



Statistics Department
Economic Policy
Directorate

BUSINESS EXPECTATIONS **SURVEY REPORT**

May 2025



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EXECUTIVE SUMMARY

Across all time frames, the positive trajectory of the Confidence Index (CI), a measure of overall business sentiment, reflects a broad-based optimism among respondent firms regarding the macroeconomic outlook. This sentiment appears to be driven by favourable expectations on the volume of business activity across the review periods.

The following are the highlights of this month's survey:

- All the sectors expressed optimism about the macroeconomy in May 2025, with the Agriculture Sector recording the highest confidence.
- The Mining & Quarrying; Electricity, Gas & Water Supply Sector indicated the highest expansion plan for June 2025.
- Respondent firms expect the Naira to appreciate across the review periods.
- The Agriculture sector recorded the highest capacity utilisation in the current month.
- Respondent firms were optimistic that the volume of business activity in June, August and November 2025 would be favourable.
- All sectors reported a positive outlook for employment and expansion for all the periods under review.
- Despite the prevailing optimism, firms identified significant operational challenges, primarily: insecurity, high interest rates, and high taxes, which could potentially moderate future growth.



Overall Business Outlook on The Macroeconomy

- The Confidence Index stood at 18.7 index points in the current month, reflecting the optimism of respondents regarding the Macroeconomy.
- This optimistic trend is projected to persist over the next six months, steadying at 41.1 index points.

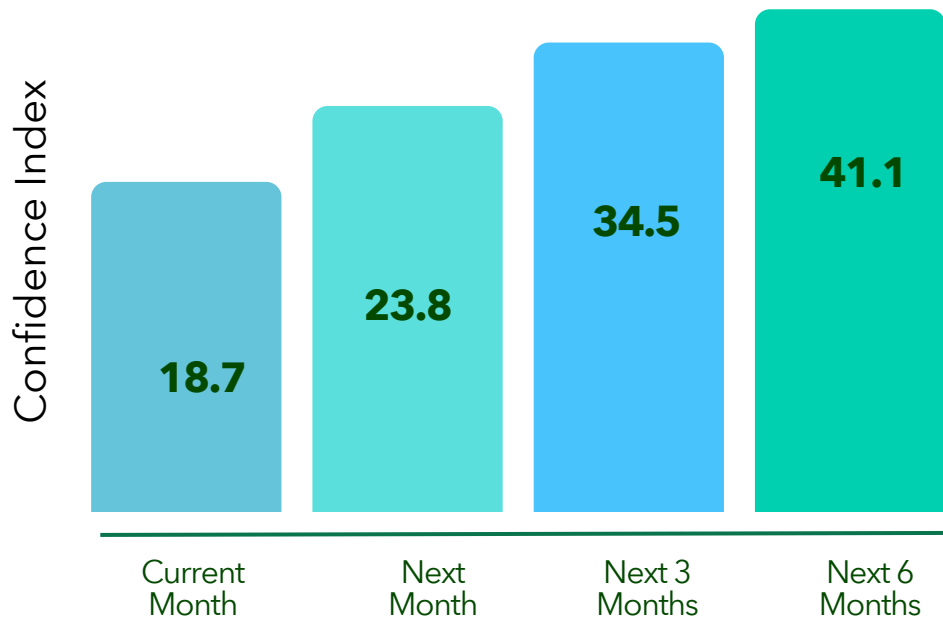


Fig 1: Overall Business Outlook on the Macroeconomy



Business Outlook by Broad Sector

- All the sectors expressed optimism on the business outlook of the macroeconomy in the current month with the Agriculture sector leading at 23.2 index points.
- The optimistic trend is expected to continue into the next six months with the confidence index of the Industry sector more than doubling in the next six months (42.2 index points).

