January, 2026

NIGERIA MACRO-ECONOMIC SNAPSHOT

CSEA
Centre for the Study of the Economies of Africa

Nigeria's Macroeconomy in retrospect: Growth, Inflation, and External Sector Developments

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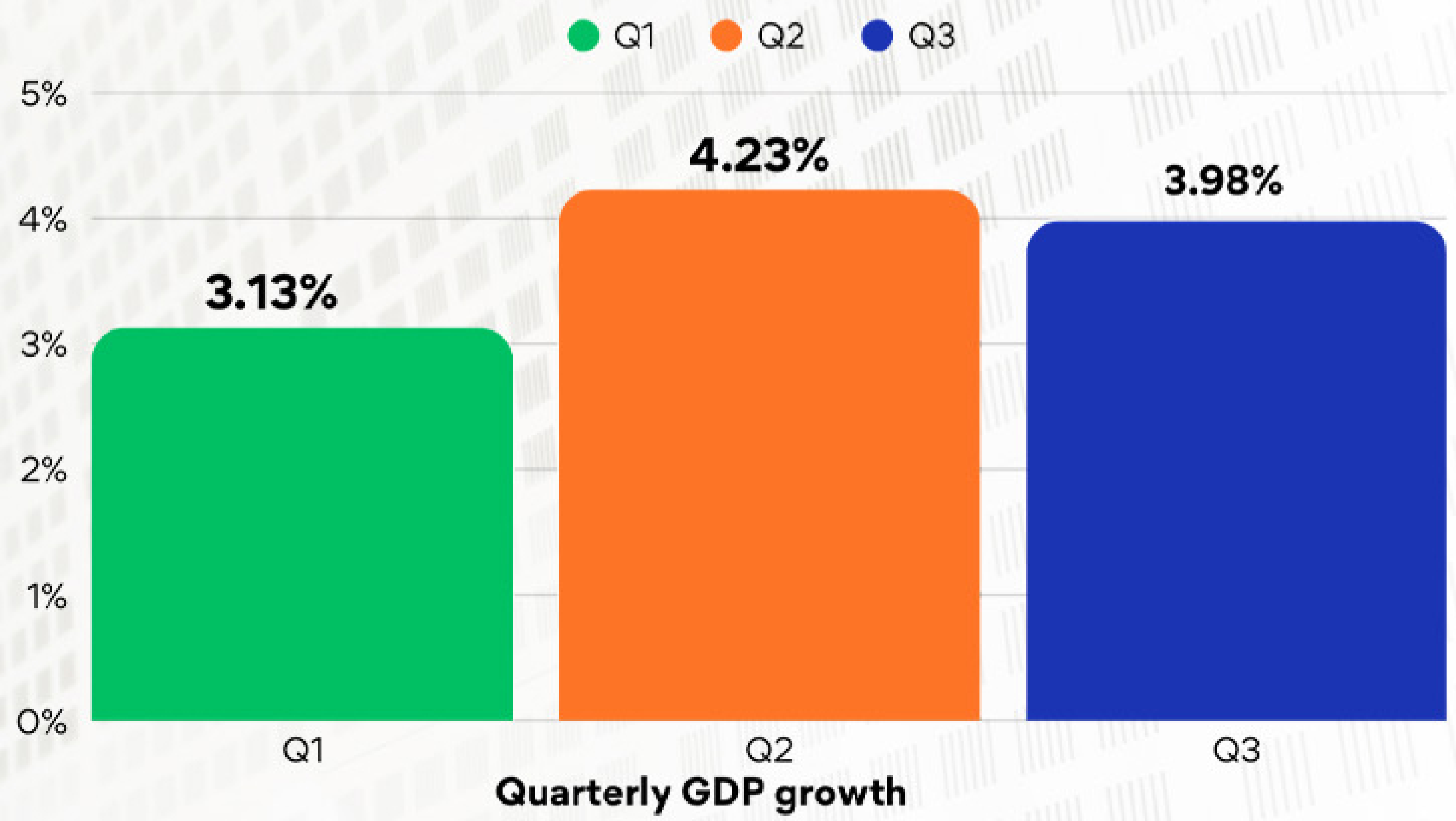
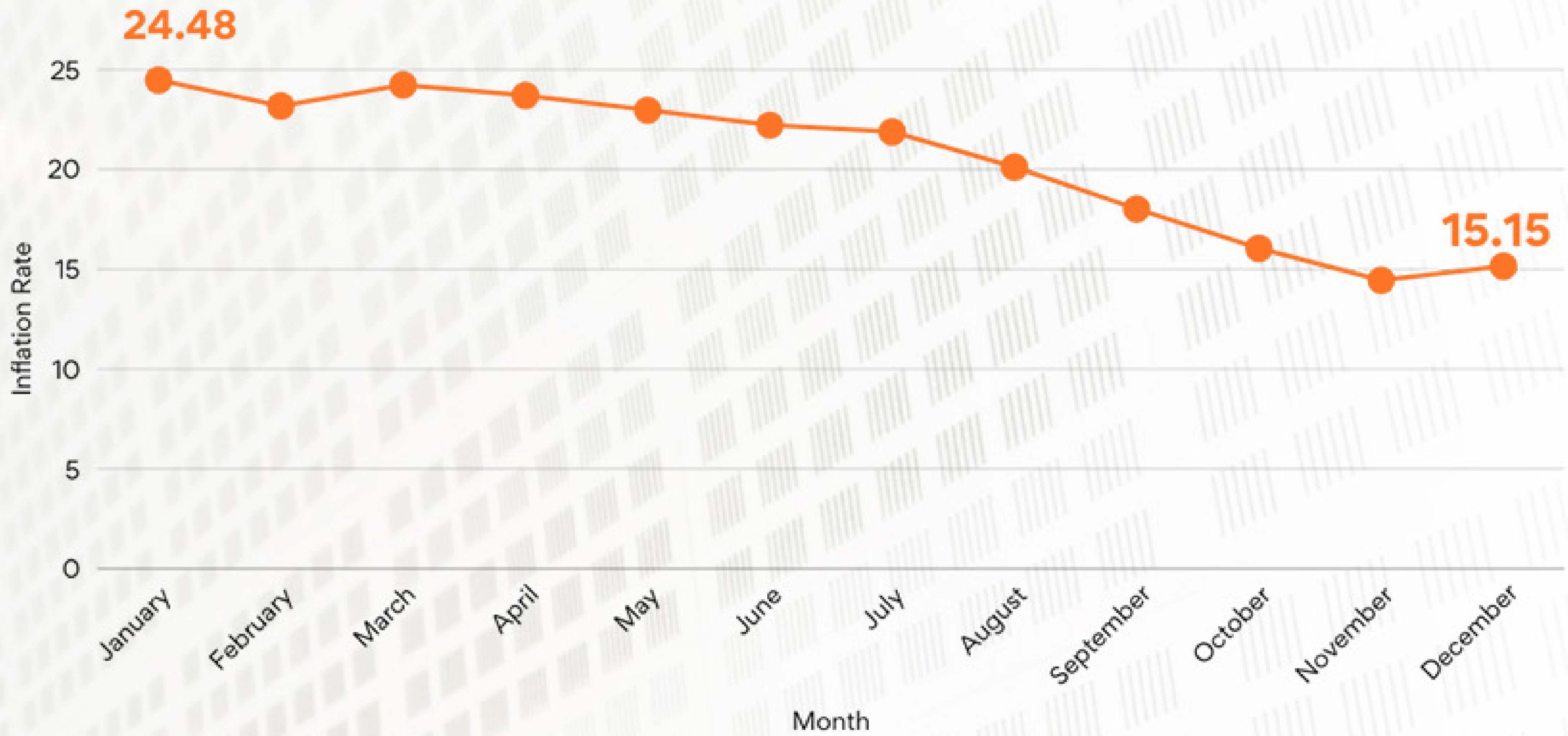
2025 Quarterly GDP Growth Rate



