CSEA
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Weekly Snapshot

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Business Expansion Slows in March 2026 Amid Higher Energy Costs

According to the Stanbic IBTC Bank Nigeria Purchasing Managers' Index (PMI®) release for March 2026, business activity in Nigeria continued to expand, with the headline PMI recorded at 51.9. Although the figure represents a decline from the 53.2 points recorded in February 2026, the index remained above the 50.0 threshold, signalling continued improvement in private sector business conditions. An index point below 50 signals a decline in business activity, while a 50-point index signifies stability, and an index above 50 points to business expansion. Despite the sustained expansion over the months, private sector growth slowed because of increasing macroeconomic pressures such as rising energy costs, increased inflation, exchange rate volatility, and high borrowing costs. The slowdown shows that while firms are expanding, the rate of improvement is easing. Therefore, government policies should focus on easing inflationary pressures and improving exchange rate conditions to support stronger output growth and increase business confidence. This would include improving access to a reliable and affordable power supply, providing adequate infrastructure and a business-friendly policy environment.

Nigeria's Economic Growth Projections Remain Resilient in 2026

According to the World Bank's Africa Economic Update for April 2026, Nigeria's economy recorded steady growth of 4.0 percent in 2025, remaining largely unchanged from 2024, with the services sector as the main driver. The services sector grew by 4.1 percent and accounted for more than half of total growth, supported by strong performance in information and communication technology (ICT), financial services, and real estate. The agricultural sector also improved, rising to 2.9 percent from 1.7 percent in 2024, while non-oil industry growth strengthened to 3.6 percent, driven largely by construction and cement production. The oil and gas sector recorded a strong growth trajectory as well, expanding by 8.5 percent as crude oil production increased to 1.7 million barrels per day (mbpd) and refining activity improved due to an increase in domestic refining capacity through the Dangote refinery. Looking ahead, Nigeria's economic growth is forecasted at 4.3 percent in 2028. However, structural weaknesses in agriculture and industry, commodity price volatility, tight global financial conditions, and policy uncertainty ahead of the 2027 elections could dampen business confidence and slow the pace of growth. Therefore, government policies should focus on sustaining macroeconomic stability, supporting private sector investment, and creating programmes that ease structural bottlenecks in agriculture and industry, as these sectors hold huge employment potential and can absorb a significant proportion of unemployed persons in Nigeria.

Q4 2025 CIT Falls 49.8% QoQ to ₦1.49 Trillion

According to the National Bureau of Statistics (NBS), Company Income Tax (CIT) collections stood at ₦1.49 trillion in Q4 2025, reflecting a significant quarter-on-quarter decline of 49.81 percent from ₦2.96 trillion recorded in Q3 2025. Domestic CIT accounted for ₦819.83 billion, while foreign CIT contributed ₦668.21 billion in the quarter under review. Despite the quarterly drop, collections grew by 13.38 percent year-on-year, indicating some underlying resilience. Sectoral performance was mixed, with activities of extraterritorial organisations and bodies, education, and real estate activities recording the strongest growth, while accommodation and food service activities, activities of households as employers, and mining experienced sharp contractions. Financial and insurance activities, manufacturing, and mining and quarrying remained the least contributors to CIT. The sharp quarter-on-quarter decline suggests fluctuations in corporate earnings and possible timing effects in tax remittances, particularly from key sectors such as mining and manufacturing. The divergence between strong year-on-year growth and weak quarter-on-quarter performance indicates that while overall economic activity may be improving, it remains uneven and susceptible to sector-specific shocks. The concentration of tax contributions in a few sectors also highlights structural imbalances in the tax base. Policy efforts should focus on broadening the Corporate Income Tax (CIT) base by enhancing compliance across underperforming sectors and reducing reliance on a narrow set of industries. Strengthening tax administration, improving transparency in remittance processes, and supporting sectoral diversification, particularly in non-extractive industries, is critical. Furthermore, stabilising the macroeconomic environment to support business profitability can help ensure more consistent and sustainable tax revenues over time. Most business activities in Nigeria are also largely informal; hence, they are difficult to tax. Thus, efforts should be geared towards the formalisation of businesses to enable their inclusion into the tax net, but such measures will be more effective if these businesses are able to hold the government accountable.

ECONOMIC SNAPSHOT		
Quarterly Indicators	**'25Q2**	**'25Q3**
GDP Growth Rate (%)	4.23	3.98
Oil GDP Growth Rate (%)	20.46	5.84
Non-oil GDP Growth Rate (%)	3.64	3.91
Unemployment Rate (%)	NA	NA
Foreign Direct Investment (US $ Million)	142.67	296.25
Portfolio Investment (US $Millions)	4200.03	4,853.96
Other Investment (US $Million)	777.8	864.57
External Debt (FGN & States- N'Trillion)	71.84	71.48
Domestic Debt (FGN + States & FCT N'Trillion)	80.55	81.82
Manufacturing Capacity Utilization (%)	57.5	NA
Imports (N'Billion)	15.29	16.12
Exports (N'Billion)	22.75	22.81
Total trade (N'Billion)	38.037	38.93
Total trade (N'Billion)	7.46	6.69
Trade balance (N'Billion)	11.97	12.81
Crude oil Export (N'Billion)	10.78	10.01
Non-Crude Oil Export (N'Billion)	3.05	2.99
Monthly Indicators	**November 25'**	**December 25'**
Headline Inflation (%)	14.45	15.15
Food Sub-Index (%)	11.08	10.84
Core Sub-Index (%)	18.04	18.63
External Reserves (End Period) (US$ Billion)	44.67	45.5
Official Rate Approx. (N/US$)	1446	1459.03
BDC Rate Approx. (N/US$)	1470	1495
Manufacturing PMI	54.2	57
Non-Manufacturing PMI	56.8	56.4
Average Crude Oil Price (US$/Barrel)	65.22	63.71
Petrol (PMS-N/litre)	1061.35	1048.63
Diesel (AGO -N/Litre)	1409.61	1401.63
Kerosene (HHK -N/Litre)	2608.69	2605.26
Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)	5425.78	5360.43
MPR (%)	27	27
CRR of Deposit Money Banks (%)	45	45
T-Bill Rate (%)	15.3	15.38
Savings Deposit Rate (%)	7.43	7.42
Prime Lending Rate (%)	18.89	18.02
Maximum Lending Rate (%)	29.69	29.32
Narrow Money (N'Trillion)	40.53	42.14
Broad Money (N'Trillion)	122.95	124.41
Net Domestic Credit (N'Trillion)	100.984	110.05
Credit to the Government (Net) (N'Trillion)	26.35	34.22
Credit to the Private Sector (N'Trillion)	74.63	75.83
Currency in Circulation (N'Trillion)	5.262	5.73
FAAC (N'Trillion)	1.928	2.343

NA: Not Available

1. Business Expansion Slows in March 2026 Amid Higher Energy Costs report from: https://www.pmi.spglobal.com/Public/Home/PressRelease/7a3f6495e5ff4d8fb1f67fcd4f254bec

2. Nigeria's Economic Growth Projections Remain Resilient in 2026 report from: https://openknowledge.worldbank.org/server/api/core/bitstreams/a3b14692-06fa-48e6-808a-45bacf1c885b/content

3. Q4 2025 CIT Falls 49.8% QoQ to ₦1.49 Trillion report from; file:///C:/Users/CSEA/AppData/Local/Temp/67292040-e04e-4aa2-b83b-098c363246d9_Company_Income_Tax_Q4_2025.zip.6d9/Company_Income_Tax_Q4_2025.pdf