

CENTRAL BANK OF NIGERIA ECONOMIC REPORT

First Quarter 2025

ABOUT THE REPORT

The Central Bank of Nigeria (CBN) Economic Report present developments in the Nigeria economy, for dissemination to the public. The Report, which is published on a monthly and quarterly basis, provides insights on current developments in the real, fiscal, financial, and external sectors of the Nigerian economy, as well as global development that impact the domestic economy. In addition, it reflects the policy initiatives of the CBN in pursuit of its mandate.

The Report is targeted at a wide range of readers, including economists, policymakers, financial analysts in the government and private sectors, and the public. Free download of the Report, including current and past issues can be obtained from the CBN website: www.cbn.gov.ng. All inquiries concerning the Report should be directed to the Director, Research Department, Central Bank of Nigeria, P.M.B. 187, Garki, Abuja, Nigeria.

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SUMMARY

The momentum of the global economy decelerated in the first quarter of 2025, largely reflecting a slowdown in the services sector. Inflation pressures eased across both Advanced Economies (AEs) and Emerging Market and Developing Economies (EMDEs), due to declining energy and food prices, and lower housing and utilities costs. However, investor caution, stemming from anticipation of reciprocal trade measures by the US impacted financial markets in AEs and EMDEs.

The domestic economy expanded in Q12025, due majorly to activities in the services and industry sectors. Headline inflation in the review period edged upward, mainly due to rising transportation, food, and energy costs. Domestic crude oil production improved on the back of strengthened security measures around oil infrastructure.

Federally collected revenue grew by 45.22 per cent year-on-year but declined by 12.02 per cent relative to Q42024. Non-oil revenue dominated the gross federation earnings during the period. Allocations to the three tiers of government rose by 8.30 per cent following a reduced statutory deduction. As at end-March 2025, Nigeria's public debt stood at ₦149.39 trillion (33.10% of GDP), well within the threshold for Market-Access Countries.

The Central Bank maintained a tight monetary policy stance aimed at anchoring inflation expectations, as growth in both the monetary base and broad money supply (M3) moderated compared with end-December 2024 levels. The fixed-income segment remained buoyant, underpinned by stable macroeconomic fundamentals and attractive returns. Meanwhile, key money market rates trended lower but remained within the policy corridor, attesting to the efficacy of the Bank's liquidity management operations. Overall, the financial system remained sound and resilient, as evidenced by the robustness of prudential indicators.

External sector dynamics in Q1 2025 were shaped by global and domestic developments. The overall balance of payments recorded a deficit, reversing the surplus of the preceding quarter, primarily due to a drawdown in external reserves to meet international obligations. However, the current account posted a lower surplus, while the financial account recorded a net borrowing position, driven by increased portfolio investment inflows. At US$37.82 billion, external reserves could cover 7.88 months of goods and services or 11.63 months for goods alone. The average exchange rate at the Nigerian Foreign Exchange Market (NFEM) appreciated to ₦1,521.56/US$, from ₦1,623.26/US$ in Q4 2024.

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1.0 GLOBAL ECONOMIC DEVELOPMENTS

Summary

Global economic activity slowed in Q12025, due, majorly, to a weaker performance in the service sector. Inflation in both AEs and EMDEs moderated, following declines in the cost of energy, food, housing and utilities. Uncertainties around the US trade policies impacted financial markets in AEs and EMDEs.

1.1 Global Economic Activity

Global Economic Activity

In Q12025, the global economy witnessed a slowdown, owing to a weaker service sector. The global composite purchasing managers' index (PMI) expanded at a slower pace at 51.80 index points in Q12025 compared with 52.43 index points in the preceding quarter. The services PMI slowed to 52.13 index points in Q12025 from 53.33 index points in the preceding quarter owing to a decline in new orders and new export business, as well as rising costs of inputs. The manufacturing sector, however, expanded to 50.33 index points in Q12025 from a contraction of 49.37 index points in the preceding quarter, owing to an uptick in production and new orders, partly driven by firms' accelerated activity ahead of the anticipated tariff implementations.

Table 1: Global Purchasing Managers' Index (PMI)

	Q12024	Q42024	Q12025
Composite (Output)	**52.07**	**52.43**	**51.80**
Employment Level	50.77	50.03	50.37
New Business Orders	51.70	52.13	51.80
New Export Business Orders	49.53	48.97	49.80
Future Output	63.50	62.20	61.53
Input Prices	56.23	56.63	57.07
Output Prices	53.30	52.47	52.67
Manufacturing	**50.30**	**49.37**	**50.33**
Services (Business Activity)	**52.40**	**53.33**	**52.13**
New Business	52.17	52.83	52.10
New Export Business	50.53	50.93	50.20
Future Activity	63.90	61.87	61.53
Employment	51.17	50.70	50.87
Outstanding Business	49.63	49.60	49.27
Input Prices	57.47	57.40	57.77
Prices Charged	53.90	52.87	52.90

Source: JP Morgan

Economic activity in Advanced Economies

Economic activity in advanced economies (AEs) exhibited divergent trends, with most economies recording slower growth. PMI in the US and UK expanded at a slower pace in Q12025, at 52.60 and 50.87 index points from 54.80 and 50.90 index points in Q42024, due to lower economic activities in the manufacturing and

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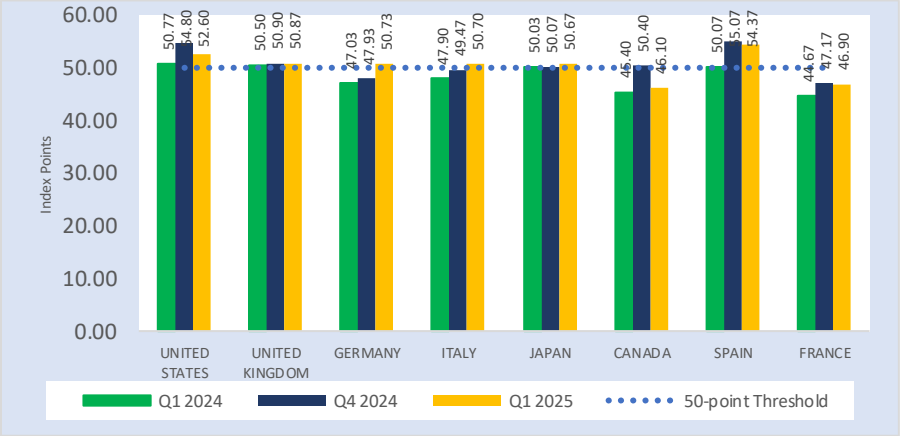
services sectors. The slowdown in the US was attributed to lower employment levels, concerns over domestic spending cuts, and rising trade tensions. Similarly, output across key sectors in the UK declined, due to US-imposed tariffs which affected exports. PMI in Spain also slowed to 54.37 index points from 55.07 index points in Q42024 due to a significant downturn in new orders in the services and manufacturing sector.

PMI contracted to 46.10 index points in Canada from 50.40 index points in the preceding quarter, owing to job losses, a downturn in new orders, decline in manufacturing output, and rising input cost. France recorded further contraction to 46.90 index points in Q12025 from 47.17 index points, driven by a persistent fall in new orders, a contraction in the services and manufacturing sectors activities, and job losses.

Germany and Italy PMI, however, expanded to 50.73 and 50.70 index points, respectively, from 47.93 and 49.47 index points. The development was fuelled by easing unemployment, lower input costs and an uptick in new business orders. The PMI in Japan expanded further to 50.67 index points in Q12025 from 50.07 index points in Q42024, owing to sustained rise in employment and an uptick in new orders.

Figure 1: PMI in Selected Advanced Economies



Source: Trading Economics/Various countries' websites.

Economic activity in EMDEs

Economic activity in EMDEs followed a similar trend as in AEs, with most countries displaying slower growth. In India and Brazil, PMI expanded at a slower pace to 58.67 and 50.67 index points, respectively, from 58.97 and 53.63 index points in the preceding quarter. Similarly, PMI in China and Russia declined to 51.47 and 51.40 index points, from 51.87 and 51.53 index points in Q42024. The slowdown in these economies reflected moderation in the services sector, deceleration in new orders and exports, weakening employment conditions, persistent cost inflation, and declining business sentiment.

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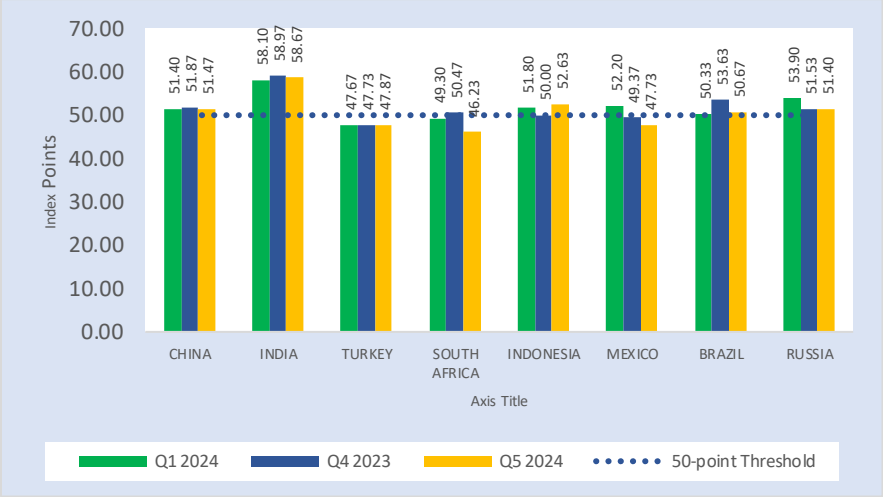
South Africa's PMI contracted to 46.23 index points from 50.47 index points in the preceding quarter, weighed by weak domestic demand, input supply constraints, and low exports. The PMI in Mexico contracted further to 47.73 index points, from 49.37 index points in Q42024, owing to rising input costs, decline in exports and new orders particularly in the automotive industry, as uncertainty around US tariffs dampened demand, which in turn exacerbated job losses.

The pace of contraction in Turkey reduced to 47.87 index points, from 47.73 index points in the preceding quarter, amid rising input costs, weak demand, and currency depreciation. PMI in Indonesia, however, expanded further to 52.63 index points from 50.00 index points, driven by a surge in new orders, increased purchasing activity, increased employment and improved business sentiment.

Figure 2: PMI in Selected Emerging Market and Developing Economies



Source: Trading Economics/Various countries' websites.
Note: Turkey, Indonesia and Mexico PMIs data were based on manufacturing PMI.

1.2 Global Inflation

Global Inflation

Global Inflation moderated in Q12025, owing to a decline in energy prices, easing transportation, food, housing, and utilities costs. Inflation decelerated to 2.40 per cent from 2.90 per cent in the US, while in Spain, it declined to 2.30 per cent from 2.80 per cent; Germany and France also recorded disinflation during the review period. Lower inflation in these economies was driven largely by decline in fuel prices, lower transportation costs, and a continued deceleration in core inflation. In the US, a further easing in housing costs also contributed to the disinflation.

Inflation in Japan remained at 3.60 per cent, as easing energy and food prices, due to subsidies, were counterbalanced by the rising costs of clothing, healthcare, and transport. In the UK, however, inflation rose to 2.60 per cent, from 2.50 per cent in Q42024, due to higher prices of clothing and footwear, as seasonal trends pushed up prices. Similarly, inflation in Canada rose to 2.30 per cent from 1.80 per cent in the preceding quarter, driven by a sharp rise in food prices, following the

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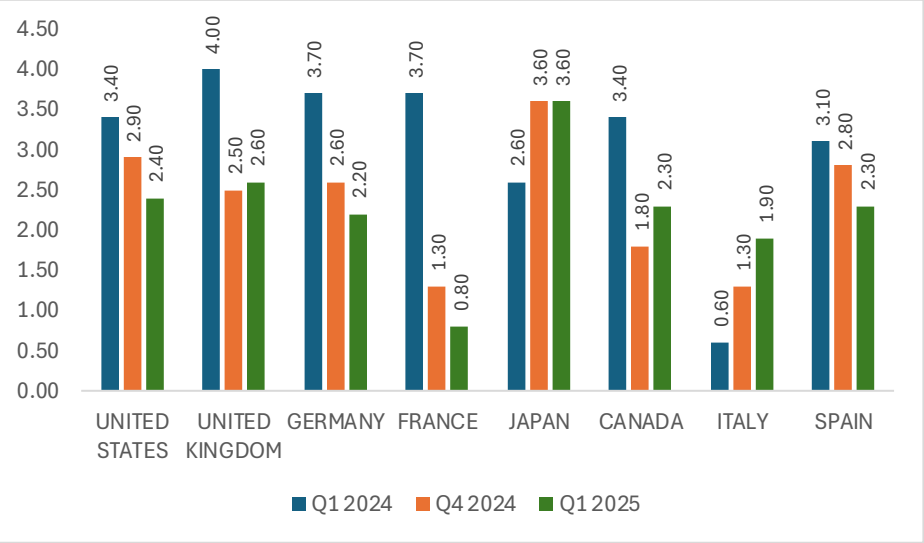
end of goods and services tax breaks. Italy also recorded an uptick in inflation to 1.90 per cent from 1.30 per cent, following the increases in non-regulated energy costs, and the prices of tobacco, non-processed food, and recreational & cultural services.

Figure 3: Inflation in Selected Advanced Economies (per cent)



Source: Trading Economics

Inflation pressures continue to ease in most EMDEs during the review period. Inflation in India declined to 3.34 per cent, from 5.60 per cent in Q42024, tempered by the sustained moderation in the prices of vegetables, pulses, eggs and spices, and declining energy costs. Similarly, inflation moderated in Indonesia to 1.03 per cent from 1.57 per cent, due to lower housing and communication prices.

South Africa and Mexico also recorded disinflations to 2.70 and 3.80 per cent, respectively, from 3.00 and 4.21 per cent, following lower costs of energy, food & non-alcoholic beverages, housing and utilities. Inflation decelerated in Turkey to 38.10 per cent from 44.38 per cent in the preceding quarter owing to reduced costs of clothing and footwear, transport, furnishings, healthcare, recreation, and hospitality.

In China, inflation remained at 0.10 per cent as seasonally driven increases during the Lunar New Year were offset by deflationary effects of the US trade dispute and declining transportation costs.

Inflation in Brazil and Russia, however, rose to 5.48 and 10.30 per cent, respectively, from 4.83 and 9.50 per cent in the preceding quarter, due to persistent increases in the prices of food and services. Higher costs of transportation, health, and clothing, were additional drivers in Brazil, while Russia experienced a surge in the costs of fruits and vegetables.

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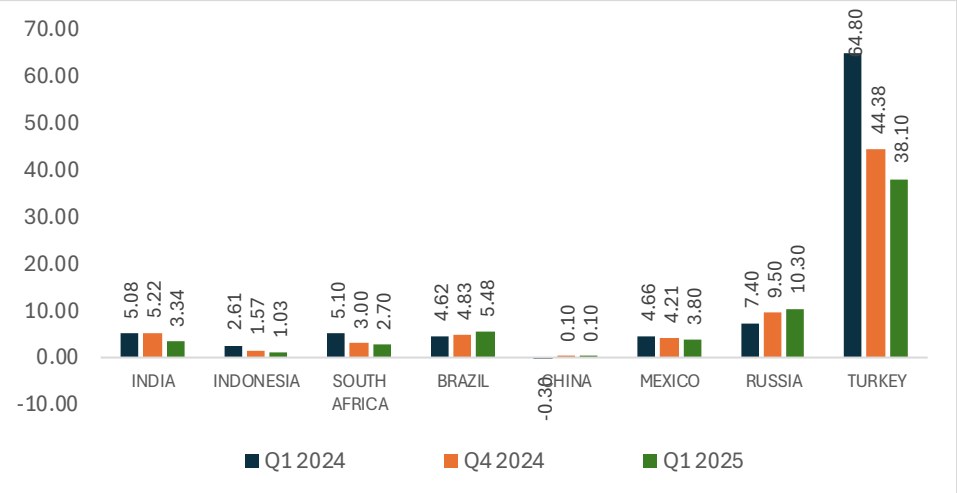
Figure 4: Inflation in Selected EMDEs (per cent)



Source: Trading Economics

1.3 Global Financial Markets

1.3.1 Global Financial Conditions

The performance of financial markets was mixed across AEs and EMDEs in the review quarter, as investors remain cautious over trade tensions and the pace of monetary policy normalisation. The performance of energy and healthcare related stocks were dampened by concerns around tariff policies. Consequently, the US S&P 500 and Dow Jones, delivered a 4.59 and 1.28 per cent loss to investors, respectively, due to fears about Chinese AI firm DeepSeek, uncertainties on trade tariffs and planned public sector jobs cuts by the new Department of Government Efficiency (DOGE). Similarly, the Japanese equity market was bearish in Q12025, ending the quarter with a negative return of 10.72 and 4.53 per cent for the NIKKEI and TOPIX indices, respectively. The depreciation in these stocks was due to weak performance in larger stocks, particularly in the technology and exporter sectors, uncertainty surrounding the US tariff policies, as well as rising concerns about the risk of a US recession.

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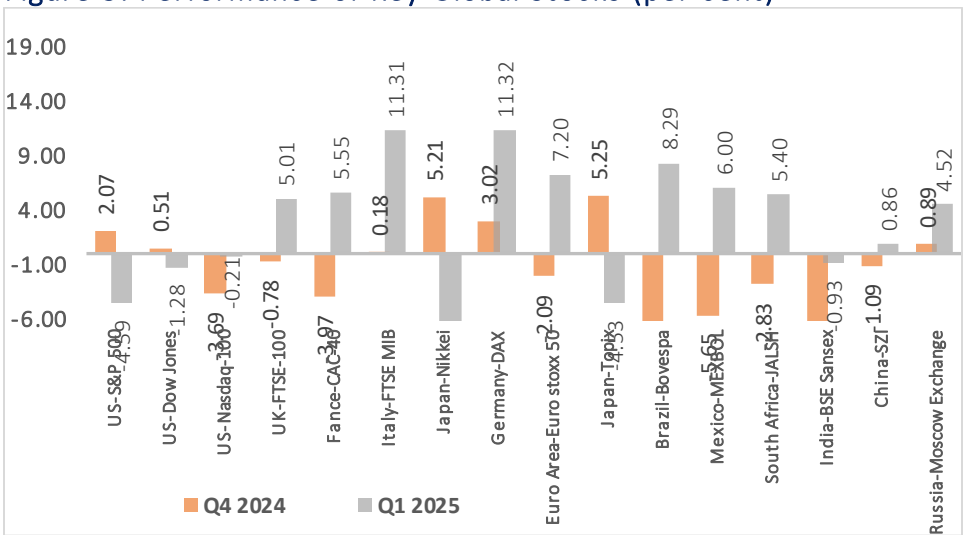
The German DAX and Italian FTSE MIB, however, posted positive returns of 11.32 and 11.31 per cent, respectively, as investors reassess the concentrated positioning in US large caps and switch portfolios. The optimism that the new German administration would pursue a pro-growth agenda also contributed to the positive return. Similarly, the EURO STOXX and France CAC 40, appreciated by 7.20 and 5.55 per cent, respectively. The gains in these stocks were supported by strong performance in large- capitalised financials, energy and healthcare sectors, as investors shift away from richly valued US technology stocks.

