



NIGERIA

ECONOMIC

UPDATE

**Weekly
Snapshot**

Inflation Eases to 15.39% in August 2026

According to the National Bureau of Statistics' (NBS) [report](#), Nigeria's headline inflation rate eased slightly to 15.39% in August 2026, from 15.43% in July 2026. On a month-on-month basis, the headline inflation rate in August 2026 was 0.71%, down from 1.57% in July 2026, which is a notable deceleration of 0.86 percentage points. Food inflation stood at 19.57% year-on-year in August 2026, compared with 25.30% recorded in August 2025. In the month under review, the highest year-on-year All-Items inflation rates were recorded in Lagos (23.68%), Zamfara (22.56%), and Enugu (22.06%), while Sokoto (2.11%), Kebbi (3.72%), and Jigawa (3.81%) recorded the lowest rates. Overall, the decline in inflation indicates that, although the general price level in the economy may have continued to rise, the pace of increase has slowed. While the price of goods and services did not necessarily fall, the moderation in the rate of price increases may result in greater price stability if the momentum is sustained. A sustained deceleration in inflation can foster a more conducive environment for investment, savings, and long-term economic decision-making. However, sustaining the downward inflation trajectory to realise these benefits require addressing structural supply-side bottlenecks that continue to drive cost pressures, particularly in food production and energy costs. This can be achieved through targeted investments in agricultural productivity, rural infrastructure, and reliable, affordable power supply.

Nigeria's Current Account Balance rises to US\$7.54bn in Q2 2026

The Central Bank of Nigeria (CBN), in its Q2 2026 Balance of Payments [report](#), showed that Nigeria recorded a current account balance of US\$7.54 billion in Q2 2026, up by 67.93% from US\$4.49 billion in Q1 2026. The current account balance increased by 45.84% year-on-year, rising from US\$5.17 billion in Q2 2025. This improvement was driven by higher export earnings, lower crude-oil imports, and increased workers' remittances. Crude-oil exports rose by 15.78%, from US\$8.11 billion to US\$9.39 billion; gas exports increased by 40.15%, from US\$2.59 billion to US\$3.63 billion; and refined petroleum-product exports grew by 66.24%, from US\$2.37 billion to US\$3.94 billion. Non-oil exports also increased by 25.30%, from US\$2.49 billion to US\$3.12 billion, while crude-oil imports declined by 58.27%, from US\$1.39 billion to US\$0.58 billion. In addition, personal transfers (workers' remittance) rose by 9.81%, from \$5.30 billion to US\$5.82 billion. The current-account surplus reflects stronger export earnings, remittances, and lower crude-oil imports, improving Nigeria's liquidity and reducing pressure on the Naira. However, the improvement may remain vulnerable to oil-price/production shocks and should be supported by sustained growth in non-oil exports. To improve the current account further, the government should reinvest improved external earnings in non-oil export capacity, domestic refining, and productivity-enhancing infrastructure to sustain and diversify the current account surplus. It should also strengthen macroeconomic buffers by improving foreign exchange management and reducing vulnerability to oil price and production shocks.

FAAC Allocates ₦2.58 trillion to FG, States and LGAs in August 2026

According to a [press release](#) by the Federal Ministry of Information and National Orientation, the Federation Account Allocation Committee (FAAC) shared ₦2.58 trillion among Nigeria's three tiers of government at its September 2026 meeting. From the total distributable revenue, comprising Gross Statutory Revenue and Value Added Tax (VAT), the federal government received ₦804.897 billion, while the states and local government councils received ₦794.313 billion and ₦555.142 billion, respectively. An additional ₦184.388 billion was distributed to oil-producing states as derivation revenue, representing the constitutionally mandated 13% share of mineral revenue. A total of ₦125.142 billion was deducted as the cost of collection, while ₦1.221 trillion was earmarked for transfers, interventions, and refunds. Gross VAT revenue available for distribution in August 2026 rose by 5.15% to ₦834.843 billion, from ₦793.968 billion in the preceding month, representing an increase of ₦40.875 billion. The increase in VAT revenue may have resulted from better economic performance, which increases taxable income and profit. The higher allocation provides additional fiscal resources to all tiers of government, thereby supporting public expenditure. However, the large deductions for collection costs emphasise the necessity of greater efficiency in revenue administration, collection processes, and the management of public funds. One way to improve efficiency is to digitise revenue collection and strengthen independent audits to reduce administrative leakages, improve transparency, and ensure that more funds reach the three tiers of government. All tiers of government should prioritise the funds for productivity-enhancing investments and essential public services, while strengthening their internally generated revenue.