Nigeria's GDP growth in 2025 shows a clear upward trend, rising from 3.13% in Q1 to 4.23% in Q2, before moderating to 3.98% in Q3, which is 0.12 percentage points higher than Q3 2024.This sustained growth was driven mainly by the non-oil sector, which accounted for over 96% of real output, with sector wide gains in agriculture, industry, and services. This growth rate aligns IMF's October 2025 upward revision of Nigeria's GDP growth forecast to 3.9% in 2025 and 4.2% in 2026, supported by improved oil production, stronger investor confidence, and a more supportive fiscal stance. However, persistent inflation and structural bottlenecks in the power, transport and security sectors highlight the need for diversification into manufacturing, agriculture and digital services, alongside macroeconomic and regulatory reforms to sustain economic recovery.

2025 Inflation Rate



Monthly Inflation rate

Nigeria's inflation rate in 2025 followed a clear downward trajectory, signalling a gradual easing of price pressures over the course of the year, despite a slight uptick at year end. Inflation began the year at a high 24.48 percent in January, dipped marginally in February, and rose again to 24.23 percent in March, which marked the annual peak. From April onward, inflation declined steadily, falling from 23.71 percent in April to 22.97 percent in May and 22.22 percent in June, before continuing its downward path in the second half of the year. Disinflation became more pronounced from August following the rebasing of the inflation metric by the National Bureau of Statistics, with inflation dropping from 20.12 percent in August to 18.02 percent in September, 16.05 percent in October, and 14.45 percent in November. In December, inflation edged up slightly to 15.15 percent, reflecting mild seasonal pressures, but remained significantly lower than levels recorded earlier in the year. Overall, the trend points to sustained moderation in inflation, suggesting that policy measures to stabilise prices were largely effective despite lingering inflationary risks.

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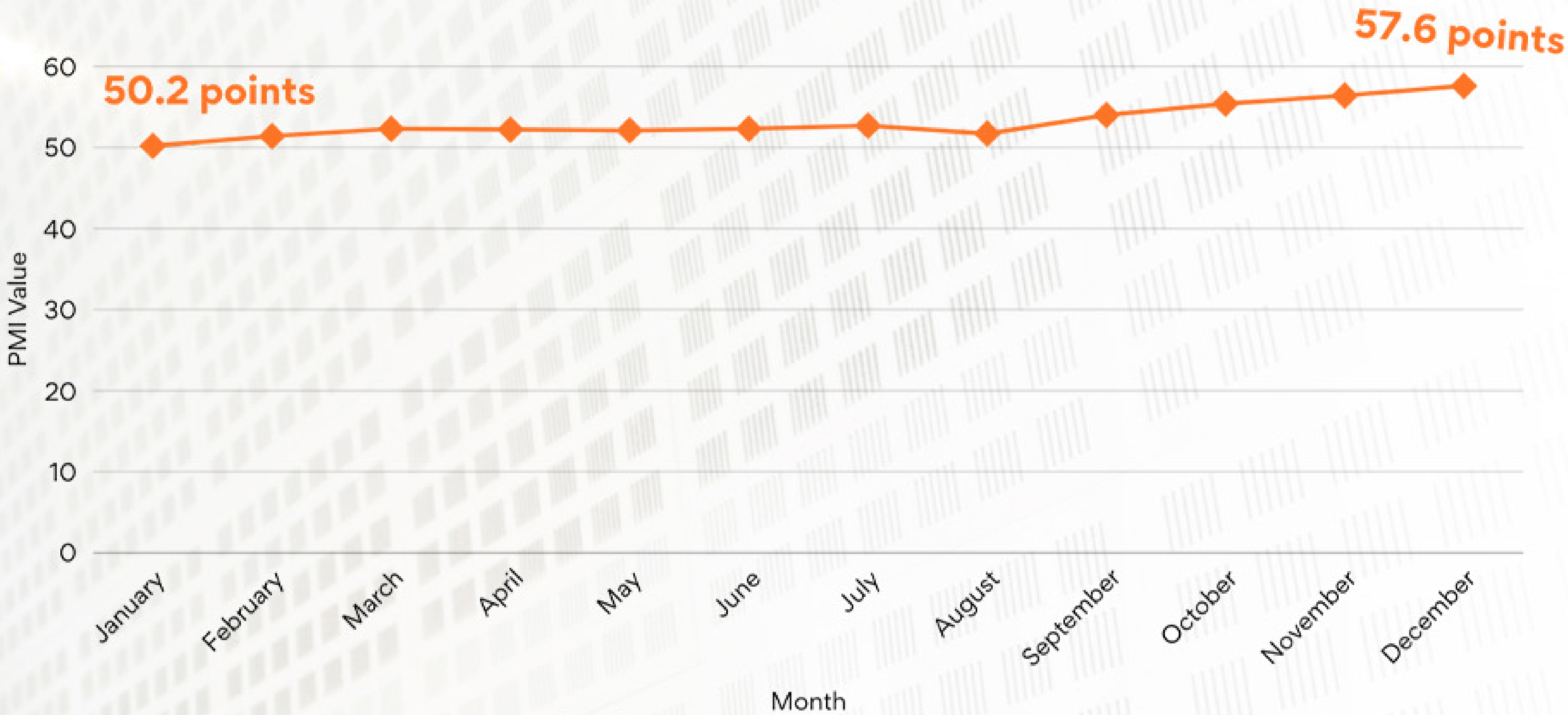
2025 Purchasing Managers Index