Most equities in EMDEs rebounded in Q12025 supported by weaker US dollar and falling US 10-year Treasury yield. The Brazilian BOVESPA and Mexico's MEXBOL rose by 8.29 and 6.00 per cent, respectively. The gains in the Brazilian BOVESPA were attributed to weakening US dollar against the Brazilian real, while the strong performance of Mexico's MEXBOL was attributed to the temporary suspension of US trade tariffs. The South African JALSH and Russian MOEX also posted gains of 5.40 and 4.52 per cent, respectively. The positive return of the South African JALSH was buoyed by monetary policy rate cut, while the performance of the Russian MOEX was supported by optimism following a phone call between the US and Russian presidents, strong corporate earnings, expanded trading offerings, and resilient domestic demand. Similarly, the Chinese SZI rebounded by 0.86 per cent, as the market benefited from optimism about its AI capabilities following the initial release of DeepSeek's lower-cost open-source AI model, and the announcement of several stimulus measures aimed at supporting domestic consumption. The India's BSE SENSEX, however, fell by 0.93 per cent, amid investors' fears over the US trade tariff announcement.

Figure 5: Performance of Key Global Stocks (per cent)



Source: Reuters Refinitiv Eikon & Trading Economics

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The performance of long-term bond differed across AEs and EMDEs in the review period, due to global trade policy uncertainty. In the AEs, the 10-year bond yield in the Euro Area rose to 2.73 per cent from 2.36 per cent, as Germany's fiscal regime changes prompted a significantly improved outlook across Europe. Similarly, yield in the UK grew to 4.67 per cent from 4.57 per cent in the preceding quarter, as the weakening of the US dollar and falling US 10-year Treasury yield boosted the attractiveness of the UK's fixed income assets and increased investors' preference for UK and Euro Area instruments.

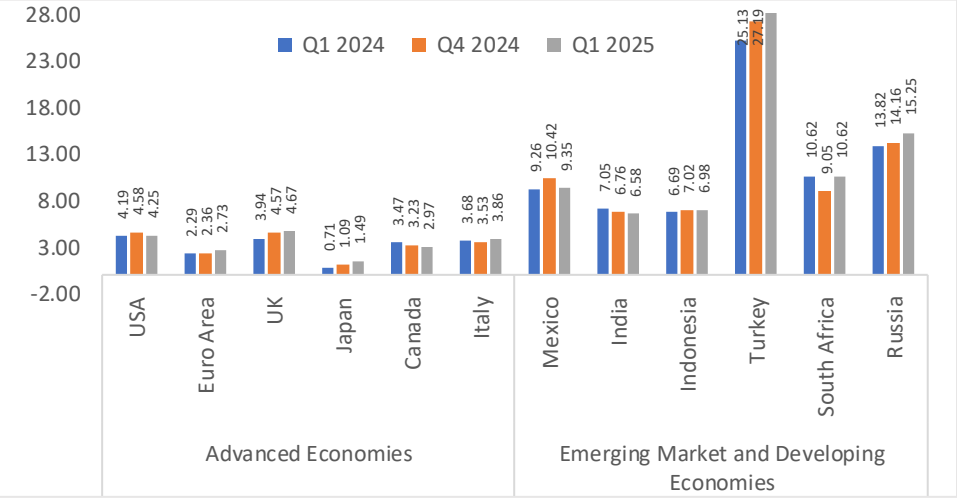
In Italy and Japan, yields rose to 3.86 and 1.49 per cent, respectively, from 3.53 and 1.09 per cent in the preceding quarter, supported by a fall in the US real yields and weaker US dollar. Additionally, market expectation of interest rate hike by the Bank of Japan (BoJ) propped the yield in Japan.

Yields in the US and Canada, however, fell to 4.25 and 2.97 per cent, respectively, from 4.58 and 3.23 per cent, as rising trade uncertainty weakened investor sentiment.

In the EMDEs, yields in Turkey, Russia, and South Africa rallied to 31.33 and 15.25 per cent, respectively, from 27.19 and 14.16 per cent in the preceding quarter. The performance in Russia was supported by the de-escalation of the Russia-Ukraine war and improved fiscal condition. The rally in Turkey was underpinned by the bond buyback of the central bank to boost liquidity, while the development in South Africa was attributed to the policy rate cut by the central bank.

Yields in Mexico, Indonesia, and India, however fell in the review quarter due, largely, to rising US trade tariff concerns, which dampened investor appetite.

Figure 6: 10-year Government Bond Yields for Selected Countries



Source: Refinitiv Eikon (Reuters)

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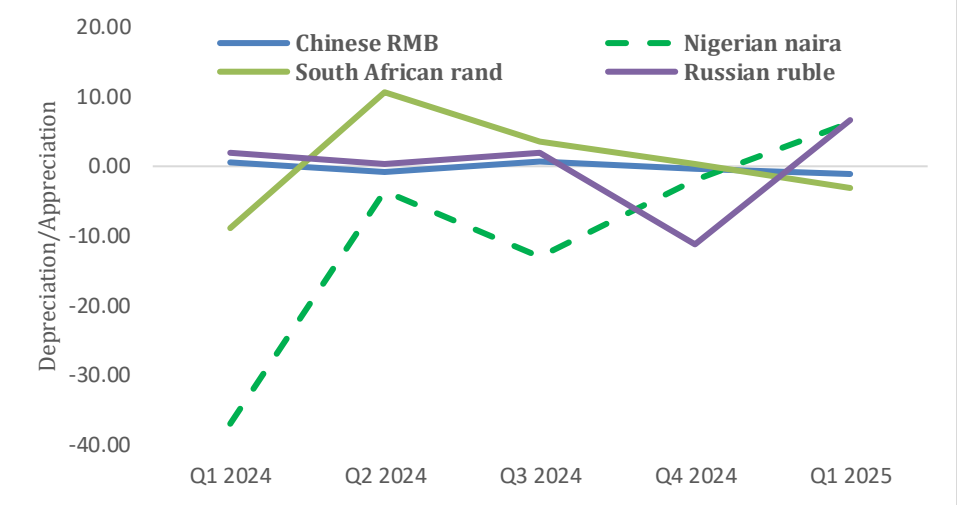
Selected Emerging Markets Currencies

The Chinese renminbi and the South African rand depreciated against the US dollar by -1.11 and 3.20 per cent, respectively, relative to the preceding quarter. The renminbi's depreciation was largely driven by lingering concerns over China's subdued export performance. The South African rand weakened amid persistent power supply disruptions, fiscal policy uncertainty and weaker commodity prices. In contrast, the Russian ruble appreciated by 6.63 per cent, supported by increased energy export revenues and relative moderation in currency market interventions.

Figure 7: Selected EMDEs' Currency Rates to the US dollar



Sources: Central Bank of Nigeria & Reuters

Table 2: Selected EMDEs' Currency Rates to the US dollar

Period	Chinese RMB/US$	Nigerian Naira/US$	South African Rand/US$	Russian Ruble/US$
Q1 2024	7.15	1,333.34	20.54	91.03
Q4 2024	7.19	1,621.88	17.91	100.26
Q1 2025	7.27	1,526.37	18.50	94.03

Sources: Central Bank of Nigeria & Reuters

1.4 Global Commodity Markets

World Crude Supply and Demand

World crude oil demand slightly exceeded supply in Q12025, driven by increased economic activity in non-OECD countries. Global crude oil demand, including natural gas liquids (NGLs), increased by 0.37 per cent to 103.53 million barrels per day (mbpd), from 103.15 mbpd in Q42024. The growth was driven by increased demand from non-OECD countries, particularly in China and Japan, which rose by 1.26 per cent to 57.79 mbpd from 57.07 mbpd. However, the demand from OECD

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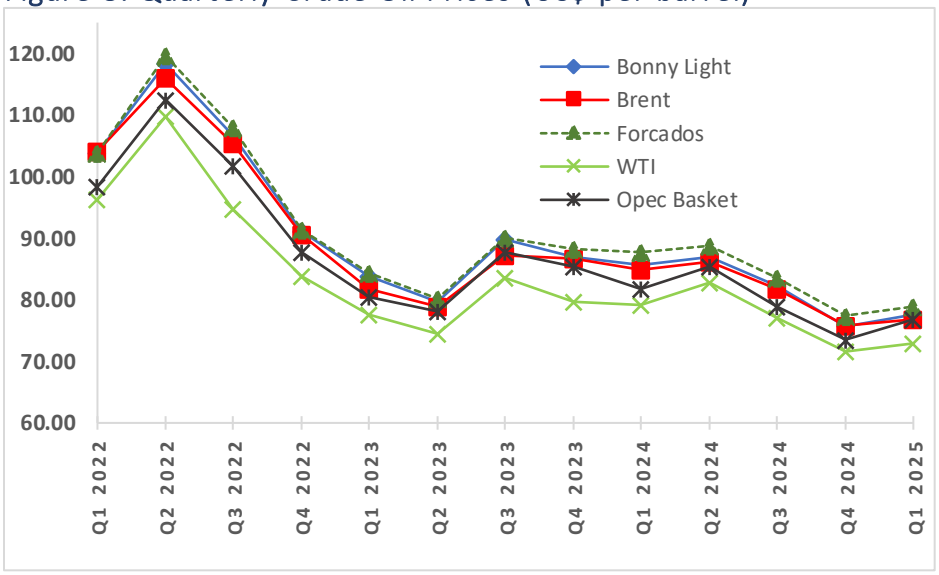
countries declined by 0.74 per cent to 45.74 mbpd, from 46.08 mbpd in the previous quarter.

Global crude oil supply, including NGLs, rose by 0.06 per cent to 103.34 mbpd, from 103.28 mbpd in Q42024 due to higher production from OPEC. The OPEC supply rose by 1.05 per cent to 32.68 mbpd from 32.34 mbpd, driven mainly by increased supply from Iraq, Libya, Venezuela, Iran, Saudi Arabia, United Arab Emirates (UAE), Congo and Gabon. The non-OPEC supply, however, fell by 0.38 per cent to 70.66 mbpd, from 70.93 mbpd, due to decreased output in the US, Mexico, Brazil and Angola.

Crude Oil Prices

Crude oil spot prices rose in Q12025, driven mainly by increased demand for crude in China, India and Japan following increased economic activity and escalating tensions in the Middle East. The average spot price of Nigeria's reference crude, the Bonny Light (34.9° API), increased by 2.46 per cent to US$77.52 per barrel (pb), from US$75.66 pb in the preceding quarter. The prices of Brent, at US$76.68 pb, Forcados (US$78.89 pb), WTI (US$72.83 pb) and OPEC Reference Basket (US$76.80 pb) all exhibited similar trends as the Bonny Light.

Figure 8: Quarterly Crude Oil Prices (US$ per barrel)



Source: Refinitiv Eikon (Reuters)

Other Mineral Commodities

The average spot prices of most precious metals rose, driven primarily by increased demand for gold by central banks and continued geopolitical tensions. The average spot prices of gold, silver, and platinum rose by 7.54, 1.85, and 0.22 per cent, to US$2,861.67, US$31.90, and US$966.18 per ounce, respectively, from US$2,660.86, US$31.32, and US$964.05 per ounce in the preceding quarter. The rise in gold prices was attributed, primarily, to increased central bank buying and

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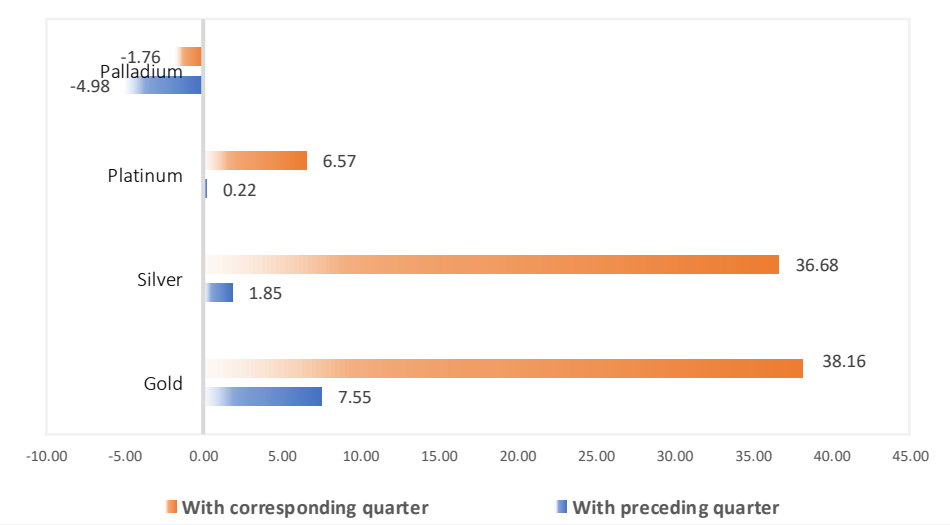
a weakened US dollar, amid concerns of US trade policies. The improvement in global industrial activity contributed to the rise in the price of silver and platinum. The average spot price of palladium, however, decreased by 4.98 per cent to US$957.80 per ounce, from US$1,007.99 per ounce in Q42024 due, primarily, to weak demand.

Figure 9: Price Changes in Selected Metals (per cent)



Source: Refinitiv Eikon (Reuters)

Agricultural Commodity Prices

The all-commodity price index of selected agricultural export commodities rose, as supply constraints pushed up the prices of cocoa and coffee. The all-commodity price index of the selected agricultural commodities increased by 3.62 per cent to 158.69 index points, from 153.15 index points in the preceding quarter, driven by an increase in the prices of cocoa (15.33%) and coffee (12.05%), following supply constraints due to weather-related disruptions in key producing regions and escalating trade tensions. The prices of groundnut and palm oil fell by 8.72 and 6.67 per cent, respectively, compared with the levels in the preceding quarter, due to an increase in supply, triggered mainly by expectations of higher trade tariffs. Prices of soya beans, cotton, wheat, and rubber also fell during the period.

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Table 3: Indices of Average World Prices of Nigeria's Major Agricultural Export Commodities for First Quarter 2024 (US$; Jan 2010=100)

COMMODITY	2024Q1	2024Q4	2025Q1	% Change	
				(1) & (3)	(2) & (3)
	1	*2*	*3*	*4*	*5*
All Commodities	**136.47**	**153.15**	**158.69**	**16.28**	**3.62**
Cocoa	*161.15*	*235.22*	*271.28*	*68.35*	*15.33*
Cotton	*125.51*	*105.48*	*100.68*	*-19.79*	*-4.55*
Coffee	*222.19*	*325.65*	*364.88*	*64.22*	*12.05*
Wheat	*138.71*	*129.03*	*128.25*	*-7.54*	*-0.60*
Rubber	*52.01*	*65.15*	*64.94*	*24.86*	*-0.32*
Groundnut	*167.17*	*128.40*	*117.20*	*-29.89*	*-8.72*
Palm Oil	*106.10*	*137.83*	*128.64*	*21.24*	*-6.67*
Soya Beans	*118.89*	*98.42*	*93.61*	*-21.26*	*-4.89*

Source: World Bank Pink Sheet

1.5 Monetary Policy Stance

Monetary policy easing continued across both AEs and EMDEs in Q12025, following widespread disinflation. The European Central Bank cut its benchmark rate by 50 basis points to 2.65 per cent, owing to a more favourable inflation outlook. The Bank of England lowered its policy rate to 4.50 per cent from 4.75 per cent in the preceding quarter, following constrained consumer spending, sluggish wage growth, and continued disinflation. Similarly, the Bank of Canada reduced its policy rate by 50 basis points, to 2.75 per cent as the continued disinflation and slowing domestic demand necessitated support for economic activity.

The US Fed maintained its policy rate within the 4.25 – 4.50 per cent range, as inflation moved towards the 2.00 per cent target and the labour market remained resilient. The Bank of Japan, however, raised its policy rate slightly to 0.50 per cent from 0.25 per cent in the preceding quarter. Nonetheless, the policy rate is deemed relatively accommodative, given lingering concerns around global economic volatility and Japan's domestic wage outlook. Most EMDEs also cut policy rates as inflation pressure eased. The Central Bank of the Republic of Turkey and the Bank of Mexico implemented 250- and 100-basis-points cut, respectively, reducing their policy rates to 42.50 and 9.00 per cent in Q12025. The monetary policy decisions reflected efforts to support a fragile recovery, despite ongoing inflation concerns in Turkey and the need to stimulate domestic demand amid easing inflation pressures in Mexico. The Reserve Bank of India cut its policy rate by 50 basis points to 6.00 per cent to sustain growth, as inflation eased within the tolerance band. The People's Bank of China and the South African Reserve Bank maintained their policy rates at 3.10 and 7.75 per cent, respectively. The development in China was underpinned by the need to sustain recovery momentum while in South Africa, the decision was informed by the relative price stability. Similarly, Bank of Indonesia highlighted the need to balance economic

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growth and exchange rate stability as the benchmark rate remained unchanged at 5.75 per cent. The Central Bank of Russia maintained its policy rate at 21.00 per cent to rein in inflation caused by supply disruptions and geopolitical instability. Brazil, however, raised policy rate to 14.25 per cent from 12.25 per cent in the preceding quarter to stabilise the macroeconomic environment amid persistent high inflation and fiscal concerns.

Table 4: Central Bank Policy Rates (Per cent)

Country	Q12024	Q22024	Q32024	Q42024	Q12025
US	5.25-5.50	5.25-5.50	4.75-5.00	4.25-4.50	4.25-4.50
Canada	5.00	5.00	4.25	3.25	2.75
Euro Area	4.50	4.25	3.65	3.15	2.65
United Kingdom	5.25	5.25	5.00	4.75	4.50
Japan	0.10	0.10	0.25	0.25	0.50
Brazil	10.75	10.50	10.75	12.25	14.25
Russia	16.00	16.00	19.00	21.00	21.00
India	6.50	6.50	6.50	6.50	6.00
Chin	3.45	3.45	3.35	3.10	3.10
South Africa	8.25	8.25	8.00	7.75	7.75
Mexico	11.00	11.00	10.50	10.00	9.00
Indonesia	6.00	6.25	6.00	5.75	5.75
Turkey	50.00	50.00	50.00	45.00	42.50

Source: Various Central Banks' websites, Trading Economics.

