



Nigeria Economic Update

**Weekly
Snapshot**

Nigeria's Average Daily Crude Oil Output Exceeds OPEC's Quota

According to the Organization of Petroleum Exporting Countries' (OPEC) [report](#), Nigeria's average daily crude oil production in January (based on direct communication) was 1.539 million bpd, an increase of 54,000 bpd (3.64%) from 1.485 million bpd recorded in December 2024. The report revealed that Nigeria exceeded its OPEC quota (of 1.5 million bpd) by 39,000 bpd. This commendable increase, however, falls short of the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) production target, which is set at a minimum of 2.1 million bpd for 2025. A 26.71% increase in crude oil production from the current level is required to meet this NUPRC target. The report further revealed that crude oil prices increased to US\$80.14 per barrel in January 2025, up from US\$74.22 per barrel recorded in December 2024, representing a 7.98% month-on-month increase. With crude oil prices largely determined externally, one way to improve oil revenue (a major source of revenue and FX for the country) is to boost upstream activities and expand the country's crude oil production capacity. There is a need to sustain and exceed the production level, to demand a higher quota from OPEC. To boost production levels, several policies should be implemented to attract investment, including full implementation of the Petroleum Industry Act (PIA). Also, there is a need to strengthen efforts to curb oil theft and pipeline vandalism by deploying technology such as the Advanced Cargo Declaration regime to track and prevent such activities.

Loan Default Rates Increase in Q4 2024

The Central Bank of Nigeria Credit Conditions Survey (Q4 2024) [report](#) revealed that credit availability for unsecured and corporate lending increased in Q4 2024 as both had scores of 15.8 and 23.4 points, respectively. However, secured lending to households declined over the period. Furthermore, the report indicates that the demand for all forms of credit - secured, unsecured, and corporate credit increased. Regarding overall credit spread relative to the Monetary Policy Rate (MPR), the spread for both secured and unsecured lending increased in Q4 2024, although secured widened at a higher rate. Similarly, spreads on loans relative to MPR widened for lending to small businesses, medium private non-financial corporations (PNFCs), and large PNFCs. However, for other financial corporations (OFCs), it narrowed. The survey also found an increase in default rates across all loan categories. Unsecured lending had the highest default, followed by lending to small businesses. Large PNFCs had the lowest default rate followed by OFCs. Even though the increase in credit availability and demand (for corporate lending) signals growth in business opportunities as well as a shortage of cash. However, the high default rate points to an unfriendly business environment that is affecting the ability of businesses and households to honour their credit repayment agreements. Thus, the government needs to implement targeted initiatives that reduce the operating costs of businesses including reliable power supply, and the adoption of a business-friendly tax system.

Consumers Express Pessimism on the Macroeconomy

In the January 2025 Household Expectations Survey report, the overall consumer confidence index was at -23.5 points, indicating that consumers' outlook was pessimistic for the month. When compared to December 2024 (-31.1), there was a decrease in pessimism in January 2025. Consumers' outlook is based on three factors – economic condition, family financial situation and family income. All three indicators are in the pessimism range in January with a higher pessimistic outlook on their economic condition (-30.6 points), followed by the family financial situation (-30.5 points) and family income (-9.4 points). The report also shows that consumers' outlook on the macroeconomy remained pessimistic till April 2025 and turned optimistic in July 2025 (7.7 points). Regarding the perception of price changes, households expect that prices of some select items (house, car, rent, etc.) will increase in the current month and the next three, as well as in six months. Consistent price increases erode gains from investment as well as discourage savings. A very robust coordinated monetary and fiscal approach is therefore required to reverse inflationary trends and restore confidence in the economy. Thus, there is a need for monetary and fiscal authorities to support businesses to ensure the cost of operation is reduced. Additionally, there is a need to improve coverage and efficiency of social protection programmes to support the vulnerable poor households in the face of a harsh inflationary pressure.

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

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