



The Nigerian Economy in 2025: Emerging Opportunities

- Oluwakayode Adigun

The story of the four lepers in 2 Kings 7:3-10 reminds us that it is not all doom for us as a people. We just need to see where opportunities for abundance lie in the midst of the current economic challenges in Nigeria. Since May 2023, prices of essential items in the country have increased more than 200%, following the policy reforms of President Bola Tinubu's administration aimed at repositioning the economy.

Key policy reforms include the removal of fuel subsidies on petrol, estimated to save Nigeria about N4 trillion, and to be redirected into infrastructure development and social welfare. Another significant reform is the exchange rate unification which initially weakened the naira from around N700/\$1 in May 2023, to over N1,700/\$1 in Q4 2024. However, in recent times, it has appreciated to below N1,500/\$1, thanks to the interventions of the Central Bank of Nigeria (CBN). These policies have increased the foreign exchange inflow into Nigeria by over \$6 billion, attracting foreign investors. Additionally, electricity sector reforms have introduced cost-reflective tariffs and differential pricing.

Despite the short-term pains associated with these measures, they present substantial opportunities for those who can recognise and harness them. Currently, many people, including children of God (Christians) are focusing on the problems in Nigeria without seeing the opportunities.

Like Caleb and Joshua who saw beyond the obstacles on their way to possess the Promised Land, we must shift our mindsets to see the opportunities within these challenges (Numbers 14:30). A man's strength is his ability to speak by faith to a supposed chaotic situation. Opportunities we can explore include:

Investment

Interest rates in Nigeria are currently high, making borrowing expensive. However, this also means high returns in savings and investments in treasury bills, money market mutual funds, government savings bonds, commercial papers and even in banks as tenor deposits. Many are also forming investment cooperatives to pool resources into these instruments to create new avenues for wealth generation.

Agriculture

While people are complaining that food prices have risen, farmers are currently "smiling to the banks." While we trust that food will be made more affordable, people can tap into the agriculture value chain, from cultivation to processing and sales. There is high demand for local and export-oriented food items such as grains, yam, cassava, and processed items like pap, "kulikuli," flour, fruits, honey, and nuts.

Fashion & Local Manufacturing

During the recently concluded "Detty December," those in the diaspora patronised Nigerian-made products, including fabrics, domestic soaps, body creams and cosmetics.

Clothing and fashion therefore present profitable business opportunities both for local consumption and exports.

Energy

By late 2025, Nigeria may no longer import petrol, thanks to Dangote Oil Refinery and modular refineries. This shift will create opportunities in the production and distribution of locally refined petrol beyond the domestic demand.

Electricity

The power sector now allows for businesses, estates, and schools to generate and distribute their own electricity. Opportunities exist in alternative energy solutions, prepaid metre manufacturing, and participation in the growing electricity market.

Clean Energy & Automobile

With the high cost of petroleum products and environmental concerns, Compressed Natural Gas (CNG) vehicles and electric vehicles (EVs) are gaining traction. Companies like Innoson Vehicle Manufacturing (IVM) are leading the way, training people to convert and maintain CNG-powered vehicles. This emerging industry will become highly profitable in the next few years.

Transportation

Lagos State's Rail Mass Transit (LRMT) system is easing traffic congestion and boosting economic activities. The Blue Line (electric rail) from Marina to Mile 2 and the Red Line from Agbado to Oyingbo have already improved transportation efficiency. Plans to expand with additional Green, Yellow, and Purple Lines will further enhance connectivity and create new business opportunities in real estate, transportation services, and urban development.

AI & Digital Economy

AI is driving the rapidly evolving Nigeria's digital economy. There are vast opportunities in data science, AI infrastructure, online education, and creative industries. AI-powered platforms are transforming businesses, making collaboration and service delivery more efficient. Teachers, educators, and content creators now have global opportunities to monetise their expertise through virtual platforms.



What is next is for us to convert some of the imminent opportunities into wealth-creating ventures. While challenges persist, opportunities abound for those who can solve real problems. The future belongs to those who identify needs and create solutions that people can and are willing to pay for. The Nigerian economy is transforming, however, onlookers will scarcely benefit.