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2.0 DOMESTIC ECONOMIC DEVELOPMENTS

Summary

The domestic economy expanded in Q12025, following improved activities in the services and industry sectors. Headline inflation rose on account of higher transport, food and energy costs. Domestic crude oil production rose in Q12025, due to enhanced security around oil installations.

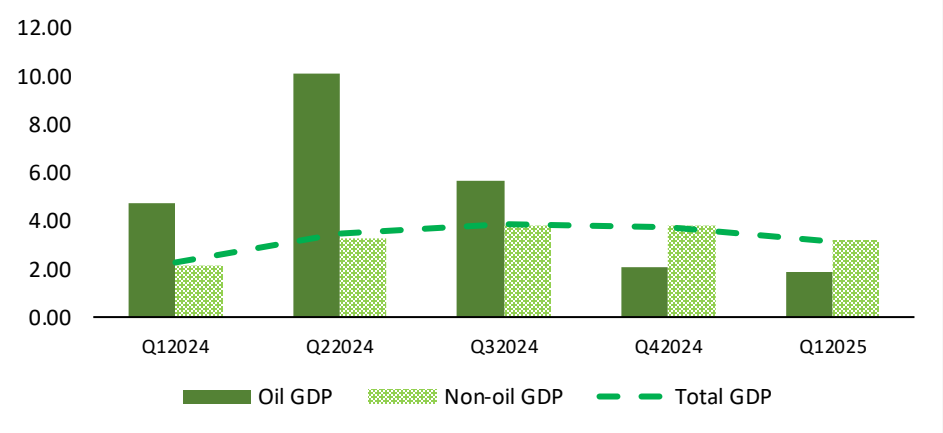
2.1 Real Sector Developments

Domestic Output and Economic Activities

The economy grew by 3.13 per cent in Q12025 to N49.344 trillion, driven mainly by the performance of the non-oil sector, especially services. The growth rate was slower than the 3.76 per cent recorded in the preceding quarter but was faster than the 2.27 per cent recorded in the corresponding period of 2024. The expansion was on account of increased activities in the ICT, trading, finance and insurance, as well as crop production subsectors, following increased investment in infrastructure, which improved the business environment, consequently spurring economic activities. The non-oil sector, thus, grew by 3.19 per cent (contributing 3.06 percentage points to the realised growth), compared with a growth rate of 3.80 per cent in the preceding quarter.

The Federal Government remained focused on improving crude oil output; the government's efforts led to the oil sector maintaining its growth for the review period. The sector grew by 1.87 per cent, compared with 2.08 per cent in the preceding quarter, thereby contributing 0.07 percentage point to the overall growth in the period under review. The performance of the oil sector was on account of improved security and surveillance of oil installations in the producing regions, leading to reduced oil theft and enhanced production to an average of 1.67mbpd in Q12025 from 1.63 mbpd in Q42024, including condensate.

Figure 10: Real GDP Growth Rate (Year-on-Year)



Source: National Bureau of Statistic

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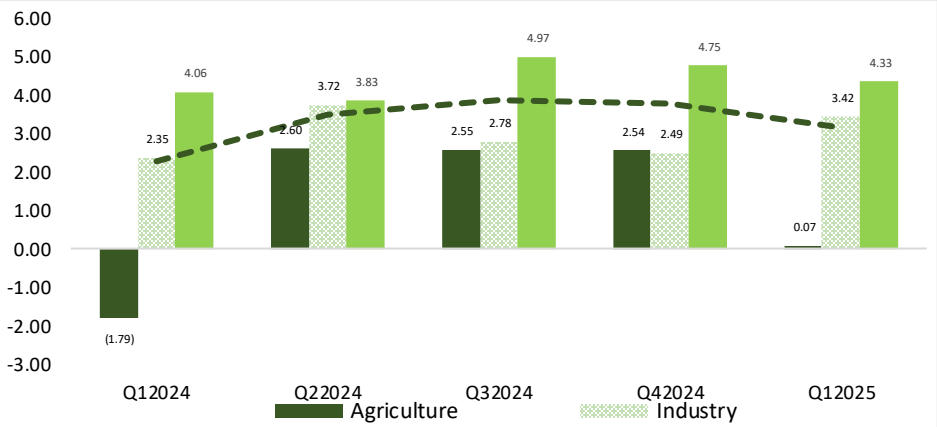
2.1.1 Sectoral Performance

Growth in Q12025 was strong in services and industry sectors but modest in agriculture sector. The services sector expanded by 4.33 per cent, compared with 4.06 per cent in Q12024 and 4.75 per cent in Q42024. It remained the most dominant sector, accounting for 57.50 per cent of aggregate GDP.

Figure 11: Sectoral Growth Rate of Real GDP



Source: National Bureau of Statistics

Within the services sector, the information and communications subsector (ICT) grew by 7.40 per cent (contributing 0.75 percentage point to GDP growth). The robust growth outcome was on account of increased fintech innovations, as well as growing investments in digital infrastructure. Additionally, various state governments continued to implement initiatives, policies and ICT projects that helped attract more ICT investments to their states. Moreso, the change in the share of real estate from the rebasing exercise contributed to the services subsector's enhanced growth of 4.61 per cent, with a contribution of 0.60 percentage point to overall growth. The growth in the real estate subsector was due to increased adoption of smart home technologies, the rise of PropTech, improved diaspora investment, as well as government initiatives to promote affordable housing and infrastructure development. Furthermore, the financial & insurance subsector grew by 15.03 per cent, compared with 5.99 per cent in Q42024. The performance was boosted by the continuous gains from the bank recapitalisation exercise initiated by the CBN in 2024, as DMBs continued to strategise to meet the 2025 deadline. Activities in the trade subsector improved, as it grew by 1.78 per cent, contributing 0.33 percentage point to overall growth in Q12025.

Also, the transport and storage subsector grew by 14.08 per cent, compared with 13.21 per cent in the preceding quarter of 2024. Sustained investments in the

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transport infrastructure, particularly the construction of roads across the country, aided the observed performance.

The agriculture sector slightly grew by 0.07 per cent in Q12025, compared with a growth of 2.54 per cent in the preceding quarter and a contraction of 1.79 per cent in the corresponding quarter. Growth in agriculture was driven by increased dry-season farming, as well as early harvesting of late 2024 plantings. The development contributed to increased productivity in the crop production subsector, which grew by 3.71 per cent in the period under review, compared with 2.75 per cent in Q42024. The forestry subsector, supported by increased timber production for construction purposes, grew by 1.82 per cent compared with 8.38 per cent in the preceding quarter. The livestock subsector, however, contracted by 16.69 per cent compared with a growth of 1.39 per cent. Also, the fishing subsector contracted by 0.21 per cent, compared with a 0.53 per cent contraction in Q42024. The compounding issues of underinvestment, security challenges, and high input costs, amid lower water levels, contributed to the contraction of both subsectors.

Industrial Production

The industry sector grew by 3.42 per cent in Q12025, contributing 0.65 percentage point to GDP growth, compared with the 2.49 per cent growth recorded in Q42024. Although it accounted for the smallest share (19.18%) of aggregate GDP, the sector's performance was driven by sustained government investment in infrastructure, particularly in the construction, manufacturing, and mining & quarrying subsectors. The performance of the sector reflected in improved index of industrial production to 4.17 per cent, from 1.76 per cent in Q4 2024.

Table 5: Index of Industrial Production

Period	IIP	Y-o-Y Change
Q12024	105.17	3.31
Q22024	95.71	4.15
Q32024	94.97	2.01
Q42024	93.33	1.76
Q12025	109.56	4.17

Source: Central Bank of Nigeria
Note: IIP refers to index of industrial production

The construction subsector grew by 6.21 per cent, compared with 6.55 per cent recorded in Q42024. The growth was supported by increased public and private investments in infrastructure, notably in transportation, real estate, and the oil and gas sectors.

The mining & quarrying subsector, which includes crude oil production, expanded by 2.97 per cent compared with 3.15 per cent in Q42024. The improved performance was largely driven by increased crude oil production, including condensate, which rose to 1.67 million barrels per day (mbpd) from 1.63 mbpd in

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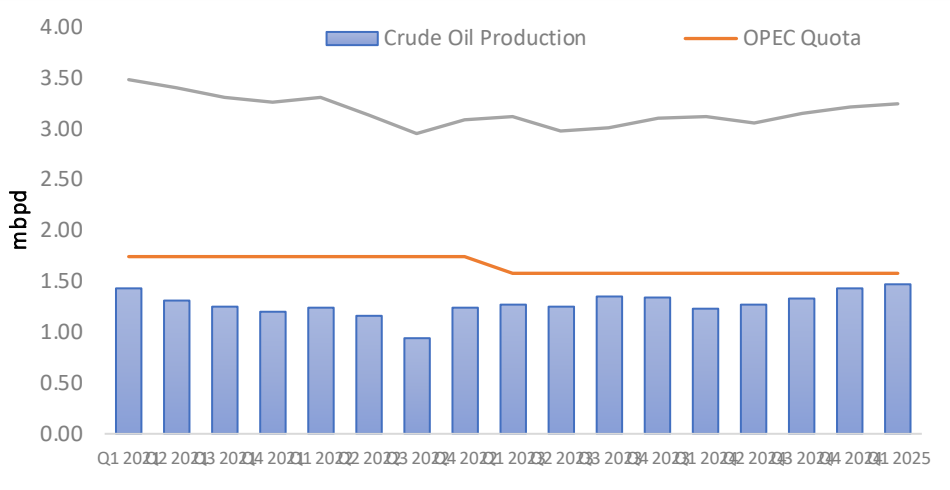
Q42024, due to enhanced security in oil-producing regions and a decline in oil theft. The increase was due, primarily, to improved output from Bonny, Tunga, Escravos, Forcados, and Qua Iboe crude streams/terminals. Though crude oil output without condensate at an average of remained below the target, it attained 98.0 per cent of the OPEC production quota of 1.50 mbpd.

Figure 12: Nigeria's Crude Oil Production and OPEC Quota



Source: Nigerian Upstream Petroleum Regulatory Commission (NUPRC)

The development was also reflected in the estimated Index of Mining Production, which rose significantly by 8.23 per cent, from 2.22 per cent in the preceding quarter.

Table 6: Index of Mining Production

Period	IIP	Y-o-Y Change
Q12024	60.54	6.21
Q22024	53.44	7.74
Q32024	53.78	3.22
Q42024	45.51	2.22
Q12025	65.52	8.23

Source: Central Bank of Nigeria
Note: IIP refers to index of mining production

Manufacturing

Similarly, the manufacturing subsector grew by 1.69 per cent in Q12025, from 1.28 per cent in Q42024, on account of a more stable foreign exchange market and easing inflationary pressures. The growth witnessed in the manufacturing subsector was reflected in the improvement recorded in the Index of Manufacturing Production, which grew by 1.44 per cent year-on-year. Hence, the estimated average manufacturing capacity utilisation increased by 0.50 percentage point to 62.40 per cent from 61.90 per cent in Q42024. Other components of the industry sector also performed well as the water supply,

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sewage & waste management subsector grew by 9.43 per cent (compared with 9.52 per cent in Q4 2024).

Table 7: Index of Manufacturing Production

Period	IIP	Y-o-Y Change
Q12024	208.38	1.50
Q22024	175.73	1.29
Q32024	185.16	0.90
Q42024	196.13	1.79
Q12025	211.38	1.44

Source: Central Bank of Nigeria
Note: IMP refers to the index of mining production

2.1.2 Energy Sector

The performance of the energy sector improved, as the Federal Government continued to implement the generation and transmission phase of the Siemens power project. The sector's performance was further aided by increased investment in renewable energy and improved gas supply to thermal stations, which resulted in an increase in electricity production and supply. The electricity, gas, steam & air conditioning supply subsector rebounded with an impressive 18.65 per cent growth, following a contraction of 7.97 per cent in the preceding quarter. Thus, the estimated Index of Electricity Production rose by 2.96 per cent y-o-y, from a negative growth of 1.64 per cent in Q42024. The development was on account of improved generation, with the average estimated electricity generation in Q12025 rising by 1.52 per cent to 4,501.68 MW/h from 4,434.39 MW/h in Q42024, amid improved gas supply to thermal stations. Similarly, the average estimated electricity consumption grew by 13.37 per cent to 3,810.14 MW/h from 3,360.81 MW/h in Q42024 on account of increased electricity supply.

Table 8: Index of Electricity Production

Period	IIP	Y-o-Y Change
Q12024	208.38	1.50
Q22024	175.73	1.29
Q32024	185.16	0.90
Q42024	196.13	1.79
Q12025	211.38	1.44

Source: Central Bank of Nigeria
Note: IEP refers to the index of electricity production

Overall, out of the 22 subsectors in the economy, 19 subsectors grew, while 3 subsectors – livestock, fishing and other services subsectors contracted during the quarter.

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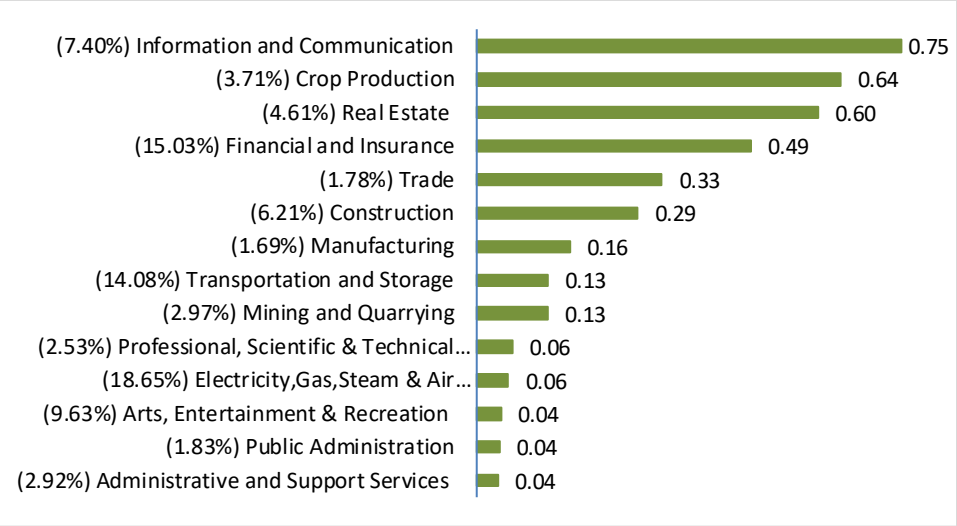
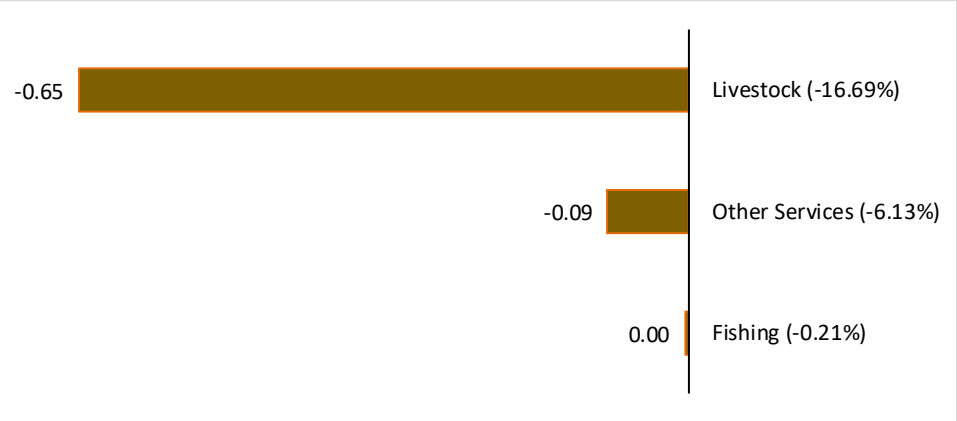
Figure 13: Sub-sectors with Largest Contribution to GDP Growth and their Growth Rates (per cent)



Source: National Bureau of Statistics

Figure 14: Sub-sectors with Least Contribution to GDP Growth and their Growth Rates (per cent)



Source: National Bureau of Statistics

2.1.3 Inflation

Headline Inflation

Headline inflation remained largely elevated, driven by the core component of the CPI basket in Q12025. Headline inflation (year-on-year) stood at 24.23 per cent in Q12025, due mainly to cost-push factors.

Core inflation stood at 24.43 per cent during the quarter under review, due to elevated energy prices, which led to increased cost of production for firms.

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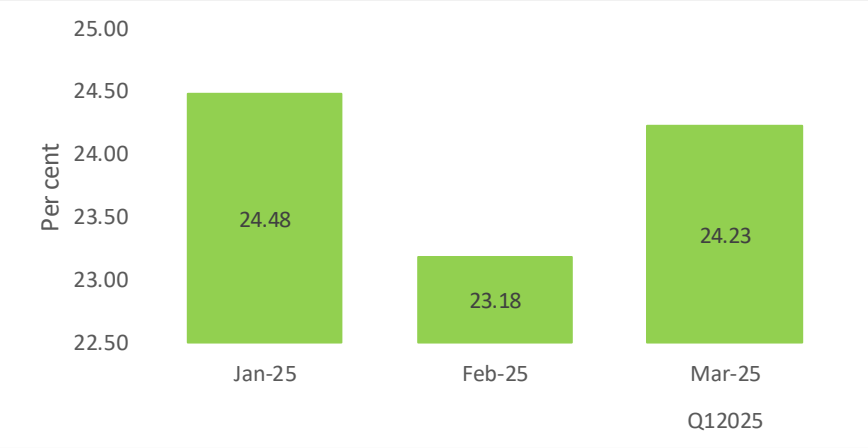
Food inflation was 21.79 per cent (y-o-y), following increased transportation cost, which rose from an average of N2,711 per km in Q12024 to N3,755 per km in Q12025. The lingering security and infrastructural challenges continued to limit food supply, keeping food inflation elevated.

Inflation was higher in urban areas at 26.12 per cent, compared with the rural areas (20.89%). The higher rate in urban areas was due to the higher cost of living, and increased transportation and logistics costs.

