CSEA
CENTRE FOR THE STUDY OF THE ECONOMIES OF AFRICA

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Nigeria's GDP Grows by 3.98% in Q3 2025

According to the National Bureau of Statistics (NBS), Nigeria's economy sustained its growth momentum in the third quarter (Q3) of 2025, with real GDP rising by 3.98%, slightly above the 3.86% recorded in Q3 2024. Following the GDP rebasing exercise, which used 2019 as the base year, the quarterly estimates now provide a clearer reflection of current economic dynamics. The growth was broad-based; the agriculture sector experienced an increase of 3.79% (up from 2.55% in Q3 2024), while the industrial sector strengthened to 3.77% (up from 2.78% in Q3 2024). Additionally, the services sector grew by 4.15%, contributing approximately 53.02% to the overall GDP. The non-oil sector remained the primary engine of expansion, increasing by 3.91% and accounting for 96.56% of real GDP. In the oil sector, production improved to 1.64 million barrels per day (mbpd), up from 1.47 mbpd recorded in the same quarter last year, while the real growth of the sector was 5.84%, although output declined relative to Q2 2025. The data indicate that Nigeria's growth trajectory is gradually strengthening, supported by improvements in agriculture, manufacturing, telecommunications, and trade. However, the slowing growth in services, ongoing inflation shown by rising nominal GDP, and the slight increase in oil production highlight continued vulnerabilities. The economy remains exposed to structural constraints, including weak power supply, logistics bottlenecks, and insecurity, which limit productivity gains and private-sector expansion. To sustain and improve economic growth, the government should intensify support for improving non-oil sector productivity through targeted sectoral interventions, strengthen macroeconomic stability by easing inflationary pressures, stabilise the exchange rate, and address persistent structural barriers in key sectors, such as power, agriculture, transport, and security.

Nigeria's CIT Collections Hit ₦2.78 Trillion in Q2

According to a report by the National Bureau of Statistics (NBS), Company Income Tax (CIT) collections in Q2 2025 totalled ₦2.78 trillion, representing a 40.27% increase from ₦1.98 trillion in Q1 2025. Domestic CIT received was ₦2.31 trillion, while foreign CIT amounted to ₦469.36 billion. On a year-on- year basis, CIT collection rose by 12.66% from Q2 2024, reflecting stronger revenue mobilisation. Sectoral analysis revealed that financial and insurance activities led growth at 772.29%, followed by wholesale and retail trade, repair of motor vehicles and motorcycles at 538.38%, and activities of households as employers and undifferentiated goods- and services-producing activities of households for own use at 526.79%. Conversely, activities of extraterritorial organisations and bodies, education, and public administration and defence, and compulsory social security declined by -45.01%, -26.61%, and - 18.17%, respectively. The top contributors to total CIT collections were financial and insurance activities (44.13%), manufacturing (15.57%), and mining and quarrying (9.18%). In contrast, activities of households as employers and undifferentiated goods- and services-producing activities of households for their own use recorded the least share at 0.01%. Activities of extraterritorial organisations and bodies, as well as water supply, sewage, waste management, and remediation activities, accounted for minimal shares of 0.04% each, highlighting significant disparities in sectoral contributions. The sharp growth in CIT from the financial and trade sectors highlights the potential of targeted sectoral policies to boost domestic revenue. However, declining contributions from crucial areas such as education, public administration, and extraterritorial activities indicate structural gaps that may limit long-term revenue sustainability. To strengthen CIT mobilisation, the government should digitalise the tax administration process to enhance compliance, improve revenue collection, and minimise leakage. Diversifying sectoral contributions through targeted incentives and support will reduce dependency on high-performing sectors and promote fiscal resilience.

Nigeria's Purchasing Managers Index Increases to 56.4 Index Points

According to the Central Bank of Nigeria's Purchasing Managers' Index (PMI) report, Nigeria's Composite PMI increased from 55.4 points in October 2025 to 56.4 points in November 2025. This increase marks twelve consecutive months of expansion, representing the strongest indication of private- sector growth so far in 2025. In the month under review, the industry sector PMI stood at 54.2 index points, while the service sector PMI rose to 56.8 points, up from the 55.6 points recorded in the previous month. Similarly, the agricultural sector expanded for the sixteenth consecutive month, standing at 58.2 index points, an increase from the 55.7 index points recorded in October 2025. The rise in private-sector activity was driven by higher production and increasing demand, signalling a broad-based strengthening of economic activity across all sectors. This positive trend also suggests that the increasing demand is likely to stimulate further production, raise employment levels, improve household incomes, and strengthen overall consumer confidence. However, this expansion carries potential inflationary risks and may affect affordability and broader economic stability. To mitigate these risks, efforts should be made to support small and medium-sized enterprises by providing access to affordable credit and capacity- building programmes. Furthermore, given the significant growth recorded in the agricultural sector, the government should invest in agricultural technology and improve value chains to enhance productivity and export capacity.

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. Nigeria's Outlook Revised to Positive from Stable report from:
https://www.spglobal.com/ratings/en/regulatory/article/-/view/type/HTML/id/3479166

2. Demand and Supply of Credit Improves in Q3 2025 report from:
https://www.cbn.gov.ng/Out/2025/STD/Q3 2025 Credit Conditions Survey Report.pdf

3 Nigeria's CIT Collections Hit ₦2.78 Trillion in Q2 report from
https://www.cbn.gov.ng/Out/2025/STD/Nov 2025 PMI Report Final.pdf