In Genesis 13:14-15, God told Abraham to look beyond his current location. In the same vein, look beyond the current challenges and take advantage of the opportunities around you.

I wish us all a very fruitful and rewarding year, one of fulfilled dreams and creation of geniuses. Amen.

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Harnessing Monetary Policy in Nigeria's Post Reform Era

– Oluseun Adu

Monetary policy refers to the tools and strategies employed by a country's central bank to regulate money supply, credit conditions, and interest rates. Its objectives include price stability, economic growth, employment, and financial stability.

In Nigeria, monetary policy has evolved from a control-based approach to a more flexible, market-driven framework. This shift aims to tackle domestic macroeconomic challenges and global market pressures. The Central Bank of Nigeria (CBN) has implemented various reforms to achieve these objectives.

Inflation Management

A key focus of Nigeria's monetary policy is controlling inflation. The CBN primarily uses the Monetary Policy Rate (MPR) to influence interest rates and manage inflationary pressures. In recent years, sharp MPR hikes have been implemented to curb rising inflation.

Complementary measures include Open Market Operations (OMO) to manage liquidity and a managed float system for the naira, allowing exchange rate flexibility within a set range. However, external factors like food shortages, infrastructure deficits, fiscal imbalances, and currency depreciation continue to challenge inflation control. While these strategies have improved market confidence, they have achieved mixed results in long-term inflation management. Additional fiscal and structural reforms are needed for sustained success.

Credit Market Development

To stimulate economic growth, the CBN has pursued reforms to enhance the credit market. Key initiatives include:

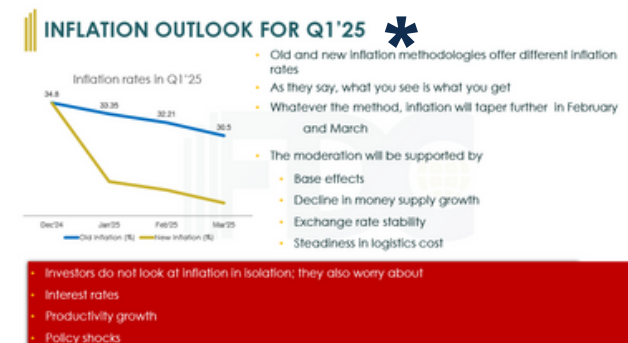
- Credit guarantee schemes to reduce lending risks for small and medium-sized enterprises (SMEs).

- Specialised lending windows targeting sectors like agriculture and manufacturing.
- Regulatory enhancements to diversify funding sources and support non-bank financial institutions.
- Fintech adoption to modernise the credit system and expand financial access.

These reforms have improved credit availability, reduced reliance on traditional banks, and bolstered financial system stability.

Financial Inclusion

Expanding financial access remains a priority. The CBN



has introduced measures to bring more Nigerians into the formal financial system, including:

- Agent banking, extending services to underserved areas.
- Mobile money solutions, using technology for financial transactions.
- Policies promoting bank account ownership to integrate more people into the economy.

These initiatives have reduced the number of unbanked Nigerians, facilitating greater participation in economic activities.

These reforms have improved credit availability, reduced reliance on traditional banks, and bolstered financial system stability.



The Bigger Picture

The evolution of Nigeria’s monetary policy supports sustainable economic development. Lower inflation and increased credit access empower businesses and individuals to thrive. However, monetary policy alone is insufficient—it must be complemented by fiscal discipline and structural reforms. Infrastructure deficits, insecurity, and external economic shocks must be addressed to achieve long-term price stability and growth.

- Implications for Individuals and Businesses
- To benefit from monetary policy reforms, Nigerians must:

- Monitor policy trends and adjust financial strategies accordingly.
- Adopt sound budgeting and investment practices to counter inflation.
- Explore investment options like real estate, gold, and high-yield markets.
- Leverage digital banking for easier financial transactions and credit access.
- Understand loan terms before borrowing and consider government-backed credit programmes.