Figure 15: Headline Inflation (Year-on-Year)



Source: National Bureau of Statistics

2.1.4 Socio-Economic Developments

Transportation

The Federal Government (FG) approved 13 road contracts worth ₦679 billion across the states of the federation. It also approved the dualisation of Odupani-Itu-Idedem in Cross River and Akwa Ibom at a total cost of ₦55 billion; the dualisation of Ibadan-Ilorin Road section two, in Oyo State (₦147 billion); the completion of Abuja-Kaduna-Zaria-Kano roads (₦507 billion); and the construction of a flyover at Abakpa bordering 82 division, Enugu (₦24 billion). Furthermore, in a bid to reposition the Northeast region as a trade and investment hub, the FG approved the upgrade of the Maiduguri Airport in Borno State to an international status.

Education

The FG approved provisional licences to 11 new private universities to increase access to tertiary education. The universities are the New City University, Ayetoro, Ogun State; the University of Fortune, Igbotako, Ondo State; the Eranova University, Mabushi, Federal Capital Territory (FCT); the Minaret University, Ikirun, Osun State; the Abubakar Toyin University, Oke-Agba, Kwara State; the Southern Atlantic University, Uyo, Akwa Ibom State; the Lens University, Ilemona, Kwara State; the Monarch University, Iyesi-Ota, Ogun State; the Tonnie Iredia University

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of Communication, Benin City, the Edo State; the Isaac Balami University of Aeronautics and Management, Lagos; and the Kevin Eze University, Mgbowo, Enugu State.

Furthermore, the FG approved ₦120 billion for the improvement of technical education and training capacity at the various technical centres across the country, to provide practical skills and knowledge for specific occupations and industries, as well as address the level of unemployment.

Health

The FEC approved ₦10.299 billion for the procurement of essential medical supplies, including diabetes diagnostic kits, antiretroviral drugs, antibiotics, and hypertensive medications. Specifically, ₦997 million was approved for third-line antiretroviral drugs to treat HIV/AIDS patients who have developed resistance to first- and second-line treatments; ₦2.0 billion for the procurement of locally manufactured diabetes diagnostic kits to improve early detection and monitoring; ₦4.5 billion for essential antibiotics, antihypertensive, and antidiabetic medications; and ₦2.1 billion for the procurement of a mobile X-ray machines, rehabilitation of a computerised tomography (CT) scan, and installation of a 64-slice CT scanner at Abubakar Tafawa Balewa University Teaching Hospital, Bauchi State.

The FG also approved a subsidy on kidney dialysis in 11 hospitals, aimed at reducing the cost from ₦50,000 to ₦12,000 only. The subsidy, which is being implemented across the 11 Federal Government tertiary hospitals; the Federal Medical Centre (FMC) Ebute-Metta Lagos; the Federal Medical Centre (FMC) Jabi, Abuja; the University College Hospital (UCH) Ibadan; the Federal Medical Centre (FMC) Owerri; the University of Maiduguri Teaching Hospital (UMTH) Maiduguri; the Federal Medical Centre (FMC) Abeokuta; the Lagos State University Teaching Hospital (LUTH) Lagos; the Federal Medical Centre (FMC) Azare, Bauchi; the University of Benin Teaching Hospital (UBTH) Benin; and the University of Calabar Teaching Hospital (UCTH) Calabar.

2.1.5 Energy Sector and Electricity

The performance of the energy sector improved, as the Federal Government continued to implement the generation and transmission phase of the Siemens power project. The sector's performance was further aided by increased investment in renewable energy, and improved gas supply to thermal stations, which resulted in an increase in electricity production and supply. Accordingly, the average estimated electricity generation in Q12025 rose by 1.52 per cent to 4,501.68 MW/h from 4,434.39 MW/h in Q42024, amid improved gas supply to thermal stations. Similarly, the average estimated electricity consumption grew by 13.37 per cent to 3,810.14 MW/h from 3,360.81 MW/h in Q42024 on account of increased electricity supply.

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Box 1: Prices of Selected Domestic Agricultural Commodities

The prices of majority of the monitored domestic agricultural commodities increased in Q12025 compared with the preceding quarter. The price increases ranged from 0.89 per cent for Maize (white) to 39.81 per cent for Onion (bulb) and driven primarily by the persistent increase in the costs of production and transportation, exacerbated by elevated energy prices.

		Q12024	Q42024	Q12025	% Change	% Change
	UNIT	1	2	3	(1) & (3)	(2) & (3)
Agric eggs medium size	1kg	1472.51	2790.83	2932.80	99.17	5.09
Beans: brown, sold loose	"	1129.64	2673.59	2062.05	82.54	-22.87
Beans: white black eye, sold loose	"	1090.14	2489.69	1863.72	70.96	-25.14
Gari white, sold loose	"	691.34	1196.07	1143.52	65.41	-4.39
Gari yellow, sold loose	"	727.26	1291.42	1268.72	74.45	-1.76
Groundnut oil: 1 bottle, specify bottle	"	2018.42	3140.82	3653.75	81.02	16.33
Irish potato	"	1145.62	1776.91	1896.94	65.58	6.76
Maize grain white, sold loose	"	707.07	1129.50	1139.59	61.17	0.89
Maize grain yellow, sold loose	"	707.89	1134.79	1154.16	63.04	1.71
Onion bulb	"	911.89	1729.11	2417.43	165.10	39.81
Palm oil: 1 bottle, specify bottle	"	1528.03	2398.71	2813.47	84.12	17.29
Rice agric, sold loose	"	1246.79	2034.45	2027.20	62.59	-0.36
Rice local, sold loose	"	1195.17	1949.68	1913.25	60.08	-1.87
Rice, medium grained	"	1310.81	2088.34	2068.30	57.79	-0.96
Rice, imported high quality, sold loose	"	1501.81	2493.74	2584.03	72.06	3.62
Sweet potato	"	659.26	923.85	907.89	37.71	-1.73
Tomato	"	914.26	1463.89	1416.13	54.89	-3.26
Vegetable oil: 1 bottle, specify bottle	"	1888.41	3076.35	3794.40	100.93	23.34
Wheat flour: prepackaged (Golden Penny)	2kg	2266.07	3812.90	3975.69	75.44	4.27
Yam tuber	1kg	993.42	1815.83	2045.69	105.92	12.66

Sources: National Bureau of Statistics and Staff Estimates

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2.2 Fiscal Sector Developments

Summary

Federally collected revenue rose by 45.22 per cent, over the level in the corresponding quarter, but 12.02 per cent below the receipts in Q42024. Non-oil revenue contributed 65.30 per cent to gross federation earnings in the review period. Despite the decline in revenue outturn, allocation to the three tiers of government increased by 8.30 per cent, reflecting lower statutory deductions. At end-March 2025, public debt was ₦149.39 trillion (33.10% of GDP), which remained below the 40.00 per cent threshold of Debt Management Office (DMO).[1]

2.2.1 Federation Account Operations

Federation Revenue

Gross federation account earnings declined relative to the preceding quarter, occasioned by a drop in non-oil revenue. At ₦7.22 trillion, provisional gross federation account receipts was 12.02 per cent below the level in the preceding quarter. The development was due, largely, to low non-oil proceeds, particularly independent revenue, which is inherently affected by seasonality. Non-oil revenue remained dominant, accounting for 65.30 per cent of gross federation revenue, while oil revenue constituted the balance.

Oil revenue rose by 25.05 per cent to ₦2.51 trillion, relative to the level in Q42024. Sustained efforts in securing oil infrastructure contributed to the increased receipts from royalties, and crude oil & gas exports.

Non-oil revenue, at ₦4.72 trillion, was 24.00 per cent below the level in the preceding quarter. The decline was driven by low collections from corporate tax and FGN independent revenue, reflecting seasonal impact of tax return filings by companies.[2]

[1] 2025 Nominal GDP is projected by growing the rebased 2024 Nominal GDP published by NBS with 2025 real RGDP growth rate of 4.60 and inflation rate of 15.74 projected in MTEF 2025-2027.

[2] Corporate tax is composed of company income tax, withholding tax and capital gain tax.

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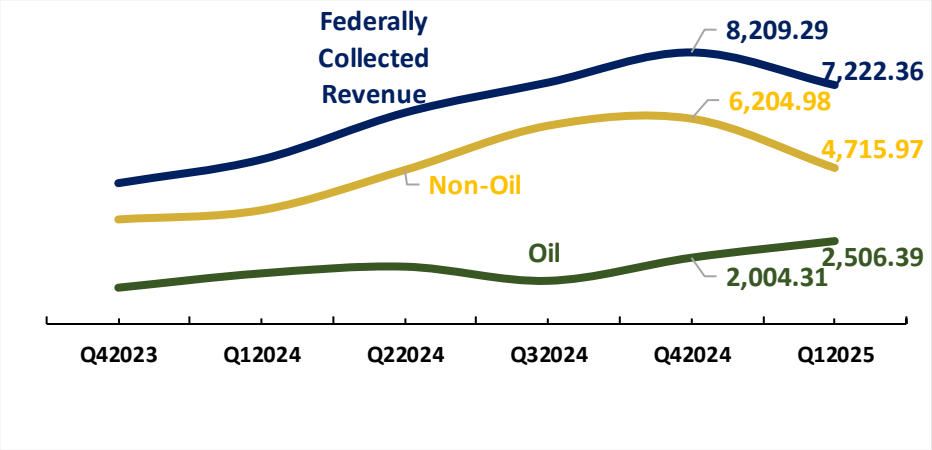
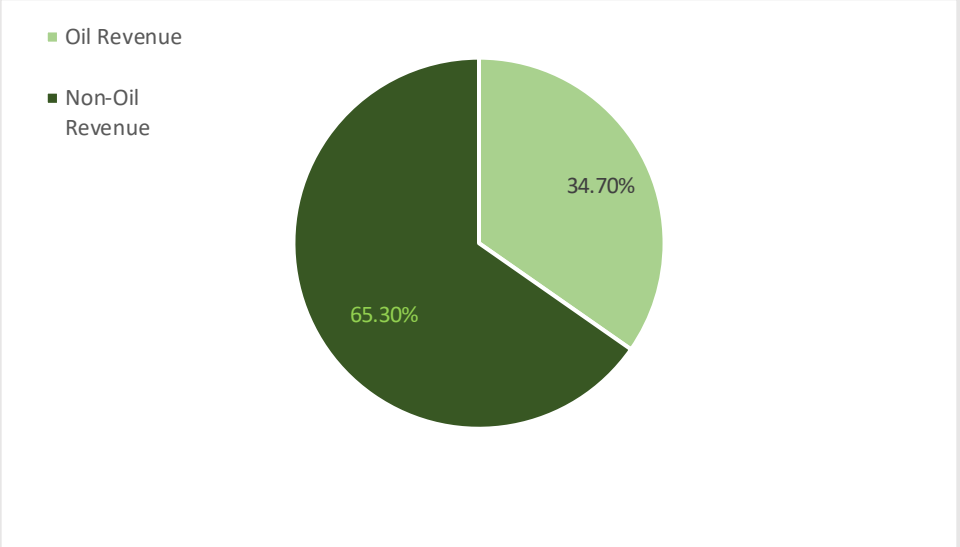
Figure 16: Federally Collected Revenue (₦ Billion)



Source: Office of the Accountant-General of the Federation (OAGF) and Federal Ministry of Finance (FMF)

Figure 17: Contribution to Federation Revenue



Source: Staff Estimates Based on Data from the Office of the Accountant General of the Federation and Federal Ministry of Finance

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Table 9: Federally Collected Revenue and Distribution to the Three-Tiers of Government (₦ Billion)

	Q12024	Q42024	Q12025	Budget
Federally Collected Revenue	**4,973.41**	**8,209.29**	**7,222.36**	**19,519.29**
Oil	**1,530.91**	**2,004.31**	**2,506.39**	**11,505.11**
Crude Oil & Gas Exports	*182.65*	*42.41*	*103.82*	*0.00*
PPT	*366.93*	*578.46*	*353.95*	*6,101.41*
Royalties	*592.68*	*1,138.74*	*1,459.54*	*3,432.55*
Domestic Crude Oil/Gas Sales	*0.00*	*0.00*	*0.00*	*490.19*
Others	*388.65*	*244.69*	*589.08*	*1,480.96*
Non-oil	**3,442.50**	**6,204.98**	**4,715.97**	**8,014.18**
Corporate Tax	*1,022.86*	*1,268.81*	*1,233.69*	*2,332.44*
Customs & Excise Duties	*667.35*	*934.43*	*959.56*	*1,549.34*
Value-Added Tax (VAT)	*1,373.73*	*1,880.94*	*2,075.90*	*1,875.40*
Independent Revenue of Fed. Govt.	*318.79*	*2,059.29*	*319.25*	*1,315.42*
*Others**	*59.78*	*61.51*	*127.57*	*941.58*
Total Deductions/Transfers	**2,766.58**	**5,771.37**	**3,325.79**	**2,717.94**
Federally Collected Revenue Less Deductions & Transfers**	**2,206.83**	**2,437.92**	**3,896.57**	**16,801.35**
plus:				
Additional Revenue	**1,223.15**	**2,000.18**	**909.86**	**57.21**
Excess Crude Revenue	*0.00*	*0.00*	*0.00*	*0.00*
Non-oil Excess Revenue/ EMTL	*48.93*	*300.60*	*478.93*	*57.21*
Exchange Gain	*1,174.22*	*1,699.58*	*430.93*	*0.00*
Total Distributed Balance	**3,429.98**	**4,438.10**	**4,806.43**	**16,858.56**
Federal Government	**1,143.55**	**1,439.74**	**1,507.46**	**8,204.89**
Statutory	*951.67*	*1,177.01*	*1,217.50*	*7,944.28*
VAT	*191.88*	*262.73*	*289.96*	*260.61*
State Government	**1,143.05**	**1,491.45**	**1,711.64**	**3,263.48**
Statutory	*503.44*	*615.68*	*745.10*	*2,394.79*
VAT	*639.61*	*875.76*	*966.54*	*868.69*
13% Derivation	**309.26**	**416.11**	**346.98**	**1,658.91**
Local Government	**834.12**	**1,090.80**	**1,240.34**	**3,731.28**
Statutory	*386.40*	*477.77*	*563.76*	*3,123.20*
VAT	*447.73*	*613.04*	*676.58*	*608.08*

Source: Office of the Accountant General of the Federation.
Note* Includes Education Tax, Customs Special Levies (Federation Account), National Information Technology Development Fund, Customs Special Levies, Solid Minerals & Other Mining revenue, and other non-regular earnings.
**Deductions include cost of revenue collections and JVC cash calls, while transfers entail provisions for FGN Independent revenue and other non-federation revenue.
/1 Provisional.

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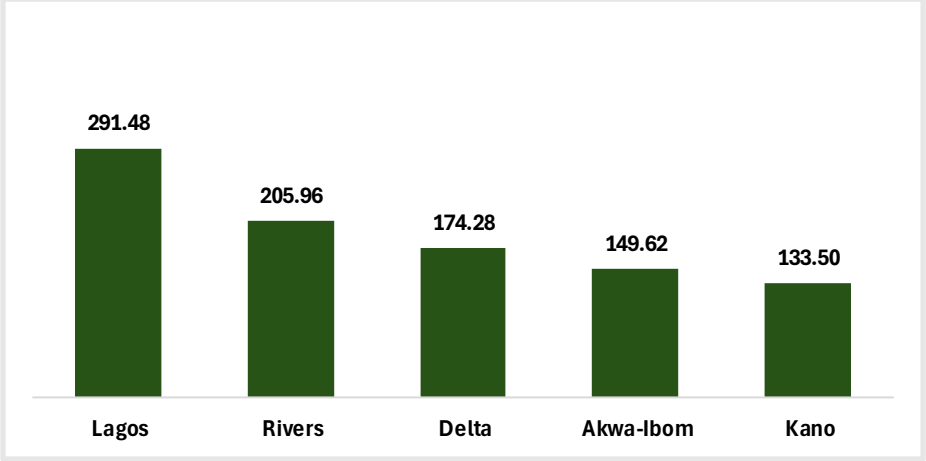
From the federally collected revenue of ₦7.22 trillion, a net balance of ₦4.81 trillion was distributed to the three tiers of government after accounting for statutory deductions and transfers. The federal, state, and local governments received ₦1.51 trillion, ₦1.71 trillion and ₦1.24 trillion, respectively, while the balance of ₦0.35 trillion was allocated to the 13% derivation fund for oil-producing states. Net disbursement was 8.30 per cent above the level in Q42024.

In the first quarter of 2025, revenue allocation from the Federation Account revealed significant variation across Nigerian states. Total subnational governments allocation revealed that Lagos State topped the list with ₦0.29 trillion, followed by Rivers (₦0.21 trillion), Delta (₦0.17 trillion), Akwa Ibom (₦0.15 trillion), and Kano (₦0.13 trillion), reflecting their strong economic activity, population size, and substantial contributions to national revenue. On the other hand, Gombe (₦55.24 billion), Nasarawa (₦55.60 billion), Ebonyi (₦56.05 billion), Ekiti (₦59.03 billion), and Taraba (₦60.84 billion) received comparatively lower allocations. These figures may be attributed to differences in economic scale and resource endowments.

