Date: Tuesday, 22nd July 2025

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Attention: News Editors/Gentlemen of the Press

MONETARY POLICY RATE RETAINED AT 27.50 PER CENT

The Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) held its 301st meeting on July 21 and 22, 2025 to review recent economic and financial developments and the outlook. All twelve (12) members of the Committee were in attendance.

Decision of the MPC

The Committee decided to maintain the current monetary policy stance and hold all policy parameters constant as follows:

1. Retain the Monetary Policy Rate (MPR) at 27.50 per cent.
2. Maintain the asymmetric corridor around the MPR at +500/-100 basis points.
3. Retain the Cash Reserve Ratio (CRR) for Deposit Money Banks at 50.00 per cent and for Merchant Banks at 16.00 per cent.
4. Keep the Liquidity Ratio unchanged at 30.00 per cent.

This decision was premised on the need to sustain the momentum of disinflation and sufficiently contain price pressures. Maintaining the current policy stance will continue to address the existing and emerging inflationary pressure. The MPC will continue to undertake rigorous assessment of economic conditions, price development and outlook to inform future policy decisions.

Considerations

The Committee acknowledged the decline in headline inflation in June 2025, the third consecutive month of deceleration. This was largely driven by the moderation in energy prices and stability in the foreign exchange market. Despite these positive developments, Members observed the uptick in month-on-month headline inflation, suggesting the persistence of underlying price pressures. The continued global uncertainties associated with the tariff wars and geopolitical tensions could further exacerbate supply chain disruption and exert pressure on the prices of imported items.

Members also noted the continued stability in the banking system, evidenced by the stable Financial Soundness Indicators (FSIs) which would further be supported by the on-going banking recapitalisation exercise. The MPC noted that eight (8) banks have fully met the recapitalisation requirements, while others are making progress towards meeting the deadline. The Committee thus, urged the Management of the Bank to sustain its oversight of the banking system to ensure continued resilience, safety and soundness of the financial system.

Price and Other Domestic Developments

Headline inflation (year-on-year) declined to 22.22 per cent in June 2025 from 22.97 per cent in May, primarily driven by the moderation in energy prices, especially cooking gas, wood charcoal and diesel. Food inflation (year-on-year), however, rose to 21.97 per cent in June 2025 from 21.14 per cent in May, attributed mainly to the increase in the cost of processed food. Core inflation, that is, all items less farm produce and energy, also increased to 22.76 per cent in June 2025 from 22.28 per cent in May, reflecting an uptick in the cost of Information & Communication, Housing & Utilities, and Personal Care & Social Services.

On a month-on-month basis, headline inflation rose to 1.68 per cent from 1.53 per cent, largely due to increases in the price of services and imported food.

The Committee acknowledged the efforts of the Federal Government in improving security and its impact on food production. Members thus urged the government to continue its support towards timely provision of high-yield seedlings, fertilizers, and other critical inputs for the current farming season. The MPC also noted the sustained stability in the foreign exchange market, accentuated by improved capital flows, earnings from increased crude oil production, rising non-oil exports and significant reduction in aggregate imports.

Real GDP in the first quarter of 2025 grew by 3.13 per cent compared with 2.27 and 3.38 per cent in the corresponding and preceding quarters of 2024, respectively. In addition, recent data on the Purchasing Managers Index indicates that the Nigerian economy remains on an expansionary path. The external sector also remains stable and resilient despite persisting uncertainties in the global macroeconomic environment. Gross external reserves rose to US$40.11 billion on July 18, 2025, representing about 9.5 months of import cover for goods.

Global Developments

Available projections suggest that global output recovery continues at a gradual pace. However, recent developments, especially the persistent tariff war and geopolitical tensions, may continue to disrupt supply chains and exert upward pressure on the prices of imports.

Disinflation in the Advanced Economies has slowed, prompting major central banks to be cautious of upside risks to inflation. In the Emerging Markets, central banks continue to calibrate monetary policy to their domestic conditions, noting the persisting risks to inflationary pressures.

Outlook

Staff projections indicate a further decline in inflation in the coming months, underpinned by the current tight monetary policy stance, stable exchange rate, declining PMS prices, and moderation in food prices as the harvest season approaches.

Given the persistent uncertainty in the policy environment and underlying price pressures, monetary policy will need to maintain its current stance until risks to inflation recede sufficiently. The Committee remains committed to the Bank's price stability mandate and would take appropriate measures to foster stability and confidence in the economy.

The next meeting of the Committee is scheduled for Monday, 22nd and Tuesday, 23rd September 2025.

Thank you.

Olayemi Cardoso

Governor,

Central Bank of Nigeria

July 22, 2025.

PERSONAL STATEMENTS BY THE MONETARY POLICY COMMITTEE MEMBERS MPC MEETING JULY 21 – 22, 2025

1. AKU PAULINE ODINKEMELU

I vote to retain the Monetary Policy Rate (MPR) at 27.50 per cent, the asymmetric corridor around the MPR at +500/-100 basis points, Cash Reserve Ratio of Deposit Money Banks at 45.00 per cent and Merchant Banks at 16 per cent, and the Liquidity Ratio at 30.00 per cent. My decision is influenced by the following developments:

Economic and Financial Developments

Since the May 2025 meeting, global economic conditions have shown little meaningful improvement. Growth prospects remain subdued by persistent geopolitical tensions, particularly, in the Middle East and the ongoing Russia-Ukraine conflict, alongside policy uncertainty, tight financial conditions, and escalating trade restrictions. Notably, the U.S. and its major trading partners have imposed tariffs on critical sectors, pushing global tariff rates to historic highs, as highlighted in the IMF's April 2025 World Economic Outlook. Trade wars, particularly through tariff hikes, act as a negative supply shock that could reduce aggregate productivity by distorting resource allocation. While the latest round of scheduled tariffs is currently paused, the existing measures are expected to dampen global output.

The IMF projects global growth to slow from 3.3 per cent in 2024 to 2.8 per cent in 2025 before a modest recovery to 3.0 per cent in 2026. The Advanced economies will bear the brunt of this slowdown, with growth declining from 1.8 per cent in 2024 to 1.4 per cent in 2025 and 1.5 per cent in 2026. Growths in the emerging markets and developing economies (EMDEs) are also expected to moderate, from 4.3 per cent in 2024 to 3.7 per cent in 2025 and 3.9 per cent in 2026. Sub-Saharan Africa's growth has been revised downward to 3.8 per cent in 2025 (from 4.0 per cent in 2024), with a tentative rebound to 4.2 per cent in 2026. These challenges underscore the urgent need for coordinated multilateral efforts to address trade restrictions and geopolitical instability. However, progress has been slow, with policy responses remaining either passive or ineffective.

Global inflation is expected to continue its downward trajectory, converging toward advanced-economy central banks' target (2.2 per cent by 2026), supported by easing supply chain disruptions, lower energy prices, and labor market normalization. The IMF forecasts global inflation to decline from 5.7 per cent in 2024 to 4.3 per cent in 2025 and 3.6 per cent in 2026, though slightly higher than January 2025 projections due to persistent upside risks. In the advanced economies, inflation is projected to ease from 2.6 per cent in 2024 to 2.5 per cent in 2025 and 2.2 per cent in 2026. Given lingering inflationary concerns, the U.S. Federal Reserve has paused its easing cycle. Meanwhile, EMDE inflation is expected to decline from 7.7 per cent in 2024 to 5.5 per cent in 2025 and 4.6 per cent in 2026, though risks remain elevated due to exchange rate pressures, infrastructure gaps, energy shortages, geopolitical tensions, and climate-related shocks, as previously noted in May 2025.

DOMESTIC DEVELOPMENTS

At the domestic level, the Nigerian economy grew by 3.84 per cent (year-on-year) in Q4 2024, up from 3.46 per cent in the previous quarter. This expansion was driven by robust performance in the services sector (particularly financial & insurance, transport & storage, and information and communication), alongside steady contributions from industry and agriculture. While growth remains positive, it continues to face fragility risks, including subdued consumer demand and elevated interest rates, which could constrain economic momentum.

Inflation (year-on-year) eased slightly to 22.22 per cent in June 2025, down from 22.97 per cent in May, primarily due to moderating prices of farm produce and energy. However, core inflation, which excludes volatile food and energy prices, rose to 22.76 per cent (from 22.28 per cent in May), fuelled by increased costs in transport and ICT services. This divergence highlights persistent underlying inflationary pressures, even as some commodity prices show temporary relief.

Rationale for Vote

Given these dynamics, I vote to maintain the current interest rate while urging the Bank to closely monitor the potential spillover effects of trade tensions on the domestic economy, particularly, regarding trade costs and inflationary pressures. The declining domestic inflation and stable exchange rate has afforded the Bank the rare privilege of effectively anchoring inflation expectation and promoting price stability during this period of heightened global uncertainty.

1. Policy Implications and Outlook

Domestic inflation is expected to continue its downward trajectory, supported by the extended 150-day tariff exemption for staple grain imports, improved security conditions enabling better access to key farming communities, favorable economic conditions, exchange rate stability, and relatively stable PMS prices. This positive trend offers a critical opportunity to reinforce and accelerate disinflationary momentum. However, significant upside risks persist, including potential geopolitical disruptions to crude oil markets, recent and prospective increases in diesel prices and electricity tariffs, the threat of renewed insecurity in agricultural communities, adverse weather events such as flooding, and inflationary spillovers from global trade tensions.