By staying informed, adopting financial planning strategies, and embracing digital finance, individuals and businesses can navigate Nigeria’s evolving monetary landscape for greater economic stability and growth.

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FALLING INFLATION ISN'T FALLING PRICES—JUST SLOWER RISES



- Less heat doesn't mean the fire is out
- Prices stack up; inflation just measures the speed
- Moderating inflation means that prices are still rising, but at a slower pace
- The question of how slow or how fast may be difficult to answer with unclear methodology
- **Bad data is worse than no data; it misleads decisions rather than informing them." – Dean Abbott**

Bigger Funding Opportunities for MSMEs in 2025 by Bank of Industry

The Bank of Industry Limited (BOI) has been named African Deal of the Year at the 2024 Global Capital Syndicated Loan Awards. BOI has globally syndicated a €1.425 transaction, the largest ever, with incredible interest from investors across Africa, the Middle East, Europe, and Asia, eventually closing at €1.879 billion.

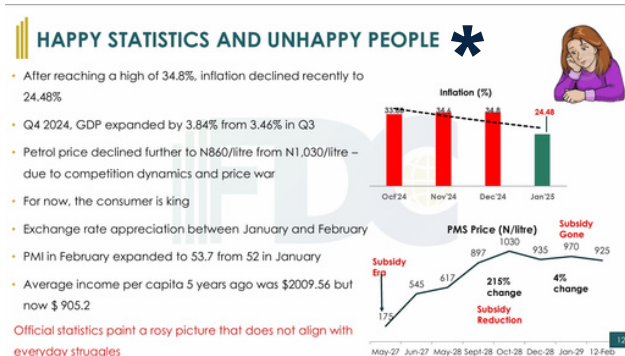
This milestone marks the biggest fundraising by any Nigerian or African Development Finance Institution (DFI) boosting their ability to provide affordable, long-term financing to businesses including Macro, Small and Small Scale Enterprises (MSMEs).

This is a huge step forward in the bank's mission to drive Nigeria's industrial growth, create jobs, and build a more resilient economy.



Consumer Protection: Options to report harassing loan apps and other service provider infractions

1. Email FCCPC: contact@fccpc.gov.ng
2. Social Media: DM FCCPC on X
3. FCCPC Website: fccpc.gov.ng >> Menu >> "File a Complaint"
 - Fill in details (your info, loan app details, loan amount, receipt/account/metre number if applicable)
 - State your complaint briefly
 - Specify redress request in the "Prayers" section
 - Upload relevant files (save each file with your name exactly as entered under "Complaint Reported By")
 - Click Submit



The Economic Empowerment Team (EET) is available to provide information and the necessary support needed by members of The CGCC who may require funding for their viable businesses and ideas. More enquiry can be made via eet-advisory@thecitadelglobal.org

2025: NOTABLE ECONOMIC SUMMITS, INVESTMENT FORUMS, BUSINESS CONFERENCES & CBN POLICY MEETINGS

S/N	EVENT	OVERVIEW	DETAILS	ORGANISER
1	Nigerian Economic Summit 2025	An annual gathering of government officials, business leaders, and stakeholders to discuss and strategise on Nigeria's economic policies and development.	Abuja, Nigeria Date to be announced	The Nigerian Economic Summit Group (NESG)
2	Akwaaba African Travel Market 2025	An international travel, tourism, and hospitality event that serves as a platform for networking among African tourism stakeholders and promoting tourism development in Africa.	Eko Hotel & Suites, VI, Lagos, Nigeria September 21–23, 2025	Akwaaba Travel Market Limited
3	Lagos International Trade Fair 2025	The largest international trade fair in West Africa, showcasing a wide range of products and services, attracting both local and international exhibitors and visitors.	Tafawa Balewa Square, Onikan, Lagos, Nigeria November 7–16, 2025	Lagos Chamber of Commerce and Industry (LCCI)
4	Nigeria Investment Forum	A key event for attracting foreign direct investment (FDI) and fostering private sector partnerships. The forum features discussions on Nigeria's oil and gas, fintech, and renewable energy sectors	Lagos Date to be announced	
5	Nigeria Oil and Gas Conference	The conference addresses emerging trends in the oil and gas industry	Location to be announced June 2025	
6	Nigerian Tech Conference	The conference focuses on the growth of Nigeria's startup ecosystem, digital transformation, and venture capital investments.	July 2025	
7	Data Centre & Cloud Expo Africa/ IoT West Africa Conference & Exhibition	The Expo and Exhibition focus on key enabling technologies such as AI and IoT for the digital transformation of Africa	Federal Palace Hotel, Lagos May 13–15, 2025	
8	CBN Policy Meetings	Offers clarity on future economic policy directions and stability of the naira	May 2025 July 2025	Central Bank of Nigeria (CBN)