Figure 18: Top Five Recipients of Federation Allocation in Q12025 (₦ Billion)



Source: Office of the Accountant General of the Federation and Federal Ministry of Finance

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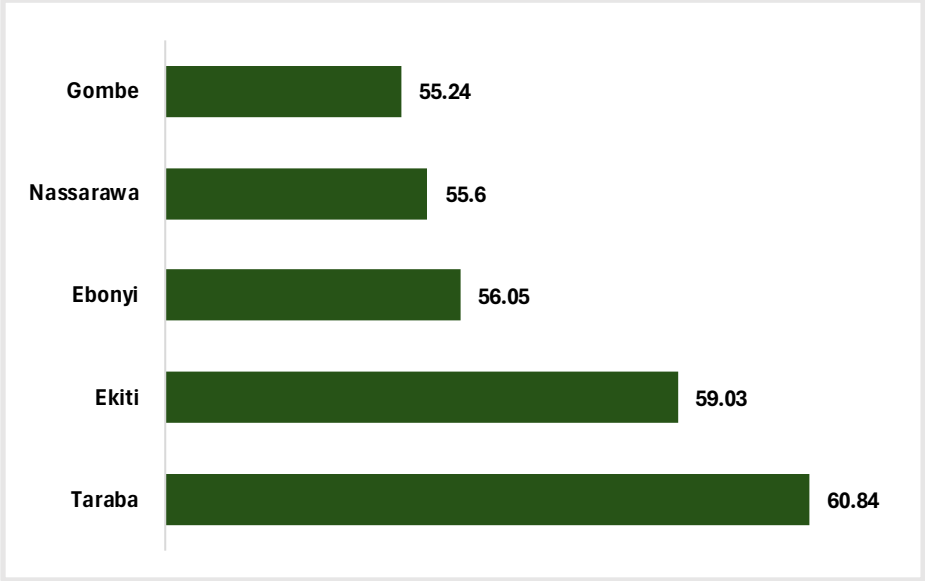
Figure 19: Bottom Five Recipients of Federation Allocation in Q12025 (₦ Billion)



Source: Office of the Accountant General of the Federation and Federal Ministry of Finance

Public Debt

At end-March 2025, public debt stock remained below the 40.00 per cent threshold for Debt- Management Office (DMO). Total public debt outstanding stood at ₦149.39 trillion (33.10% of GDP), at end-March 2025, and was 3.27 per cent, higher than the level at end-December 2024, due to new borrowings. A breakdown of the consolidated public debt showed that domestic debt accounted for 52.72 per cent, while external debt constituted 47.28 per cent. Of the consolidated public debt stock, FGN owed ₦145.52 trillion (97.41%), while state governments owed the balance.

A disaggregation of the FGN debt showed that domestic debt was N74.89 trillion, constituting 51.46 per cent, while external debt constituted N70.63 trillion (48.54%). Further analysis revealed that FGN Bonds maintained dominance, with 79.85 per cent of the total domestic debt stock, followed by treasury bills (16.96%), promissory notes (1.74%), and FGN Sukuk (1.33%), while "others" constituted the balance.[3] Of the total external debt stock, multilateral debt accounted for 48.80 per cent, commercial (38.08%) and bilateral loans (13.12%).

[3] "Other" instruments of public debt include treasury bonds (0.00%), green bond (0.02%), and special FGN savings bond (0.11%)

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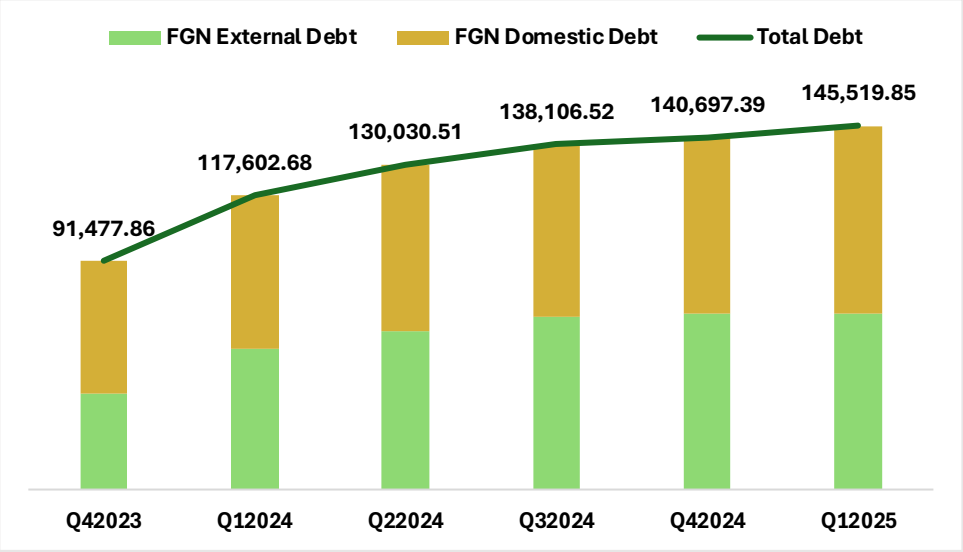
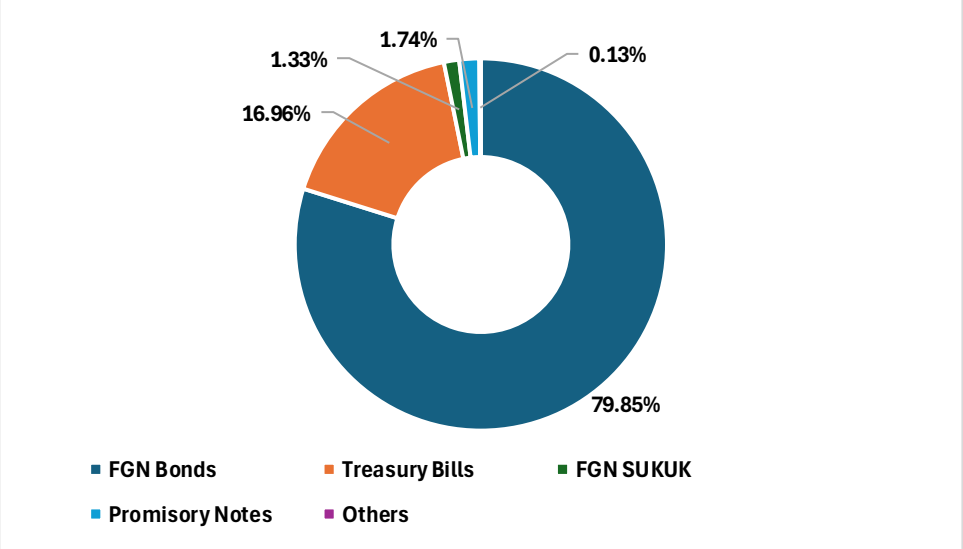
Figure 20: FGN External and Domestic Debt Composition (₦ Billion)



Source: Debt Management Office

Figure 21: Composition of Domestic Debt Stock by Instrument



Source: Debt Management Office

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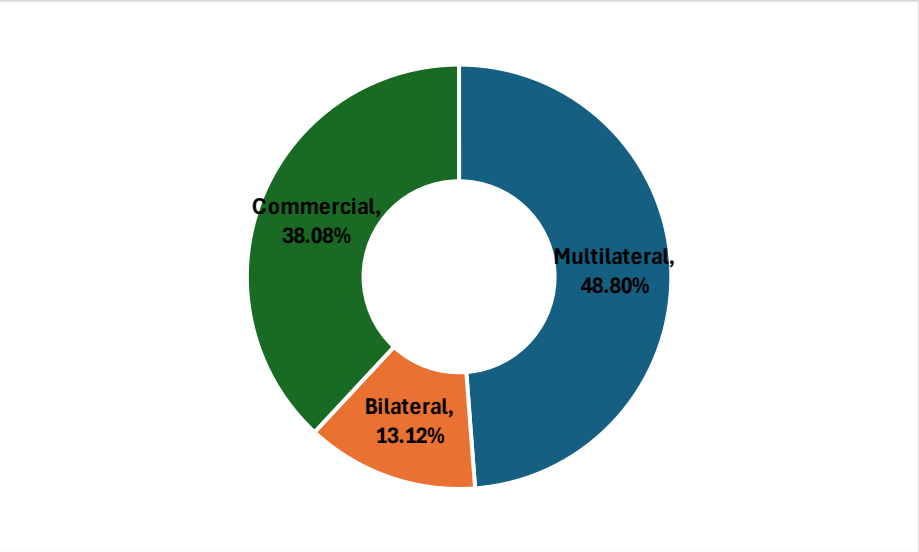
Figure 22: Composition of External Debt Stock



Source: Debt Management Office

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2.3 Monetary and Financial Developments

Summary

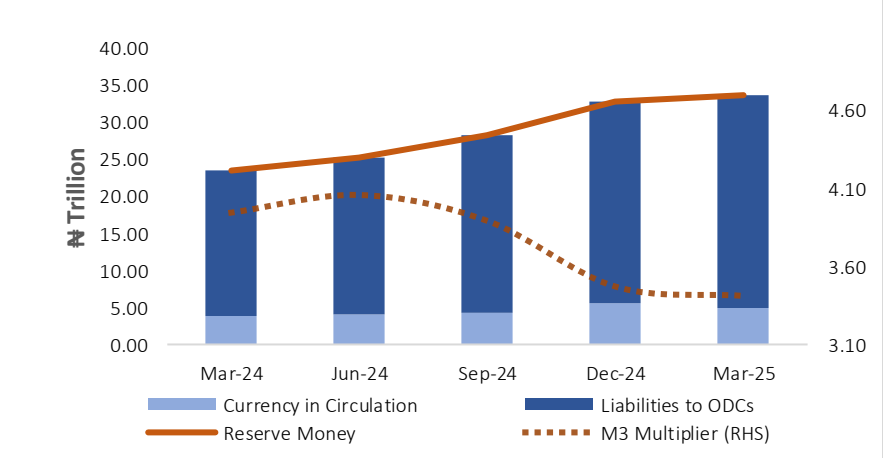
The Bank sustained its tight monetary policy stance to rein in inflation, as the growth in the monetary base and broad money supply (M3) moderated during the review period. The fixed-income market remained attractive to investors, buoyed by stable macroeconomic expectations and attractive yields. While the equities and debt markets were bullish. Key money market rates eased and stayed within the policy corridor, underscoring the effectiveness of the Bank's liquidity operations. Overall, the financial sector remained stable and resilient, as reflected by key prudential indicators.

2.3.1 Monetary Developments

Reserve Money

The pace of expansion in reserve money decelerated at end-March 2025 relative to end-December 2024, owing to a contraction in currency-in-circulation (CIC) and moderate growth in liabilities to the ODCs. Reserve money grew modestly by 2.61 per cent (10.44%, annualised) to ₦33.53 trillion at end-March 2025, compared with 32.09 per cent expansion recorded at end-December 2024. The moderation was driven largely by 8.06 per cent contraction in CIC, and the slower growth of 4.74 per cent in liabilities to ODCs. The reduced momentum in reserve money reflects, in part, the lagged effects of the Bank's tight policy stance, evidenced by the contraction in currency outside depository corporations (CODCs).

Figure 23: Developments in Reserve Money and Money Multiplier



Source: Central Bank of Nigeria

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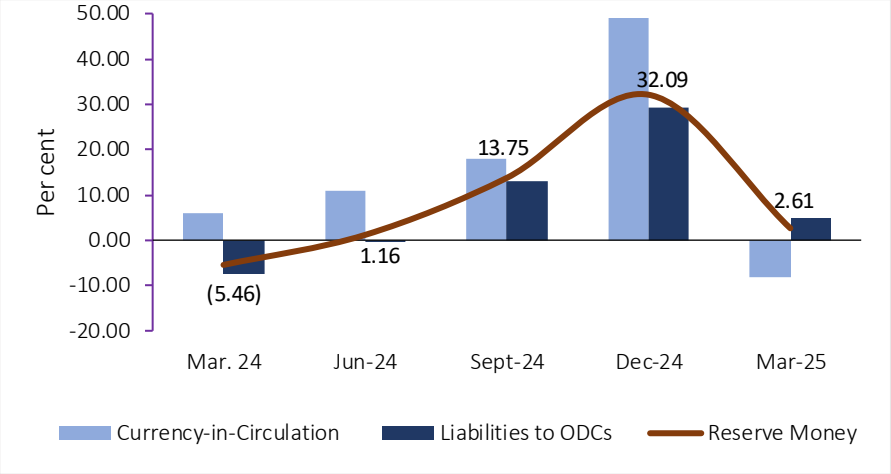
Figure 24: Reserve Money Growth Over end-December



Source: Central Bank of Nigeria

The resultant decline in the broad money multiplier to 3.41 from 3.47 at end-December 2024 constrained the expansion of the monetary base and contributed to a moderation in the growth of broad money supply (M3), which rose by a marginal 0.77 per cent to ₦114.22 trillion, compared with a 43.03 per cent growth at end-December 2024. Similarly, broad money supply (M2) recorded a marginal increase of 0.76 per cent to ₦114.20 trillion, while narrow money supply (M1) contracted by 0.68 per cent to ₦38.55 trillion. The deceleration in monetary aggregates—particularly the M1—reflects deliberate efforts by the monetary authority to moderate aggregate demand and contain inflation pressure.

On the asset side, the modest expansion in broad money supply (M3) was driven primarily by growth in net foreign assets (NFA), which contributed 11.66 percentage points to overall M3 growth. The contribution of NFA to the growth in M3 offset the contractionary impact of net domestic assets (NDA) which exerted a downward pull of 10.89 percentage points. Specifically, NFA grew by 41.34 per cent, reflecting a 3.83 per cent rise in claims on non-residents, underpinned by improved external sector position. Conversely, NDA contracted by 15.16 per cent, owing, largely, to a 2.89 per cent decline in overall domestic claims. The contraction in domestic claims stemmed from a 4.73 per cent reduction in net claims on the central government and a 0.85 per cent decrease in claims on other sectors. Driving the decline in claims on other sectors were a 10.60 per cent contraction in credit to other financial corporations and a 1.61 per cent decrease in credit to the private sector.

The contraction in net claims on the central government signalled the Bank's renewed focus to align monetary operations with its price stability objective. Notably, while overall domestic credit flows continued to adjust in response to prevailing monetary policy measures, the sustained growth in foreign assets

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underscored investor confidence in the economy and offered a critical buffer against external shocks, thereby supporting overall macroeconomic resilience.

Table 10: Money and Credit Growth over preceding December (%)

	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Contribution to M3 growth (Mar-25)
Net Foreign Assets	177.84	147.27	108.79	242.25	41.34	11.66
Claims on Non-residents	41.81	41.34	81.53	78.95	3.83	3.00
Liabilities to Non-residents	10.31	16.81	75.22	41.14	-17.23	-8.65
Net Domestic Assets	-5.25	12.10	28.62	16.42	-15.16	-10.89
Domestic Claims	-4.79	1.08	19.94	9.45	-2.89	-2.68
Net Claims on Central Government	-40.22	-28.66	17.64	-19.10	-4.73	-1.13
Claims on Central Government	-2.28	-7.29	35.64	-5.90	-0.45	-0.21
Liabilities to Central Government	54.39	24.63	67.37	13.83	4.10	0.92
Claims on Other Sectors	14.21	17.03	21.18	24.76	-2.25	-1.55
Claims on Other Financial Corporations	-4.44	-9.05	-5.04	15.10	-10.60	-1.48
Claims on State and Local Government	-2.49	2.24	-3.01	-2.67	4.00	0.14
Claims on Public Nonfinancial Corporations	8.96	12.54	16.43	18.10	17.12	0.57
Claims on Private Sector	22.53	27.57	32.74	31.27	-1.61	-0.77
Total Monetary Assets (M_3)	16.32	28.02	38.07	43.03	0.77	0.77
Currency Outside Depository Corporations	5.66	10.39	16.97	49.25	-10.31	-0.47
Transferable Deposits	7.05	23.68	19.39	26.23	0.79	0.24
Narrow Money (M_1)	6.89	22.16	19.12	28.86	-0.68	-0.23
Other Deposits	22.66	32.73	50.96	53.00	1.51	1.00
Broad Money (M_2)	16.64	28.02	38.79	43.77	0.76	0.76
Securities Other than Shares	-42.75	-97.46	-97.43	-95.87	19.65	0.00
Total Monetary Liabilities(M3)	16.32	28.02	38.07	43.03	0.77	0.77

Source: Central Bank of Nigeria.
Note: The numbers for March 2025 are provisional.

Money Supply

On the liabilities side, the moderation in M3 was primarily influenced by a 10.31 per cent decline in currency outside depository corporations (CODCs), which exerted a 0.47 percentage point drag on broad money growth. In contrast, transferable and other deposits grew moderately by 0.79 per cent and 1.15 per cent, contributing 0.24 and 1.00 percentage points to M3, respectively. The contraction in CODCs suggests a moderation in cash-based transactions, reflecting changing payment behaviour and the growing adoption of electronic and digital payment channels.

2.3.2 Sectoral Utilisation of Credit

Sectoral Credit Utilisation

Overall ODCs' credit to the economy declined marginally by 0.20 per cent to ₦59.10 trillion, from ₦59.22 trillion in December 2024. The moderation reflects the contractionary monetary policy stance of the Bank aimed at anchoring inflation expectations. Credit to the agriculture sector, however, rose by 11.01 per cent to ₦3.17 trillion, increasing its share of total credit from 4.82 per cent to 5.36

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per cent. The increase in credit to the agriculture sector reflected t preparation for wet season farming across the country.

Table 11: Sectoral Credit Allocation

Sectors	Credit Allocation (₦ Billion)			Share in Total (%)		
	Mar-24	Dec-24	Mar-25	Mar-24	Dec-24	Mar-25
Agriculture	2,581.33	2,854.51	3,168.67	4.85	4.82	5.36
Industry	22,488.13	23,671.35	25,129.84	42.25	39.97	42.52
of which Manufacturing	*8,697.94*	*8,528.59*	*7,716.23*	*16.34*	*14.40*	*13.06*
Services	28,151.67	32,691.09	30,799.49	52.90	55.21	52.12
of which Finance, Insurance & Capital Market	*3,412.69*	*7,745.45*	*8,396.97*	*6.41*	*13.08*	*14.21*
Trade/General Commerce	*3,798.63*	*4,536.64*	*3,682.61*	*7.14*	*7.66*	*6.23*
TOTAL	**53,221.14**	**59,216.95**	**59,098.00**	**100.0**	**100.0**	**100.0**

Source: Central Bank of Nigeria

Consumer Credit

Relative to the position at end-December 2024, consumer credit outstanding contracted by 15.11 per cent to ₦4.01 trillion. The contraction underscored the moderate pace of credit expansion amid the Bank's sustained efforts to rein in inflation. Although retail loans rose significantly by 99.89 per cent to ₦1.80 trillion, personal loans, which traditionally constitute a major share of household borrowing, fell markedly by 42.12 per cent to ₦2.21 trillion, indicating reduced household demand for credit due to higher interest rates.