2. Conclusion

Given this delicate balance between progress and vulnerability, enhanced coordination between monetary and fiscal authorities remains imperative to develop sustained solutions for food price stability. The current environment demands urgent, decisive policy action to stimulate domestic agricultural production - the most effective long-term measure for sustaining lower food prices. Proactive measures to address these risks now will be crucial for consolidating recent gains and anchoring inflation expectations moving forward.

2. ALOYSIUS UCHE ORDU

Introduction

I voted to *maintain* all the MPC parameters at their current levels:

- Maintain Monetary Policy Rate (MPR) at 27.50 percent,
- Maintain Asymmetric corridor around the MPR at +500/-100 basis points,
- Maintain Cash Reserve Ratio (CRR) for Deposit Money Banks at 50 percent and for Merchant Banks at 16 percent, and
- Maintain the Liquidity Ratio unchanged at 30 percent.

Developments in the global economy

The July 2025 MPC meeting took place at a time of increased challenge to the status of the US as a "safe haven" resulting from the US trade war, the rising fiscal deficit and the attacks on the independence of the US Federal Reserve. Consequently, there has been a simultaneous decline in the value of the dollar and US Treasury prices. Not since the early 1970s has the dollar had such a worst start to the year: Its strength vis-à-vis major rival currencies dropped in the last six months.

Usually, the dollar would appreciate during a crisis as funds from advanced and emerging market economies pour into the US on account of its safe-haven status, and partly due to the depth of the US Treasury market. The recent unusual depreciation of the dollar and rising US Treasury yields is prompting fresh scrutiny on whether the US might be losing its traditional safe-haven status.

As investors seek safer havens, the euro rose by around 14 percent to USD1.18 earlier in July. This appreciation contrasts sharply with previous predictions of euro-dollar parity earlier this year. If the euro appreciation persists, the ECB may likely cut interest rates further to dampen the effects on inflation and the euro area economy. Already, the ECB has lowered borrowing costs to 2 percent compared to the Fed's 4.25 - 4.50 percent. Yet, the euro has strengthened, signaling, perhaps, further erosion of trust in the dollar.

There are clearly reasons to be concerned about the US's haven status. The lack of political will to rein in the US budget deficit is evident in the 'One Big Beautiful Bill Act' signed into law on July 4th. The Act will add over USD3 trillion to the deficit over ten years. (Currently, US debt amounts to around USD36 trillion, about 120 percent of GDP.) And President Trump's continuing attacks on the Fed's independence has not receded.

These concerns may be overstated. As indicated, US Treasuries have consistently acted as a buffer during periods of uncertainty. Even with recent volatility, they continue to provide protection, averaging positive returns during equity market pullbacks. Similarly, despite a 9% year-to-date drop in the dollar, its global dominance remains intact, with over 50% of SWIFT payments and nearly 60% of global reserves still denominated in dollars, an "exorbitant privilege" vis-à-vis the other 150 currencies used the world over.

At present, no other market rivals the size, liquidity, or influence of the US Treasury market, which is estimated at USD28.5 trillion and trades over $1 trillion daily. Concerns about foreign selling are not substantiated by recent data, and foreign holdings have continued to grow despite shifting shares. While Japan and China remain top holders, fears that Treasuries might be 'weaponized' seem exaggerated. The sharp rise in US Treasury yields suggest temporary, not structural, vulnerability. The dollar's embedded role in global finance thus suggests that an imminent reserve status loss – a wholesale shift to an alternative is highly unlikely for the time being.

Thus, while fiscal challenges and geopolitical shifts have created short-term uncertainty, the fundamentals underpinning US safe-haven status remain strong. Treasuries and the dollar may wobble in moments such as the current policy stress, but they remain unmatched globally. This outcome clearly has implications for advanced and emerging market economies. The weaker dollar will likely mitigate the impact of tariffs, resulting in less damage to the global economy. For emerging market economies such as Nigeria with dollar-denominated debt, the depreciation makes it cheaper to service international financial obligations.

Developments in the domestic economy

Inflation: CBN staff presentations show that inflation has continued to trend downwards since the last meeting in May. Headline inflation (year-on-year) declined to 22.22 percent in June 2025 from 22.9 percent in the preceding month. Farm produce and energy accounted significantly for the observed decline. However, both core inflation and food inflation recorded increases to 22.76 percent and 21.97 percent, respectively. By States, Zamfara accounted for the lowest recorded headline inflation versus Borno where security continued to keep prices elevated.

As regards inflation expectations, the May 2025 survey showed that businesses are more optimistic about the level of inflation in the next six months compared to households. Energy costs, exchange rate, interest rates, transportation costs and insecurity were the key drivers of inflation expectations. Overall, the outlook for July 2025 shows a further moderation to

21.62 percent, due to the continued strengthening of the naira among other factors.

Money supply: The monetary base continued to reflect CBN's tightening policy stance with a moderation of the currency in circulation. Also, capital market developments suggest improved transmission of monetary policy in the system, and investors' appetite for Nigerian Treasury bills was sustained.

External sector: In the external sector, the naira appreciated and the gap between the official and BDC rates narrowed and remained stable on account of improved foreign exchange liquidity. Remittances and foreign portfolio investments remained strong, and these helped to boost external reserves to USD 40.11 billion as of July 18th2025 - over 9 months of import cover.

However, inflows of foreign direct investment (FDI) amounted to USD 1 billion in 2024 according to the United Nations Center on Trade and Development. This amount is considerably lower than FDI flows to comparable countries -- Indonesia (USD24 billion), India (USD28 billion), Egypt (USD46 billion), and Brazil (USD59 billion) during the same year.

Clearly, the task of attracting inward investments into Nigeria must not rest on CBN alone. A whole-of-government approach is urgently needed, including the Ministries of Trade and Industry, Solid Minerals, Digital Economy, Finance, Planning, Agriculture, etc., and Security Agencies to attract long-lasting FDI to boost economic growth and create jobs for the country's burgeoning population of unemployed youths. Such a coordinated effort to improve the investment climate will make it easier to raise Nigeria's economic size to a trillion-dollar economy in future.

Fiscal developments. The assumptions underpinning the 2025 FGN budget include crude oil production of 2.06 million barrels per day, crude oil price of USD75 per barrel, exchange rate of naira 1,500 per USD, GDP growth of 4.6 percent, and inflation of 15 percent. These optimistic assumptions warrant continued close monitoring in the light of current developments in the global and domestic economy. Already, revenues and expenditures fell short of targets for the period March 2024 to March 2025.

The IMF's 2025 assessment of Nigeria's fiscal forecasting highlighted persistent inaccuracies in the budget projections from 2011 to 2023. The report identified a consistent optimism bias in revenue forecasts, especially for oil revenues, driven by unrealistic assumptions about oil production rather than price. Despite the use of conservative oil price benchmarks, actual production often fell short due to technical constraints, security issues, and unbudgeted fuel subsidies. Non-oil revenues were also overestimated, hampered by weak collection systems and administrative inefficiencies.

On the expenditure side, capital spending was systematically over-projected, with frequent under-execution caused by capacity constraints within Ministries, Departments, and Agencies. Recurrent expenditures, while more accurately forecasted, were often compressed in response to revenue shortfalls, helping to keep fiscal deficit errors relatively contained.

Efforts to minimize these fiscal forecast errors by strengthening the macro-fiscal forecasting unit, conducting and publishing regular forecast performance reviews, and fostering political commitment to credible budgeting will greatly improve the credibility of FGN's budget.

Rationale for my Vote

Overall, the period May to July 2025 recorded some noteworthy accomplishments. Headline inflation declined to 22.22 percent in June – the third consecutive month of decline. The purchasing managers' index rose to 52.3 index points with the agriculture sector in pole position. Improvements in the non-oil sector boosted government revenues. The exchange rate appreciated and the spread between the NFEM and the BDC remained stable. Improved investor sentiments continued to drive FPI inflows, and positive assessments by Moody's rating agency and the IMF Article IV mission reflect improved external perceptions.

And as indicated at the outset, the notable dent to the safe-haven status of the US will benefit emerging markets, including Nigeria, in terms of increased capital flows and servicing of dollar-denominated debt. But subdued global growth could depress the price of crude oil and other commodities.

Nigeria is thus not out of the woods yet. I continue to believe that our current tight monetary policy stance remains valid to rein in inflation. There is no such thing as double-digit and stable inflation.

Our tightening stance is thus warranted for as long as it takes until inflation expectation is well anchored.

Attaining low inflation will help to restore trust in the Naira and deepen Nigeria's domestic capital market. It will broaden the market for government debt, allowing the Federal Government to place public debt without having to tap dollar markets. Further, a deeper domestic capital market will make it easier for producers of non-traded goods, whose revenues are in Naira, to borrow in Naira instead of dollars, which will reduce Nigeria's overall foreign exchange risk.

3. BALA MOH'D BELLO *MON*

Introduction

At the last two Monetary Policy Committee (MPC) meetings, I voted to retain the stance of monetary policy by holding all parameters at existing levels. The positive output trajectory, stable exchange rate, decelerating inflation and the need to allow previous policy measures to fully transmit through the economy, are some of the compelling reasons to retain the same stance. I, therefore, vote to retain all policy parameters at the July 2025 MPC meeting, as follows.

1. Retain the Monetary Policy Rate (MPR) at 27.50 per cent.
2. Retain the asymmetric corridor around the MPR at +500/-100 basis points.
3. Retain the Cash Reserve Ratio of Deposit Money Banks at 50.00 per cent and Merchant Banks at 16 per cent.
4. Retain the Liquidity Ratio at 30.00 per cent.