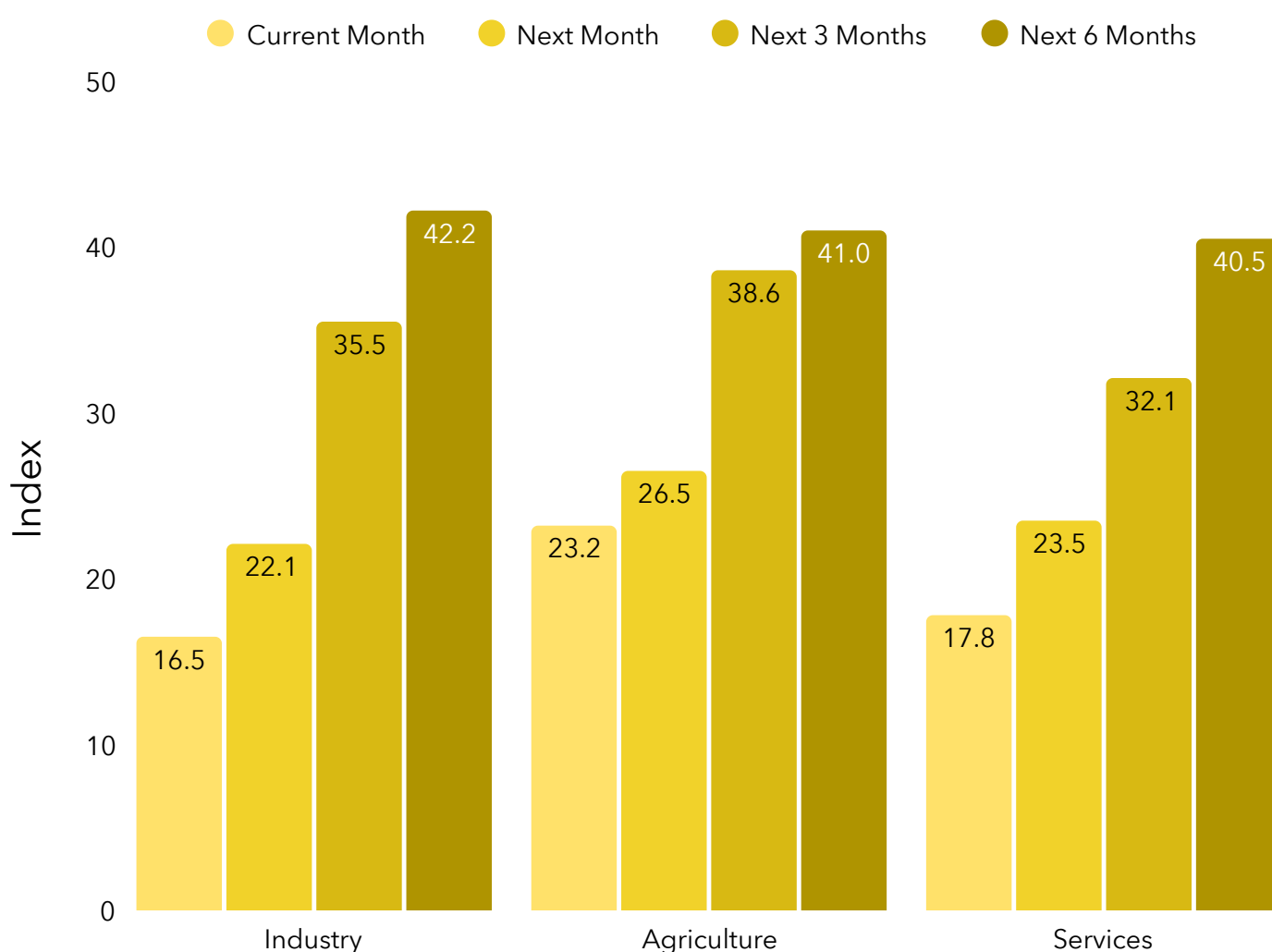
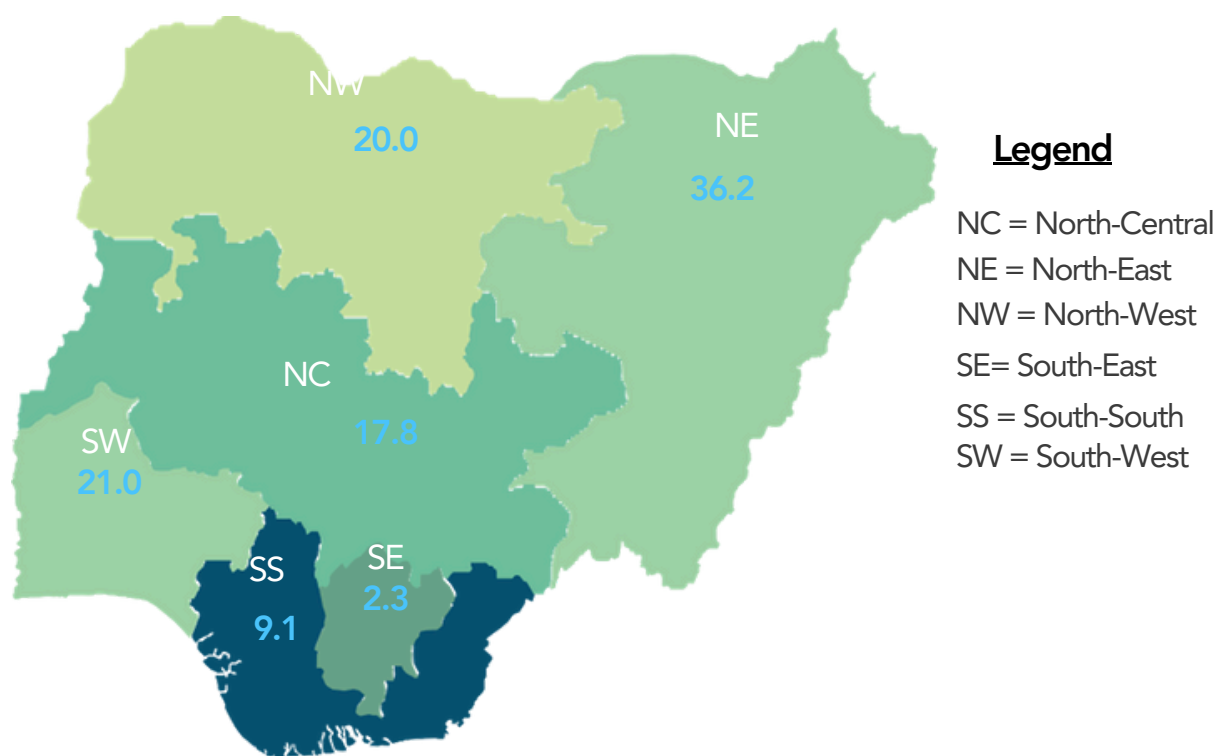


