CSEA
Centre for the Study of the Economies of Africa

Weekly Snapshot

November 7th, 2025. Issue 41

139 Million Nigerians Living in Poverty Despite Reforms

The October 2025 Nigeria Development Update (NDU) report from the World Bank revealed that, between 2019 and 2023, average consumption decreased by 6.7%, particularly in urban areas. The report also indicated that the percentage of Nigerians unable to meet healthy caloric requirements, even if they spent their entire income on food, rose from 14% to 27% between 2019 and 2023, equivalent to 139 million Nigerians living in ultra-poverty in 2023.The World Bank report indicated that while the reforms (mainly exchange rate unification and subsidy removal) are addressing previous policy errors, significant improvements in living conditions will depend on sustained disinflation, more robust inclusive growth, enhanced public services, and consistent targeted assistance for the most vulnerable. The report also emphasised that macroeconomic reforms need to continue advancing to strengthen stability and protect against risks, given that the economic outlook remains vulnerable to both external and domestic risks. Thus, policymakers' priority should include the transparent expansion of social protection programs to protect vulnerable households and the efficient implementation of the tax reform policies to lessen the tax burden, potentially boosting employment. Also, the informal economy should be supported through targeted credit schemes and steady and affordable energy.

Headline Inflation Declines by 2.1 Percentage Points in September 2025

The Purchasing Managers' Index (PMI) report released by the Central Bank of Nigeria (CBN) showed an expansion in aggregate economic activities in September 2025. Specifically, the composite PMI stood at 54.0 index points compared with 51.7 index points in the previous month, marking the tenth consecutive month of growth. This broad-based expansion was evident across the three main sectors: Industry, Services, and Agriculture.The industry sector PMI stood at 51.4 index points, with 11 of its 17 subsectors reporting growth. The services sector posted a stronger reading of 54.7 index points, expanding for the eighth consecutive month, with 12 of 14 subsectors recording growth in business activity. Agriculture led with a PMI of 54.8 index points due to growth in all 5 of its subsectors and reflects a sustained expansion for the fourteenth consecutive month. Key indices for September highlighted rising output (54.8 index points), increasing new orders (53.7 points), and growing employment (53.4 points), implying sustained growth momentum across key components of the Composite PMI.To sustain the current economic momentum reflected by the PMI scores, policymakers should prioritise targeted support for the industry, services, and agriculture sectors. The government should create an enabling environment for businesses through stabilisation of the exchange rate, business-friendly tax regimes, and provision of affordable and reliable energy infrastructure. These will significantly drive demand and business activities, ensuring a growing PMI.

Naira Appreciates by 4.27% in Q3 2025

The Exchange Rate data from the Central Bank of Nigeria (CBN) for the Nigerian Foreign Exchange Market (NFEM) shows that the local currency closed at ₦1475.35 per USD on September 30, 2025, closing below ₦1,500 per USD at the end of Q3 2025.On average, the Naira appreciated by 3.94% quarter-on-quarter and 4.27% year-on-year, with an average rate of ₦1521.11 per USD in Q3 2025 compared to ₦1581.06 per USD in Q2 2025 and ₦1586.09 per USD in Q3 2024. This Q3 stability is largely due to significant improvements in foreign reserves, which rose to $41 billion on August 19, 2025, and further increased to $42 billion by September 19, 2025, the highest level in six years. If this appreciation is maintained, it will facilitate the country's ability to service foreign currency debts while meeting liquidity demands in the foreign exchange market.For sustained currency stability and strength, policymakers should focus on increasing external reserves, boosting exports, and reducing heavy dependence on imports. This can be achieved through increasing oil and non-oil revenue, as well as support to businesses through tax incentives, grants, simplification of regulatory processes, and improved access to infrastructural and credit facilities.

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. 139 Million Nigerians Living in Poverty Despite Reforms report from:
.https://documents1.worldbank.org/curated/en/099100825010038474/pdf/P513192-b0cb6210-6cdc-423f-b0eb-834a44a28494.pdf

2. PMI Rises to 54.0 in September 2025 report from:
https://www.cbn.gov.ng/Out/2025/STD/SEPT 2025 PMI Report.pdf

3 Naira Appreciates by 4.27% in Q3 2025 report from
https://www.cbn.gov.ng/rates/ExchRateByCurrency.html