Please note that event details, including dates and venues, are subject to change. It is advisable to check the official websites or contact the organizers for the most current information.

Economy Upbeat as PMI Signals Strongest Growth in 13 Months

Nigeria's private sector is showing strong signs of recovery, with the Stanbic IBTC Bank Nigeria Purchasing Managers' Index (PMI) reaching a 13-month high of 53.7 in February.

According to the PMI report released on Monday, March 3, 2025, this is the most pronounced improvement in business conditions since January 2024 and marks the third consecutive month of strengthening within the private sector.

The report indicated that the headline PMI rose to 53.7 in February from 52.0 in January, signalling a solid monthly improvement in business conditions. Some of the key drivers of the growth include increased output, as February saw a marked increase in output—the fastest since January 2024. This is attributed to higher sales amid an improving demand environment.

Output was up across agriculture, manufacturing, services, and wholesale and retail sectors. Also, new orders and purchasing activity all quickened as demand picked up and inflationary pressures showed signs of moderating.

Inflation Rate Falls to 24.48% After CPI Rebase

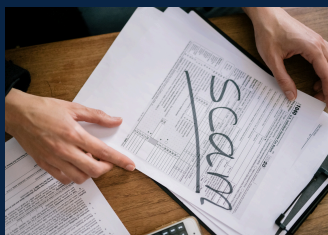
Nigeria's inflation rate dropped to 24.48% in January 2025, down from 34.80% in December 2024, following the rebasing of the Consumer Price Index (CPI) by the country's statistical office.

The National Bureau of Statistics (NBS) adjusted the index to better reflect current consumption patterns, using 2024 as the new base year.

The NBS clarified that the decline does not indicate a reduction in overall price levels but is instead a result of the updated methodology. Since the new base year is closer to the present period, the rebased inflation figures appear lower than those calculated under the previous framework.

Food inflation, which accounts for more than 50% of Nigeria's old inflation basket, stood at 26.08% year-on-year in January, compared to 39.84% in December under the old methodology. Meanwhile, the core inflation index, which excludes volatile items such as food and energy, fell to 22.59% in January from 29.28% the previous month.

Despite the rebased figures, inflation in Nigeria has been on an upward trajectory, driven by President Bola Tinubu's economic reforms, including the removal of costly subsidies and the devaluation of the naira.



How to report fraud or recover wrong transfers

1. Collate details of the transaction (account info, Transaction ID, bank name).
2. Send an email to the bank's Fraud Unit (e.g. frauddesk@nameofyourbank.com) stating the details (1 above).
3. Copy (cc) the CBN via the following:
 - cpd@cbn.gov.ng
 - anticorruptionunit@cbn.gov.ng
 - contactcbn@cbn.gov.ng
4. Call CBN at 07002255226 or email cpd@cbn.gov.ng for unresolved banking issues.