Rationale

As the second half of 2025 unfolds, it has become increasingly evident that despite several global headwinds, including uncertain tariff regimes, persistent geopolitical tensions and rising debt levels, the likelihood of a global recession is diminishing, contrary to earlier projections by some analysts. The International Monetary Fund (IMF) currently forecasts global output growth of 2.8 per cent in 2025 and a moderate improvement to 3.0 per cent in 2026. This optimistic outlook though modest, underscores the critical role of sustained and coordinated policy interventions by both monetary and fiscal authorities. These interventions, whether orthodox or unconventional, often involve complex trade-offs but remain necessary to support global economic resilience.

Nonetheless, prevailing global policy uncertainties present the need for balanced and consistent policies to ensure that the seeming economic resilience is sustained in view of country specific vulnerabilities. These global dynamics, in conjunction with domestic data and developments, informed my policy decision at the July 2025 MPC meeting.

Domestic Economic Developments

Reflecting on recent developments, I am encouraged by the impact of prior MPC decisions, some of which were difficult but essential, as well as complementary fiscal initiatives that have strengthened the Nigerian economy. The positive outcomes of these actions are becoming increasingly evident.

Headline inflation (year-on-year) declined for the third consecutive month to 22.22 per cent in June 2025 from 22.97 per cent in May, primarily driven by the moderation in energy prices, especially cooking gas, wood charcoal and diesel. Food inflation (year-on-year), however, rose to 21.97 per cent in June 2025 from 21.14 per cent in May, attributed mainly to the increase in the cost of processed food. Core inflation, that is, all items less farm produce and energy, also increased to 22.76 per cent in June 2025 from 22.28 per cent in May, reflecting an uptick in the cost of Information & Communication, Housing & Utilities, and Personal Care & Social Services. On a month-on-month basis, headline inflation rose to 1.68 per cent from 1.53 per cent, largely due to increases in the price of services and imported food.

Despite these movements, underlying inflationary pressure continues to ease, supported by monetary tightening, relative exchange rate stability and the Federal Government's effort to improve the security situation and thereby boost food production. Forecasts, indicate that headline inflation is expected to remain dampened over the medium-term.

The improved security situation is also reflected in the overall economic performance with the real GDP growing at 3.13 per cent in the first quarter of 2025 compared with 2.27 and 3.38 per cent in the corresponding and preceding quarters of 2024, respectively.

In the external sector, the naira exchange rate has remained relatively stable, reflecting the benefits of tighter liquidity conditions, increased investor confidence, and the effective implementation of recent adjustments to the foreign exchange (FX) management framework. Speculative activities in the FX market have declined significantly, fostering greater transparency and promoting market-based price discovery. This stability is expected to persist over the medium term, supported by rising external reserves which stood at US$40.11 billion as of July 18, 2025, equivalent to approximately 9.5 months of import cover.

The domestic financial system remains sound and resilient. Available data indicate that key prudential indicators remain largely within regulatory thresholds. Stress test results presented at the meeting also confirm the robustness of the banking system, even amidst a contractionary stance of monetary policy. The Central Bank remains vigilant and proactive, with initiatives such as the ongoing recapitalization of commercial banks designed to reinforce financial system stability in an increasingly dynamic macroeconomic environment.

Concluding Remarks

Overall, the short-to-medium term outlook for the Nigerian economy remains positive with key macroeconomic indicators depicting stability. Nonetheless, sustained implementation of coordinated and well-balanced policy measures are imperative to further strengthen macroeconomic fundamentals in view of persistent global headwinds. Indeed, ongoing trade tensions, persistent conflicts in the Middle East and Ukraine, and climate related shocks have implications for emerging markets. Nigeria is not immune to these risks. Therefore, preserving the gains of the previous months and strengthening economic fundamentals remains a priority for monetary policy in my view.

4. BANDELE A.G. AMOO

In view of the recent empirical developments in both the domestic and external economies, I hereby vote as follows:

(a) Retain the Monetary Policy Rate (MPR) at 27.50 per cent.

(b) Retain the asymmetric corridor around the MPR at +500/-100 basis points.

(c) Retain the Cash Reserve Ratio (CRR) at 50.0 per cent for Deposit Money Banks (DMBs) and 16.0 per cent for Merchant Banks.

(d) Retain the Liquidity Ratio (LR) at 30.00 per cent.

My decision was influenced by the following considerations.

1. Global Economic Developments

The global environment remains uncertain due to the tainted economic outlook in the United States arising from its trade and fiscal policies and their effects on the world economy generally. However, the resilience witnessed within the major economies in the recent past continued.

Consequently, the behaviour and the volatility of different asset classes have been impacted, thereby altering global financial and economic conditions. To address these scenarios, many emerging economies exercised lots of caution amidst escalation of existing geopolitical tensions, high global interest rates, and trade frictions from the current tariff war.

Despite the prevailing global uncertainty, however, policy response from central banks across the world has been mixed. While many opted for a cautious accommodative approach by loosening policy rates, others held onto their previous positions. For Nigeria, likely impact of the global economic development uncertainty may include decline in fiscal revenue and space; decreased demand for Nigerian exports; rise in capital outflows; reduced capital inflows and high debt overhang.

2. Domestic Macroeconomic Developments and Outlook

Domestically, economic growth continued to be moderate as expected. Following a rebasing of the Nigeria's national accounts to 2019 prices, the National Bureau of
Statistics (NBS) reported a 3.13 percent year-on-year real GDP growth in Q1 2025, a notable increase from 2.27 percent in Q1 2024. The nominal GDP also rose to ₦94.05trillion.

Headline inflation has declined consecutively in the last three months by 2.84 percentage points to 22.22 percent in June 2025, reflecting a slight decrease from the preceding month - with food inflation at 21.97 percent and core inflation at 22.76 percent. However, month on month inflation showed an uptick in June 2025 (1.68%) when compared to its May 2025 level (1.53%) indicating persistence of some sectoral factors. A confluence of factors, including reduction in petroleum pump prices, tight monetary policy stance, poverty reduction measures implemented by the government, continued liquidity sterilization efforts, favourable harvest, minimal flood incidence have supported the gradual deceleration in inflation. Other remote factors include improved security around the farming communities, moderation in transport cost, as well as slowdown in processed food imports.

The banking sector performance is adjudged to be relatively stable, strong and resilient. The Central Bank of Nigeria continues to optimize its pro-market monetary operations to support effective monetary policy transmission through adequate regulation. Total bank assets, deposits and credit recorded amiable growth as at the end of June 2025 relative to June 2024. The Capital Adequacy Ratio (CAR) and Liquidity Ratio decreased marginally to 13.43 and 52.69 percents in June 2025, respectively, compared to their levels in 2024, due to their strong performance in earlier months.

The latest banking industry stability index trend indicates industry resilience against various risks, supported by efficient macro-prudential framework as the CBN continue to strengthen synergy with other regulatory entities in the financial sector. Overall, the financial soundness indicators (FSI) trend for both banks and other financial institutions showed strong safety levels in terms of asset growth, solvency, liquidity, profitability and service efficiency.

The improved sector performances in the Nigerian economy engendered positive investor sentiments. Naira continues to strengthen at the official window while holiday dollar demand weighs on the sentiment of the parallel market. As of June 2025, the Nigerian equities market remains bullish, with the NGX All-Share Index up 5.07 percent. This feat emphasized strong investor appetite for domestic equities especially in sound corporate stocks stimulated by impressive dividend pay-out by blue-chip companies. Also, the Eurobond market may benefit from continued global demand for high yield emerging market debt. In the medium term, we expect the bearish prevailing trend to persist, as investors continue to realign their portfolios as situation unfold in monetary, fiscal and macroeconomic developments – specifically Nigeria's new rebased GDP numbers.

The external sector performance continued to improve, driven mainly by stable crude oil prices and increased production volumes, as well as high remittance inflows, helping to build more reserves. Nigeria's Balance of

Payments (BOP) position remains stable to support our external sector stability. Portfolio inflows remain high, recording positive net inflows as at end-June 2025. The exchange rate has remained broadly stable with some minor upside and downside movements. External reserves stood at US$40.11 billion at mid-July 2025, from US$39.01billion at mid-May 2025, mainly, due to improved crude oil production and stability in the FX market arising from the Bank's on-going policy reforms. Other factors include reduction in import demand pressures arising from the full deregulation of the downstream oil sector, reduced petroleum products importation regime, increased non-oil export inflows and other subsisting measures deployed by the CBN.

The commitment of the government to improvements in basic infrastructure, managed fiscal balance, provision of energy and electricity stock, social safety programme and poverty reduction, security upgrade, efficient management of domestic and foreign debt levels will continue to moderate inflation trends. Special attention must be given to more renewable energy sources like solar, wind, and hydroelectric power sources to raise productivity in all sectors. Lower energy prices would help to fasten the disinflationary process and further facilitate monetary policy easing soon.

3. My Concern

It's gladdening to note that the positive macro-economic developments witnessed in the Nigerian economy in recent time across different sectors continued in July 2025. Some of them include: sector-wide drop in general prices, especially food; stability in the foreign exchange market resulting in reduced speculative activities; lower premium to the BDC rate; gradual moderation in price of Premium Motor Spirit (PMS) and AGO; increased policy support by the state governments; planned recapitalisation of the Bank of Agriculture; increase in social safety programmes to further boost aggregate demand to reduce the manufacturers' outcry of unsold stock pile-up; growth in the capital market ASI and equity portfolios; improved payment system infrastructure as well as improved coordination between the fiscal and monetary policy authorities. Nevertheless, the economic stability engendered by the reforms implemented so far must be supported by reinstating Nigeria's import substitution strategies which will take the economy to higher growth path by boosting our industrial productivity across sectors.

