October, 2025

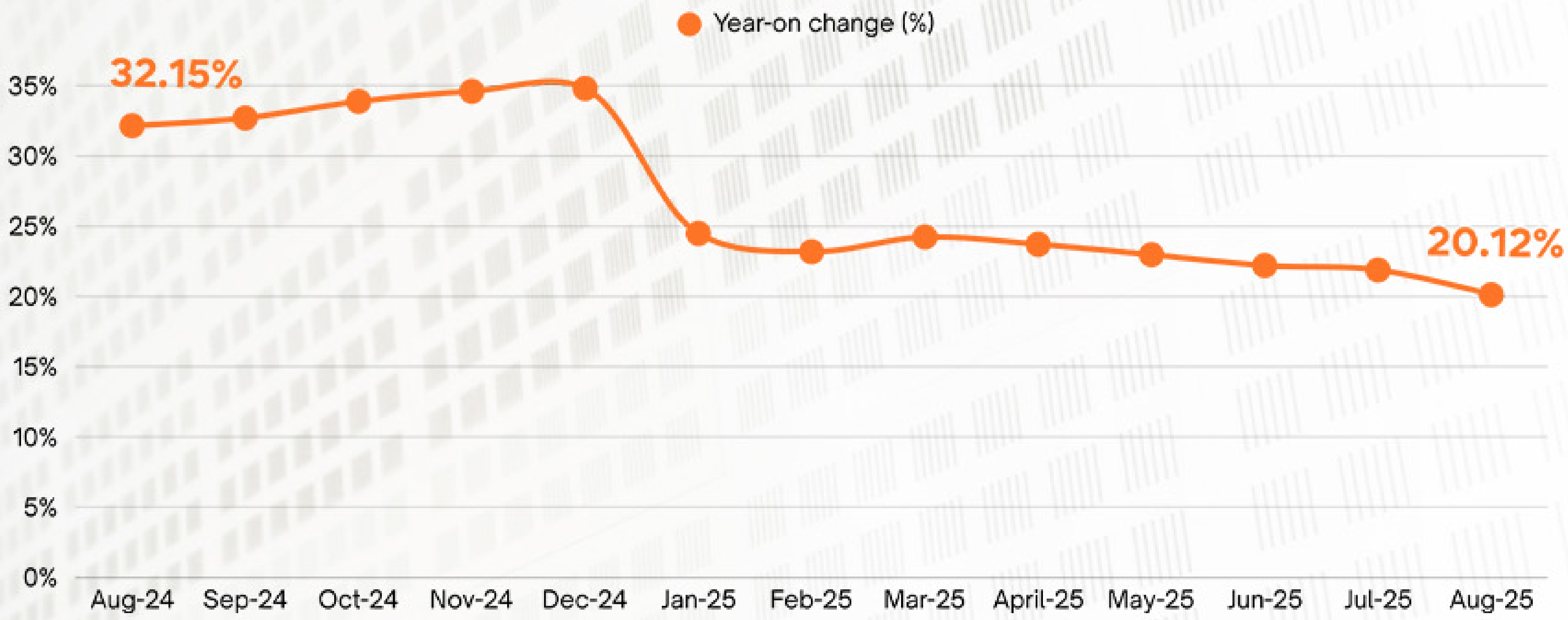
NIGERIA MACRO-ECONOMIC SNAPSHOT

CSEA
CENTRE FOR THE STUDY OF THE ECONOMIES OF AFRICA

Macroeconomic Trends in Nigeria: Broad-Based Growth and Easing Price Pressures

October, 2025

October 2025 Inflation (CPI)



Nigeria's inflation rate eased in August 2025, marking a slowdown in price pressures. Headline inflation declined to **20.12%**, down from **21.88%** in July. The decrease was supported by a revised CPI base year and a slowdown in monthly inflation to **0.74%**. The report also showed that urban inflation stood at **19.75%** year-on-year in August 2025, significantly lower than the **34.58%** recorded in August 2024, while rural inflation eased to **20.28%** year-on-year, down from **29.95%** in August 2024.