Fig 2: Sectoral Business Outlook on the Macroeconomy

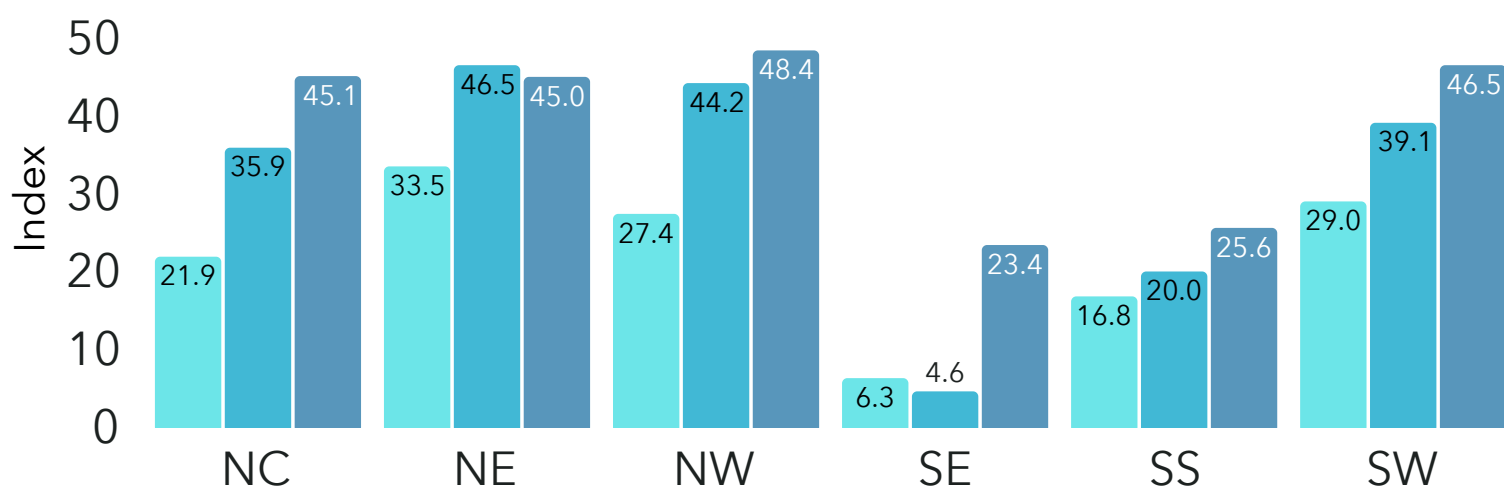


Macroeconomic Outlook By Region

- The positive outlook on the macroeconomy in the current month is influenced by the views of respondents from all regions.
- This optimism was highest in the North- East region at 36.2 index points and lowest in the South- East region at 2.3 index points. The level of optimism in the South- East could be attributed mainly to the constraint imposed on businesses by insecurity (Table 2, section 14).



Next Month Next 3 Months Next 6 Months





● Business Confidence Index by Sector

All Sectors expressed optimism on own operations in the review month with the Construction sector leading with 16.7 index points.