Given the above-mentioned, it is my fervent believe that the MPC actions will continue to contain demand-side pressures and moderate the second-round effects coming from supply shocks. I still submit that the current policy rates remain appropriate to maintain a tight monetary stance until a significant and sustained decline in inflation is achieved. Working with the MPC team, the duration and extent of monetary policy restrictiveness will be monitored, and it must be outcome-dependent, and data driven. As inflation becomes firmly anchored, the MPC will reassess the possibility for a gradual easing of the current policy stance.

4. Conclusion

The ongoing positive innovations and outcomes affirm that Nigeria is gradually regaining its economic footing. Sustenance of the ongoing structural economic reforms are vital to unlocking fiscal space, promoting industrial productivity, moderating debt vulnerabilities, and engendering inclusive growth.

5. EMEM USORO

At the Monetary Policy Committee (MPC) held on July 21 – 22, 2025, I voted to:

i. **Retain** the MPR at 27.50%
ii. **Retain** the Asymmetric Corridor at +500/-100 basis points around the MPR.
iii. **Retain** the CRR at 50% for commercial banks and 16% for merchant banks; and
iv. **Retain** the LR at 30.0%.

This decision reflects my conviction that the Nigerian economy is navigating a delicate but promising transition from macroeconomic turbulence to relative stability. Thus, the gains made so far must be firmly consolidated prior to any consideration of policy easing.

Recent domestic indicators highlight a cautiously optimistic trajectory. For instance, headline inflation continued its downward trend for the third consecutive month. This development has been supported by a combination of factors: seasonal improvements in food supply, the easing of energy costs following increased domestic refining capacity, and the relative appreciation of the naira in the official markets.

Exchange rate movements have been notably encouraging, underpinned by higher FX turnover in the market, reforms aimed at enhancing price discovery and transparency, and growing investor confidence anchored by rising external reserves.

The interplay between exchange rate stability, broad money growth and disinflation has been particularly important in reducing pass-through effects, and this in turn is reinforcing inflation expectations among households and firms. Encouragingly, the deviation of broad money growth (4.98% as at end-May 2025) from its provisional benchmark (15.60%) suggests that monetary expansion is contained. This development is driven by a contraction in net domestic credit, alongside tighter reserve money conditions, reflecting the enduring effects of the cash reserve requirements.

Nonetheless, beneath the headline figures, structural vulnerabilities remain as food and core inflation continue to be elevated, largely due to longstanding challenges such as insecurity, inadequate logistics infrastructure, and under-investment in food processing and distribution systems. Moreover, despite the headline tightening, there have been signs of episodic excess liquidity in the banking system, raising concerns about speculative tendencies in the FX market and the risk of undermining recent exchange rate gains if left unchecked.

These domestic developments are unfolding in an increasingly complex global environment. Inflationary pressures have resurfaced in major economies such as the United States, the United Kingdom and China, driven by energy price volatility, strong service sector demand, and on-going supply-side disruptions. Central Banks in these climes have embraced cautious policy stance by delaying rate cuts or tightening further to anchor inflation expectations.

In parallel, the modest but persistent strengthening of the U.S. dollar, coupled with renewed uncertainty over trade policy, including the expected tariff actions by a potential Trump administration in August, warrants caution for emerging and frontier markets, particularly those like Nigeria with open capital accounts and commodity-dependent earnings.

It is within this context that I view discussions around monetary easing as premature. While we must remain sensitive to growth concerns, especially given that real GDP growth remains below potential, the overriding priority must be to secure stability and reinforce confidence in the policy framework and transmission. Positive real interest rates, which have now been restored, provide us with a more credible anchor to attract capital inflows and support naira-denominated assets.

A forward-looking risk assessment reveals a broadly supportive domestic outlook. Improved oil production and price dynamics, along with reduced external debt service and resumption of naira-for-crude arrangements, should bolster reserves and strengthen Nigeria's external position. Fiscal reforms and ongoing infrastructure investments are also expected to support domestic activity. However, inflation may remain sticky in the near term, owing to base effects, cost-push rigidities, and lingering structural deficiencies in the food and energy sectors.

In light of the fragile but sustained disinflation path, ongoing external uncertainties, and the need to preserve monetary credibility, maintaining the current policy stance is prudent, strategic and optimal. A premature pivot to easing could jeopardise the hard-earned gains in price and exchange rate stability, while the sustenance of the current posture allows the transmission of past tightening to permeate fully through the economy.

The Committee remains proactive in re-calibrating the policy stance accordingly, should conditions evolve more favourably over the coming quarters, evidenced by a firmer decline in core inflation and evidence of a durable convergence in the FX market. However, a "higher-for-longer" posture remains the most appropriate path to guide the economy through this transition phase and ensure that stability is not only achieved but sustained.

6. LYDIA SHEHU JAFIYA

At the 301st meeting of the Monetary Policy Committee (MPC), I voted to maintain policy parameters at their extant levels, while monitoring the risks and uncertainties around domestic price and output developments. Specifically, I voted to:

1. Retain the MPR at 27.50 per cent.

2. Retain the asymmetric corridor around the MPR at +500/-100 basis points.

3. Retain the Cash Reserve Ratio of Deposit Money Banks at 50.00 per cent and Merchant Banks at 16.00 per cent.

4. Retain the Liquidity Ratio at 30.00 per cent.

THE GLOBAL ECONOMY

Global growth has remained positive although April 2025 World Economic Outlook projects a deceleration from 3.3 per cent in 2024 to 2.8 per cent in 2025, with a moderate recovery to 3.0 per cent in 2026. The potential slowdown is on account of rising trade barriers, geopolitical tensions and increasing policy uncertainties. Growth in Advanced Economies is expected to moderate in 2025 reflecting increasing policy uncertainties and trade tensions. Meanwhile, output in Emerging Markets and Developing Economies (EMDEs) is projected to decelerate, reflecting persistent inflationary pressures, exchange rate pressures, infrastructural deficits, and other macroeconomic vulnerabilities.

Global inflation has eased, but the pace of disinflation has slowed, reflecting price stickiness across some categories of goods, as well as the impact of new tariff regimes, alongside structural rigidities such as exchange rate pressures and infrastructure deficits predominantly observed in EMDEs. Nonetheless, central banks, especially in Advanced Economies, have continued with monetary easing, albeit cautiously, which is expected to gradually improve financial conditions. Consequently, global headline inflation is projected to moderate to 4.3 per cent and 3.6 per cent in 2025 and 2026, respectively, from 5.7 per cent in 2024 (April 2025 WEO).

Global trade is projected to decline to 1.7 per cent in 2025, before recovering to 2.5 per cent in 2026 compared to 3.8 per cent in 2024. The downgrade, as reported in April 2025 WEO, reflects escalating trade tensions, geopolitical crisis, weaker growth in major economies and climate related shocks.

THE DOMESTIC ECONOMY

Real Gross Domestic Product (year-on-year) in Q1 2025 increased by 3.13 per cent from 2.27 per cent and 3.38 per cent in Q1 2024 and Q4 2024, respectively. The growth performance in the reviewed period is reinforced by the continued expansion, though moderately, in the Composite Purchasing Managers' Index (PMI) which rose to 52.3 index points in June 2025 from 52.1 index points in the preceding month.

Headline inflation (year-on-year) decelerated to 22.22 per cent in June 2025 from 22.97 per cent in May, largely driven by the moderation in energy commodities and farm produce. On a month-on-month basis, however, headline inflation increased to 1.68 per cent in June 2025 from 1.53 per cent in May. Analysis of components of headline inflation shows that core inflation rose to 22.76 per cent in June 2025 from 22.28 percent in May, driven mainly by an increase in cost of transportation, while food inflation increased to 21.97 per cent in June 2025 from 21.14 per cent in May, largely due to an increase in the price of processed food.

Monetary aggregates increased with Broad Money (M3) rising by 43.65 per cent (year-to-date) due to the increase in Net Foreign Assets (NFA). However, this factor has negligible implications for inflationary pressure, compared with a Net Domestic Assets (NDA) driven M3 growth.

The review period witnessed a resilient external sector, despite persisting global economic fragmentation and macroeconomic uncertainties. Total Foreign Portfolio Inflows (FPI) increased largely on account of improved investor sentiment, and high FPI participation in fixed income instruments on account of positive real interest rate. Similarly, the external reserves stood at US$39.01 billion on May 14, 2025, up from the US$38.72 billion attained at end-April 2025. The reserves position could support 7.91 months of import of goods and services and 11.64 months of import of goods only.

Financial Soundness Indicators (FSIs) of the banking system remained strong, following the commitment of the Central Bank of Nigeria (CBN) to a risk-focused supervisory strategy.

CONSIDERATIONS FOR VOTING

The July 2025 MPC meeting held against the backdrop of improved macroeconomic indicators. Headline inflation trended downwards, growth remained positive, trade surplus was attained, external reserves maintained a comfortable position, and the foreign exchange market witnessed significant stability.

As economic fundamentals continue to strengthen, future monetary easing will appear to be a prudent action to foster growth, leveraging the multiplier effect of increased investment and consumption, enabled by low borrowing costs. Indeed, whilst growth has shown resilience despite the contractionary stance of monetary policy, there is need to strengthen its drivers, close output gaps and improve the momentum.

It is noteworthy that while headline inflation is moderating, the index remains elevated at the double-digit level, signifying the imperative to stay the course and avoid premature monetary easing. Also, there are indications of underlying price pressures as evidenced by the increase in core and food inflation, coupled with indications of liquidity pressures which underscores the need to sustain the current focus on disinflation.

Relatedly, there is need to strengthen the positive real interest rate to align with global financial conditions leading to improved capital flow and competitiveness.