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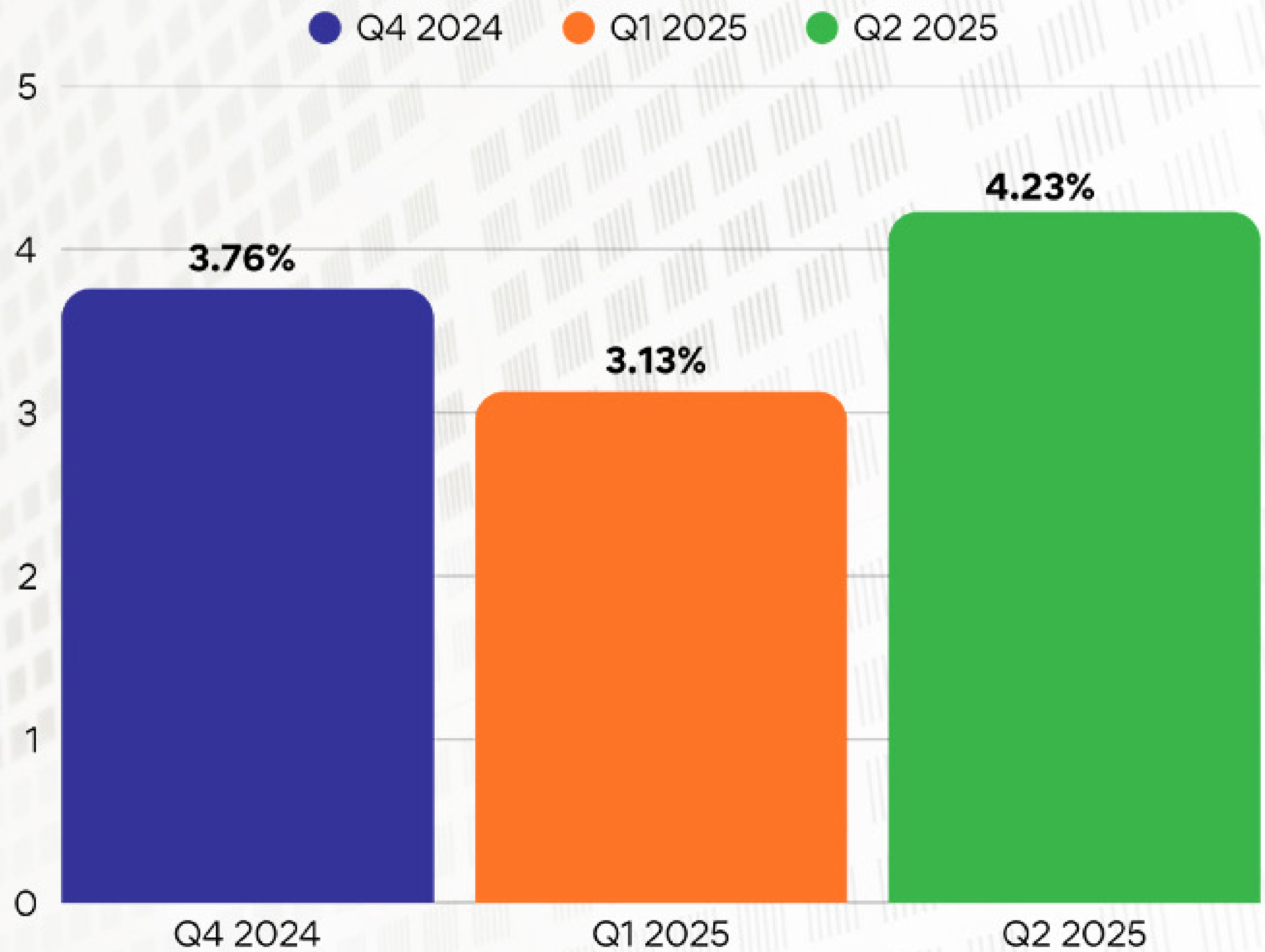
Q2 2025 GDP



Q2 2025 Gross Domestic Product

Nigeria's economy maintained its upward growth trajectory in the second quarter of 2025, expanding by **4.23%** year-on-year compared to **3.48%** in the same period of 2024. The improved performance followed the GDP rebasing, using 2019 as the base year reflecting stronger activity across key sectors. The industry and services sectors recorded notable growth of **7.45%** and **3.94%,** respectively, while agriculture grew modestly by **2.82%.**