Purchasing Managers Index

Nigeria's Purchasing Managers Index illustrates a steady strengthening of economic activity over the course of 2025. The year began with a PMI of 50.2 points in January, just above the expansion threshold, indicating marginal growth at the start of the year. From February through July, the PMI remained consistently in expansionary territory, fluctuating modestly between 51.4 and 52.7 points, suggesting stable but moderate improvements in business conditions. A brief softening occurred in August, when the PMI dipped to 51.7 points, before momentum picked up more decisively in the final quarter of the year. From September onward, the PMI rose steadily from 54.0 points to 55.4 points in October, 56.4 points in November, and peaked at 57.6 points in December. Overall, the trend indicates a broad-based and accelerating expansion in economic activity as the year progressed, with particularly strong momentum in the second half of the year.

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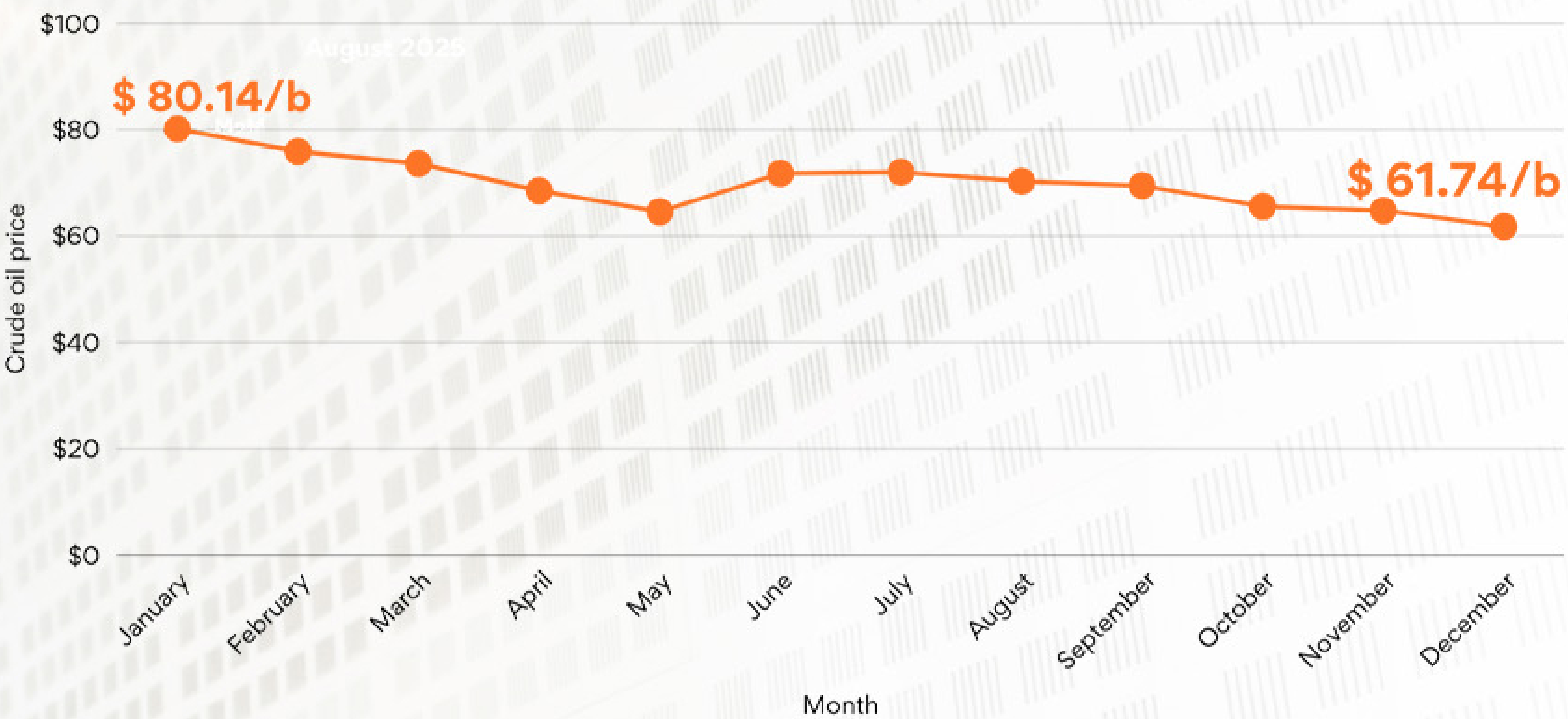
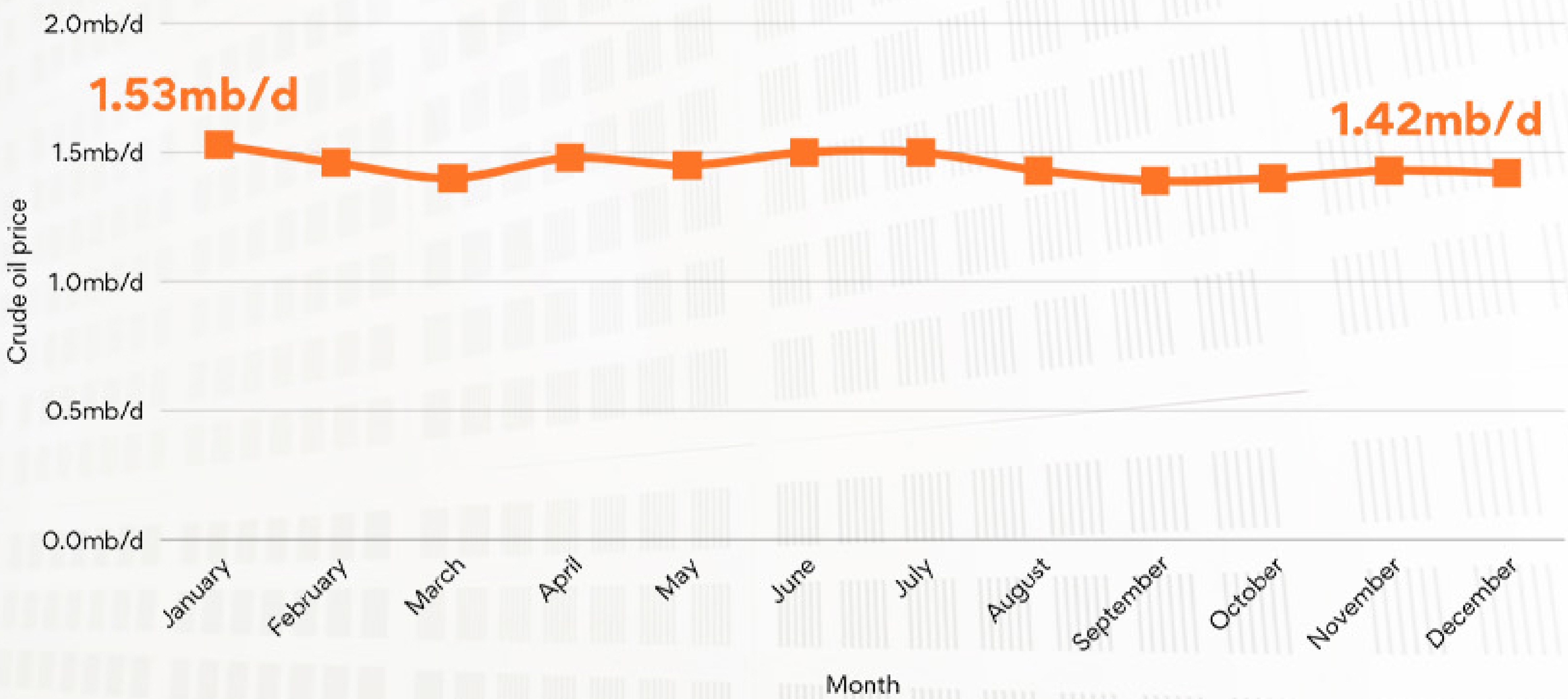
2025 Crude Oil Production and price trajectory