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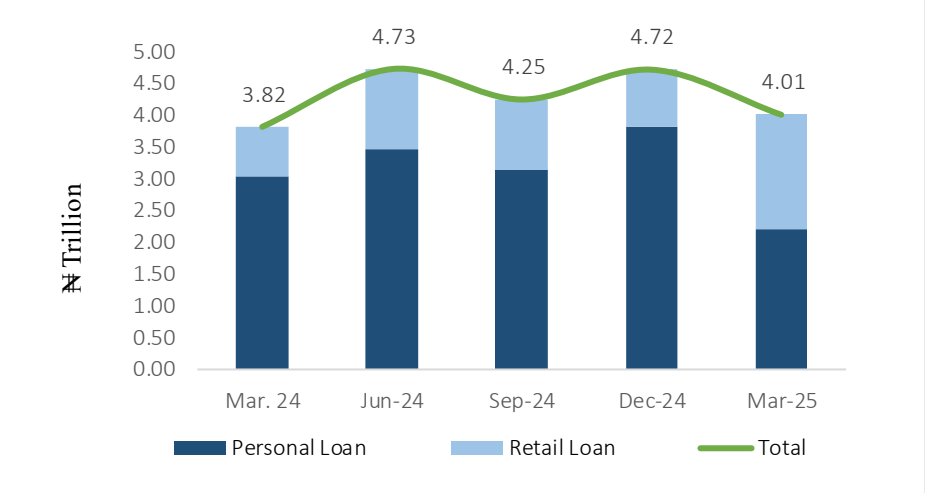
Figure 25: Consumer Credit Outstanding



Source: Central Bank of Nigeria

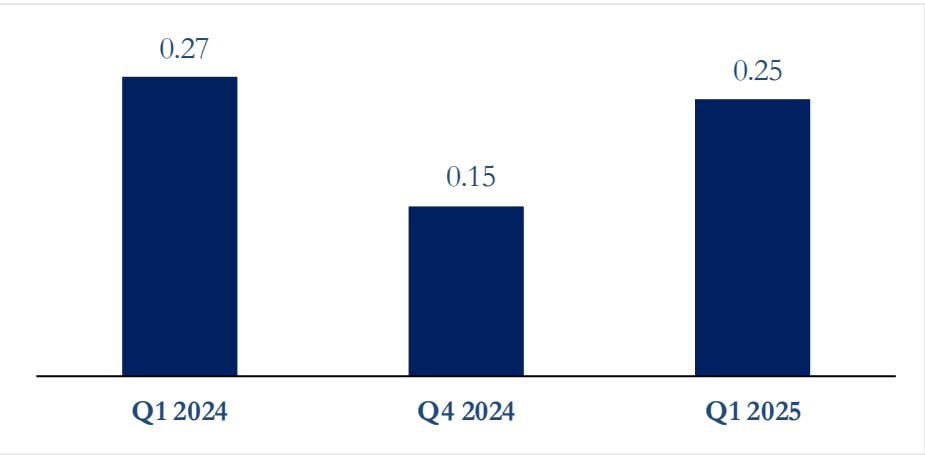
2.3.3 Financial Developments

2.3.3.1 Money Market Developments

Industry Liquidity Condition

Fiscal operations and repayments of matured securities contributed to an increase in average banking system liquidity in the review period relative to the preceding quarter. The average banking system liquidity rose to ₦0.25 trillion, from ₦0.15 trillion in Q42024. The growth in the level of liquidity in the period under review followed higher repayment of matured CBN bills, Federal Government (FGN) Bonds, and Nigerian Treasury Bills (NTBs), as well as fiscal disbursements to the 3 tiers of Government. While these inflows temporarily boosted liquidity, the Bank's tight policy stance and other liquidity management measures ensured that banking system liquidity remained at a tolerable level.

Figure 26: Average Banking System Liquidity (₦ Trillion)



Source: Central Bank of Nigeria

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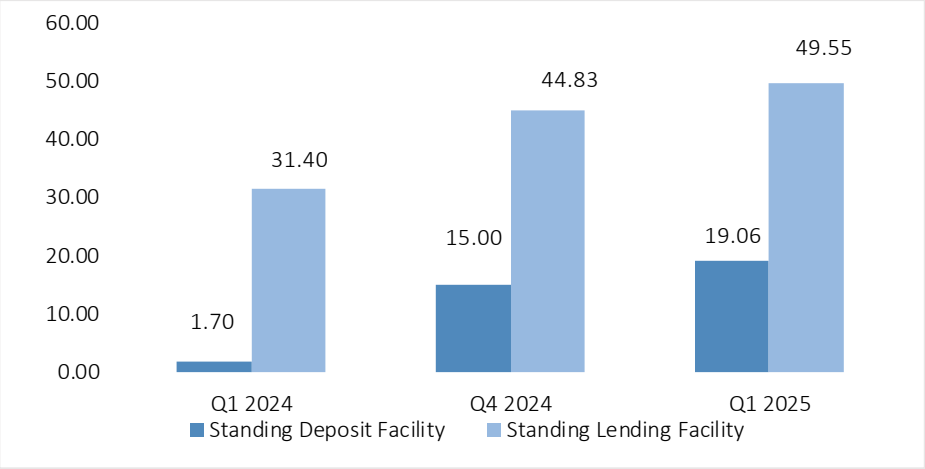
Activities at both the Standing Deposit Facility (SDF) and Standing Lending Facility (SLF) windows increased during the review period, amid the tight monetary policy environment. The value of transactions at the SDF and SLF rose by 12.44 per cent and 27.10 per cent to ₦19.06 trillion and ₦49.55 trillion, respectively, compared with the preceding quarter. The applicable rates on the SDF and SLF windows remained unchanged at 26.50 and 32.50 per cent, respectively, while the penalty on unreturned Intra-day Lending Facility (ILF) stood at 37.50 per cent.

Figure 27: Transactions at the Standing Facility Window



Source: Central Bank of Nigeria

OMO Operations

In the review period, the Bank utilised Open Market Operations (OMO) to maintain monetary stability. The total amount of CBN bills offered, subscribed, and allotted was ₦5.08 trillion, ₦10.26 trillion, and ₦8.34 trillion (with tenors ranging from 88 to 365 days), compared with ₦2.80 trillion, ₦2.96 trillion, and ₦2.34 trillion, respectively (with tenors ranging from 91 to 365 days). The bid rates stood at 24.43 (± 0.96) per cent, while the stop rates were 24.67 (±0.72) per cent, indicating a relatively narrow spread. Repayments on maturing CBN bills amounted to ₦0.48 trillion, resulting in a net liquidity withdrawal of ₦7.86 trillion through this channel.

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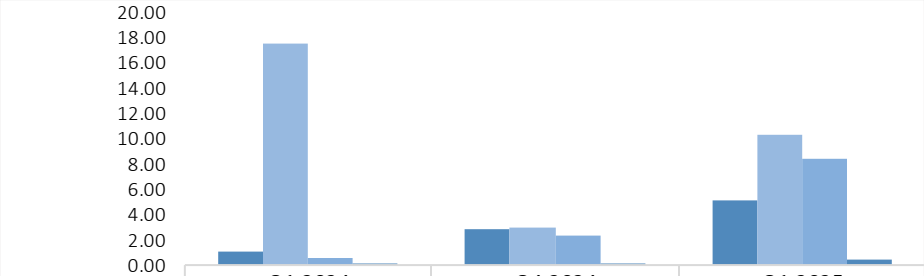
Figure 28: Open Market Operations (₦ Trillion)

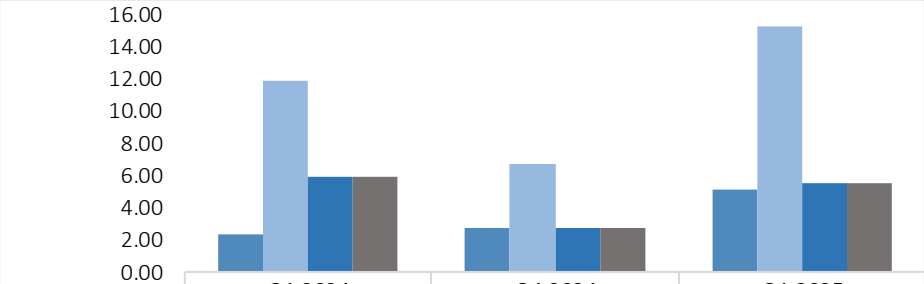


	Q1 2024	Q4 2024	Q1 2025
Offer	1.05	2.80	5.08
Subscription	17.55	2.96	10.26
Allotment	0.58	2.34	8.34
Repayment	0.06	0.12	0.48

Source: Central Bank of Nigeria

Increased subscriptions for both the Nigerian Treasury Bills (NTBs) and Federal Government of Nigeria (FGN) Bonds in Q12025 was underpinned by sustained investor confidence, attractive yields and favourable macroeconomic prospects. Total NTBs (91-, 182- and 364-day tenors) offered, subscribed and allotted amounted to ₦5.12 trillion, ₦15.20 trillion, and ₦5.54 trillion, respectively, compared with ₦2.77 trillion, ₦6.73 trillion, and ₦2.75 trillion in the preceding quarter. The average bid rate in Q12025 was 22.50 (±5.50) per cent, identical to the preceding quarter, although the stop rate increased slightly to 21.81 (±4.81) per cent from 20.47 (±2.47) per cent in Q42024.

Figure 29: Primary Market NTBs (₦ Billion)



	Q1 2024	Q4 2024	Q1 2025
Offer	2.32	2.77	5.12
Subscription	11.84	6.73	15.20
Allotment	5.95	2.75	5.54
Repayment	5.95	2.75	5.54

Source: Central Bank of Nigeria

FGN Bonds of 5-, 7-, 9-, and 10-year tranches worth ₦1.10 trillion were offered, representing a significant expansion, compared with ₦0.42 trillion (5- and 7-year tenors) in the preceding quarter. Subscriptions and allotment rose to ₦2.41 trillion

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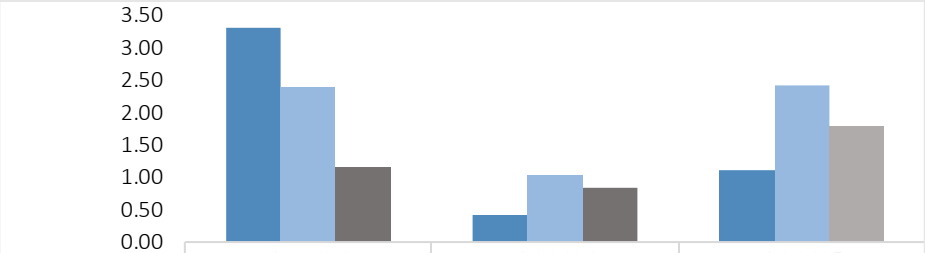
and ₦1.78 trillion, respectively, from ₦1.04 trillion and ₦0.85 trillion in Q42024. The average bid rate was 22.00 (± 7.00) per cent, while the average marginal rate was 20.80 (±1.80) per cent, compared with 21.00(±3.00) and 21.38(± 0.63) per cent, respectively, in the preceding quarter.

The higher bonds offer in the review period reflected government inclination towards domestic borrowing to fund the 2025 budget. The rise in subscriptions indicated rising investor confidence in government instruments, stable macroeconomic expectations, and domestic yields.

Figure 30: Primary Market Auctions of FGN Bonds (₦ Billion)



	Q1 2024	Q4 2024	Q1 2025
Offer	3.31	0.42	1.10
Subscription	2.39	1.04	2.41
Allotment	1.16	0.85	1.78

Source: Central Bank of Nigeria

Interest Rate Developments

Key money market rates were generally stable and well anchored within the policy corridor. Reflecting the liquidity condition, the average Interbank call rate shed 2.94 percentage points (pp), Open Buy Back (OBB) rate (1.10 pp), Nigeria Interbank Offered Rate (NIBOR) (1.32 pp), and NIBOR 90-day rate (0.61 pp) from the preceding month. Consequently, the average Interbank call rate and OBB settled at 28.09 and 30.67 per cent, respectively, while the NIBOR and NIBOR 90-day rates settled at 30.77 and 27.47 per cent, respectively. NIBOR 30-day rate, however, increased marginally by 0.07pp to close at 27.28 per cent. With the monetary policy rate (MPR) at 27.50 per cent and an asymmetric corridor of +500/-100 basis points (bp), money market rates remained within the Bank's desired policy corridor during the review period.

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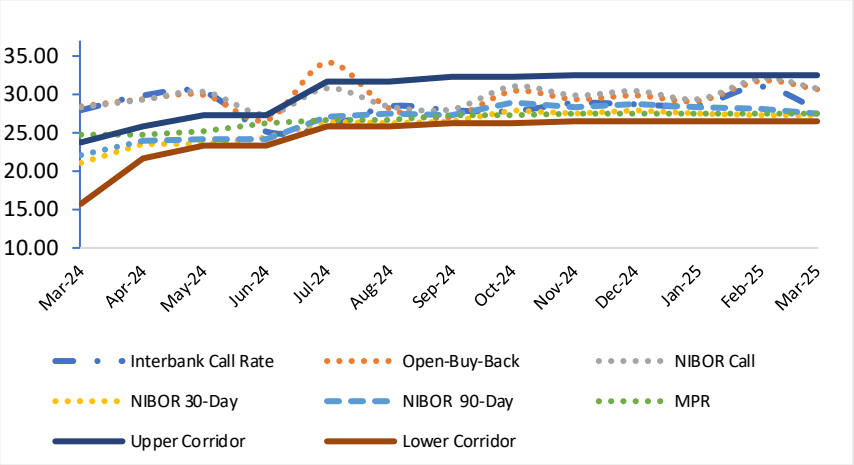
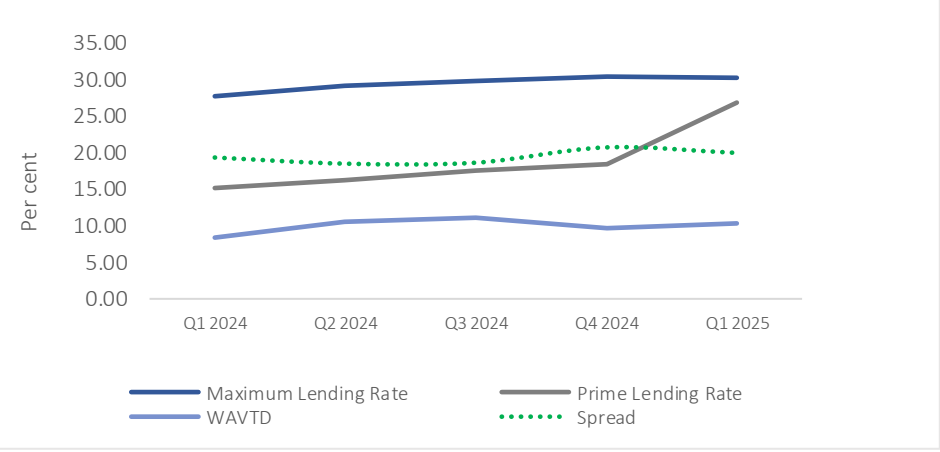
Figure 31: Developments in Short-term Interest Rates



Source: Central Bank of Nigeria

The average maximum lending rate declined slightly by 0.19 pp to 30.16 per cent in Q12025, while the prime lending rate increased significantly by 8.33 pp to 26.80 per cent over its level in the preceding quarter. The weighted average term deposit (WAVTD) rate rose moderately by 0.56 pp to 10.23 per cent. Consequently, the average spread between the WAVTD rate and maximum lending rate narrowed to 19.93 pp, from 20.68 pp in Q42024.

Figure 32: Average Term Deposit and Lending Rates



Source: Central Bank of Nigeria.
Note: PLR= Prime lending rate; MXLR= Maximum lending rate; WATD= Weighted Average term deposit rate.

2.3.3.2Capital Market Developments

Market Capitalisation

The Nigerian capital market was bullish in Q12025 as activities in both the equities and bonds segments improved, relative to the preceding quarter. The upward momentum was underpinned by robust corporate earnings and sustained investor confidence. This was supported by improved macroeconomic fundamentals,

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relative exchange rate stability, and increased optimism about the economy. Consequently, aggregate market capitalisation rose by 5.43 per cent to ₦115.22 trillion in Q12025, from ₦109.29 trillion in Q42024.

Equities and debt components increased by 5.58 and 5.24 per cent to N66.27 trillion and ₦48.93 trillion from ₦62.76 trillion and ₦46.50 trillion, respectively, in the preceding quarter. Conversely, the Exchange Traded Funds (ETFs) declined by 14.93 per cent to ₦24.83 billion from ₦29.19 billion in the preceding quarter. The equities component sustained its dominance, constituting 57.51 per cent of the aggregate market capitalisation, while debt and ETF components accounted for 42.47 and 0.02 per cent, respectively.

NGX All- Share Index

The All-Share Index (ASI) increased by 3.23 per cent to 105,660.64 index points, from 102,350.25 index points in the preceding quarter. The rise in ASI portrayed strong investor appetite for Nigerian equities, driven by bargain-hunting activities for dividend pay-outs amid strong corporate earnings results for mid- and large-cap stocks.

Figure 33: Aggregate Market Capitalisation and All-Share Index



Source: Nigerian Exchange (NGX) Limited

Most of the capital market indices exhibited a bullish trend in Q12025, with NGXLOTUSISLM and NGXAFRBVI topping the chart, while NGXOILGAS, and NGXGROWTH were the major losers. The rise in most of the indices reflected impressive sectoral performance and the demand for major large-cap stocks on the Exchange.

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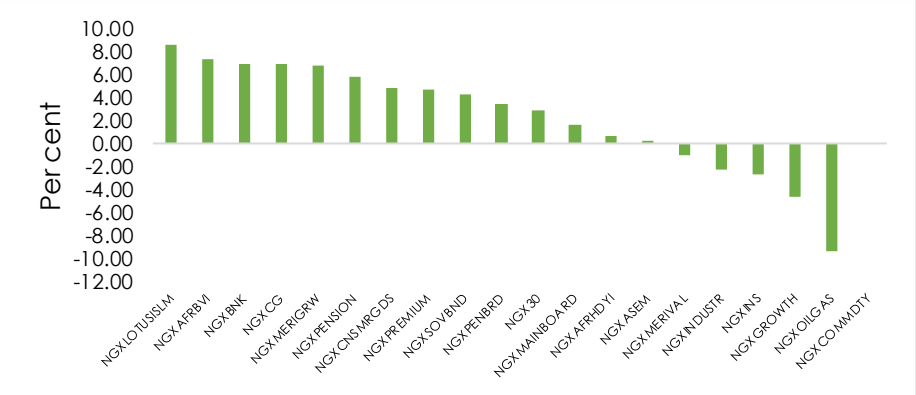
Figure 34: Quarter-on-Quarter Changes in Q12025 Sectoral Indices



Source: Nigeria Exchange (NGX) Limited

Table 12: Nigerian Exchange (NGX) Limited Sectoral Indices

SECTORAL INDICES	Q4 2024	Q1 2025	Change (%)
NGXLOTUSISLM	6,955.89	7,551.18	8.56
NGXAFRBVI	2,467.38	2,646.53	7.26
NGXBNK	1,084.52	1,159.99	6.96
NGXCG	2,814.39	3,009.51	6.93
NGXMERIGRW	6,490.69	6,930.25	6.77
NGXPENSION	4,521.13	4,785.90	5.86
NGXCNSMRGDS	1,731.67	1,815.85	4.86
NGXPREMIUM	9,719.75	10,171.85	4.65
NGXSOVBND	601.54	626.86	4.21
NGXPENBRD	1,826.89	1,890.00	3.45
NGX30	3,811.94	3,921.32	2.87
NGXMAINBOARD	4,988.79	5,068.04	1.59
NGXAFRHDYI	16,642.63	16,758.62	0.70
NGXASEM	1,583.71	1,587.89	0.26
NGXMERIVAL	10,375.32	10,274.99	-0.97
NGXINDUSTR	3,572.17	3,489.87	-2.30
NGXINS	718	698.54	-2.71
NGXGROWTH	7,762.86	7,401.79	-4.65
NGXOILGAS	2,712.06	2,458.69	-9.34
NGXCOMMDTY	-	1,003.58	-

Source: Nigerian Exchange (NGX) Limited

Trading activities on the Exchange rose significantly in the review quarter, as the value of traded securities increased by 38.31 per cent to ₦1.11 trillion from ₦0.80 trillion in the preceding quarter. Similarly, the volume of traded securities increased by 11.70 per cent to 38.87 billion shares from 34.80 billion shares in the previous quarter. Also, total number of deals traded increased by 41.49 per cent to 819,343 deals, compared with the level in the preceding quarter.