I reiterate my support for the MPCs decisions which have consistently been guided by data and aligned with the fiscal and monetary authorities' objectives. Indeed, the objectives of price stability and growth acceleration are mutually inclusive. In my opinion, and based on evidence, monetary and structural factors are largely behind the current price developments. Addressing the current spectre of inflation, therefore, requires the sustenance of synergy between the fiscal and monetary authorities to address price stability and growth challenges and put the economy on an accelerated self-sustaining growth path.

The fiscal authority remains committed to fiscal sustainability, structural reforms, and private sector participation. The reforms have ushered in market transparency, competitiveness, and an improved business environment. Resources are being attracted in Foreign Direct Investment (FDI) inflows, some targeting the oil and gas sector.

While energy prices have been adduced as a major driver of inflation through increased transportation costs, Petroleum Motor Spirit (PMS) supply and prices have stabilized due to improved domestic production of refined petroleum products. The signing of the four (4) tax reform bills is expected to broaden revenue sources of Government, enhance ease of doing business and make growth more inclusive.

The future path of food inflation will be contingent on the effectiveness of ongoing Federal Government interventions in the agricultural sector, particularly those aimed at improving access to farm inputs and improving security conditions during the current rain-fed cultivation cycle, complemented by irrigated dry season farming. For core inflation, the sustained strengthening of the exchange rate and stable energy prices are likely to be important factors in moderating inflationary pressures.

Noting the persisting risks to inflationary pressures, there is need to be cautious of upside risks to inflation and to continue to adjust monetary policy to domestic conditions.

7. LAMIDO ABUBAKAR YUGUDA

On 22nd July 2025 at the 301st Monetary Policy Committee (MPC) meeting, I voted to **hold** all the policy levers as follows:

1. Retain the Monetary Policy Rate (MPR) at 27.50 percent;
2. Retain the asymmetric corridor around the MPR at +500/-100 basis points;
3. Retain the Cash Reserve Ratio (CRR) at 50 percent for Deposit Money Banks and 16 percent for Merchant Banks; and
4. Retain the Liquidity Ratio at 30 percent.

The meeting took place against a backdrop of continuing uncertainty around the global economic outlook, lower global growth prospects, and increasingly cautious disinflation by central banks. On the domestic front, June 2025 headline inflation has decreased – the third consecutive monthly decline – but both core and food inflation trended up suggesting the persistence of inflationary pressures.

In my opinion, the MPC should sustain its focus on fighting inflation by maintaining the current tight monetary policy stance until inflation declines to a more reasonable level.

Global Macroeconomic Developments

Global inflation has continued to decelerate, with inflation in many Advanced Economies now gradually approaching the long-run policy targets of their respective central banks. However, in the US headline inflation has increased slightly to 2.4 percent in May 2025 against 2.3 percent in April, reflecting continuing concerns over the final rollout and impact of tariffs vis-à-vis its major trading partners.

Global output increased in the first quarter of 2025 on account of a robust expansion in services and a sharp rise in exports to the US in anticipation of the implementation of the new tariff regime. However, the outlook for the rest of the year and 2026 is rather subdued on account of the pervasive uncertainty over the evolving international trade environment. Unsurprisingly, commodity prices including oil are expected to continue to soften. **This underscores the need for commodity exporters such as Nigeria to have adequate fiscal, external and other policy buffers to navigate the emerging challenges and cushion the impact of any adverse external shocks.**

Negative US dollar sentiment continues to weigh on the financial markets, accentuated by concerns over the high US budget deficits recently cemented into legislation, an unsustainable public debt trajectory, and the future of the Fed's independence. The US dollar, long considered a safe-haven asset, has lost about 15 per cent of its value since its peak in September 2022. The dollar index, which measures the currency's strength against a basket of six other currencies, has equally declined by more than 10 per cent in the first half of 2025.

On the other hand, gold, the ultimate safe-haven asset, has hit record levels – rising by 26 per cent in the first half of 2025 – as investors fly to quality. **The Bank should continue to monitor these market developments closely with a view to taking precautionary measures as may be necessary**.

Domestic Macroeconomic Developments

Domestic inflation remains high but is coming down gradually. Headline inflation decreased to 22.22 percent in June from 22.97 percent in May 2025 reflecting easing energy prices and a more stable exchange rate. On the other hand, both core and food inflation increased, possibly **owing to food price seasonality and a lag in the transmission of exchange rate gains to certain parts of the domestic supply chain.**

Relative to the level in December 2024, Broad Money (M3) grew moderately by 3.65 percent in June 2025 driven entirely by an increase in net foreign assets (NFA), while net domestic assets (NDA) declined over the same period. Both net claims on Other Sectors and net claims on Government declined markedly. **This growth in broad money driven largely by an increase in NFA – rather than NDA – has minimal implications for inflationary pressure.**

The rebased GDP data from the National Bureau of Statistics (NBS) shows that output grew at 3.38 percent in 2024. The composite Purchasing Managers Index (PMI) rose to 52.3 in June 2025 compared to 52.1 in the preceding month with agriculture, industry and services all posting increased activity. **This is further evidence that despite the tight monetary conditions the Nigerian economy is growing modestly, and domestic investment is responding positively to the increasing certainty engendered by a declining inflation rate and a more stable exchange rate.**

The current account surplus moderated in the first quarter of 2025 to \$3.73 billion from \$3.80 billion in the previous quarter. Gross external reserves rose to \$40.11 billion on 18 July 2025, enough to cover 9.5 months of imports of goods. The effort to attract more diaspora foreign exchange flows has been quite successful and should be strengthened. **The progressive growth of both gross and net foreign exchange reserves provides the much-needed external buffer to anchor exchange rate stability.**

The Nigerian banking sector continues to demonstrate resilience in the face of a challenging macroeconomic environment. Capital adequacy in the banking sector has improved as banks raise capital to meet the new recapitalization requirements. The banking industry liquidity ratio and most of the financial soundness indicators remained within regulatory limits during June 2025. **A strong, sound and safe banking system is a sine qua non for financial system stability and the efficient transmission of monetary policy. The Bank should therefore continue to be proactive in its oversight and surveillance of the banking sector.**

Federal Government revenue has recorded a significant increase during the first quarter of 2025, rising by 28.95 percent over the corresponding period in 2024, owing to higher oil receipts. Both capital and recurrent expenditure rose by 58.89 percent and 93.31 percent respectively over the same period. The corresponding fiscal deficit increased by 78.23 percent. **The increasing crude oil production and associated receipts present an opportunity for the Federal Government to begin to reduce the fiscal deficit and move the public debt and debt service burden onto a more sustainable path.**

Conclusion

The available data confirms that the current tight monetary policy stance is having the desired effect on stabilizing prices. This policy stance needs to be sustained for a longer period and complemented with adequate supervisory oversight of the foreign exchange market in order to achieve lower inflation and sustain exchange rate stability.

I remain fully committed to the achievement of the objectives of the Monetary Policy Committee and the mandate of the Central Bank of Nigeria.

8. MUHAMMAD SANI ABDULLAHI

My Vote

This July meeting of the Monetary Policy Committee (MPC) provides an opportunity and critical platform for in-depth reflection on both historical and emerging challenges, as well as an evaluation of the progress made in the implementation of our monetary policy.

Balancing the Bank's monetary and price stability mandate, financial system stability and economic growth have remained key areas of focus. At the same time, developments in the global and domestic macro environments have remained key drivers of the Committees consideration and decisions.

This meeting is unique in several ways. Firstly, the hold stance since the past two MPCs continues to permeate through the system with significant outcomes. Stability has been sustained in the FX market, and the rebased Q1 2025 GDP numbers showed a positive 3.11 per cent. Secondly, the myriad challenges that clutter efficient policy transmission have been substantially addressed.

Data released by the National Bureau of Statistics (NBS) showed the notable progress around inflation dynamics with the third consecutive month of observed decline in headline inflation. The moderation in headline Inflation continued in June 2025 but with a mixed outcome. Whilst the headline inflation declined to 22.22% in June 2025 from 22.97% in May 2025, both core and food inflation increased to 22.76% and 21.97% from 22.28 and 21.14%, respectively. The observed decline in headline inflation, despite the rise in both food and core inflation is primarily attributable to significant a decrease in energy prices, underscoring the complex interdependencies between the various components of the inflation basket.

In terms of composition, Core inflation (22.76%) being close to headline (22.22%) indicates broad-based inflation, not just food or energy-related (i.e., not purely supply-driven). Food inflation at 21.97% is a slight moderation but still high, showing some cost-push pressures likely from agricultural or supply chain issues. This suggest that the persistent core inflation remains a risk to watch, or inflation expectations are de-anchoring. Going forward, the trajectory of core inflation should be a cause for concern. Interbank rates remain high in response to our previous tightening actions while market sentiments remain positive, and naira assets are gaining traction.

In my submission at the 300th meeting in May, I noted that the overarching objective of safeguarding long-term macroeconomic stability remains paramount. In the current context, my assessment is that additional monetary tightening at this stage could generate diminishing returns and potentially introduce adverse second-round effects, thereby rendering it counterproductive.

With the transmission lag of previous policy actions still in place, the decision at this meeting is to retain existing parameters, thereby providing headroom for a more comprehensive assessment of outcomes over the medium to long term. Thus, again, I voted to hold all parameters constant. This decision is supported by current outlook for the economy, performance of the macroeconomic indicators as well as the inflation forecast, and consumer and business expectations. This vote is consistent with my prior position advocating for a policy pause until preliminary signals of macroeconomic stabilization become evident.
Specifically, I voted to:

1. Retain the MPR at 27.50 per cent.
2. Retain the asymmetric corridor around the MPR at +500/-100 basis points.
3. Retain the Cash Reserve Ratio of Deposit Money Banks at 50.00 per cent and Merchant Banks at 16 per cent.
4. Retain the Liquidity Ratio at 30.00 per cent.

