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Weekly Snapshot

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Nigeria's External Trade Records Marginal Term of Trade Gains

According to the Nigeria Bureau of Statistics (NBS) report for Q1 2025, the All Products Terms of Trade (ToT) Index increased slightly by 0.05 percentage points, indicating a modest improvement in Nigeria's trade position. However, the All-Commodity Group Import Index declined by 0.26 percentage points, mainly due to falling prices of chemical products, raw hides and skins, base metals, and machinery. Similarly, the All-Commodity Group Export Price Index fell by 0.21 percentage points, reflecting weaker prices for plastics and rubber, wood products, textiles, and vegetable oils. At the regional level, the export price index decelined by 0.21 percentage points, driven by lower prices for exports to Asia and Oceania. Likewise the import index also declined by 0.26 percentage points due to reduced import prices from Asia. Major export destinations included India, the Netherlands, the U.S., France, and Spain. The falling export prices revealed Nigeria's vulnerability to global commodity cycles and its limited value addition. To address this, the government should diversify exports, invest in trade infrastructure, promote regional trade through the AfCFTA, and support value-added processing. Strengthening market intelligence and reducing export costs will also enhance competitiveness and build trade resilience.

Headline PMI Rises to 54.0 in July 2025

Data from the Stanbic IBTC Bank Purchasing Managers' IndexÊ (PMI®) report showed that the headline PMI, which measures business conditions, recorded a 2.4-point increase, from 51.6 points recorded in June to 54.0 in July 2025. This increase signifies a consecutive three-month rise in the value of the index, thus indicating a solid improvement in the private sector. Index readings above 50.0 signal improvements in business conditions; readings on the 50-point benchmark signal no change, while readings below 50.0 indicate a deterioration. Additionally, the report revealed that the Nigerian private sector witnessed its highest employment growth since October 2023, due to increased private sector activity (increase in new orders and output), further driven by reduced inflationary pressures. Improved business confidence implies increased private sector resilience, evident in the expansion in new orders and outputs. Furthermore, private sector recovery is also translating into job creation, which could help reduce unemployment levels within the country. To sustain this momentum, the government should expand access to finance for small and medium enterprises (SMEs), as they are the key drivers of new orders and employment. There is also a need for continued macroeconomic policies and efforts to control inflation, as this is essential to achieving food price stability and maintaining stable exchange rates.

Capital Importation Increases by 67% in Q1 2025

According to the National Bureau of Statistics (NBS) report, Nigeria recorded a total capital importation of US$5.64 billion in the first quarter of 2025. This marked a significant 67.12% increase compared to the US$3.38 billion recorded in Q1 2024 and a 10.86% rise from the US$5.09 billion recorded in Q4 2024. The surge reflects renewed investor confidence, largely driven by short-term inflows. Portfolio investment dominated capital importation, accounting for 92.25% of the total at US$5.20 billion. Other investment followed with US$311.17 million (5.52%), while foreign direct investment (FDI) remained low at just US$126.29 million (2.24%). This composition suggests that while Nigeria remains attractive for quick-return capital, long-term investor confidence remains weak. The banking and financing sectors received the bulk of inflows, jointly accounting for over 92% of the total. Capital came predominantly from the United Kingdom, followed by South Africa and Mauritius. Abuja (FCT) and Lagos State were the top destinations, receiving over 99% of all inflows. Standard Chartered, Stanbic IBTC, and Citibank were the leading recipient banks. While rising portfolio flows were positive in the short term, Nigeria's overreliance on them poses significant risks. To boost FDI, the government should prioritise regulatory stability, infrastructure development, real sector reforms, and expanded investor outreach. Diversifying capital sources and sectors is crucial for boosting long-term economic growth and employment.

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 $Million)	249.53	NA
External Debt (FGN & States- N'Trillion)	69.23	56.02
Domestic Debt (FGN + States & FCT N'Trillion)	68.89	61.58
Manufacturing Capacity Utilization (%)	60.70	61.90
Imports (N'Billion)	14.67	16.56
Exports (N'Billion)	20.48	20.01
Total trade (N'Billion)	35.16	36.60
Total trade (N'Billion)	5.81	3.42
Trade balance (N'Billion)	13.40	13.78
Crude oil Export (N'Billion)	7.08	6.23
Non-Crude Oil Export (N'Billion)	2.50	2.84
Monthly Indicators	April 25'	May 25'
Headline Inflation (%)	23.71	22.97
Food Sub-Index (%)	21.26	21.14
Core Sub-Index (%)	23.39	22.28
External Reserves (End Period) (US$ Billion)	37.93	38.45
Official Rate Approx. (N/US$)	1,599.4	1,586.2
BDC Rate Approx. (N/US$)	481.21	NA
Manufacturing PMI	51.80	51.60
Non-Manufacturing PMI	51.80	51.70
Average Crude Oil Price (US$/Barrel)	69.07	65.90
Petrol (PMS-N/litre)	1,239.93	1,027.76
Diesel (AGO -N/Litre)	1,722.45	1,758.26
Kerosene (HHK -N/Litre)	2,219.69	2,175.29
Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)	7,885.60	8,167.43
MPR (%)	27.50	27.50
CRR of Deposit Money Banks (%)	50.00	50.00
T-Bill Rate (%)	NA	NA
Savings Deposit Rate (%)	NA	NA
Prime Lending Rate (%)	NA	NA
Maximum Lending Rate (%)	NA	NA
Narrow Money (N'Trillion)	41.01	40.38
Broad Money (N'Trillion)	119.08	119.01
Net Domestic Credit (N'Trillion)	101.46	102.90
Credit to the Government (Net) (N'Trillion)	23.55	25.07
Credit to the Private Sector (N'Trillion)	77.91	77.91
Currency in Circulation (N'Trillion)	5.01	5.01
FAAC (N'Trillion)	1.68	1.66

NA: Not Available

1. Nigeria's External Trade Records Marginal Term of Trade Gains report from:
https://microdata.nigerianstat.gov.ng/index.php/catalog/167

2. Headline PMI Rises to 54.0 in July 2025 report from:
https://www.pmi.spglobal.com/Public/Home/PressRelease/9e4320af738247a393603f5c3c5849c7

3 Capital Importation Increases by 67% in Q1 2025 Retrieve From;
https://microdata.nigerianstat.gov.ng/index.php/catalog/143