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Weekly Snapshot

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Inflation Perception Eases Slightly in June 2025

According to the Central Bank of Nigeria's (CBN) inflation expectation surveys, 71.0% of respondents perceived inflation as high in June 2025, compared to 75.3% in May. Analysis by business size revealed that small businesses (21.1%) reported the highest perception of a moderate inflation rate, followed closely by medium businesses (20.3%), micro businesses (17.2%), and large businesses (15.6%). By residential settlement type, urban respondents (69.5%) showed a marginally lower perception of high inflation than their rural counterparts (69.8%). Further analysis by income distribution indicated that households earning above ₦200,000 per month had the lowest proportion of respondents who viewed the inflation rate as high during the period under review. Respondents, both businesses and households, identified rising energy costs, exchange rate volatility, and transportation expenses as the top three drivers of inflation. However, natural disasters, the activities of middlemen, and infrastructural challenges were viewed as less significant contributors to inflation in the review period. To ease inflationary pressures, the government should implement targeted fiscal policies such as providing tax reliefs or incentives to local producers and small businesses. These policies would help reduce production costs, encourage local manufacturing, and improve the supply of essential goods. Moreover, households also require social support from the government to cushion the effects of the rising cost of living.

Nigeria's Inflation Rate Eases to 22.2% in June 2025

According to the Consumer Price Index (CPI) report by the National Bureau of Statistics (NBS), the headline inflation rate eased to 22.22% in June 2025 from 22.97% recorded in May 2025, a decline of 0.75 percentage points. On a year-on-year basis, headline inflation decreased by 11.97 percentage points compared to 34.19% recorded in June 2024. However, it is worth noting that the CPI figure for June 2024 is based on a different base year (November 2009 = 100). Similarly, the food inflation rate stood at 21.97% in June 2025, and 18.93 percentage point decrease from the 40.87% recorded in June 2024. The significant decline in food inflation is partly driven by the change in the base year. However, on a month-on-month basis, the food inflation rate in June 2025 was 3.25%, up by 1.07% compared to May 2025 (2.19%). The increase can be attributed to the rate of increase in the average prices of Green Peas (Dried), Pepper (Fresh), Shrimps (white dried), Crayfish, Meat (Fresh), Tomatoes (Fresh), Plantain Flour, and Ground Pepper, among others. Urban inflation rate was 22.72% in June 2025, 13.83 percentage points lower than the 36.55% recorded in June 2024. Similarly, rural inflation rate dropped to 20.85%, showing a decline of 11.24 percentage points from 32.09% recorded in the same month last year. While the inflation rates recorded significant declines, this drop can be attributed to technical factors, such as the change in the base year used in CPI calculation, increases in farm harvest, and exchange rate stability in recent months. To sustain lower inflation trends, the government should focus on improving food security by securing and supporting farmers, promoting local production, and ensuring stable exchange rate policies that protect households from future shocks.

Business Confidence Rises to 20.7 Index Points in June 2025

The Central Bank of Nigeria's (CBN) Business Expectations Survey (BES) for June 2025 revealed sustained optimism among businesses across the country. The overall Confidence Index stood at 20.7 index points, indicating positive sentiments about the current macroeconomic environment. This upbeat outlook is projected to strengthen further, with index points reaching 23.0 in July, 34.9 in September, and 41.3 in December 2025. Sectoral responses suggest broad-based optimism. The industry sector recorded the highest optimism in June 2025, with a confidence level of 23.1 index points. The confidence index is expected to rise significantly, with projections for the next six months reaching 48.3 for Industry and 42.8 for Agriculture. The Services sector also showed a promising trajectory, with optimism rising to 36.8 index points in the next six months. The Business Confidence Index (BCI) further highlighted sectoral optimism. The Construction sector led with the highest confidence index at 15.4 index points, followed by Manufacturing (13.1), Mining and Quarrying (12.5), Agriculture (11.4), Market Services (10.7), and Non-Market Services (7.6). Regionally, the outlook for the macroeconomy remains largely positive, which is favourable for the overall economy. However, to consolidate this growing confidence, consistent monetary and fiscal coordination is essential, particularly measures that address credit accessibility, interest rate concerns, and structural constraints that vary across regions.

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	77.83
Currency in Circulation (N'Trillion)	5.01	5.01
FAAC (N'Trillion)	1.68	1.68

NA: Not Available

1. Inflation Perception Eases Slightly in June 2025 report from:
https://www.cbn.gov.ng/Out/2025/STD/JUNE 2025 IES.pdf
2**.** Nigeria's Inflation Rate Eases to 22.2% in June 2025 report from:
https://microdata.nigerianstat.gov.ng/index.php/catalog/154
3 Business Confidence Rises to 20.7 Index Points in June 2025 Retrieve From;
https://www.cbn.gov.ng/Out/2025/STD/JUNE 2025 BUSINESS EXPECTATIONS SURVEY REPORT.pdf