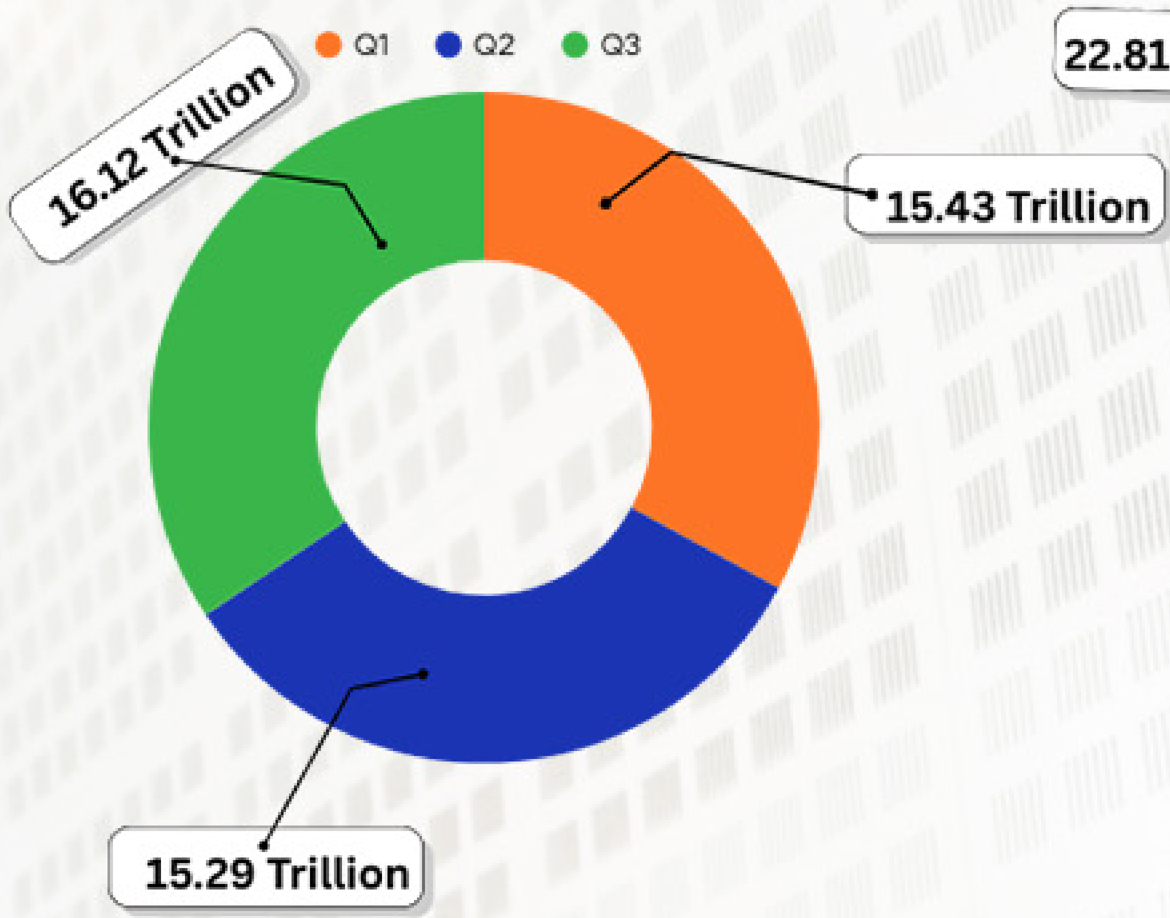
Oil price trajectory



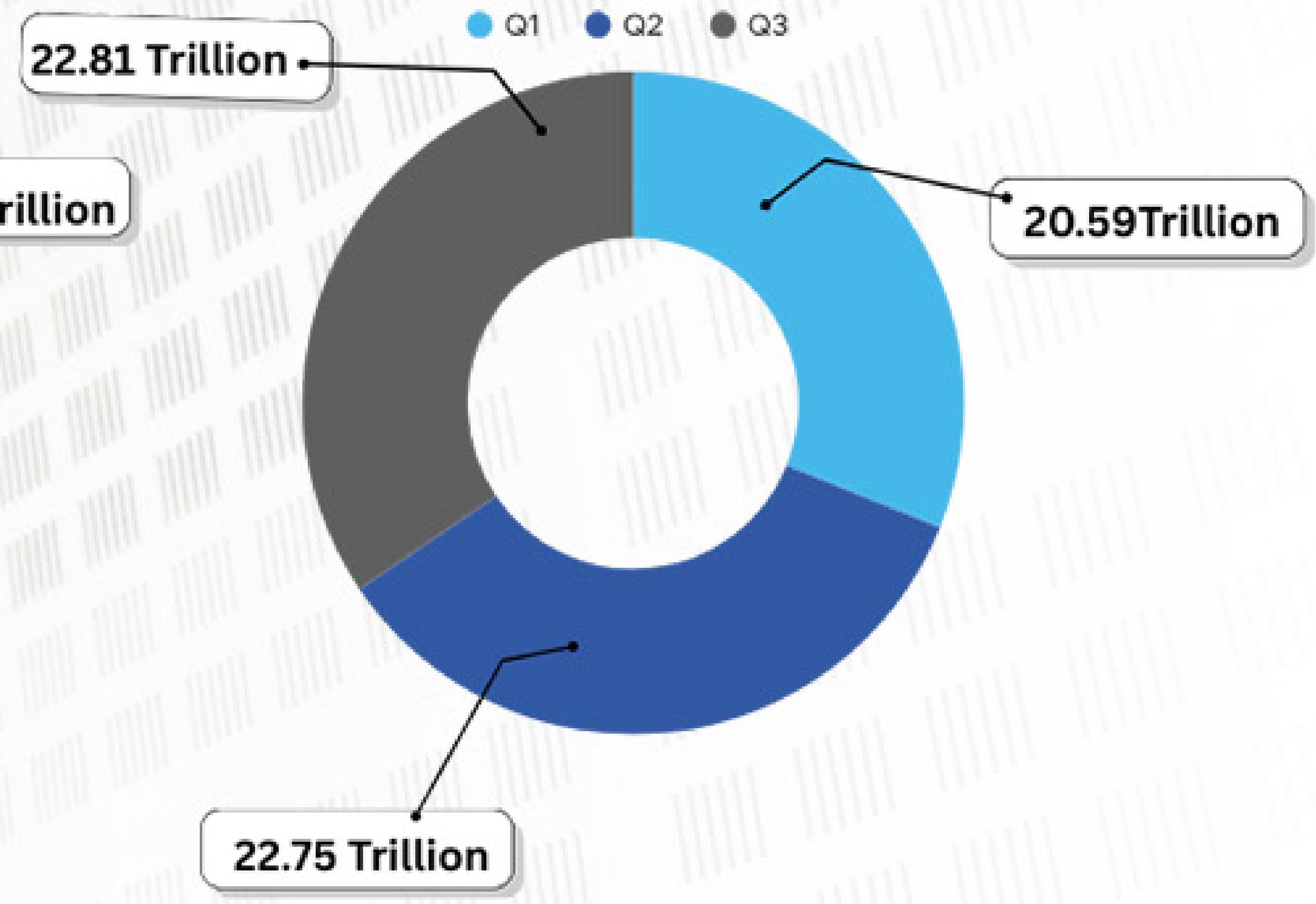
Monthly Oil Production

The two graphs together illustrate a divergent but related pattern between Nigeria's crude oil production and global oil price movements in 2025. Crude oil prices followed a generally downward trajectory over the year, declining from a high of $80.14 per barrel in January to $61.74 per barrel in December, despite a brief mid-year recovery when prices rose from $64.55 in May to around $71.97 in July. In contrast, Nigeria's oil production remained relatively stable within a narrow range, fluctuating between 1.39 and 1.53 million barrels per day throughout the year. Production was highest in January at 1.53 mb/d, dipped in March, recovered modestly around mid-year to 1.50 mb/d in June and July, and eased slightly toward the end of the year, settling at 1.42 mb/d in December. The comparison suggests that while global oil prices weakened significantly over the year, domestic production levels were broadly maintained, indicating that Nigeria's output dynamics in 2025 were influenced more by structural and operational factors than by short-term price movements.

