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Weekly Snapshot

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Nigeria's Economic Expansion Persists as PMI hits 52.1 in May 2025

The Central Bank of Nigeria's (CBN) Purchasing Managers' Index (PMI) report for May 2025 revealed that the composite PMI stood at 52.1 index points, indicating an increase in economic activities for the sixth consecutive month, a signal of sustained positive momentum in the Nigerian economy. The industrial sector (51.6 index points) recorded growth for the fifth consecutive month. Similarly, the services sector (51.7 index points) signalled a continued rise in incoming business orders. Furthermore, the agriculture sector maintained its lead with 53.4 index points, marking its tenth consecutive month of expansion, primarily driven by an increase in new orders. In addition, the composite output index (52.5), new orders (52.7), and employment level (51.1) also recorded positive movements in May, reinforcing an optimistic outlook for Q2 2025. Despite these gains, the report highlighted ongoing pressure on business profit margins as input costs continue to outpace output prices. To sustain the pace of expansion, there is a need for targeted interventions such as improved access to affordable energy and transport infrastructure, which will help reduce operational costs for firms in Nigeria.

Naira Shows Stability Against USD in May 2025

Data from the Central Bank of Nigeria (CBN) indicated that in May 2025, the Naira averaged ₦1,595 per US dollar in the official foreign exchange market. This reflects a month-on-month stability of the currency against the US dollar, as it averaged about the same amount in April. The relative stability of the Naira against the US dollar is likely caused by the increase in the country's foreign reserves. In May 2025, the CBN launched the Non-Resident Diaspora Bank Verification Number (NRBVN) platform to enhance financial integration with Nigerians abroad and boost foreign exchange inflows through increased remittances, thus strengthening the Naira. Additionally, the narrowing gap between official and parallel market exchange rates might have significantly contributed to the currency's stability against the USD. However, additional policies are needed to achieve sustained currency stability and strength. Some of these policies include supporting local businesses to produce import substitutes by improving access to credit and technology. Critical investments in the health and education sectors are also essential to reduce the demand for foreign services such as medical tourism, which in turn, would conserve foreign exchange.

Consumers' Pessimism Persists in May 2025

The Central Bank of Nigeria's (CBN) May 2025 Household Expectations Survey report revealed a reduction in consumer pessimism, with the overall consumer sentiment index improving to -12.9 points in May from -15.3 in April 2025. The survey assessed consumer sentiment across three critical dimensions: the economic condition, family financial situation and family income. Respondents expressed pessimism in all categories — economic condition at -12.6, family financial situation at -20.3, and family income at -5.7 index points. Looking ahead, consumer sentiment remained cautious, with a slightly pessimistic outlook for June at -2.7 index points. However, expectations brightened for the latter part of the year, with optimism returning in August (5.1) and strengthening further by November (14.8), indicating a belief in gradual economic recovery. However, the household perception index on prices remained deeply negative at -26.7 index points, reflecting widespread concerns that current prices are excessively high. To bolster consumer confidence and support sustainable economic recovery, policies such as effective management of foreign exchange and inflation are needed. Furthermore, the report emphasised the strategic importance of investing in critical sectors such as transport, power, and raw materials. These investments are vital to lowering production costs, which in turn could alleviate inflationary pressures and contribute to price stabilisation, ultimately fostering a more favourable economic environment for households and businesses alike.

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 $Million)	249.53	NA
External Debt (FGN & States- N'Trillion)	69.23	56.02
Domestic Debt (FGN + States & FCT N'Trillion)	68.89	61.58
Manufacturing Capacity Utilization (%)	60.70	61.90
Imports (N'Billion)	14.67	16.56
Exports (N'Billion)	20.48	20.01
Total trade (N'Billion)	35.16	36.60
Trade balance (N'Billion)	5.81	3.42
Crude oil Export (N'Billion)	13.40	13.78
Non-Crude Oil Export (N'Billion)	7.08	6.23
Non-Oils Export (N'Billion)	2.50	2.84
Monthly Indicators	**March 25'**	**April 25'**
Headline Inflation (%)	23.71	23.71
Food Sub-Index (%)	39.93	21.26
Core Sub-Index (%)	28.75	23.39
External Reserves (End Period) (US$ 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 (%)	17.96	NA
Maximum Lending (%)	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

Compiled by the Information and Data Management (IDM) Unit, CSEA
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NA: Not Available

1. Nigeria's Economic Expansion Persists as PMI hits 52.1 in May 2025 report from:
https://www.cbn.gov.ng/Out/2025/STD/PMI May2025_Compressed.pdf
2. Naira Shows Stability Against USD in May 2025 report from:
https://www.cbn.gov.ng/rates/ExchRateByCurrency.html
3. Consumers' Pessimism Persists in May 2025 Retrieve From;
https://www.cbn.gov.ng/Out/2025/STD/Household May2025_compressed.pdf