THE NIGERIAN ECONOMY AND FINANCIAL MARKET IN 2025

(Source: PwC Nigeria 2025 Budget and Economic Outlook)

<h2>Revenue Generation Gaining Momentum</h2>	<p>Government revenue is expected to grow in 2025 on the back of government reforms, however, achieving the ambitious target of ₦36.35 trillion will require significant effort.</p>	<ul style="list-style-type: none"> Revenue generation has significantly improved, driven by higher tax revenues and enhanced oil production. As of August 2024, 73.8% of the pro rata budget had been achieved. Sustained growth is anticipated in 2025, however, the revenue target of ₦36.35 trillion is unlikely to be met due to oil revenue constraints and a low tax base. Crucially, effective tax reforms may help achieve the non-oil revenue targets.
<h2>Debt Sustainability</h2>	<p>The 2025 budget adds ₦7.4 trillion in debt, with oversubscribed Eurobond issuance reflecting investor confidence. However, rising debt risks may reduce access to credit for private investment.</p>	<ul style="list-style-type: none"> Debt to GDP of 50.7% recorded in October 2024 remains above the 40% debt to GDP threshold. The proposed fiscal deficit of ₦13.8 trillion (3.87% of GDP) in 2025, exceeds the 3% limit set by the 2007 Fiscal Responsibility Act. Rising bilateral and multilateral debt in Nigeria indicates potential future financial pressure if not matched by economic growth and revenue generation, highlighting significant debt sustainability issues.
<h2>Fiscal Strategy and Budgets</h2>	<p>Privatisation and asset sales are central to reducing deficits and boosting non-debt revenue in 2025. The strategy aims to address fiscal imbalances but hinges on effective implementation to sustain economic stability.</p>	<ul style="list-style-type: none"> Fiscal consolidation, along with privatisation and sell-downs of underperforming assets, is expected to evolve as key strategies in Nigeria's revenue generation plan in 2025. This could reduce fiscal deficits and increase non-debt revenue, thereby enhancing economic stability and growth in 2025.
<h2>Broad Policy Interventions</h2>	<p>The establishment of regional development commissions and amendments to fiscal laws aim to reduce inequalities and attract international funds. However, raising the minimum wage to ₦70,000 risks inflationary pressures.</p>	<ul style="list-style-type: none"> The establishment of four regional development commissions is expected to reduce regional inequalities and aid growth. Introduction of the ESB to amend laws, empower the Central Bank to attract international funds, and revise the Fiscal Responsibility Act might boost Nigeria's economic stability in 2025. Raising the minimum wage to ₦70,000 may boost workers' purchasing power but might further strain inflation.
<h2>Monetary Policy Alignment</h2>	<p>Rising government spending has strained liquidity and complicated inflation control. Coordinated monetary and fiscal policies are critical for a stable investment environment in 2025.</p>	<ul style="list-style-type: none"> In 2024, increased government spending significantly impacted liquidity and inflation, complicating efforts to control inflation. Fiscal and monetary authorities should ensure their policies complement each other to create a stable and conducive environment for investment and development in 2025.
<h2>Unlocking Issues to Macro Stability</h2>	<p>Agricultural reforms, increased food production, and security spending rising to 16% of the budget aims to reduce food inflation and enhance macroeconomic stability.</p>	<ul style="list-style-type: none"> The provision of fertilisers and grains, optimisation of water resources, and financial support for farmers were introduced to boost agricultural productivity and ensure a stable food supply despite inflation and external shocks in 2024. With increased security spending rising to 16% of the budget from 12% in 2024, and the implementation of agricultural reforms, food inflation might reduce in 2025.