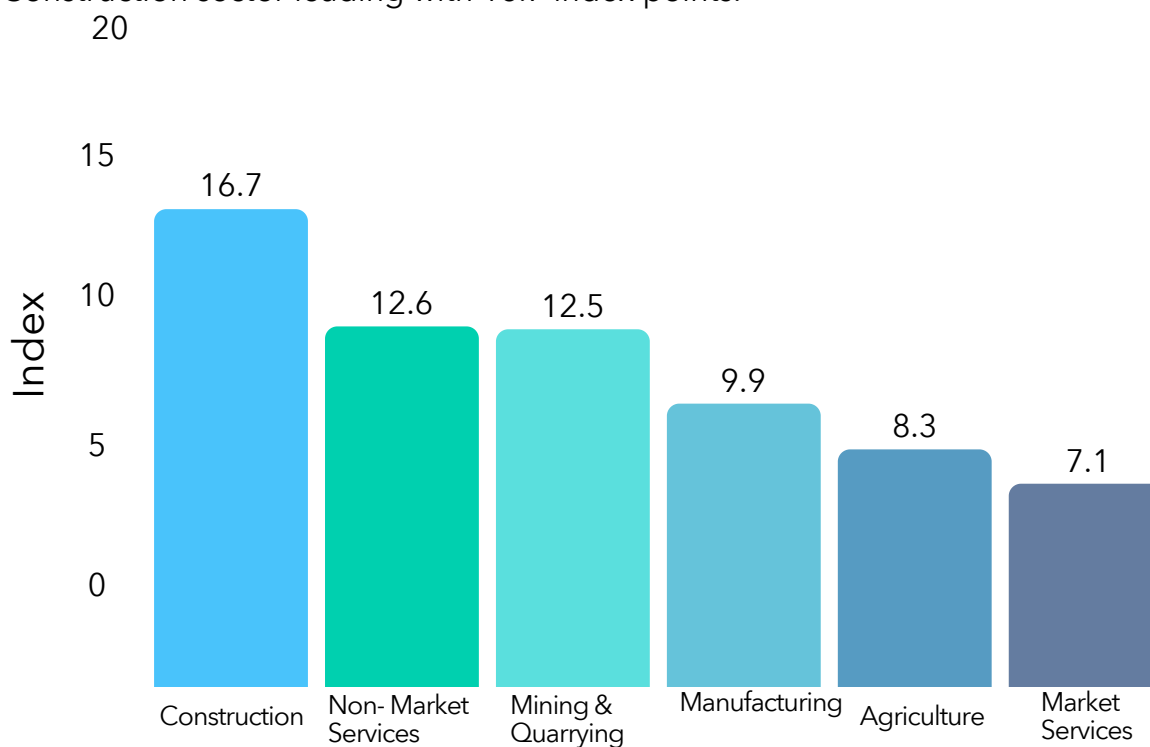


Fig 3: Business Confidence Index on Own Operations by Sector



Business Confidence Index by Selected Indices

The outlook of respondents on Volume of Total Order, Volume of Business Activity, and the Financial Condition Index were positive in the review month.

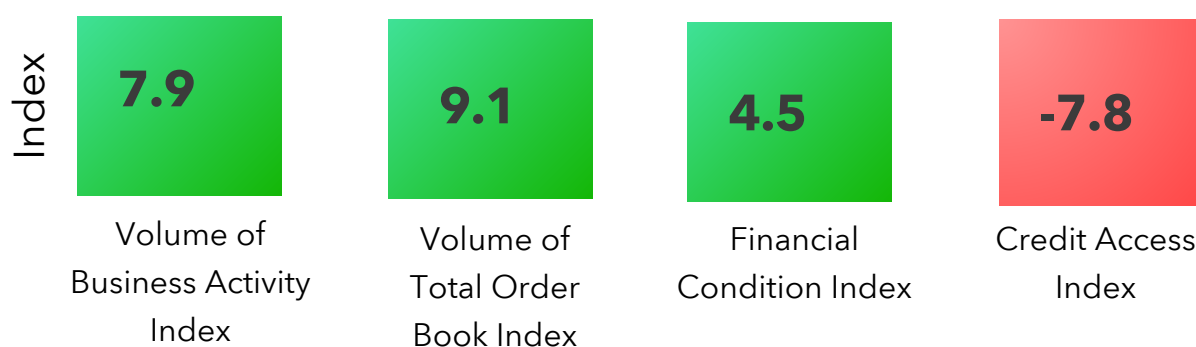


Fig 4 : Business Confidence Index on Own Operations by Selected Indices

Volume of Business Activity

Respondents expressed optimism on volume of business activity for the next month and subsequent periods under review, signalling potential growth in economic activities.