My Considerations

Inflation Trends and Dynamics

The June 2025, inflation data from the National Bureau of Statistics, using the 2024 base year, showed a decline in headline inflation (year-on-year) to 22.22% from 22.97% in May 2025, core and food components rose to 22.76 and 21.97 per cent from 22.28 and 21.14 per cent, respectively. This enhanced decomposition of the inflation components provides an avenue for a deep dive into the major drivers and for proffering targeted policies to anchor inflation expectations effectively. Energy costs are included in the headline measure but excluded from the core measure. Accordingly, sustaining the current policy tightening stance will provide the right response to rein in aggregate demand and address rising core inflation. On food, targeted and intensified efforts by the fiscal authorities will be required to address supply-side rigidities. In my view, the key risk for monetary policy is persistent core inflation which warrants careful monitoring and continued use of available policy tools.

Month-on-month showed an increase in all measures of inflation. Headline increased to 1.68% in June from 1.53% in May 2025, core to 1.17% in June 2025 from 0.95% and food to 3.25% in June from 2.19% in May 2025. Nigeria’s imported food inflation however, moderated for the sixth consecutive month to 15.74% in June 2025, down from 16.04% in May, largely reflecting the greater efficiency and relative stability in the foreign exchange (FX) market over the past year. In addition, improved domestic productive capacity has supported local demand.

Despite the moderation in headline inflation recorded in June 2025, findings from the Staff Household Expectation Survey (HES) indicate an improvement in consumer price expectations, with households anticipating a continued deceleration in inflation over the next three to six months. In tandem with the HES, results from the June 2025 Business Expectations Survey (BES) reflect strengthening business sentiment across key sectors, reinforced by improving confidence in the macroeconomic outlook. In my view, these forward-looking indicators suggest a gradual consolidation of disinflation expectations and sustained optimism regarding macroeconomic conditions over the near term, which could enhance the credibility and effectiveness of the Committee's policy actions.

Current inflationary pressures are acknowledged to be significantly driven by structural and supply-side constraints, over which conventional monetary policy tools exert limited direct influence. The concerted efforts by fiscal authorities to reduce structural rigidities and address prevailing supply-side constraints is expected to enhance the efficacy of monetary policy transmission, improve aggregate supply responsiveness and reinforce disinflation drive. Accordingly, the monetary policy stance will remain anchored on curbing inflation, maintaining exchange rate stability, guiding credit conditions, and managing short-term macroeconomic fluctuations primarily through demand-side channels in the short to medium term. Notably, the June Purchasing Managers' Index (PMI) signals a potential recovery in productive capacity, suggesting incremental improvements in supply side capacity, which if sustained, could support disinflation efforts over the medium term.

Continued improvements in the domestic supply of food and energy commodities are expected to ease cost-push inflationary pressures, thereby reinforcing the Committee's disinflation strategy. Simultaneously, scaling up export-oriented trade facilitation measures and upstream petroleum sector investment incentives is projected to augment both oil and non-oil foreign exchange inflows. Ultimately, these dynamics are anticipated to support exchange rate stability, improve FX market liquidity, and contribute to anchoring inflation expectations through enhanced external sector resilience and a more credible nominal anchor.

It is expected that disinflation drive will continue to remain the key priority focus of the MPC for the remaining part of 2025 and beyond.

Global Developments

The International Monetary Fund (IMF) has reviewed global growth projections downwards to 2.8% in 2025 and 3% in 2026, from an earlier estimate of 3.3% in both 2025 and 2026, compared with 3.2% in 2024, reflecting increasing policy uncertainties and trade tensions. Output growth is forecast to also moderate in both AEs and EMDEs. Global headline inflation is projected to moderate to 4.3 and 3.6 per cent in 2025 and 2026, respectively, from 5.7 in 2024. Oil prices have continued to moderate because of U.S. trade policies. A major risk to oil price development is the likely increase in supply by the US. For non-oil commodities, the increased attraction to gold underscores its importance considering heightening global uncertainty and the risk of a rebound of global prices.

Domestic Economic Developments

External Sector

The balance of payments (BOP) recorded a deficit of US$2.77 billion in Q12025, against a surplus of US$1.10 billion in Q42024, on account of a depletion in external reserves. Notwithstanding, gross external reserves increased by 2.85 per cent to US$40.11 billion on July 18, 2025, representing about 9.5 months of import cover for goods. Although global economic fragmentation presents downside risks to critical foreign exchange inflow channels, the outlook for the naira remains stable notwithstanding swings in international crude oil prices.

Other Developments in the Economy

In the first quarter of 2025, Nigeria's rebased real GDP expanded by 3.13% year-on-year, down from 3.84% in Q4 2024, primarily driven by the services and industry sectors. The services sector grew by 4.33%, contributing 57.5% to the aggregate GDP, while the industry sector experienced a 3.42% growth. The composite Purchasing Managers' Index (PMI) indicated that business activities expanded by 52.30 in June 2025 from 52.10 in May 2025 with respect to the benchmark index, indicating six consecutive months of sustained expansion in economic activities and a positive outlook for GDP growth for the rest of 2025. This is attributed majorly to growth in agriculture sectors (55.2) industry (51.4) and services (51.3). Increased activity and liquidity have enhanced traction in the foreign exchange market. This is expected to support business competitiveness and contribute positively to key PMI indicators.

Monetary base and Broad Money liabilities rose by 3.65% to ₦17.50 trillion at end-June 2025, relative to the level at end-December 2024. The month-on-month figures showed a general decline in all the measures of the monetary aggregates. Narrow money M1 showed the most contraction (1.49%) indicating the impact of the Bank's tightening policy.

The banking sector remains robust, fostering a more friendly business environment and supporting economic activities as the data shows that most of the indicators are within acceptable thresholds. The Bank will continue to remain vigilant in ensuring the banking system's stability and soundness.

The fiscal outlook remains stable, supported by a 3.66% month-on-month increase in gross Federation Account receipts in June 2025 relative to May 2025. The uptick in revenue reinforces fiscal sustainability and reflects improved government earnings performance. The observed improvement in oil production would further support efforts to build fiscal buffers and a more resilient fiscal framework in 2025 and beyond.

On the overall outlook, the uncertainty around the global economic landscape remains elevated, the recent moderation in inflationary pressures notwithstanding. Nonetheless, prevailing uncertainties may continue to exert adverse effects on capital flow dynamics, import cost structures, and, by extension, key assumptions underlying the domestic inflation outlook. Staff model simulations incorporated a range of scenarios accounting for both upward and downward shocks to international oil prices. Additionally, the onset of the harvest season is expected to boost agricultural supply, with potential disinflationary effects on food prices. Against this backdrop, the decision to maintain all policy parameters unchanged reflects a data-driven approach anchored in the imperative of preserving price stability.

Domestically, recent inflationary trends reflect a moderation in headline inflation, indicative of a potential modulation point. This disinflationary momentum is projected to continue over the short to medium term, contingent upon maintaining extant tightening measures and sustained improvements in supply-side conditions. Consequently, the decision to maintain current policy parameters affords the Monetary Policy Committee (MPC) sufficient latitude to evaluate the cumulative effects of previous rate hikes and the associated tightening measures on the transmission mechanism. Moreover, this hold-phase would enable economic agents to internalize prevailing policy signals and align their spending and investment decisions with the evolving macroeconomic environment.

9. MURTALA SABO SAGAGI

Context

Previous structural reforms implemented over the last three decades have recorded limited successes in overcoming structural rigidities in Nigeria. Limited economic diversification and overreliance on debt by the government have worsened the vulnerability of the economy to shocks and fluctuations in global commodity prices. Since mid-2023, unlocking opportunities for economic diversification and associated welfare improvement has remained the ultimate goal of the current structural reforms. However, even with the removal of fuel subsidy and liberalization of the exchange rates, the appetite for unfettered spending by the government has grown even stronger. In the first quarter of 2025, the country has witnessed an increase in total public debt from N144.67 trillion as of December 31, 2024, to N149.39 trillion as of March 31, 2025. The country's debt profile is deteriorating and thus shrinking the fiscal space due to huge debt service cost.

With the recent increase in daily crude oil production, new inflows of capital and improved balance of payment, the naira is likely to keep appreciating to reach the projected N1400/US$1 before the end of the year. The inflation moderation attained and the doggedness of the Central Bank of Nigeria (CBN) to ensuring foreign exchange unification and disciplined liquidity management should be further harnessed to speed up growth and improve welfare. To avoid reversal of the gains so far achieved, fiscal discipline and deliberate effort to stimulate local productivity and employment are non-negotiable.

Global and Domestic Environments

Opportunity for Nigeria's economic rejuvenation is feasible considering that global and local dynamics are gradually becoming increasingly promising. The Israel-Iran conflict is deescalating and thus providing a glimpse of regional stability in the Middle East. Even with the ongoing Israeli offensive on Palestinians, the likelihood of widespread conflict is minimal because of the growing international scrutiny. Also, the renewed involvement of the US in the Russia-Ukraine conflict provides a glimpse of regional stability in Europe. All these are indications that, even though global tensions persist, the likelihood of supply chain disruption is minimal. This coupled with lower average effective US tariff, higher than expected Front-loading, and developments in other regions informed the revised IMF Global growth projection at 3.0 percent for 2025 a better outlook than the 2.8 per cent projected in April 2025. Also, a lower Global headline inflation is expected at 4.2 percent in 2025. Global growth prospects and moderation in inflation, including the need to stimulate domestic growth informed the further rate cuts by many global central banks in the Q2 2025.