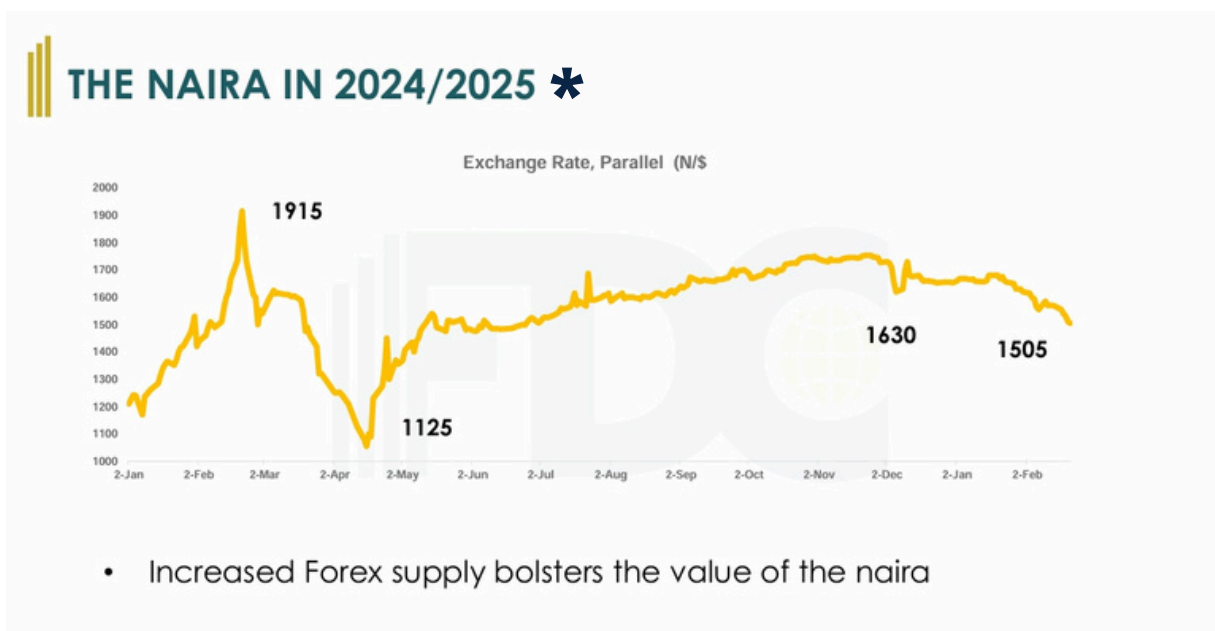
Nigeria's Foreign Reserve and Exchange Rate Movement (January - February 2025)

Nigeria's foreign exchange reserves dropped by \$1.31 billion in February 2025, reflecting ongoing external pressures amid a stronger naira. According to data from the Central Bank of Nigeria (CBN), the reserves declined from \$39.72 billion on January 31, 2025, to \$38.42 billion on February 28, 2025, marking a 3.3% drop.

Beyond any form of intervention that the CBN might be doing to support the naira, manage exchange rate volatility and inject liquidity into the official forex market, the government's continued reliance on the reserves to fund critical imports and service external debt obligations likely contributed to the decline. Nigeria remains heavily dependent on imports for industrial goods and food supplies, requiring significant FX outflows to meet these demands.

The decline recorded in February is slightly higher than that of January 2025, when the reserves dipped by \$1.16 billion. This decline comes at a time when the naira has recorded some gains against the dollar, leading to speculations about the central bank's strategy in managing foreign exchange (FX) market liquidity and ensuring exchange rate stability.

The situation is further complicated by fluctuations in oil revenue, which remains Nigeria's primary source of foreign exchange earnings. Despite a recent rebound in crude oil prices, production challenges, pipeline vandalism, and oil theft have affected the country's ability to maximise earnings from its oil sector. This has constrained the ability to build up FX reserves.



The continued drawdown in reserves raises critical questions about Nigeria's external position and overall macroeconomic stability. One major area of concern is the country's ability to meet its debt obligations. Nigeria has a significant stock of external debt, and servicing these obligations requires a stable level of foreign reserves. A further decline could limit the government's ability to meet repayment schedules, which potentially increases borrowing costs.

It is worthy of note that the naira made a significant comeback in February 2025, appreciating against the US dollar, British pound, and euro in the parallel market. This marks a positive shift from its previous downward trend and offers some relief to businesses and traders.

By the end of February, the naira recorded notable gains across key foreign currencies, strengthening against the US dollar at N1,540/\$, up from N1,620/\$, reflecting a 7.41% appreciation. Also, the naira strengthened against the British pound and improved to N1,910/£ from N2,000/£, marking a 4.50% increase, while it appreciated against the euro by rising to N1,550/€, compared to N1,660/€, reflecting a 6.34% gain.

This uptrend marks the strongest level for the naira since the beginning of 2025, indicating a short-term recovery in the foreign exchange market.