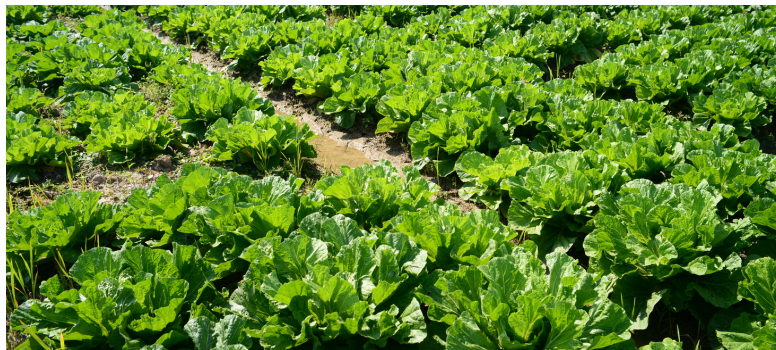
Fig 5: Business Confidence Index on Volume of Business Activity



● Employment and Expansion Plan

In line with the expected business expansion, businesses anticipate hiring more workers in June 2025.

Analysis of the Sectors showed that the Construction sector had the highest prospect for employment while the Mining & Quarrying sector had the highest prospect for expansion in June 2025.



22.2

Employment

73.3

Expansion

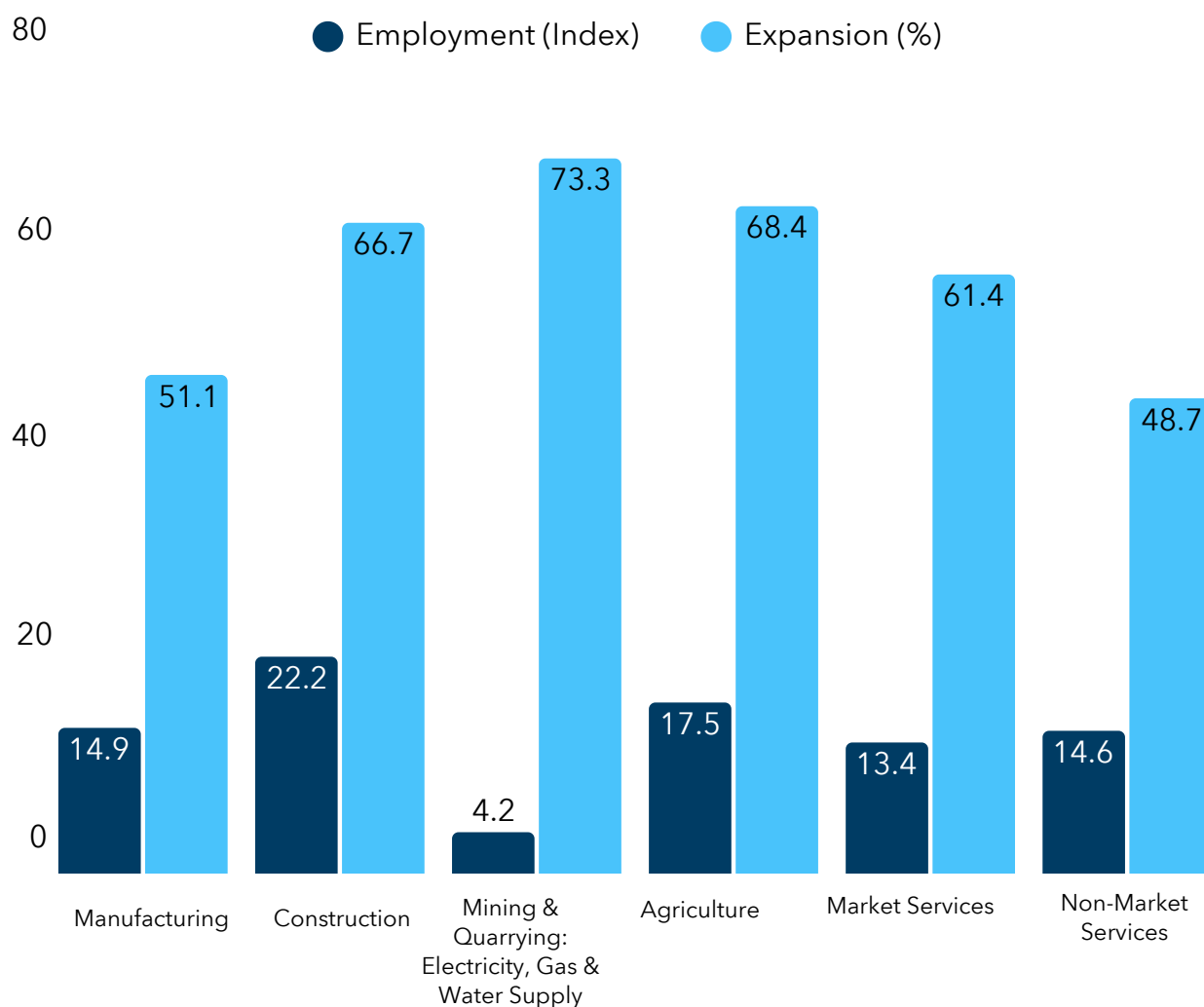


Fig 6: Employment and Expansion Outlook Index on Own Operations by Sector



Business Constraints