The growing cordial relationship between Nigeria and its neighbours is accelerating the implementation of the African Continental Free Trade Agreement (ACFTA). Also, the recent relative macroeconomic stability has boosted investor confidence and enabling businesses to project and plan. The year-on-year headline inflation has moderated for three consecutive months, to 23.71, 22.97 and 22.22 per cent in April, May, and June, respectively. Growth in Nigeria is expected to reach 3.2 per cent in 2025 making it one of the highest in the region. To fast-track inclusive growth, a policy shift is required to restore fiscal space, exercise more discipline, promote domestic oil refining, and stimulate non-oil production and exports. This is particularly instructive with the new Finance Act and improved oil and non-oil revenues.

Major Considerations

i. **Capital importation** increased from US$5,089.16 million in Q4 2024 to US$5,642.07 million in Q1 2025 suggesting increased appetite for Nigerian stocks, bonds and money market instruments. However, insignificant investment went to agriculture and manufacturing. For example, only US$0.85 billion was attracted by the manufacturing sector in over 27 months.
ii. **Non-oil exports**, despite limited investments in the first half of 2025, reached $3.225 billion, a 19.59% increase from the previous year.
iii. **Oil production** has reached an average of 1.78 million bpd suggesting more foreign exchange inflows.
iv. **The gross foreign reserve** rose above US$40 billion at end-May 2025 which can effectively cover up to 8 months of imports for goods and services. The reserves will hopefully hit or exceed US$45 billion by the fourth quarter.
v. **Nigeria's total public debt** rose to N149.39 trillion as of March 31, 2025.
vi. **Inflation** has been moderating for most of the year and is likely to reduce further in anticipation of good harvest season, declining energy prices and exchange rate stability.
vii. The exchange rate premium between the official and the parallel market narrows significantly to just about 1 naira suggesting a near end to the decades of uncertainty and arbitrage.

Conclusions

Sustainable macroeconomic stability and inclusive growth are attainable with renewed fiscal discipline and growth enhancing policies. However, the pathway and the policy coordination required are blurred. I voted to:

- Retain the Monetary Policy Rate (MPR) at 27.50 per cent
- Retain Asymmetric Corridor around the MPR to +500-100 basis points.
- Retain the Cash Reserve Ratio of Deposit Money Banks at 50 per cent.
- Retain the Cash Reserve Ratio of Merchant Banks at 16.0 per cent.
- Retain the Liquidity Ratio at 30.0 per cent.

Recommendations

1. Renewed growth enhancing adjustments are needed using fiscal-monetary tools to stimulate local productivity, reduce debt and crowding out in private sector investment.
2. Growth agenda that is focused on promoting high potential and job creating value chains, with strong involvement of states, should be developed, legislated and implemented.
3. Deliberate efforts to attract Greenfield investments from Asia and the Middle-East should be aligned with the growth agenda.

10. MUSTAPHA AKINKUNMI

Introduction

I hereby reaffirm my firm commitment to maintaining the current monetary policy parameters, specifically, the Monetary Policy Rate (MPR), Cash Reserve Ratio (CRR), and Liquidity Ratio at their existing levels. This position is based on a thorough evaluation of key macroeconomic indicators, including economic growth trends, inflationary pressures, exchange rate movements, and overall financial system stability.

Over the past year, the sustained implementation of monetary tightening measures has begun to produce measurable outcomes. While the delayed effects of these policy actions have begun to crystalise, it is both prudent and necessary to allow sufficient time for their full transmission throughout the economy.

Preserving the current policy stance will, therefore, provide a clearer view of its impact on moderating inflation, stabilizing the exchange rate, and strengthening the resilience of the financial system. We remain committed to closely monitoring macroeconomic conditions and aligning our actions with the core mandates of the Central Bank of Nigeria.

Global and Domestic Economic Developments

Global GDP growth in Q1 2025 was divergent across major economies. The Euro Area (1.2%), the United Kingdom (1.3%), and Japan (1.7%) recorded modest momentum. In contrast, the United States experienced a slight deceleration, with GDP growth easing to 2.0%. Among Emerging Markets and Developing Economies (EMDEs), India maintained its robust trajectory with a strong 7.4% expansion, while China remained stable, posting 5.4% growth. In Sub-Saharan Africa, Ghana led with 5.3% growth rate, followed by Kenya at 4.9%, and Nigeria at 3.13%. Although Nigeria's growth rate is moderate by comparison, the economy has, nevertheless, sustained an upward trajectory since Q1 2024, reflecting a continued expansion.

Globally, inflation is trending downward across both advanced and emerging economies. Nigeria's inflation rate fell to 22.22% in June 2025, driven by persistent disinflationary pressures. Egypt and Ghana also recorded significant declines, with inflation dropping to 14.9% and 13.7%, respectively. In Asia, both China and India experienced continued disinflation, reinforcing the broader global trend of easing price pressures.

In Nigeria, sustained monetary tightening throughout 2024 has yielded tangible results. Inflation volatility measured by the standard deviation declined significantly, from 5.24% in 2024 to 0.84% in H1 2025, signalling the effectiveness of the monetary transmission mechanism. Monthly data indicates a consistent disinflationary trend since March 2025, with inflation reaching 22.22% by June.

This decline was largely attributed to the moderation of energy prices, particularly for cooking gas, charcoal, and diesel. This is consistent with commodity price theory. Additionally, improved exchange rate stability played a supportive role. However, rising food processing costs continued to exert upward pressure on food inflation, which rose slightly to 21.97% in June from 21.14% in May. This pressure is expected to ease in the coming months as the harvest season increases domestic food supply and reduces reliance on imports, thereby moderating month-on-month headline inflation, which rose to 1.68% in June from 1.53% in May.

Despite global uncertainties such as trade tensions and geopolitical risks, the Nigerian Naira has demonstrated notable resilience. Exchange rate volatility, as measured by standard deviation, dropped significantly from N203/US$ in 2024 to just N5.34/US$ in H1 2025. Concurrently, Nigeria's gross external reserves grew by 9% year-on-year, reaching US$37.81 billion in June 2025 (up from US$34.76 billion in June 2024), and further increased to US$40.11 billion by July 18, 2025. This provides sufficient buffer to cover approximately 9.5 months of goods imports, enhancing external sector stability.

These positive developments across key macroeconomic indicators suggest strong potential for reversion to long-term equilibrium trends. Moreover, the effects of monetary tightening have reinforced stability in the banking sector. Improvements in financial soundness indicators point to enhanced resilience, safety, and systemic soundness.

Rational for the Vote

Key macroeconomic variables, namely, inflation, the exchange rate, and external reserves demonstrate a strong tendency to revert to their long-term equilibrium levels following both internal and external shocks. This mean-reverting behaviour supports the case for maintaining current monetary policy measures, as it reflects underlying stability within the existing policy framework.

Furthermore, there is a strong and statistically significant relationship between the Monetary Policy Rate (MPR) and critical macroeconomic indicators such as inflation, exchange rate movements, and credit to the private sector. This robust correlation highlights the effectiveness of timely and well-calibrated policy interventions in steering these variables toward their desired outcomes.

Importantly, the MPR continues to serve as the primary tool for responding to inflationary pressures, reinforcing the need to treat inflation dynamics as a key input in shaping future monetary policy actions.

Taken together, these insights are consistent with the positive results observed under the current policy stance. They reaffirm the effectiveness of ongoing monetary policy in fulfilling the Central Bank of Nigeria's core mandates, namely, maintaining price stability, fostering sustainable economic growth, and ensuring the stability of the financial system. Accordingly, the evidence supports a cautious, data-driven, and consistent approach to monetary policy in the current macroeconomic environment.

Policy Implications and Outlook

The current monetary policy stance has played a pivotal role in significantly reducing inflationary and exchange rate pressures, thereby enhancing macroeconomic stability and bolstering investor confidence in the Nigerian economy. Reflecting this improved outlook, the International Monetary Fund (IMF), in its July 2025 forecast, revised Nigeria's economic growth projections upward by 0.4 and 0.5 percentage points for 2025 and 2026, respectively. The economy is now expected to grow by 3.4 percent by the end of 2025.

Looking ahead, further disinflation is anticipated over the coming months, driven by the continued effects of tight monetary policy, sustained exchange rate stability, declining petrol (PMS) prices, and a seasonal reduction in food prices due to the harvest period. These developments collectively reinforce the effectiveness of the current policy stance and support continued progress toward macroeconomic stability and inclusive growth despite prevailing global trade disruptions and geopolitical uncertainties.

Conclusion

In light of the evidence-based improvements in reducing volatility across both inflation and exchange rates alongside clear signs of strengthened financial system stability, I advocate for a continued data-driven, forward-looking policy approach. Central to this strategy is a continued emphasis on inflation responsiveness, which remains critical to achieving our primary mandate of price stability.

Accordingly, I vote to:

- **Maintain** the Monetary Policy Rate (MPR) at **27.50 percent**
- **Retain** the asymmetric corridor at **+500 / –100 basis points** around the MPR
- **Maintain** the Cash Reserve Ratio (CRR) at **50.00 percent** for Deposit Money Banks and **16.00 percent** for Merchant Banks
- **Retain** the Liquidity Ratio at **30.00 percent.**

11. PHILIP IKEAZOR

There has been a gradual deceleration in inflation and stability in the foreign exchange market over the past three months in response to the restrictive stance of monetary policy. However, food and core inflation are still rising, and the global socioeconomic uncertainties are yet to recede. To curb both the direct and the second-round effects of the global uncertainties and stabilise longer-term inflation expectations, in my view, it is necessary to continue with moderation in monetary policy restraint to squeeze out persistent inflationary pressures without constraining growth.