ECONOMIC SNAPSHOT		
Quarterly Indicators	'25Q4	'26Q1
GDP Growth Rate (%)	4.07	3.89
Oil GDP Growth Rate (%)	6.79	9.31
Non-oil GDP Growth Rate (%)	3.99	3.94
Unemployment Rate (%)	NA	NA
Foreign Direct Investment (US \$ Million)	357.8	135.1
Portfolio Investment (US \$Millions)	5,486.03	9,862.34
Other Investment (US \$Million)	599.65	374.48
External Debt (FGN & States- N'Trillion)	74,426,735	NA
Domestic Debt (FGN + States & FCT N'Trillion)	84,849,333	NA
Manufacturing Capacity Utilization (%)	NA	NA
Imports (N'Billion)	17.25	13.62
Exports (N'Billion)	18.96	21.17
Total trade (N'Billion)	36.21	34.79
Trade balance (N'Billion)	1.71	7.55
Crude oil Export (N'Billion)	9.702	NA
Non-Crude Oil Export (N'Billion)	9.26	NA
Non-Oils Export (N'Billion)	3.145	NA
Monthly Indicators	April 26'	May 26'
Headline Inflation (%)	15.69	15.93
Food Sub-Index (%)	3.63	2.98
Core Sub-Index (%)	1.03	1.94
External Reserves (End Period) (US\$ Billion)	48.36	49.58
Official Rate Approx. (N/US\$)	1,374.94	1,373.25
BDC Rate Approx. (N/US\$)	1,474	1,373
Manufacturing PMI	52.4	54.1
Non-Manufacturing PMI	48.8	49.3
Average Crude Oil Price (US\$/Barrel)	108.79	114.55
Petrol (PMS-N/litre)	1,531.93	NA
Diesel (AGO -N/Litre)	2,474.69	NA
Kerosene (HHK -N/Litre)	2,976.94	NA
Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)	8,706.93	NA
MPR (%)	26.50	26.50
CRR of Deposit Money Banks (%)	45	45
T-Bill Rate (%)	15.95	15.95
Savings Deposit Rate (%)	7.34	7.24
Prime Lending Rate (%)	18.87	19.10
Maximum Lending Rate (%)	35.17	34.78
Narrow Money (N'Trillion)	44.62	43.76
Broad Money (N'Trillion)	124.99	129.21
Net Domestic Credit (N'Trillion)	120.18	121.42
Credit to the Government (Net) (N'Trillion)	39.60	40.38
Credit to the Private Sector (N'Trillion)	80.59	81.04
Currency in Circulation (N'Trillion)	5.65	5.69
FAAC (N'Trillion)	2.63	NA

1. Inflation Eases to 15.39% in August 2026 report from:

<https://microdata.nigerianstat.gov.ng/index.php/catalog/154>

2. Nigeria's Current Account Balance rises to US\$7.54bn in Q2 2026 report from:

https://www.cbn.gov.ng/Out/2026/STD/Q2%202026%20BOP%20Highlights_%20revised.pdf

3. FAAC Allocates ₦2.58 trillion to FG, States and LGAs in August 2026 report from:

<https://fmino.gov.ng/fg-states-and-lgcs-share-n2-338-trillion-from-n3-685-trillion-gross-revenue-for-august-2026/>