CSEA
Centre for the Study of the Economies of Africa

Nigeria Economic Update

Weekly Snapshot

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Economy Grew by 3.84% in Nigeria's 2024Q4

According to the National Bureau of Statistics (NBS), Nigeria's economy recorded a year-on-year growth of 3.84% in 2024Q4, marking the fastest expansion in three years. This growth was primarily driven by the services sector, which grew by 5.37% and accounted for 57.38% of the country's total GDP. The agricultural sector, which reported a 2.10% growth in 2023Q4, expanded by 1.76% in 2024Q4. While both the agricultural and services sectors recorded positive growth, the industrial sector experienced a 1.86% decline, falling from 3.86% in 2023Q4 to 2.00% in 2024 Q4. Despite this, Nigeria's full-year GDP growth for 2024 stood at 3.40%, reflecting a significant improvement from 2.74% in 2023.The sustained expansion in the services sector highlights the structural transformation of Nigeria's economy, as non-oil sectors continue to play a dominant role in overall economic performance. However, while the growth momentum is encouraging, the country still faces several macroeconomic challenges, including high inflation, exchange rate volatility, and infrastructure deficits, which is affected the manufacturing sector, and this could hinder long-term economic stability. To sustain and accelerate economic growth, the government must implement policies that enhance productivity in key non-oil sectors, such as technology, financial services, and manufacturing. Additionally, targeted interventions in infrastructure development and economic diversification would be crucial in strengthening the resilience of the economy and ensuring sustainable long-term growth.

Nigeria's Foreign Reserves Decline by $2.3 Billion.

According to the Central Bank of Nigeria (CBN), the country's gross foreign reserves declined to $38.58 billion as of February 24, 2025, from $40.88 billion recorded on January 2, 2025. This represents a significant depletion of the reserves of 5.63% within a short period. The decline is primarily attributed to external debt servicing obligations and sustained interventions in the foreign exchange (FX) market aimed at stabilizing the naira. Furthermore, the continued drawdown on reserves reflects the pressures facing Nigeria's external sector, including lower foreign exchange inflows from crude oil exports and capital repatriation by foreign investors. With external reserves serving as a buffer for exchange rate stability and economic resilience, a persistent decline could further weaken the country's ability to defend the naira against volatility in the FX market. The dwindling reserves pose a risk to macroeconomic stability, limiting the government's ability to meet external obligations, finance imports and maintain investor confidence. Thus, policy measures must be implemented to boost FX inflows, including attracting foreign direct investment (FDI), enhancing non-oil export earnings, and improving the overall business climate to encourage capital retention in the economy.

Nigeria's Trade Surplus stood at N3,423.82 billion in Q4 2024.

According to the National Bureau of Statistics (NBS), Nigeria's total merchandise trade reached ₦36,604.83 billion in Q4 2024, representing a 68.3% increase compared to the ₦21,747.40 billion recorded in Q4 2023 and a 2.20% rise from Q3 2024. Exports, which accounted for 54.68% of total trade, stood at ₦20,014.33 billion, reflecting a 57.67% increase from Q4 2023 but a 2.55% decline compared to the ₦20,537.17 billion recorded in Q3 2024. Meanwhile, imports in Q4 2024 amounted to ₦16,590.51 billion, making up 45.32% of total trade. This represented an 8.57% increase from Q3 2024 and an 83.24% surge compared to Q4 2023. The trade surplus for the quarter stood at ₦3,423.82 billion. Despite this positive trajectory, Nigeria's trade remains heavily reliant on crude oil exports. In Q4 2024, crude oil exports contributed approximately 68.87% (₦13.78 trillion) of total exports, while non-crude oil exports accounted for 31.13% (₦6.23 trillion). The continued dominance of crude oil in Nigeria's trade structure poses significant economic risks, as it makes the economy vulnerable to global oil price fluctuations and external shocks. The non-oil export sector continues to face challenges such as low competitiveness, infrastructure deficits, and limited market access. To enhance and sustain Nigeria's trade position, economic diversification is essential. Strengthening local manufacturing, improving infrastructure and reducing trade bottlenecks are essential policy steps that can help build a more resilient and balanced trade economy in the long run.

ECONOMIC SNAPSHOT		
Quarterly Indicators	'24Q2	'24Q3
GDP Growth Rate (%)	3.19	3.46
Oil GDP Growth Rate (%)	10.15	5.17
Non-oil GDP Growth Rate (%)	2.80	3.37
Unemployment Rate (%)	4.3	NA
Foreign Direct Investment (US $ Million)	29.83	NA
Portfolio Investment (US $Millions)	1404.70	NA
Other Investment (US $Million)	1169.97	NA
External Debt (FGN & States- N'Trillion)	NA	NA
Domestic Debt (FGN + States & FCT N'Trillion)	NA	NA
Manufacturing Capacity utilization (%)	14.1	NA
Imports (N'Billion)	12.47	14,67
Exports (N'Billion)	19.41	20.48
Total trade (N'Billion)	31.89	35.16
Trade balance (N'Billion)	6.94	5.81
Crude oil Export (N'Billion)	14.55	13.40
Non-Crude Oil Export (N'Billion)	4.85	7.08
Non-Oils Export (N'Billion)	1.77	2.50
Monthly Indicators	November 24'	December 24'
Headline Inflation (%)	34.60	34.80
Food Sub-Index (%)	39.93	39.84
Core Sub-Index (%)	28.75	29.28
External Reserves (End Period) (US$ Billion)	40.23	40.88
Official Rate Approx. (N/US$)	1,670.78	1,553.73
BDC Rate Approx. (N/US$)	NA	NA
Manufacturing PMI	49.3	49.8
Non-Manufacturing PMI	47.4	52.1
Average Crude Oil Price (US$/Barrel)	75.44	74.72
Petrol (PMS-N/litre)	1,214.17	1,189.12
Diesel (AGO -N/Litre)	1,446.83	1,447.62
Kerosene (HHK -N/Litre)	2,042.93	2,056.38
Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)	7,088.16	7,177.27
MPR (%)	27.50	27.50
CRR (%)	50.00	50.00
T-Bill Rate (%)	18.00	18.00
Savings Deposit Rate (%)	6.56	7.51
Prime Lending (%)	18.39	18.56
Maximum Lending (%)	31.06	29.71
Narrow Money (N'Trillion)	36.27	NA
Broad Money (N'Trillion)	108.95	NA
Net Domestic Credit (N'Trillion)	115.58	NA
Credit to the Government (Net) (N'Trillion)	39.62	NA
Credit to the Private Sector (N'Trillion)	75.96	NA
Currency in Circulation (N'Trillion)	4.88	NA
FAAC (N'Trillion)	NA	NA
Overall Consumer Confidence Index	-41.4	-31.1

NA: Not Available

1. Nigeria Bureau of Statistics Microdata GDP: Retrieved From: https://microdata.nigerianstat.gov.ng/index.php/catalog/147/download/1157/Q4_2024_GDP_Report.pdf

2. Central Bank of Nigeria: The Movement in Reserves: Retrieved from:

https://www.cbn.gov.ng/IntOps/Reserve.html

3. National Bureau of Statistics: Foreign Trade in Goods Statistics, Nigeria. *https://microdata.nigerianstat.gov.ng/index.php/catalog/84*