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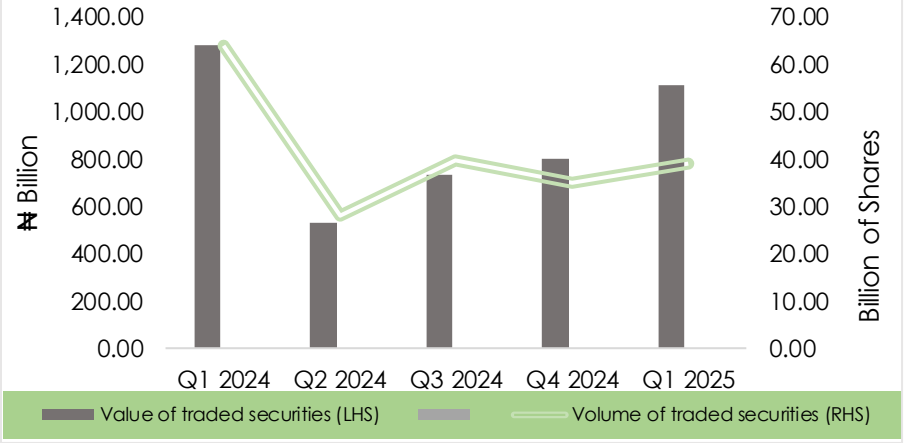
Figure 35: Volume and Value of Traded Securities



Source: Nigerian Exchange (NGX) Limited.

A total of 21 securities were listed on the Exchange, one suspension, one change of name & trading symbol, and one lifting of suspension in the review quarter. Among the 21 securities listed, seven were new, while 14 were supplementary. Total listings were lower than the 23 in the preceding quarter, even as no security delisted was recorded in the review quarter.

Table 13: Listings, De-listings, and Suspensions on the Nigerian Exchange Limited in Q12025

Company/Security	Shares Units/Price	Remarks
19.30% FGN APR 2029	51,857,400	Supplementary listing
18.50% FGN FEB 2031	159,286,957	Supplementary listing
Lasaco Assurance Plc	9,250,000,000 ordinary shares of 50 Kobo each @ ₦1.20k per share.	Supplementary listing
Guaranty Trust Holding Company Plc	4,705,800,290 Ordinary Shares of 50 Kobo each @ ₦44.50k	Supplementary listing
17.235% FGN JAN 2027	947,468,000.00, with 947,468 units for 2 years.	New listing
18.235% FGN JAN 2028	3,366,465,000.00, with 3,366,465 units for 3 years.	New listing
Thomas Wyatt Nigeria Plc	Placed on suspension	Placed on suspension
Zenith Bank Plc	Rights Issue of 5,232,748,964 Ordinary Shares of 50 Kobo each @ ₦36.00 per Share.	Supplementary listing
Zenith Bank Plc	Offer for Subscription of 4,440,587,250 Arising from Public Offer of 2,767,251,036 Ordinary Shares of 50 Kobo each @ ₦36.50 per Share.	Supplementary listing
22.60% FGN JAN 2035	368,309,761,000, with 368,309,761 units for 10 years.	New listing
19.30% FGN APR 2029	78,859,905 units	Supplementary listing

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18.50% FGN FEB 2031	153,869,360 units	Supplementary listing
Fidelity Bank Plc	18,200,000,000 ordinary shares of 50 Kobo each @ ₦9.75 per share	Supplementary listing
17.799% FGN FEB 2027	1,117,197,000 units for 2 years	New listing
18.799% FGN FEB 2028	3,057,938,000 units for 3 years	New listing
Ellah Lakes Plc	1,104,386,890 Ordinary Shares of 50 Kobo each at ₦2.8 Per Share, arising from the Conversion of Ellah Lakes Plc's ₦3,092,283,294.81 Debt to Equity.	Supplementary listing
FBN Holdings Plc	Change of Name from FBN Holdings Plc (FBNH) to FIRST HOLDCO PLC (FIRSTHOLDCO).	Change of name and trading symbol
19.30% FGN APR 2029	305,361,903 units	Supplementary listing
18.50% FGN FEB 2031	605,027,191 units	Supplementary listing
Chapel Hill Denham Nigeria Infrastructure Debt Fund (NIDF)	222,826 Units of NIDF	Supplementary listing
Sterling Financial Holdings Company Plc	Listing of 16,666,666,667 Ordinary Shares of 50 Kobo each at ₦4.50 per Share Offered through Private Placement.	Supplementary listing
Nigerian Exchange Group Plc	Listing of NGX30U5 and NGXPENSIONU5 Futures Contracts	New listing
Dangote Cement Plc	10-Year 23.50% Fixed Rate Senior Unsecured Bonds Due 2034	New listing
Mutual Benefits Assurance Plc	Lifting of suspension	Lifting of suspension

Source: Nigerian Exchange Limited (NGX).
Notes: FGN = Federal Government of Nigeria; Plc = Public Limited Liability Company; N/A = Not available.

2.3.3.3 Financial Soundness Indicators

Despite the slight increase in the non-performing loans ratio (NPLs), the banking sector remained stable and resilient in the review quarter. The industry's capital adequacy ratio (CAR) and liquidity ratio (LR) stood at 15.65 and 51.18 per cent, higher than the preceding quarter by 0.45 and 2.12 percentage points, respectively. These indicators were above their respective regulatory benchmarks of 10.00 and 30.00 per cent. The robust solvency and liquidity buffers underscored the banking sector's enhanced capacity to absorb adverse shocks, facilitate credit intermediation, and exert a positive influence on the broader macroeconomic trajectory. The NPLs ratio, however, rose marginally by 1.04pps to 5.54 per cent from 4.50 per cent in the preceding quarter.

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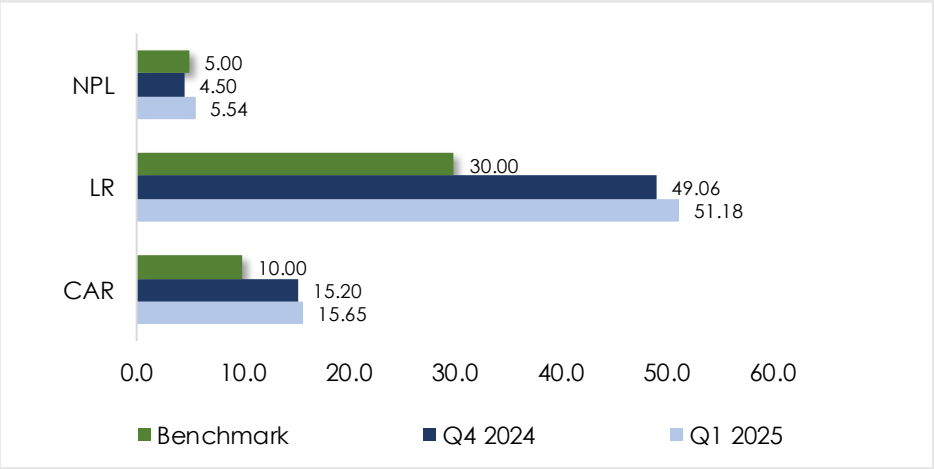
Figure 36: Key Financial Soundness Indicators (%)



Source: Central Bank of Nigeria

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2.4 External Sector Developments

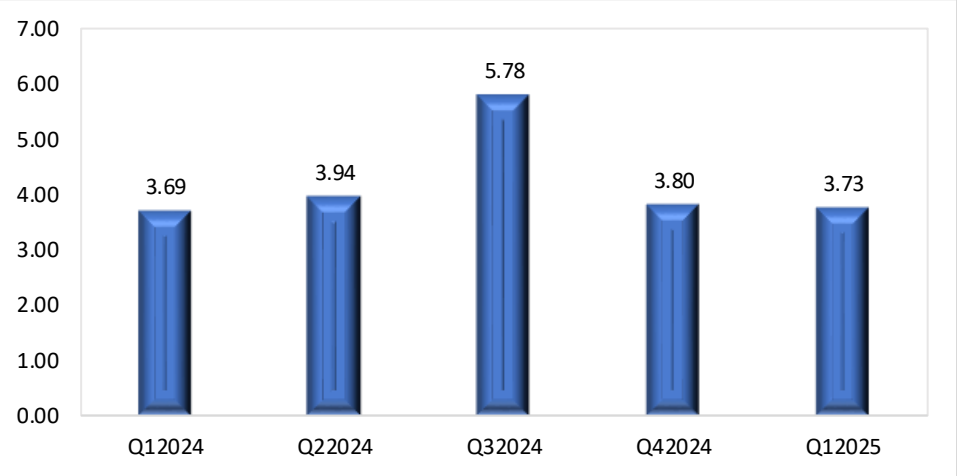
Summary

The performance of the external sector in Q12025 was shaped majorly by global developments particularly trade and geopolitical tensions, as well as domestic foreign exchange demand and inflation pressures. The overall balance of payments recorded a deficit, in contrast to a surplus in the preceding quarter, driven by the drawdown on external reserves to finance international obligations. The current account posted a lower surplus, while the financial account recorded a net borrowing position. At US$37.82 billion, the external reserves could cover 7.88 months of import for goods and services or 11.63 months for goods only. The average exchange rate at the Nigerian Foreign Exchange Market (NFEM) was ₦1,521.56/US$, compared with ₦1,623.26/US$ in Q42024.

2.4.1 Current and Capital Account

The current and capital account recorded a lower surplus, driven by widened deficits in the services and primary income accounts, coupled with decline in remittances inflow. The surplus in the current and capital account fell marginally to US$3.73 billion (6.98% of GDP), compared with US$3.80 billion (7.59% of GDP) in the preceding quarter. The development reflected the widened deficits in the services and primary income accounts and decline in remittance inflow.

Figure 37: Current Account Balance (US$ Billion)



Source: Central Bank of Nigeria

Export Performance

Merchandise export earnings grew in the first quarter of 2025, attributed to increased receipts from both oil and non-oil export. Aggregate export earnings rose by 9.79 per cent to US$13.91 billion, from US$12.67 billion in Q42024. A breakdown showed that crude oil receipts increased to US$11.25 billion, from US$10.63 billion in the preceding quarter, owing to higher average price of the Bonny Light to US$77.52 per barrel from US$75.66 per barrel in the preceding quarter. Similarly, receipts from non-oil export rose to US$2.66 billion from

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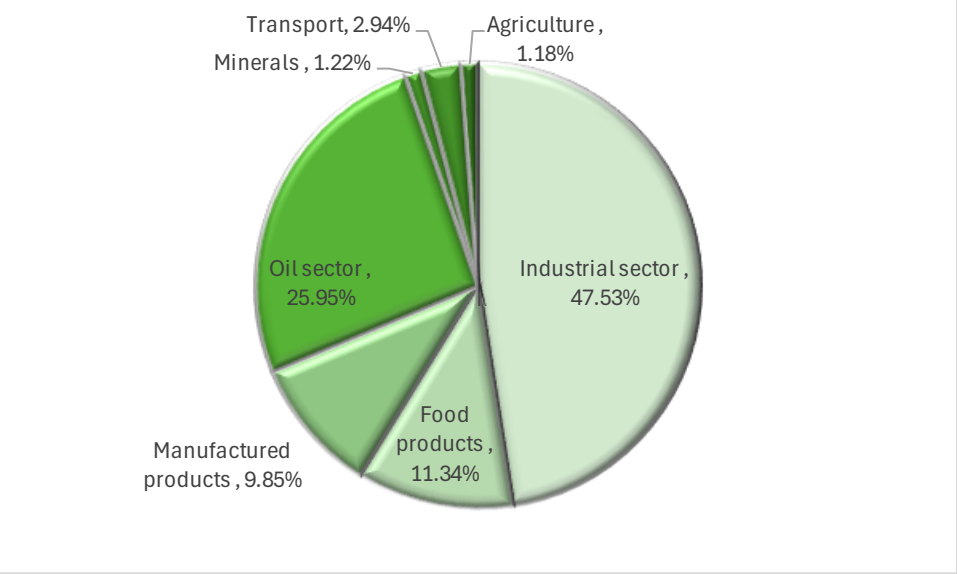
US$2.04 billion in the preceding quarter, driven by higher global commodity prices, resulting in improved earnings particularly from the export of cocoa beans and sesame seeds. Crude oil and gas exports continued to dominate merchandise export, accounting for 80.88 per cent of total earnings, with non-oil export accounting for the balance.

Merchandise Import

Merchandise imports bills declined in the review period, due to lower non-oil import. Merchandise imports bills fell to US$9.75 billion, from US$10.05 billion in Q42024. A disaggregation indicated that non-oil import, fell to US$6.77 billion from US$7.37 billion in the preceding quarter, due majorly to decline in the import of industrial products. Oil imports, however, increased to US$2.98 billion, from US$2.68 billion in the preceding quarter. By share, import of non-oil products continued to dominate merchandise import, accounting for 69.44 per cent, while oil constituted the balance.

Analysis of import by sector indicated that the industrial sector, mainly raw materials and machinery accounted for the largest share of imports, with 47.53 per cent, followed by oil sector (25.95%), food products (11.34%), manufactured products (9.85%), transport (2.94%), minerals (1.22%), and agricultural products (1.18%).

Figure 38: Import by Classification



Source: Central Bank of Nigeria

Services

The deficit in the services account widened marginally, owing to lower receipts, particularly in respect of financial services. The deficit in the services account widened to US$3.69 billion, from US$3.48 billion in Q42024. Total payment for services decreased by 2.32 per cent to US$4.64 billion, relative to the level in the preceding quarter. A breakdown indicated that payments for transport services

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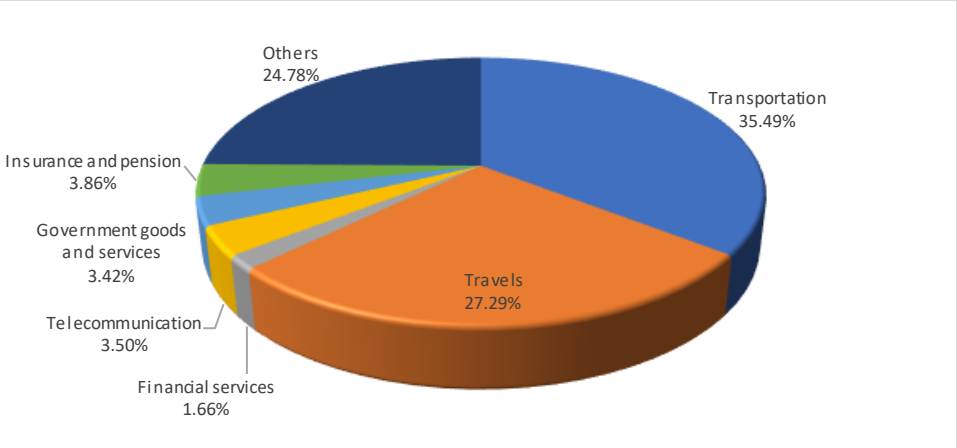
increased by 0.12 per cent to US$1.65 billion from the level in the preceding quarter, reflecting higher freight charges. Similarly, payments for travels increased to US$1.27 billion (4.10%), telecommunications, computer & information services to US$0.16 billion (45.45%), government goods & services to US$0.16 billion (6.67%), and other business services to US$1.08 billion (10.20%), from their levels in Q42024.

Conversely, payment for insurance and pension services, declined by 37.93 per cent to US$0.18 billion in Q12025. Payments for financial services also fell to US$0.08 billion, from US$0.28 billion in Q42024.

In terms of contributions, transport services constituted the largest share of services payments at 35.49 per cent, followed by travel services (27.29%), other business services (23.32%), insurance and pension services (3.86%) telecommunications, computer & information services (3.50%) and government services (3.42%). Financial services accounted for 1.66 per cent, while other categories of services accounted for the balance.

Figure 39: Share of Services Out-Payments (per cent)



Source: Central Bank of Nigeria.

Receipts from the export of services declined by 25.20 per cent to US$0.95 billion, attributed largely to reduced inflow from financial services. A disaggregated analysis indicated that earnings from financial services fell significantly by 77.27 per cent to US$0.10 billion. Similarly, receipts from telecommunications, computer & information services declined by 20.13 per cent to US$0.04 billion from its level in the preceding quarter. Conversely, receipts from transport and travel services increased by 4.34 and 9.87 per cent to US$0.55 billion and US$0.07 billion, respectively, relative to the levels in the preceding quarter. Receipts from insurance & pension services also rose by 10.51 per cent to US$0.04 billion.