The official exchange rate followed a similar trend, stabilising slightly above N1,500/\$ in the weeks leading up to February's close. Since the beginning of 2025, the naira has been trading above N1,600/\$ in the parallel market. However, in February, the currency strengthened, hitting a yearly low of N1,480/\$ on February 26, before settling around N1,500/\$ by month-end.

As of February 28, 2025, naira traded at approximately N1,500/\$ in both the official and parallel markets. This convergence indicates a unified exchange rate market.

This stability comes amid efforts by the CBN to bridge the gap between the official and parallel market rates, ensuring a more transparent forex system.

NEWS BRIEF – Q1 2025

Economic Policies & Reforms	Regulatory Changes & Business Climate	Investment & Public-Private Partnerships (PPP)	Startup Funding
Nigerian government has introduced fiscal policies to tackle inflation and boost local production.	The Nigerian Communications Commission (NCC) has implemented new telecom regulations to enhance data protection and consumer rights.	Foreign Direct Investment (FDI) surged, with a global tech firm investing \$500 million in Lagos, creating 5,000 jobs.	Nigerian startups attracted major investments, particularly in fintech and health tech.
Central Bank of Nigeria (CBN) tightened currency controls and raised interest rates to stabilise the naira.	Businesses face changes in withholding tax, excise duties, capital markets, and digital asset regulations.	Nigeria secured \$50.8 billion in investment deals to strengthen global trade.	A Lagos-based fintech secured \$50 million in Series B funding, showcasing Startup Funding
Nigeria secured World Bank support, and engaged with ECOWAS on "Eco" currency.	Efforts to improve the ease of doing business continue.	The Federal government signed a \$1 billion PPP agreement to modernize railways and expand renewable energy projects.	

Nigeria’s Projected Growth Rate for 2025 and Beyond

The World Bank forecasts that Nigeria’s economy will grow at an average rate of 3.6% per year in 2025 and 2026. This growth is expected to be driven by:

- Increased consumer spending, supported by gradually declining inflation due to monetary policy tightening by the Central Bank of Nigeria (CBN) in 2024.
- Strong performance in the services sector, which will remain the main driver of growth.
- A modest increase in oil production, though it will remain below Nigeria’s OPEC quota.

Despite these positive projections, the World Bank warns that per capita income growth will remain weak due to ongoing structural challenges, including:

- High inflation, which continues to erode purchasing power.
- A weak naira, impacting the cost of imports and overall economic stability.
- Underperforming oil production, limiting revenue growth.
- Rising debt servicing costs and limited fiscal buffers, making economic recovery more challenging.

Nigeria’s Role in Africa’s Economic Growth

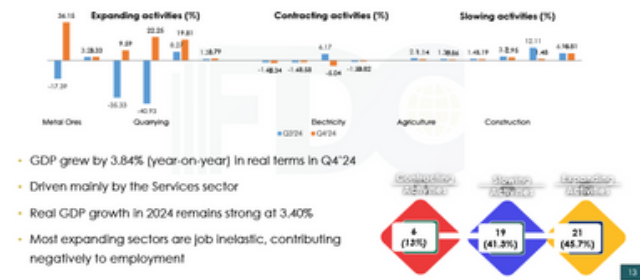
Nigeria’s economic performance is crucial to Sub-Saharan Africa’s overall growth, which is expected to accelerate from 3.2% in 2024 to 4.1% in 2025 and 4.3% in 2026. This regional growth will be driven by:

- Strong domestic demand
- Improved trade conditions
- Economic improvements in major economies like Nigeria and South Africa

In 2024, growth in Nigeria and South Africa averaged 2.2%, supported by higher oil production in Nigeria and better electricity supply in South Africa.

Looking ahead, while Nigeria’s economic outlook remains positive, challenges such as inflation, exchange rate instability, and debt concerns will continue to impact growth.







Q4 2024 GDP PARADOX- EXPANDING SECTORS, JOB INELASTIC ✱



✱ (Source LBS Breakfast Session Presented by Bismarck Rewane March 5, 2025).



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