CSEA
Centre for the Study of the Economies of Africa

Weekly Snapshot

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Crude Oil Prices decrease in April 2025

According to the Organisation of the Petroleum Exporting Countries (OPEC) monthly report, the global price of crude oil fell by 6.8% month-on-month in April 2025. The report shows that the OPEC Reference Basket (ORB) value declined by $5.02, averaging $68.98 per barrel in April, down from $74.00 per barrel recorded in March 2025. The price of Nigeria's Bonny Light also fell by 6.9%, from $73.59 per barrel in March to $68.48 per barrel in April. Similarly, ICE Brent front-month contract decreased by 7.0%, from $71.47 per barrel in March to $66.46 per barrel in April 2025. The fall in oil prices followed persistent calls by the President of the United States for lower energy prices. Given Nigeria's reliance on oil revenue, the decline in Bonny Light prices is likely to reduce government earnings, widen budget deficits, and affect planned public spending. Additionally, lower oil earnings could reduce foreign exchange inflows, exert downward pressure on the Naira, and deplete the country's external reserves. To mitigate these risks, the government should boost non-oil revenue by improving tax collection efficiency and broadening the tax base. It should also deepen economic diversification by increasing investment in key sectors such as agriculture, manufacturing, and the digital economy to reduce dependence on oil revenues.

CBN retains the Monetary Policy Rate at 27.50% in May 2025

The Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN), in its 300th meeting held on the 19th and 20th of May 2025, resolved to retain the Monetary Policy Rate (MPR) at 27.50%, maintain the Cash Reserve Ratio (CRR) of Deposit Money Banks (DMBs) at 50%, and retain the Liquidity Ratio at 30%. This tight monetary stance was adopted to combat inflation and stabilise the economy. Members of the committee noted that rising inflation was driven by high electricity prices and persistent pressure from foreign exchange demand. They also expressed concerns about the recent decline in crude oil prices, attributed to increased production by non-OPEC member countries. The current MPR marks the committee's second consecutive hold since January 2025. While the elevated MPR and CRR help curb demand-side inflation by reducing excess liquidity in the financial system, inflation in Nigeria remains largely supply-driven. As such, monetary tightening alone may not be sufficient. Furthermore, with a CRR of 50%, domestic banks are required to keep a significant portion of their funds with the CBN, limiting banks' lending. Therefore, emphasis should not be on monetary policies alone but should be complemented by fiscal policy. This includes investments in energy infrastructure to increase electricity supply, which in turn would lower firms' spending on alternative energy use. In addition, the government should strengthen the development bank to scale targeted lending for micro, small, and medium-sized enterprises to bolster production, which in turn would curb inflation.

IMF revises Nigeria's Economic Growth down by 0.2 percent in April 2025

Nigeria's economic growth forecast, according to the April 2025 edition of the IMF World Economic Outlook (WEO), has been revised downward to 3.0%, representing a 0.2 percentage point decrease from the 3.2% projection in the January 2025 report. This downgrade reflects growing concerns over weakening oil supply and escalating global trade tensions. Given that oil exports remain Nigeria's dominant source of foreign exchange and public revenue, the decline in global oil prices has significant implications for the country's fiscal and external balances. The outlook also indicates a broader regional impact, with growth in Sub-Saharan Africa revised downward by 0.4 percentage points, from 4.2% in January to 3.8% in April 2025. These revisions highlight Nigeria's continued vulnerability to external shocks, particularly fluctuations in global commodity prices and geopolitical developments. The fall in oil prices could further widen fiscal deficits, reduce budgetary allocations, weaken capital investments, and hinder the delivery of key public services. In response, the Nigerian government must prioritise and fast-track policies that promote economic diversification. This includes scaling up investments in non-oil sectors such as renewable energy, technology, manufacturing, and logistics. Also, there is an urgent need to strengthen the country's external buffers by increasing foreign reserves and adopting strategies that enhance macroeconomic resilience in the face of future global shocks

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)	NA	NA
Portfolio Investment (US $Millions)	NA	NA
Other Investment (US $Million)	NA	NA
External Debt (FGN & States- N'Trillion)	NA	NA
Domestic Debt (FGN + States & FCT N'Trillion)	NA	NA
Manufacturing Capacity Utilization (%)	NA	NA
Imports (N'Billion)	NA	NA
Exports (N'Billion)	15,281.18	16,590.51
Total trade (N'Billion)	20,537.17	20,014.33
Total trade (N'Billion)	35,818.35	36,604.83
Trade balance (N'Billion)	5,255.99	3,423.82
Crude oil Export (N'Billion)	10,310.70	13,783.00
Non-Crude Oil Export (N'Billion)	10,226.47	6,231.33
Monthly Indicators	**December 24'**	**January 25'**
Headline Inflation (%)	34.80	24.48
Food Sub-Index (%)	39.84	26.08
Core Sub-Index (%)	29.28	22.59
External Reserves (End Period) (US$ Billion)	40.88	39.72
Official Rate Approx. (N/US$)	1,553.73	1,535.95
BDC Rate Approx. (N/US$)	NA	NA
Manufacturing PMI	50.0	51.3
Non-Manufacturing PMI	52.1	48.6
Average Crude Oil Price (US$/Barrel)	74.72	80.76
Petrol (PMS-N/litre)	1,189.12	NA
Diesel (AGO -N/Litre)	1,447.62	NA
Kerosene (HHK -N/Litre)	2,056.38	NA
Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)	7,177.27	NA
MPR (%)	27.50	27.50
CRR (%)	50.00	50.00
T-Bill Rate (%)	18.00	18.00
Savings Deposit Rate (%)	7.51	7.50
Prime Lending (%)	18.56	18.49
Maximum Lending (%)	29.71	29.79
Narrow Money (N'Trillion)	NA	36.89
Broad Money (N'Trillion)	NA	110.97
Net Domestic Credit (N'Trillion)	NA	99.41
Credit to the Government (Net) (N'Trillion)	NA	24.52
Credit to the Private Sector (N'Trillion)	NA	74.89
Currency in Circulation (N'Trillion)	NA	5.24
FAAC (N'Trillion)	NA	NA
Overall Consumer Confidence Index	-31.1	-23.5

NA: Not Available

1. Crude Oil Prices decrease in April 2025 report from:
https://momr.opec.org/pdf-download/

2. CBN retains the Monetary Policy Rate at 27.50% in May 2025 report from:
https://www.cbn.gov.ng/Out/2025/CCD/MPC Communique No. 157 .pdf

3. IMF revises Nigeria's Economic Growth down by 0.2 percent in April 2025 Retrieve From;
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