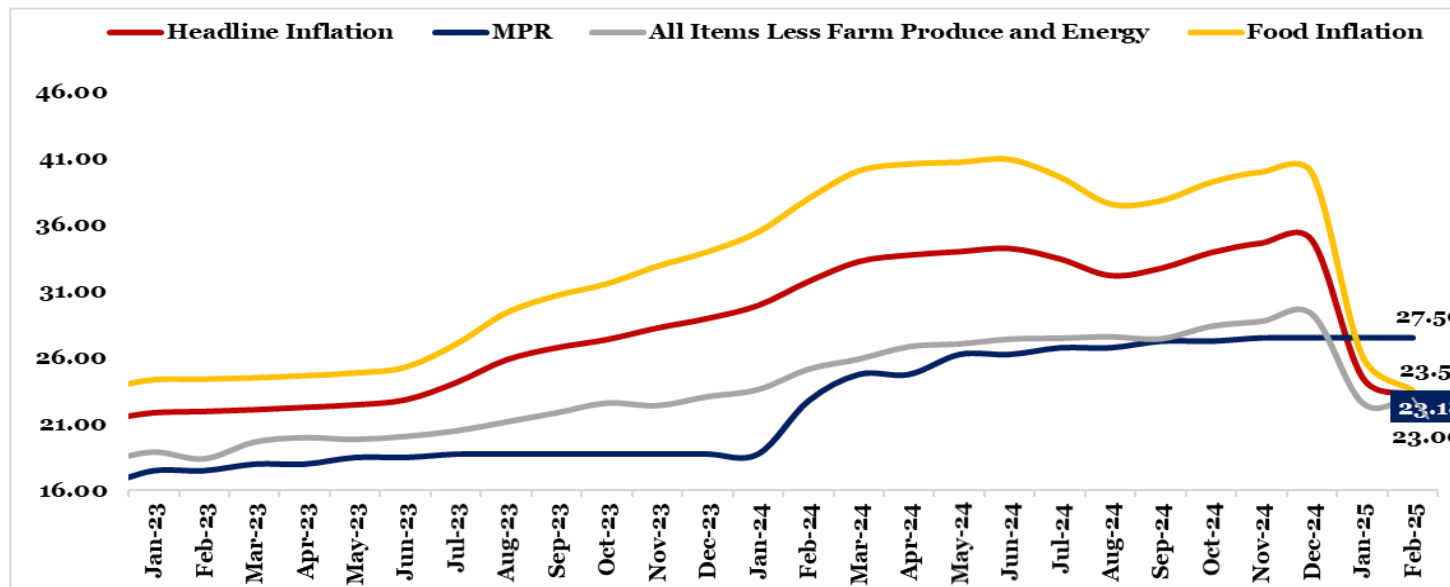


Inflation Watch - Nigeria's Inflation Rate Continues Downward Trend, Reaches 23.18% in February

Nigeria's headline inflation decreased to 23.18% in February 2025, continuing its downward trend for the second consecutive month following the Consumer Price Index rebasing by the National Bureau of Statistics. This represents a reduction of 1.30 percentage points from January's 24.48% and is 8.52% lower compared to February 2024. The moderation signals potential economic stabilization after the turbulent inflation peaks experienced in 2024. Food inflation dropped to 23.51% year-on-year from 26.08% in January, showing a substantial 14.41% reduction compared to February 2024's figure of 37.92%, while core price growth quickened to 23% from 22.59%. On a month-on-month basis, the headline inflation rate stood at 2.04%, while food inflation was recorded at 1.67%. The significant decline in food inflation is technically attributed to the change in the base year from 2009 to 2024, providing a more accurate representation of current consumer spending patterns. Urban inflation was higher at 25.15% compared to the rural rate of 19.89%, highlighting the different economic pressures faced by Nigerians based on location. State-level analysis reveals considerable variations, with Edo recording the highest food inflation at 33.59%, followed by Enugu (30.72%) and Sokoto (30.19%), while Kaduna (15.45%), Akwa-Ibom (15.53%), and Plateau (15.74%) experienced the lowest rates.



The moderation in inflation can be attributed to several factors, including relative currency stability, a slight reduction in petrol prices, and the statistical effect of the CPI rebasing exercise. This decline marks a positive development following the 28-year inflation highs recorded in 2024, which were triggered by President Tinubu's economic reforms, including fuel subsidy removal and naira devaluation.

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