The composition of services receipt showed that transport dominated at 58.07 per cent, followed by government services (13.21%), financial (10.56%), travels

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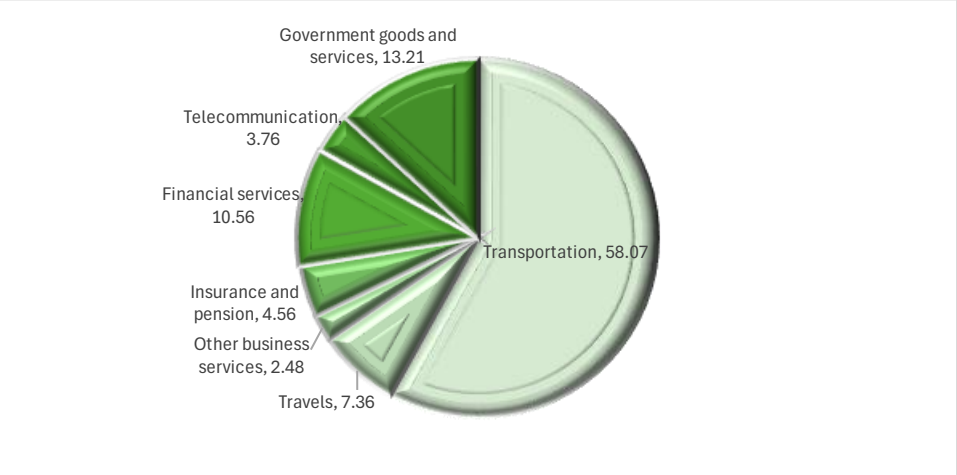
(7.36%), insurance & pension (4.56%), telecommunications (3.76%) and other business services (2.48).

Figure 40: Share of Services Receipts

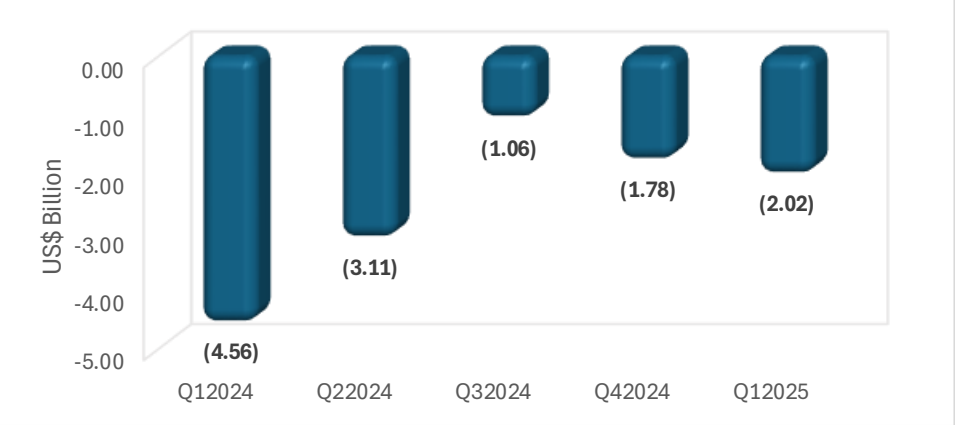


Source: Central Bank of Nigeria

Primary Income

The primary income account posted a higher deficit, following increased interest payment on portfolio investments and higher dividend claims. The deficit in the primary income account widened to US$2.02 billion, from US$1.78 billion in Q42024. A disaggregation showed that the deficit in the investment income sub-account widened to US$2.08 billion, from US$1.86 billion in the preceding quarter, due largely to higher interest payments on portfolio investment and increased dividend claims on direct investment. The surplus in the compensation of employees sub-account declined to US$0.06 billion from US$0.08 billion in the preceding quarter.

Figure 41: Primary Income Balance



Source: Central Bank of Nigeria.

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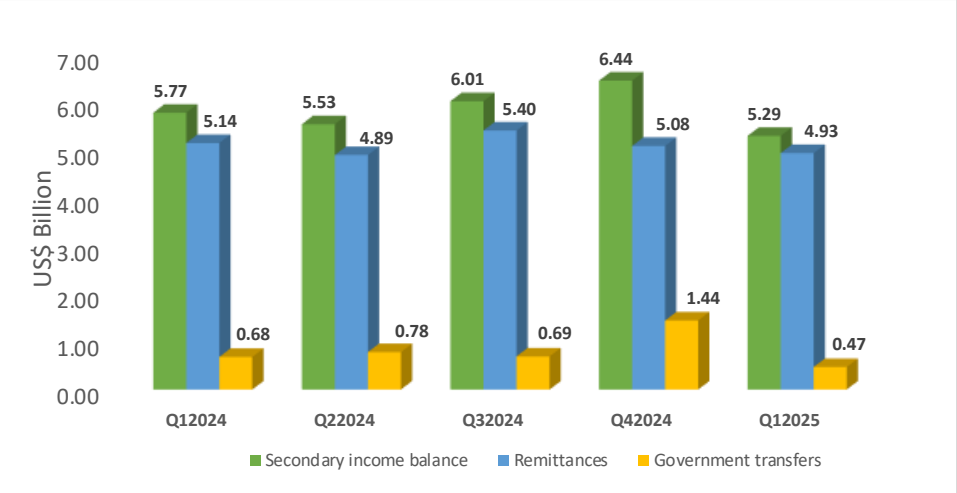
Secondary Income

The secondary income account recorded a lower surplus, due to significant decline in the inflow of general government transfers. The surplus in the secondary income account declined by 17.86 per cent to US$5.29 billion, from US$6.44 billion in the preceding quarter. The development was driven majorly by the significantly lower inflow of general government transfers and a modest decline in remittances inflow. General government transfers decreased substantially to US$0.47 billion from US$1.44 billion in the preceding quarter, while inflow of remittances declined by 2.95 per cent to US$4.93 billion from US$5.08 billion in Q42024.

Figure 42: Secondary Income Balance and Remittances Inflow



Source: Central Bank of Nigeria.

2.4.2 Financial Account

Financial Account Developments

The financial account posted a net lending position, driven mainly by substantial reduction in the country's financial liabilities. The financial account recorded a net acquisition of financial assets of US$7.58 billion, compared with US$7.82 billion in Q42024, due to significant reduction in short term portfolio debt securities and loan liabilities.

Net Incurrence of Liability

The economy recorded a net reduction in liabilities of US$9.05 billion, compared with US$7.95 billion in the preceding quarter, due to reduction in portfolio investment liabilities, particularly, short-term debt securities. A disaggregation showed a reduction in portfolio investment liabilities worth US$5.03 billion, against an inflow of US$5.61 billion in the preceding quarter. 'Other investment' liabilities also declined to US$4.32 billion, relative to US$13.89 billion in Q42024, driven by repayment of short-term loan liabilities. Inflow of foreign direct investment liabilities worth US$0.25 billion was recorded compared with US$0.31 billion in Q42024, due to lower inflow of equity and reinvested earnings.

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Net Acquisition of Asset

A higher disposal of financial assets worth US$1.48 billion was recorded in Q12025, compared with US$0.14 billion in the preceding quarter, due to a depletion in external reserve assets in the review period. Direct investment assets worth US$0.55 billion was also disposed, against an acquisition of US$0.26 billion in the preceding quarter. Conversely, acquisition of portfolio investment assets increased to US$0.48 billion from US$0.02 billion in Q42024. 'Other investment' assets recorded an acquisition of US$1.31 billion against a disposal of US$1.54 billion in the preceding quarter.

2.4.3 External Debt

External Debt

Nigeria's external debt stock at end-March 2025, stood at US$45.98 billion (21.52% of GDP). A breakdown of external debt stock showed that the multilateral loans (majorly from the World Bank Group, International Monetary Fund, and African Development Bank Group) amounted to US$22.43 billion, accounting for 48.80 per cent of the total external debt stock. Commercial loans (Euro Bonds) amounted to US$17.51 billion (38.08%), while US$6.03 billion (13.12%) was bilateral loans.

External debt service payments at end-March 2025 stood at US$1.39 billion. A breakdown showed that principal repayment totaling US$0.76 billion accounted for 54.67 per cent of the debt service payments. Interest payments constituted US$0.63 billion or 45.32 per cent of the total, while other payments accounted for the balance. Further analysis showed that interest payments on commercial borrowings, at US$0.43 billion, accounted for 68.25 per cent of the total, while that on multilateral institutions borrowings was US$0.14 billion (22.22%). Interest on other borrowings accounted for the balance.

2.4.4 International Investment Position

International Investment Position

The international investment position posted a lower net financial liability of US$60.41 billion. The stock of financial assets increased slightly to US$116.63 billion, from US$116.44 billion in the preceding quarter, driven primarily by increase in other investment assets. The stock of direct investment asset increased by 4.27 per cent to US$18.32 billion, while the stock of portfolio investment asset rose by 11.26 per cent to US$4.84 billion relative to the levels in the preceding quarter. 'Other investments' asset increased to US$55.47 billion from US$54.20 billion in the preceding quarter. Reserve assets declined to US$37.82 billion in the review period, from US$40.19 billion.

The stock of financial liabilities fell to US$177.03 billion, from US$185.00 billion in Q42024, driven largely by a 4.48 per cent decline in other investment liabilities to US$69.63 billion. Similarly, portfolio investment liabilities fell to US$35.08 billion,

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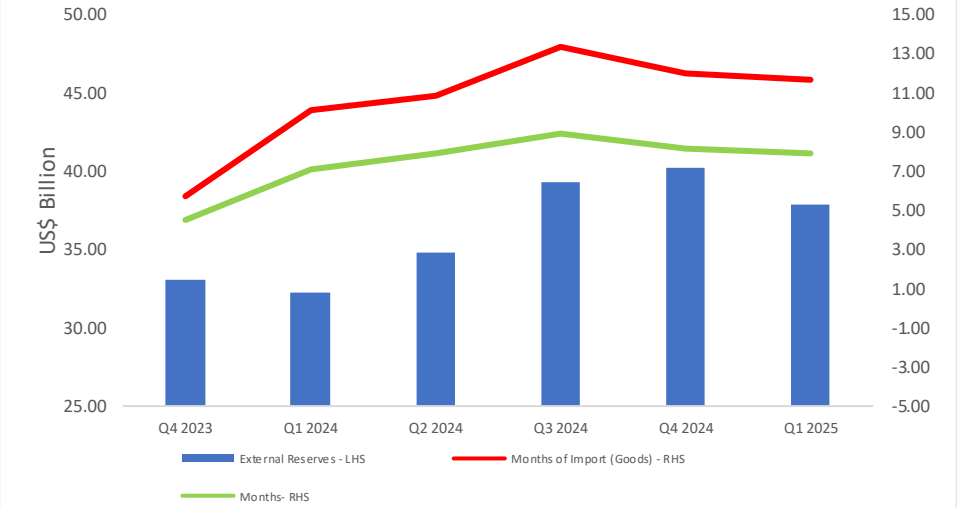
from US$40.07 billion in the preceding quarter. Conversely, direct investment liabilities rose by 0.33 per cent to US$72.18 billion.

2.4.5 External Reserves

International Reserves

The external reserves remained above the benchmark of 3 months of import cover during the review period. The external reserves stood at US$37.82 billion at end-March 2025, relative to US$40.19 billion at end-December 2024. The level of reserves could cover 7.88 months of import for goods and services or 11.63 months for goods only.

Figure 43: External Reserves and Months of Import Cover



Source: Central Bank of Nigeria

Foreign Exchange Flows through the Economy

A breakdown of the external reserves by ownership showed that the shares of the CBN and the FGN stood at US$33.49 billion and US$4.33 billion, respectively, while Federation accounted for the balance. Analysis by composition showed the continued dominance of the US dollar at US$29.26 billion or 77.37 per cent of the total. This was followed by Special Drawing Rights (US$4.20 billion or 11.10%), Chinese yuan (US$3.31 billion or 8.74%), euro (US$0.76 billion or 2.00%), and the British pound (US$0.30 billion or 0.78%). Other currencies accounted for the balance.

2.4.6 Foreign Exchange Flows through the Economy

The economy recorded a lower net foreign exchange inflow in the review period. Net foreign exchange inflow stood at US$15.20 billion, compared with US$16.17 billion in the preceding quarter. Aggregate foreign exchange inflow increased by

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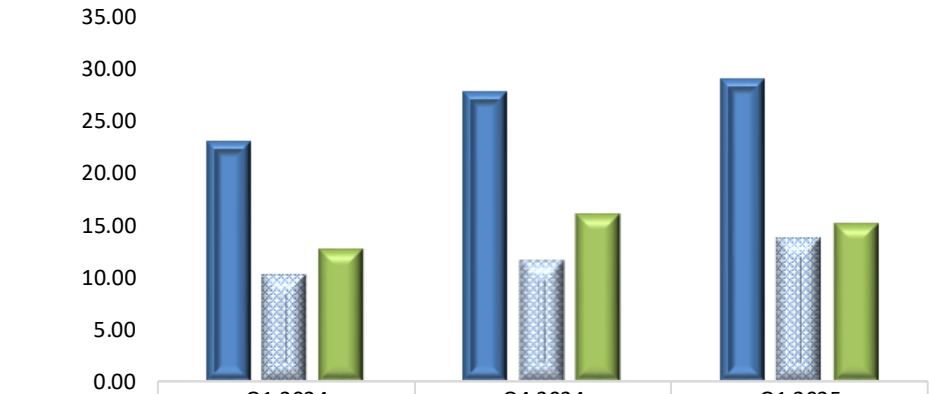
4.16 per cent to US$28.97 billion, from US$27.81 billion in Q42024. Foreign exchange outflow, at US$13.77 billion, rose by 18.33 per cent, relative to US$11.64 billion in the preceding quarter.

Foreign exchange inflow through the Bank decreased by 29.89 per cent to US$8.32 billion, from US$11.54 billion in the preceding quarter, while autonomous inflow rose by 27.89 per cent to US$20.65 billion, from US$16.27 billion.

Outflows through the Bank and autonomous sources increased by 3.26 per cent and 125.75 per cent to US$10.54 billion and US$3.23 billion, respectively, from US$10.21 billion and US$1.43 billion in the preceding quarter.

Consequently, a net inflow of US$17.41 billion was recorded from autonomous sources, compared with US$14.84 billion in the preceding quarter. A net outflow of US$2.44 billion was recorded through the Bank, compared with a net inflow of US$1.34 billion in Q42024.

Figure 44: Foreign Exchange Transactions through the Economy (US$ Billion)



	Q1 2024	Q4 2024	Q1 2025
Inflow	23.00	27.81	28.97
Outflow	10.34	11.64	13.77
Netflow	12.67	16.17	15.20

Source: Central Bank of Nigeria

The average daily turnover at the Nigerian Foreign Exchange Market (NFEM) increased by 43.17 per cent to US$421.65 million, from US$294.51 million in Q42024, reflecting increased trading activities in the market.

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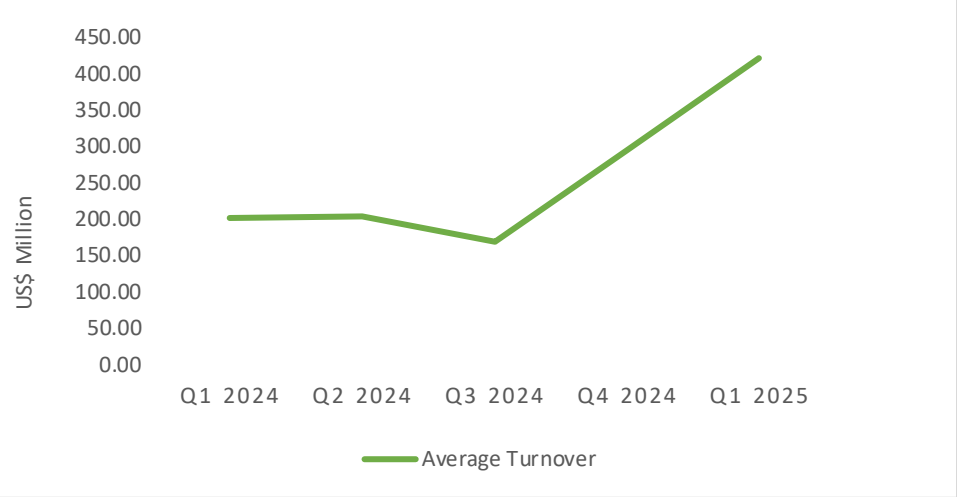
Figure 45: Turnover in the NFEM



Source: Financial Markets Dealers' Quotation

2.4.7 Exchange Rate Movement

Average Exchange Rate

The average exchange rate of the naira per US dollar at the NFEM was ₦1,521.56/US$, compared with ₦1,623.26/US$ in Q42024. This represents a 6.68 per cent appreciation in the value of the naira during the review period, attributed to increased foreign exchange supply to the market.

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3.0 ECONOMIC OUTLOOK

3.1 Global Outlook

The global economy is expected to remain resilient in 2025, although vulnerabilities remain in some countries. Global growth is forecast at 3.30 per cent in 2025 from an estimated 3.20 per cent in 2024, supported by sustained consumer demand in both AEs and EMDEs.

Growth in AEs is projected to rise to 1.90 per cent in 2025 from 1.70 per cent in the preceding year, driven by stronger investment activity and robust consumption, particularly in the U.S. and the Eurozone. Growth in EMDEs is, however, expected to remain unchanged at 4.20 per cent, as strong expansions in India and the Middle East is neutralised by the lacklustre performance in emerging and developing Europe and China.

Global inflation is projected to ease to 4.20 per cent from 5.70 per cent in 2024. The projected moderation and eventual convergence toward target levels is on the back of cooling labour markets. Expected declines in energy prices, due, mainly, to the U.S. administration's push for increased oil production, and the lingering effects of past tight monetary policies are projected to further reinforce global disinflation.

3.2 Domestic Outlook

Nigeria's economic growth is projected to accelerate in the medium term. The outlook is supported by exchange rate stability, higher crude oil output, and the crystallisation of the ongoing policy reforms.

Nigeria's inflation is expected to moderate further in Q12025. The decline is hinged on the lagged effect of the Bank's restrictive policy stance, improved FX market stability, base effects, and enhanced security in key agricultural regions. However, several factors could pose risks to inflation outlook, these include exchange rate depreciation, expansionary money supply, higher PMS and electricity prices, increased import tariffs, and worsening insecurity in food-producing areas.

The near to medium-term fiscal outlook remains optimistic, underpinned by ongoing reforms aimed at reducing the fiscal deficit and enhancing revenue collection through a higher tax-to-GDP ratio. However, persistent concerns stem from the volatility in global crude oil prices, exacerbated by ongoing trade tensions and challenges in meeting international export targets, which could affect public financing needs.

The performance of the external sector is expected to remain strong in 2025, driven by a combination of factors including sustained trade surplus, largely supported

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by strong export performance and continued increase in diaspora remittances. In addition, anticipated increase in domestic crude oil and gas production, are expected to further boost export receipts. Nonetheless, these optimistic projections may be tempered by the escalating global trade frictions, which pose a potential downside risk to the external sector outlook.

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