I therefore voted to:

(1) Retain the MPR at 27.50 per cent.

(2) Retain the Asymmetric corridor around the MPR at +500/-100 basis points.

(3) Retain the Cash Reserve Ratio (CRR) of DMBs at 50.00 per cent.

(4) Retain the Cash Reserve Ratio of Merchant Banks to 16.00 per cent.

(5) Retain the Liquidity Ratio at 30.00 per cent.

Developments in the Global and Domestic Economy

The revised outlook for global growth shows prospects for decelerated growth, even as trade-related distortions wane due to the expected front-loading effects of the USA effective tariffs and the extension of pause on country-specific reciprocal tariffs.

According to the International Monetary Fund (IMF), global growth is projected at 3.0 percent for 2025 and 3.1 percent in 2026, which is 0.2 percentage point higher than the forecast for April 2025. Inflation is expected to continue to decline, but still out of the tolerable range, with headline inflation falling to 4.2 per cent in 2025 and 3.6 percent in 2026, despite the expected rise in US inflation above its target. This is driven by risk of potentially higher tariffs, elevated uncertainty, and the persistence of geopolitical tensions.

As major central banks (except for the ECB that has recently cut rate), continued to adopt a wait-and-see policy, to grapple with elevated growth and inflation uncertainty, the **domestic economy** remains robust with negative spillover effects of international commodity prices, and exchange rate inflationary pressures reaching their turning points. Nonetheless, the global economic uncertainty continued to pose a threat to Nigeria's exports as disruptions in the global supply chain heightened with attendant effects on imported inflation and shrinking fiscal space.

My Considerations

In the last two quarters, the Nigerian economy has undergone a statistical recalibration with the published rebased CPI and domestic output showing that economic growth is improving, while foreign exchange and inflationary pressures are gradually dissipating. The real gross domestic product grew by 3.13 per cent (year-on-year) in the first quarter of 2025, representing 0.86 percentage point, higher than the 2.27 per cent recorded in the first quarter of 2024 but less than the 3.76 per cent recorded in the preceding quarter in 2024.

We have also witnessed a positive macroeconomic development – declining inflation and stable foreign exchange rate - reflecting effective stance of our monetary policy which have successfully anchored inflation expectations and reduced the volatility in the foreign exchange market. As such, one can say with significant degree of certainty that the economy is on a sustainable path. This is also reflected in the moderation in interest spread to 21.99 at end-June 2025, down from 22.20 per cent at end-December 2024, increase in external reserves and capital inflow.

Despite these positive developments, the dynamics of real growth remained stagnated from 1.22 between Q2 and Q1 2024 to -0.63 percentage points between Q4-2024 and Q1-2025. In terms of inflation, there seems to be an imbalanced pattern in inflation rate where major components like food and core inflation rose by 0.83 and 0.48 percentage points, respectively, even though headline inflation declined by -0.75 percentage point from 22.97 in May to 22.22 per cent in June 2025. Similar trend was observed in January 2005 when inflation declined from 10.6 in December 2004 to 9.8 in January, but food prices increased from 12.1 per cent to 15.1 per cent and core inflation increased from -1.78 to 1.28. While these trends seem normal, they point to the effects of structural factors, which also makes it difficult for monetary policy to effectively track inflation trajectory.

Therefore, to sustain the momentum of the tight stance of monetary policy, while accommodating the growth path of the economy and managing the complexities associated with the imbalanced inflation path, I supported monetary moderation, by holding all the monetary policy parameters unchanged. Moreover, the direction of the fundamentals that will help us to properly align the monetary action are yet to crystallize following the rebasing exercise. For me, my support for a wait and see approach is based on three important reasons: aligning the dynamic path of the rebased CPI vis-à-vis the expected direction of the monetary stance; recalibration of the memo items in monetary aggregates like the income velocity of money to align properly with the rebased GDP; and more importantly, raising rate at this time without allowing the market to assimilate the changes in the economy will transmit excess shock to the market and increase exposure to capital flight in the event of financial instability, especially as prices are stabilizing.

It is concerning that energy prices are falling more rapidly in the urban areas relative to rural areas. This also accounted for a more rapid decline in the prices of farm produce in the urban areas compared to rural areas. I think the state and local governments should be concerned. As one can observe, inflation has become a rural phenomenon, and from all indications, what is moderating inflation is the prices of farm produce and energy. Farm produce (month-on-month) in the rural area declined from 5.0 to -3.1 per cent and from 31.79 to -17.64 per cent in the urban area.

The increase in the price of imported food in the urban areas is also concerning. I think this is pressurizing the foreign exchange rate, which can be seen from foreign exchange utilization by food products. Fiscal authorities should be thinking of strengthening demand management policies to redirect consumption to domestic products, especially in highly substitutable commodities.

Though our projections have shown an expected annual average growth of 3.9 in real output and a continued moderation in inflation, I am of the view that there needs to be simultaneous expenditure-switching and expenditure-changing policies by both the Bank and the fiscal authorities to manage aggregate demand and supply disruption, to ensure the stability of the foreign exchange market.

In conclusion, fiscal authorities around the world are facing pressures as fiscal space shrinks leading to stringent fiscal measures like expenditure prioritization and the expansion of tax base. While the monetary-fiscal policy collaboration between the Bank and fiscal authorities and the ensuing non-inflationary growth have continued to moderate price pressures and stir growth, the national and sub-national governments must continue to address key growth and stable price enablers such as security, agriculture, and legacy infrastructure. However, in doing so, monetary policy needs to be proactive in terms of policy coordination and making decisions on rate adjustments to avoid fiscal surprises stemming from global uncertainties.

12. OLAYEMI CARDOSO

Governor of the Central Bank of Nigeria and Chairman, Monetary Policy Committee

The July 2025 Monetary Policy Committee (MPC) meeting convened during a period of increased optimism on the back of generally positive developments that signal improved macroeconomic conditions. The trade balance has remained in surplus, the exchange rate is relatively stronger, and FX reserves continue a steady climb in absolute terms and in the structure and quality of balances. The stable conditions are providing businesses and investors with a conducive environment to plan appropriately, and Nigerians now have more confidence in their currency and are choosing to hold less balances in domiciliary accounts. Inflation has sustained a moderating trend and, whilst there is room for further improvement, it is clear that our tight policy stance and the adoption of orthodox frameworks are having the desired impact.

We must protect these gains, and the credibility of the MPC will be reinforced by our ability to reevaluate our positions when confronted with data that indicate a changing landscape.

Clouds of uncertainty permeate the global outlook and while inflation appears to be generally easing across major economies, recurring price shocks, volatile commodity prices, and geopolitical tensions continue to shape global markets.

On the domestic front, headline inflation has maintained a moderating trend for consecutive months but underlying inflationary pressures remain elevated, reflecting persisting structural constraints in the supply chain and the lagged impact of excess liquidity from prior years of extensive monetary accommodation. Core inflation also remains sticky, driven by cost-push factors such as transportation and cost of utilities.

Signs of recovery in output are evident, especially in agriculture and services, and business surveys show improving confidence, with manufacturing activity firmly in an expansionary trajectory. These provide an indication of the underlying resilience of the economy.

The foreign exchange market continues to benefit from coordinated reforms that promote price discovery and improved liquidity, which have sustained the stability of the market. Capital inflows have shown a notable rebound following the slowdown recorded after tariff induced global markets volatility a few months ago, but investor sentiment remains sensitive to policy clarity and external shocks.

The sustained stabilization of monetary conditions naturally calls for a review of our approach to the implementation of our policy stance and the liquidity management framework to ensure effective monetary policy transmission. There is growing evidence of the need for the adoption of more market-based instruments to support the development of the yield curve and further promote savings and the stability of the financial system. The availability of these tools will be important for the management of the transition from a high reserve requirement environment without creating market distortions. This is particularly important given the persistently high demand for government securities in the primary debt markets, an indication of high liquidity levels in the financial system.

In evaluating my stance in the context of the foregoing developments and data driven forecasts, there is enough justification for a sustained tightening of monetary policy. The pace of disinflation remains tepid and insufficient to warrant any easing of monetary conditions, and underlying inflation pressures and high stock of money supply call for a firm response before price stability is threatened. The negative real yields obtainable in the market also pose a deterrent to savings and investments in the domestic economy, and our focus must remain on lowering inflation levels further, to improve the attractiveness of local assets.

Based on these considerations, I voted to: (i) Retain the Monetary Policy Rate (MPR) at 27.50%; (ii) Maintain the asymmetric corridor at +500/-100 basis points; (iii) Hold the Cash Reserve Ratio (CRR) at 50.00% for DMBs and 16.00% for Merchant Banks; and (iv) Retain the Liquidity Ratio at 30.00%.

To improve monetary policy effectiveness, transparent engagement is essential to strengthening public confidence and ensuring that inflation expectations remain anchored. Coordination with fiscal authorities must also be deepened to ensure alignment in debt management, liquidity forecasting, and fiscal consolidation. Thus, we must sustain communication efforts to enhance stakeholder understanding of our strategy and expected outcomes.

The Bank remains committed to achieving a stable macroeconomic environment that supports inclusive and sustainable growth. Consequently, available monetary tools will continue to be deployed judiciously in pursuit of this goal.

OLAYEMI CARDOSO
Governor
July 2025