- Respondents identified Insecurity (74.5), High interest rate (73.9) and High taxes (73.4) as the top three business constraints in May 2025, highlighting concerns around factors that directly impact operational stability and profitability.
- At the bottom of the top ten were poor infrastructure (61.5) and unfavourable political climate (61.2).
- This suggests that business constraints are more focused on economic and financial risks than structural or political challenges.

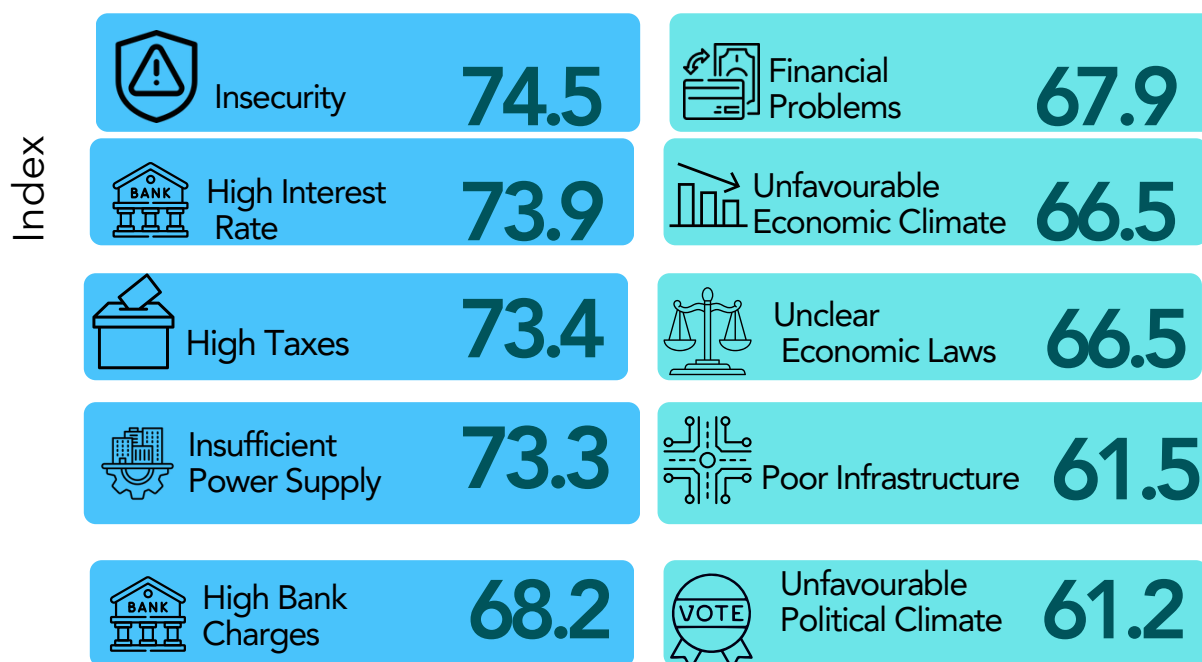


Fig 7: Business Constraints



Expectations on Exchange Rate and Borrowing Rate

Respondents expect the Naira to US Dollar exchange rate to appreciate across the review periods, as indicated by a positive index. They also anticipate an increase in the borrowing rate during the same period.

