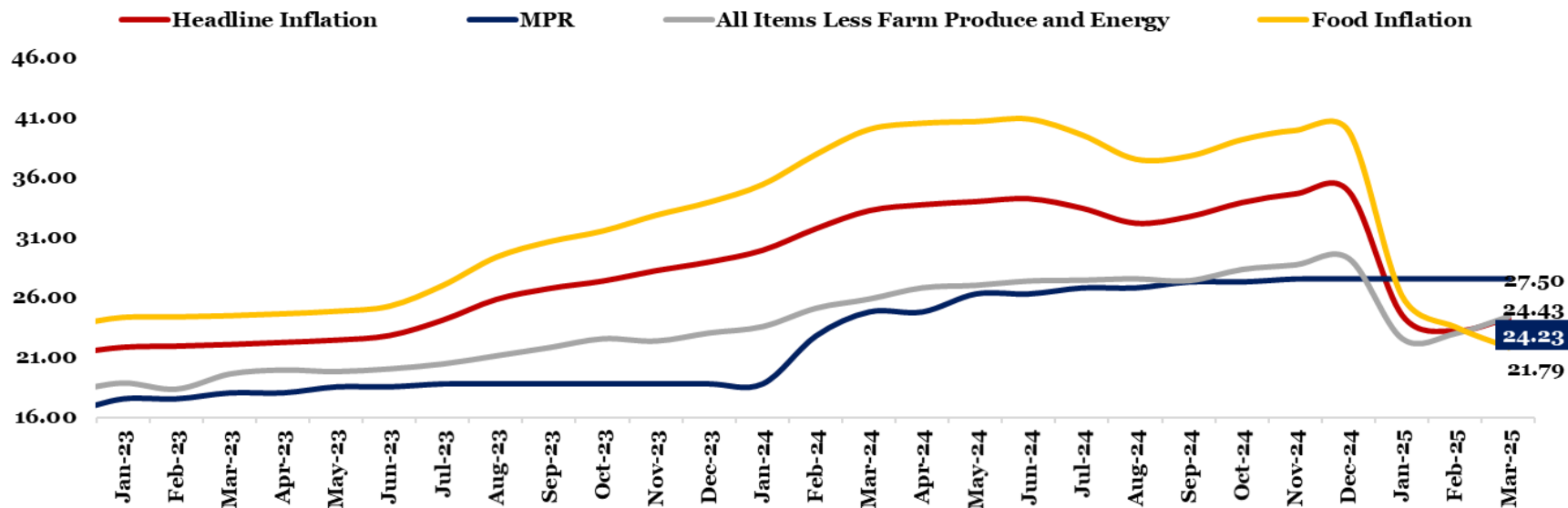


### Inflation Watch - NBS Reports 24.23% Inflation in March, Signaling Renewed Price Pressures

The National Bureau of Statistics (NBS) reported a concerning rise in Nigeria's inflation rate, which climbed to 24.23% in March 2025 – a 1.05 percentage point increase from February's 23.18%. This reversal ends the brief downward trend observed recently, signaling renewed price pressures in the economy. Month-on-month inflation jumped sharply to 3.90%, nearly double February's 2.04% increase, reflecting rapidly escalating consumer prices. The Consumer Price Index (CPI) followed this upward trajectory, rising 4.40 points to 117.34. While annual food inflation eased slightly to 21.79% (from 23.51% in February), monthly food prices rose 2.18%, driven by staples like fresh ginger, garri, and fresh peppers. This sustained food price growth continues to burden household budgets. Core inflation (excluding volatile items) worsened to 24.43% annually, with monthly growth accelerating to 3.73% from 2.52%. Urban areas bore the brunt of inflation at 26.12% year-on-year (versus rural 20.89%), with monthly urban price growth reaching 3.96%. State-level data revealed stark disparities: Kaduna recorded the highest inflation (33.33%), followed by Osun (32.08%) and Kebbi (30.74%). Conversely, Akwa Ibom (12.81%), Bayelsa (14.02%), and Sokoto (14.83%) experienced the mildest price pressures.



Nigeria's latest inflation surge stems from multiple economic pressures, including soaring commodity prices, rising energy costs (particularly the late-March petrol price hike), persistent supply chain bottlenecks, and ongoing security challenges in key agricultural regions. These combined factors have reignited price pressures across the economy. The accelerating inflation presents a policy dilemma for the Central Bank of Nigeria (CBN), potentially forcing consideration of additional interest rate hikes to curb price growth. For consumers and enterprises alike, the mounting cost burden threatens to dampen spending power and business activity.

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