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Weekly Snapshot

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CBN Retains MPR at 27.50%

The Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN), held its 301st meeting on July 21st and 22nd, 2025, and voted unanimously to maintain the current monetary policy stance. The decision indicates the Committee’s commitment to consolidate the recent disinflation trend and mitigate persistent price pressures in the economy. Key parameters retained by the MPC include the Monetary Policy Rate (MPR), retained at 27.50 per cent; the asymmetric corridor maintained at +500/-100 basis points around the MPR; the Cash Reserve Ratio (CRR) at 50.00 per cent for Deposit Money Banks and 16.00 per cent for Merchant Banks; and the Liquidity Ratio at 30.00 per cent. This decision signals the CBN's cautious approach, prioritising price stability while closely monitoring the impacts of past rate hikes on inflation, credit, and economic growth. By holding rates steady, the MPC aims to allow previous tightening measures to continue filtering through the system while avoiding excessive tightening that could stifle investment and consumption. However, to ensure price stability and restore real sector momentum, the CBN must strengthen monetary policy transmission mechanisms, tighten coordination with fiscal authorities, and intensify data-driven policies. It should also closely track credit flows to productive sectors and accelerate structural reforms to ease supply-side constraints.

Nigeria’s GDP Grew by 3.38 in 2024 After Rebasing

The National Bureau of Statistics (NBS) officiall rebased Nigeria’s Gross Domestic Product (GDP), adoptin 2019 as the new base year to better reflect the structure an composition of the economy. The rebasing exercise, the firs since 2014, updated the measurement framework to includ emerging sectors, such as digital services, pension funds and fintech, while improving coverage of informal secto activities. The rebased estimates provided a more accurat and contemporary snapshot of the economy, allowing fo better-informed policy decisions. Following the rebasing real GDP grew by 3.38% year-on-year in 2024, up from th 3.04% recorded in 2023, indicating growth in economi activities. The rationale for the rebasing includes factor such as the perceived stability of economic conditions in th year 2019, as well as the inclusion of new economi activities. Post-rebasing growth was led by the service sector, with a 4.43% growth rate, followed by industries a 2.80% and agriculture at 1.69%. The rebased nominal GDP rose to ₦372.82 trillion, reflecting an 18.72% year-on-yea increase, driven by both price changes and increase economic output. While the services sector continues t expand, it predominantly absorbs skilled urban labour leaving the vast employment potential of agricultur underutilised. The poor performance of agriculture, despit its ability to generate mass employment across rural an urban areas, highlights the urgent need for the governmen to prioritise the sector through targeted funding infrastructure development, and technologica modernisation. Strengthening agriculture enhances foo security and offers a viable path to inclusive growth, give the country's large youth and rural population. Moreover, th rebased GDP also lowered Nigeria’s debt-to-GDP ratio presenting an opportunity for the government to reallocat fiscal space toward productive, employment-intensiv sectors, such as agriculture.

Crude Oil Price Increase by 9.60% in June 2025

The Office of the Accountant-General of the Federation reported that a total sum of ₦1.818 trillion, was shared among all three tiers of government. This amount was 9.58% higher than the ₦1.659 trillion distributed for May 2025. The allocation included ₦645.383 billion to the Federal Government, ₦607.417 billion to state governments, and ₦444.853 billion to local governments. Additionally, ₦162.786 billion was earmarked for collection costs, while ₦2.251 trillion was allocated for total transfers, interventions, refunds, and savings. The total distributable revenue comprised ₦1.018 trillion in statutory revenue and ₦631.507 billion from the distributable Value Added Tax (VAT). The gross revenue of ₦678.165 billion available from VAT in June 2025 was lower than the ₦742.820 billion available in May 2025. From the distributable VAT revenue, the Federal Government received ₦94.726 billion, the State Governments received ₦315.754 billion, and Local Government Councils received ₦221.027 billion. The Electronic Money Transfer Levy (EMTL), which contributed ₦29.165 billion, was distributed as ₦4.375 billion to the Federal Government, ₦14.582 billion to the State Governments, and ₦10.208 billion to the Local Government Councils. The increase in revenue resulted from a ₦100 billion augmentation to shared revenue and significant increases in Companies Income Tax (CIT) and Petroleum Profit Tax (PPT). This increase in total distributable revenue implies improved tax collection. However, VAT declined during the period under consideration. Other tax measures, such as gas royalties, import duties, and excise duties, also experienced revenue declines. Such declines in VAT and trade-related taxes, such as import and excise duties indicate weakened consumer spending, lower import activity, rising inflation, reduced purchasing power, and a slower economy. Therefore, the government should implement targeted consumer stimulus programme or tax relief for low-income households to boost spending and expand the VAT base. The government should also strengthen tax administration and compliance in non-oil sectors while stimulating domestic production and consumption to reverse declines in VAT and trade-related revenues

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 $Million)	249.53	NA
External Debt (FGN & States- N'Trillion)	69.23	56.02
Domestic Debt (FGN + States & FCT N'Trillion)	68.89	61.58
Manufacturing Capacity Utilization (%)	60.70	61.90
Imports (N'Billion)	14.67	16.56
Exports (N'Billion)	20.48	20.01
Total trade (N'Billion)	35.16	36.60
Total trade (N'Billion)	5.81	3.42
Trade balance (N'Billion)	13.40	13.78
Crude oil Export (N'Billion)	7.08	6.23
Non-Crude Oil Export (N'Billion)	2.50	2.84
Monthly Indicators	March 25'	April 25'
Headline Inflation (%)	23.71	23.71
Food Sub-Index (%)	39.93	21.26
Core Sub-Index (%)	28.75	23.39
External Reserves (End Period) (US$ Billion)	38.38	37.93
Official Rate Approx. (N/US$)	1,538.2	1,599.4
BDC Rate Approx. (N/US$)	481.60	481.21
Manufacturing PMI	51.50	51.80
Non-Manufacturing PMI	51.50	51.80
Average Crude Oil Price (US$/Barrel)	74.55	NA
Petrol (PMS-N/litre)	1,245.80	1,239.93
Diesel (AGO -N/Litre)	1,599.30	1,722.45
Kerosene (HHK -N/Litre)	2,113.34	2,219.69
Liquefied Petroleum Gas (Cooking Gas) (N/5Kg)	7,322.49	7,885.60
MPR (%)	27.50	27.50
CRR of Deposit Money Banks (%)	50.00	50.00
T-Bill Rate (%)	17.41	NA
Savings Deposit Rate (%)	7.50	NA
Prime Lending Rate (%)	17.96	NA
Maximum Lending Rate (%)	30.19	NA
Narrow Money (N'Trillion)	38.55	41.01
Broad Money (N'Trillion)	114.20	119.08
Net Domestic Credit (N'Trillion)	102.13	101.46
Credit to the Government (Net) (N'Trillion)	25.86	23.55
Credit to the Private Sector (N'Trillion)	76.27	77.91
Currency in Circulation (N'Trillion)	5.00	5.01
FAAC (N'Trillion)	NA	1.68

NA: Not Available

1 CBN Retains MPR at 27.50% report from: https://www.cbn.gov.ng/Out/2025/CCD/MPC Communique No. 158 July 22 2025.pdf

2. Nigeria's GDP Grew by 3.38 in 2024 After Rebasing report from:GDP_Rebasing_2025_ Final (3).pdf

3 CBN Reaffirms Banking Sector Stability, Introduces Transitional Measures for Select Banks Retrieve From: https://oagf.gov.ng/wp-content/uploads/2025/07/FG-STATES-LGCs-SHARE-N1.818-TRILLION-JUNE-2025-REVENUE.pdf