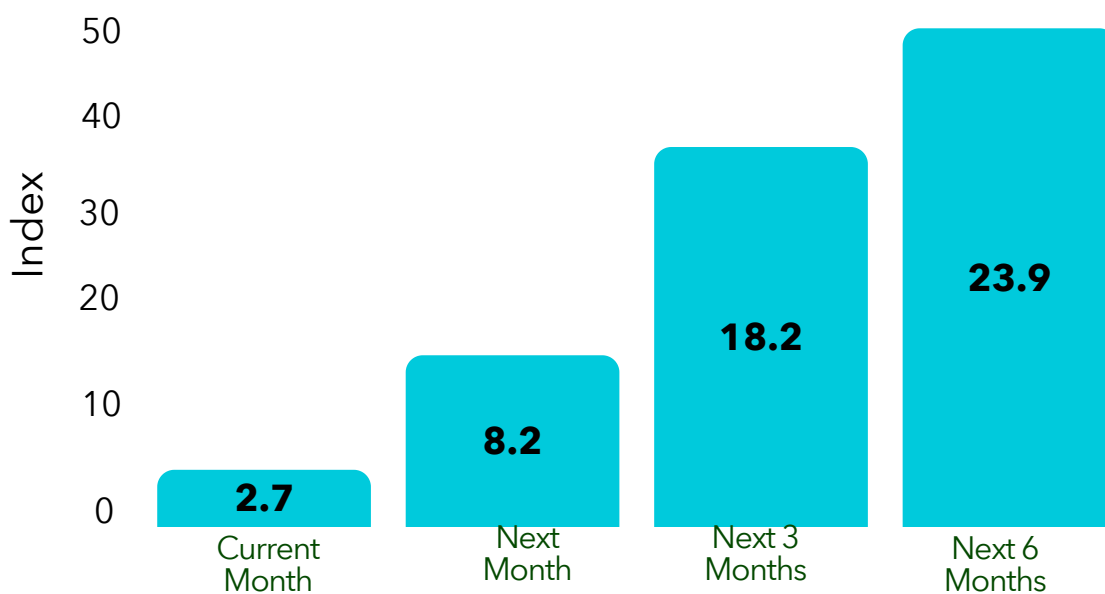


Fig 8: Expectations on Exchange rate

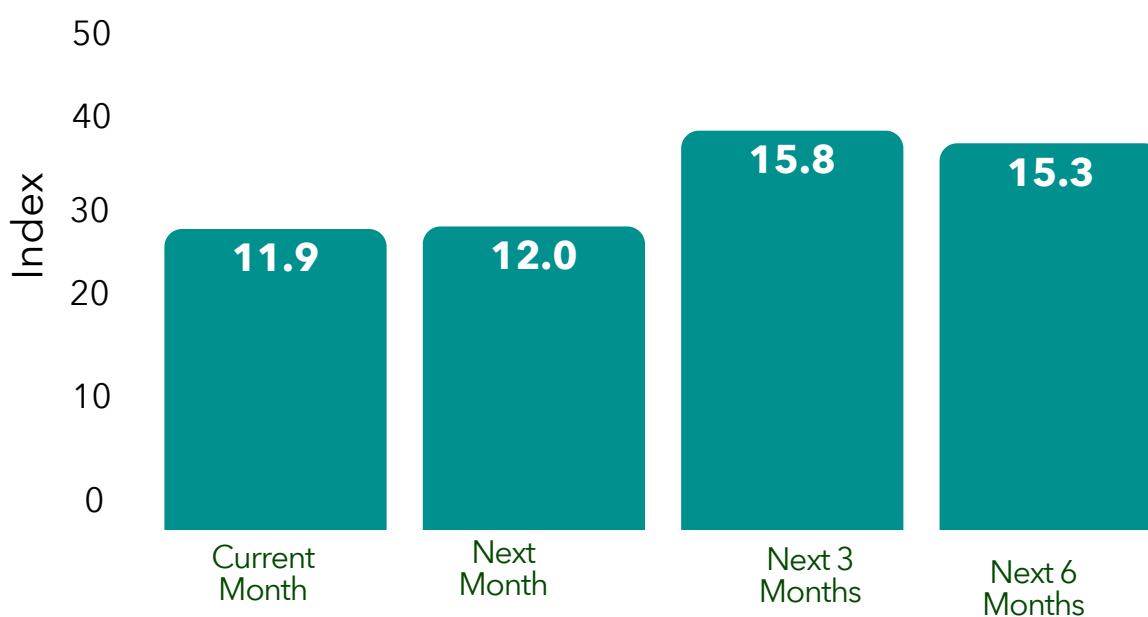


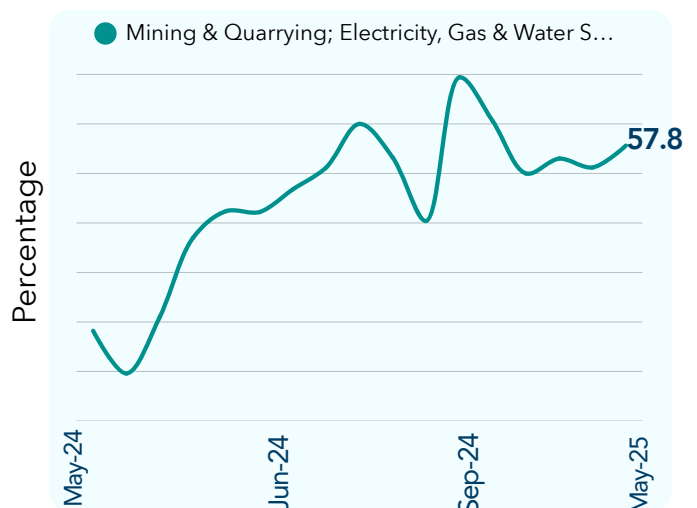
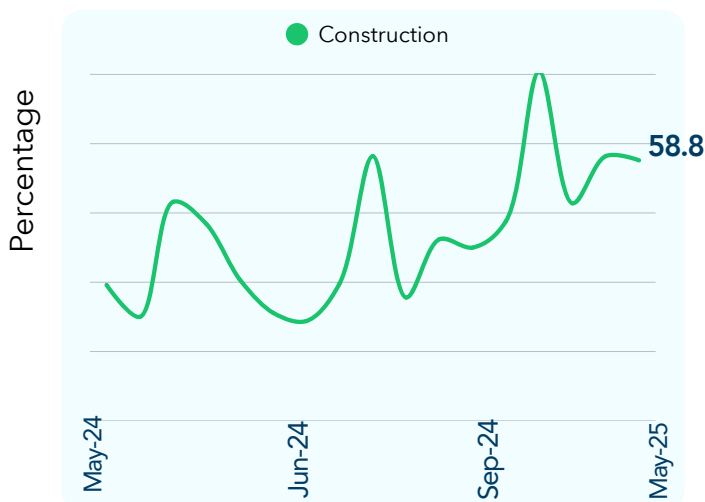
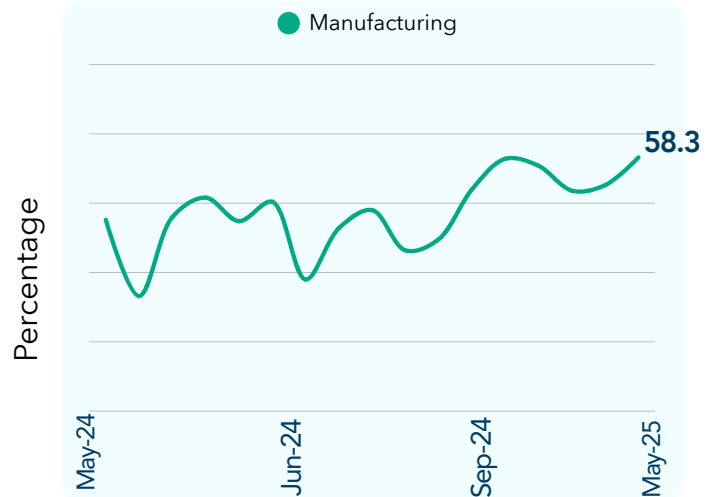
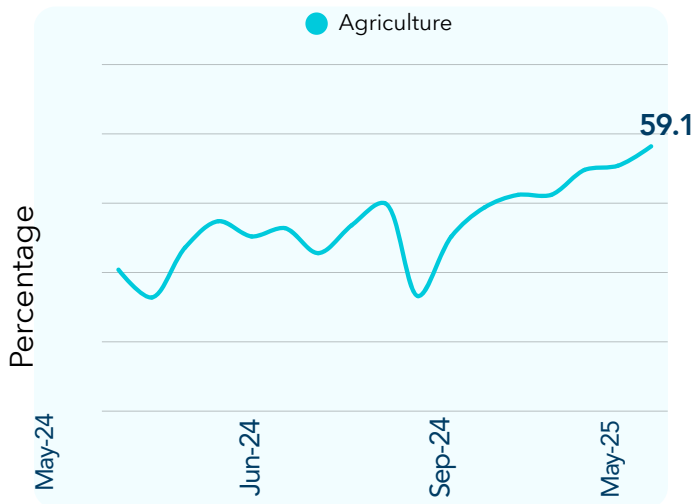
Fig 9: Expectations on Borrowing Rate



Average Capacity Utilization

58.7%
Average

Average capacity utilization across the sectors stood at 58.7% in May 2025, a slight increase from 56.9% recorded in April 2025. This suggests an improvement in resource use across surveyed firms.





● Data and Method

The Business Expectations Survey (BES) is a monthly survey of leading firms drawn from Business Establishment updated frames of Central Bank of Nigeria and the National Bureau of Statistics. The BES result provides advance indication of change in the overall business activity in the economy.

The May 2025 Business Expectations Survey (BES) was conducted from May 5 to 9, 2025 with a sample size of 1,900 business enterprises across Nigeria. The survey achieved a response rate of 98.5%, covering three key sectors: Industry, Services, and Agriculture.

Disclaimer

The BES report provides the views of the respondents and does not in any way represent the view of the Central Bank of Nigeria. As such, the CBN cannot be held liable for any action taken based on the responses provided in this survey.

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