CSEA
Centre for the Study of the Economies of Africa


# Weekly Snapshot

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## Nigeria’s Oil Output in July 2025 Meets OPEC’s Quota

The Organisation of the Petroleum Exporting Countries' (OPEC) August monthly oil market report revealed that Nigeria’s average daily crude oil production (based on direct communication) rose slightly from 1.505 million bpd in June to 1.507 million bpd in July 2025. The report further showed that oil production stood at 0.46% above OPEC’s 1.5 million bpd quota, but was 26.8% below Nigeria’s target of 2.06 million bpd. This gap indicates that Nigeria is still earning less than it projected from oil sales, which puts pressure on government revenue and limits foreign exchange inflows. Furthermore, lower crude oil output weakens Nigeria’s ability to fund critical developmental projects, increases reliance on borrowing, and adds strain to an already tight fiscal space. To bridge this production gap, Nigeria should focus on reducing crude oil theft and pipeline vandalism by strengthening security through innovative means such as investing in surveillance equipment. In addition, more investment is needed in oil infrastructure and maintenance to boost output capacity beyond the current dilapidated infrastructure.

## Headline Inflation Eases to 21.88% in July 2025

According to the National Bureau of Statistics' (NBS) July 2025 Consumer Price Index (CPI) Report, Nigeria’s headline inflation rate dropped to 21.88% in July 2025, from 22.22% in June 2025, indicating a month-on-month decline of 0.34 percentage points. On a year-on-year basis, the headline inflation rate was 11.52 percentage points lower than the 33.40% recorded in July 2024. Furthermore, food inflation rate stood at 22.74% year-on-year, which is 16.79 percentage points lower than the 39.53% recorded in July 2024. This decline is largely due to the change in the CPI base year, while on a month-on-month basis, it slowed slightly to 3.12% from 3.25% in June 2025, which is driven by slower increases in the prices of vegetable oil, beans, rice, maize flour, sorghum, wheat flour, and millet. Similarly, urban inflation rate was 22.01% compared to 35.77% in July 2024, while rural inflation rate stood at 21.08% from 31.26% in the same period last year. However, on a month-on-month basis, urban inflation rate reduced to 1.86% in July from 2.11% in June, whereas rural inflation rate increased sharply to 2.30% from 0.63% in June, reflecting ongoing supply and transport disruptions in rural areas. The decline in headline and food inflation rate revealed some price stability, particularly in urban areas; however, the rise in rural inflation rate indicated ongoing challenges with food access, transport, and distribution. The report, therefore, showed that inflation relief is uneven and rural households remain vulnerable, emphasising the need for the government to invest in rural infrastructure, strengthen food supply chains, and support smallholder farmers to ensure that price stability is broad-based and sustainable. The government should also provide safety nets to the rural population to cushion the impacts of inflation, which they are vulnerable to.

## Nigeria’s Foreign Reserves Reach $41 Billion, Highest in 44 Months

The Movement in Foreign Reserves data from the Central Bank of Nigeria (CBN) revealed that the country’s foreign reserves rose to $41 billion on August 19, 2025, the highest level in 44 months. This is the highest amount recorded since December 3, 2021, marking a significant increase from the $37 billion to $39 billion range within which reserves fluctuated during the second and third quarters of the year. In its 301st Monetary Policy Committee (MPC) communique, the CBN noted continued stability in the foreign exchange market, citing factors such as higher capital inflows, improved oil production, rising non-oil exports, and reduced imports. The recent surge in reserves can also be attributed to these factors. The recent boost in reserves strengthened the country’s economic buffer, relieving pressure on the Naira and helping to restore market confidence. Despite these gains, significant risks remain that could slow the growth of the foreign reserve, such as declining inflows and high debt servicing costs. To sustain this upward trend, it is essential to maintain manageable debt levels and further enhance oil production through infrastructural investment. Futhermore, boosting non-oil exports is critical and can be achieved by improving business access to credit, affordable electricity, transportation networks, and ensuring the availability of raw materials for production.

| 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 $Million) | 249.53 | NA |
| External Debt (FGN & States- N'Trillion) | 69.23 | 56.02 |
| Domestic Debt (FGN + States & FCT N'Trillion) | 68.89 | 61.58 |
| Manufacturing Capacity Utilization (%) | 60.70 | 61.90 |
| Imports (N'Billion) | 14.67 | 16.56 |
| Exports (N'Billion) | 20.48 | 20.01 |
| Total trade (N'Billion) | 35.16 | 36.60 |
| Total trade (N'Billion) | 5.81 | 3.42 |
| Trade balance (N'Billion) | 13.40 | 13.78 |
| Crude oil Export (N'Billion) | 7.08 | 6.23 |
| Non-Crude Oil Export (N'Billion) | 2.50 | 2.84 |
| | | |
| Monthly Indicators | May 25' | June 25' |
| Headline Inflation (%) | 22.97 | 22.22 |
| Food Sub-Index (%) | 21.14 | 21.97 |
| Core Sub-Index (%) | 22.28 | 22.76 |
| External Reserves (End Period) (US$ Billion) | 38.45 | 37.21 |
| Official Rate Approx. (N/US$) | 1,586.2 | 1549.8 |
| BDC Rate Approx. (N/US$) | NA | NA |
| Manufacturing PMI | 51.60 | 51.4 |
| Non-Manufacturing PMI | 51.70 | 51.3 |
| Average Crude Oil Price (US$/Barrel) | 65.90 | 73.50 |
| Petrol (PMS-N/litre) | 1,027.76 | 1,037.66 |
| Diesel (AGO -N/Litre) | 1,758.26 | 1,813.81 |
| Kerosene (HHK -N/Litre) | 2,175.29 | 2,192.63 |
| Liquefied Petroleum Gas (Cooking Gas) (N/5Kg) | 8,167.43 | 8,323.95 |
| MPR (%) | 27.50 | 27.50 |
| CRR of Deposit Money Banks (%) | 50.00 | 50.00 |
| T-Bill Rate (%) | 19.07 | 17.90 |
| Savings Deposit Rate (%) | 7.53 | 7.52 |
| Prime Lending Rate (%) | 18.01 | 18.19 |
| Maximum Lending Rate (%) | 29.84 | 29.51 |
| Narrow Money (N'Trillion) | 40.38 | 39.92 |
| Broad Money (N'Trillion) | 119.01 | 117.50 |
| Net Domestic Credit (N'Trillion) | 102.90 | 99.86 |
| Credit to the Government (Net) (N'Trillion) | 25.07 | 23.73 |
| Credit to the Private Sector (N'Trillion) | 77.83 | 76.13 |
| Currency in Circulation (N'Trillion) | 5.01 | 5.0 |
| FAAC (N'Trillion) | 1.66 | 1.82 |

NA: Not Available

1. Nigeria's Oil Output in July 2025 Meets OPEC's Quota report from**:**
https://momr.opec.org/pdf-download/

2. Headline Inflation Eases to 21.88% in July 2025  report from:
https://microdata.nigerianstat.gov.ng/index.php/catalog/154

3 Nigeria's Foreign Reserves Reach $41 Billion, Highest in 44 Months Retrieve From;
https://www.cbn.gov.ng/intops/reserve.html