particularly in the non-oil sectors. While higher oil prices provide some fiscal and external relief due to higher revenue for government, the asymmetry between oil gains and broader cost pressures limits the transmission of growth, reinforcing structural weaknesses and dampening domestic demand. Policy response should prioritise protecting the domestic economy from external shocks while improving supply-side efficiency. This includes scaling up investments in energy infrastructure, transport logistics, and local input production to reduce import dependence and drive the growth of Nigeria’s productive sector.

ECONOMIC SNAPSHOT		
Quarterly Indicators	'25Q3	'25Q4
GDP Growth Rate (%)	3.98	4.07
Oil GDP Growth Rate (%)	5.84	6.79
Non-oil GDP Growth Rate (%)	3.91	3.99
Unemployment Rate (%)	NA	NA
Foreign Direct Investment (US $ Million)	296.25	357.8
Portfolio Investment (US $Millions)	4,853.96	5,486.03
Other Investment (US $Million)	864.57	599.65
External Debt (FGN & States- N'Trillion)	71.48	NA
Domestic Debt (FGN + States & FCT N'Trillion)	81.82	NA
Manufacturing Capacity Utilization (%)	NA	NA
Imports (N'Billion)	16.12	17.25
Exports (N'Billion)	22.81	18.96
Total trade (N'Billion)	38.93	36.21
Trade balance (N'Billion)	6.69	1.71
Crude oil Export (N'Billion)	12.81	9.702
Non-Crude Oil Export (N'Billion)	10.01	9.26
Non-Oils Export (N'Billion)	2.99	3.145
Monthly Indicators	January 26'	February 26'
Headline Inflation (%)	15.15	15.06
Food Sub-Index (%)	10.84	12.12
Core Sub-Index (%)	18.63	15.88
External Reserves (End Period) (US$ Billion)	45.5	49.69
Official Rate Approx. (N/US$)	1459.03	1363.39
BDC Rate Approx. (N/US$)	1495	1369
Manufacturing PMI	49.7	53.2
Non-Manufacturing PMI	54.5	55.3
Average Crude Oil Price (US$/Barrel)	62.31	67.9
Petrol (PMS-N/litre)	1048.63	1051.47
Diesel (AGO -N/Litre)	1401.63	1420.17
Kerosene (HHK -N/Litre)	2605.26	NA
Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)	5360.43	NA
MPR (%)	27	26.5
CRR of Deposit Money Banks (%)	45	45
T-Bill Rate (%)	15.48	15.84
Savings Deposit Rate (%)	7.29	7.36
Prime Lending Rate (%)	19.54	19.29
Maximum Lending Rate (%)	32.68	35.17
Narrow Money (N'Trillion)	42.14	42.82
Broad Money (N'Trillion)	123.36	123.15
Net Domestic Credit (N'Trillion)	109.42	111.39
Credit to the Government (Net) (N'Trillion)	35.99	35.99
Credit to the Private Sector (N'Trillion)	75.24	75.62
Currency in Circulation (N'Trillion)	5.73	5.73
FAAC (N'Trillion)	NA	NA

NA: Not Available

1. Nigeria’s Trade Prices Remain Stable Amid Weak External Price Advantage report from: https://microdata.nigerianstat.gov.ng/index.php/catalog/167

2. Nigeria’s External Reserves Decline by US$1.4bn Amid FX Intervention Pressures report from:
https://www.cbn.gov.ng/intops/reserve.html

3. Nigeria's Growth Outlook Revised Amid Global Cost Pressures and Geopolitical Risks report from:
https://www.imf.org/-/media/files/publications/weo/2026/april/english/ch1.pdf