Import and Export value-2025



Total Value of Import



Total Value of Export

The Import and export value graphs show the relative performance of imports and exports in 2025, highlighting a persistent trade surplus over the period. On the import side, total import values remained relatively stable, falling modestly from ₦15.43 trillion in Q1 to ₦15.29 trillion in Q2, before increasing more noticeably to ₦16.12 trillion in Q3, indicating a gradual expansion in import demand as the year progressed. In contrast, export values were consistently higher across all quarters and exhibited stronger growth dynamics, increasing from ₦20.60 trillion in Q1 to ₦22.75 trillion in Q2, and edging further up to ₦22.81 trillion in Q3. The graph further highlights widening gap between exports and imports, particularly from Q2 onward, suggesting an improvement in Nigeria's trade balance during the year. Overall, while imports showed moderate growth, the faster and sustained expansion in exports points to stronger external sector performance and increased foreign exchange earnings in 2025.

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Key Takeaways/Analysis

Nigeria's economy maintained an upward trajectory in 2025, with real GDP growth rising to 3.98% in Q3, up from 3.86% a year earlier, driven mainly by the non-oil sector. Private sector momentum remained firm, as the PMI stayed above the 50-point threshold all year, strengthening mid-year and settling at 52.1 in November, signalling continued expansion in output, and employment. At the same time, crude oil prices climbed from $64.8 per barrel in January to $80.1 in November, improving export earnings but underscoring Nigeria's exposure to global oil market volatility and cautious investor sentiment. To sustain growth and build resilience, policymakers must tackle persistent inflation and structural bottlenecks in power, transport, and security while accelerating diversification into manufacturing, agriculture, and digital services alongside macroeconomic and regulatory reforms that deepen investor confidence.

DISCLAIMER

All estimates are to the nearest decimal point using the latest and most-readily-accessible data.

Sources: *CBN, NBS, NGX, OPEC, CSEA Research*

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