CSEA
CENTRE FOR THE STUDY OF THE ECONOMIES OF AFRICA

Weekly Snapshot

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Nigeria's Export Rises Year-on-Year by 28.43% in Q2 2025

The National Bureau of Statistics' (NBS) Foreign Trade in Goods report for Q2 2025 revealed a trade surplus, due in part to rising exports of petroleum products. Nigeria's total merchandise trade was ₦38.04 trillion, a 20.05% year-on-year rise from the ₦31.68 trillion recorded in Q2 2024. The trade balance stood positive at ₦7.46 trillion, up by 44.31% from the previous quarter. Total imports were valued at ₦15.29 trillion, a 9.43% increase from Q2 2024 but slightly down 0.90% from Q1 2025 at ₦15.43 trillion. China remained the largest import partner, followed by the USA and India. Key imports included motor spirit ordinary, petroleum oils and oils obtained from bituminous minerals crude, durum wheat, machines for reception, conversion, and transmission of voice, images, or data, and gas oil. Agricultural imports rose by 32.60% compared to Q2 2024. Exports totalled ₦22.75 trillion, an increase of 28.43% from Q2 2024 and 10.45% from Q1 2025, driven by crude oil exports valued at ₦11.97 trillion (52.6% of total exports), other petroleum gases in a gaseous state, natural gas, other liquefied petroleum gases, other gaseous hydrocarbons, and kerosene-type jet fuel. Top export partners were Spain, India, France, the Netherlands, and Canada. Agricultural exports climbed 29.03% from Q2 2024 but were down 26.28% quarter-on-quarter. While the positive trade balance reflects stronger petroleum exports, Nigeria should diversify its export base by strengthening non-oil and agricultural value chains. This will reduce reliance on crude oil, mitigate against external shocks, and sustain long-term trade growth.

Inflation Eases by 1.76% in August 2025

According to the National Bureau of Statistics (NBS), Nigeria's headline inflation declined to 20.12% in August 2025, down from 21.88% in July, indicating a 1.76 percentage point decline. On a year-on-year basis, the headline inflation rate slowed by 12.03 percentage points compared to 32.15% in August 2024, partly influenced by the revised CPI base year (November 2009 = 100). On a monthly basis, inflation moderated to 0.74% in August, compared to 1.99% in July 2025. This shows that average price increases in August 2025 were slower compared to July 2025. Across states, inflationary pressures varied: Ekiti (28.17%), Kano (27.27%), and Oyo (26.58%) recorded the highest year-on-year price increases, while Zamfara (11.82%), Anambra (14.16%), and Enugu (14.20%) had the lowest. Furthermore, food inflation was highest in Borno (36.67%), Kano (30.44%), and Akwa Ibom (29.85%), but far lower in Zamfara (3.30%), Yobe (3.60%), and Sokoto (6.34%). The overall decline in headline inflation suggests relief in price pressures. However, the uneven trend in food inflation across states can be attributed to insecurity and supply chain disruptions. These disparities indicate a significantly higher cost of living in states with higher inflation rates. Therefore, policies should go beyond broad national measures by identifying and integrating state-specific dynamics, since inflation rates vary across states and are shaped by different local drivers. The government should address key challenges such as insecurity, lack of fertilisers, lack of access to agricultural credit, etc.

Nigeria's Foreign Reserves Hit $42 Billion, Highest in 6 Years

The movement in foreign reserves data from the Central Bank of Nigeria (CBN) revealed that Nigeria's external reserves rose to $42.03 billion on September 19, 2025. This is the highest level recorded since late September 2019, reaching a six-year (72-month) peak. The last time reserves were higher was on September 26, 2019, when they stood at $42.05 billion. This recent increase continues a sustained rally that began in July. Just a month earlier, on August 19, 2025, reserves had climbed to $41 billion, the highest in 44 months. According to CBN data, foreign reserves grew by about 12.7% year-on-year, rising $4.7 billion from $37.3 billion on September 18, 2024, to $42.03 billion on September 19, 2025. The stable macroeconomic outlook, as suggested by reserves, was noted by the CBN in its September 2025 Monetary Policy Communique (No. 159), where it reported a continued stable exchange rate and robust external reserves, citing factors such as increased capital inflows and an increase in crude oil production as drivers of the surge in foreign reserves. To maintain this upward momentum, it is important to keep debt levels manageable and invest in infrastructure to boost oil production, as the oil sector accounts for a significant share of the foreign earnings in Nigeria. Also critical is the growth of non-oil exports, which can be supported by improving business access to credit, reducing energy and other production costs, enhancing transportation networks, and ensuring the availability of raw materials for production.

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. Nigeria's Export Rises Year-on-Year by 28.43% in Q2 2025 report from:
https://microdata.nigerianstat.gov.ng/index.php/catalog/84

2. Inflation Eases by 1.76% in August 2025 report from:
..\AppData\Local\Temp\717fb201-b433-459f-93a9-5a886af65807_CPI_AUGUST_2025.zip.CPI_AUGUST_2025.zip\CPI_AUGUST_2025.pdf

3 Nigeria's Foreign Reserves Hit $42 Billion, Highest in 6 Years retrieved from;
https://www.cbn.gov.ng/IntOps/Reserve.html