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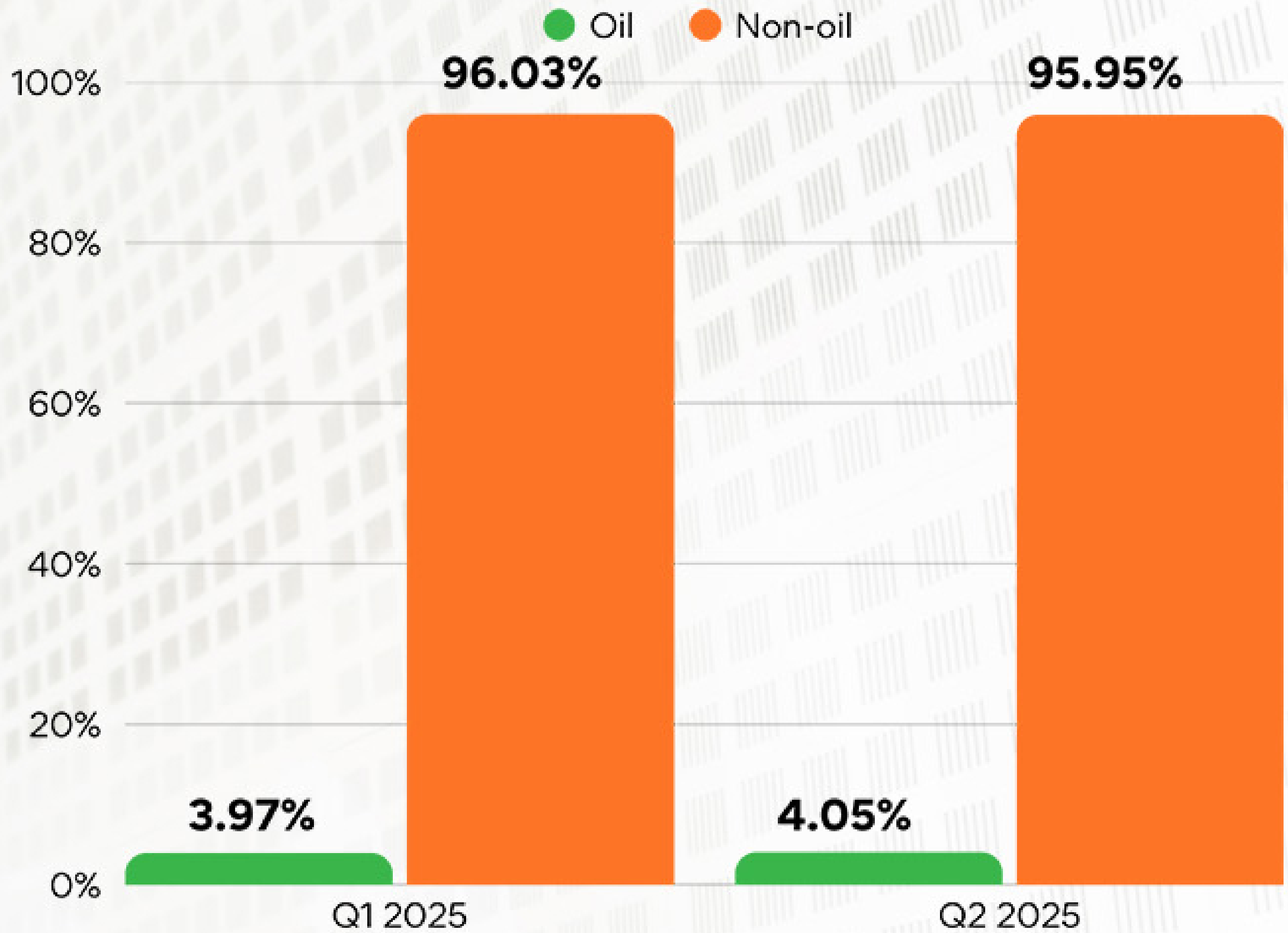
Oil and Non-oil sector contribution to GDP- Q2 2025



Oil and Non-oil sector contribution to GDP

Nigeria's economic growth in Q2 2025 was bolstered by strong oil sector performance and steady expansion in the non-oil sector. Average daily crude oil production rose to **1.68 million** barrels per day, up from **1.41 million** in Q2 2024. The sector contributed **4.05%** to total GDP, reflecting improved output and production efficiency. Meanwhile, the non-oil sector, bolstered by positive activity in agriculture, telecommunications, real estate, finance, trade, and construction remained the dominant contributor, accounting for **95.95%** of total GDP. Overall, the data signals a broad-based economic strengthening, driven by higher oil production and resilient non-oil sector growth.

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Key Takeaways/ Analysis

Nigeria's economy continued on a positive trajectory in the second quarter of 2025, with GDP expanding by **4.23%** year-on-year, and inflationary pressures decreasing by **1.76%** in August 2025. These developments signal a more stable macro-economic environment, with reduced inflation supporting real sector growth. However despite this positive growth trajectory, growth remains uneven across sectors, raising structural weakness conserns. There is need to strengthen diversification through the non-oil sector, invest in human capital and rural infrastructure and maintain prudent monetary and fiscal policies so as to consolidate inflation gains .

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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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