

Rebased GDP Data: Nigeria Economy Kick-Start 2025 on Promising Note Amidst Mixed Sector Performance

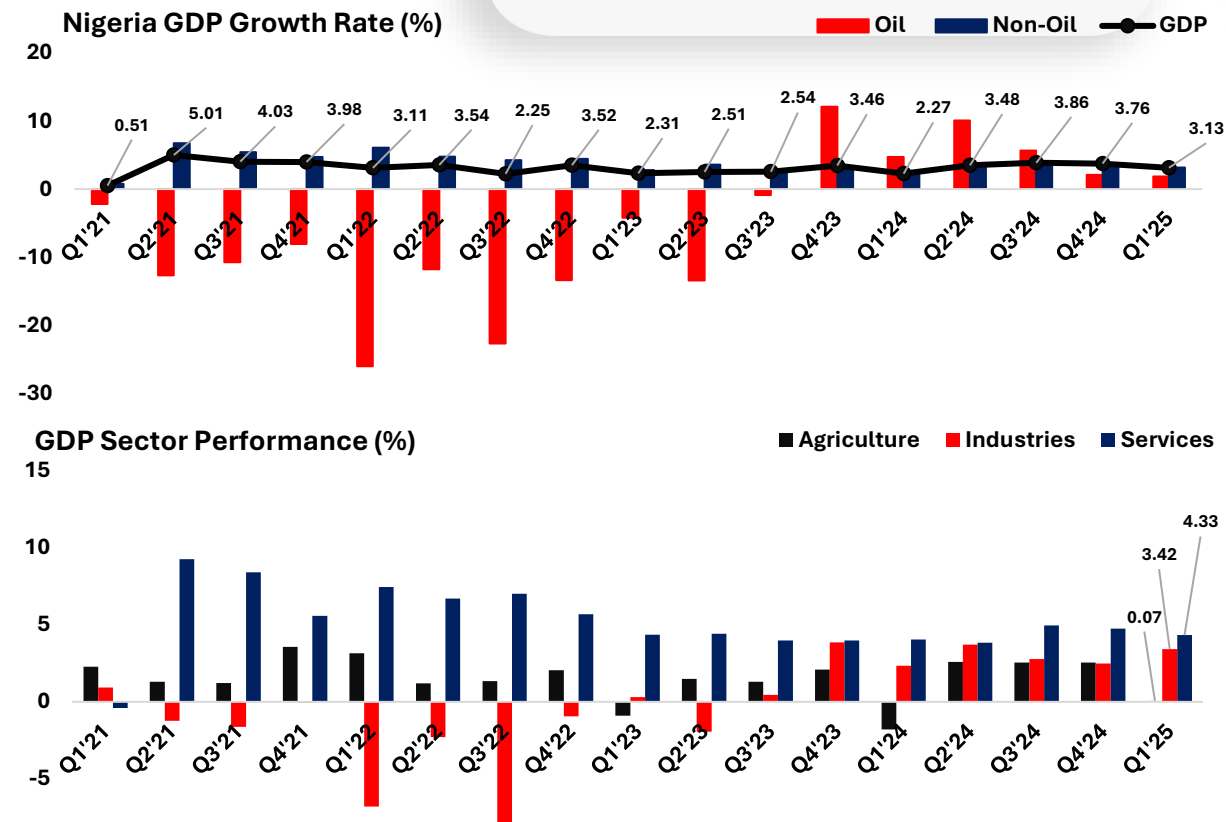
Nigeria's economy grew by 3.13% YoY in Q1 2025, higher than the 2.27% growth recorded in Q1 2024 but slower than the 3.76% posted in Q4 2024. The economy continued to show resilience amid tight monetary conditions and external headwinds. The growth figure also marks a promising start to the year, despite the structural challenges.

❖ Services sector remain the economy driver

- The services sector remained the primary driver of growth, expanding by 4.33% YoY and contributing 57.5% to GDP in Q1 2025. This was supported by robust performances in finance & insurance (+15.03%), telecommunications (+7.40%), and transportation & storage (+28.95%). The industries sector also grew by 3.42%, lifting its contribution to 19.18%, up from 15.45% in Q4 2024. Key subsectors included oil refining (+11.51%), chemicals & pharmaceuticals (+5.33%), and cement production (+4.94%).
- Agriculture, however, posted marginal growth of 0.07%, with its contribution to GDP falling to 23.33% from 26.52% in Q1 2024 and 28.68% in Q4 2024. The slowdown was largely driven by contractions in livestock (-16.69%) and fishery (-0.21%), highlighting persistent productivity and weather-related challenges in the sector.

❖ Oil and Non-Oil Dynamics

- The oil sector recorded 1.87% YoY growth in Q1 2025, a decline from 4.71% in Q1 2024 and 2.08% in Q4 2024. This came despite an increase in average daily crude oil production to 1.47 million barrels per day (mbpd), up from 1.33mbpd in Q1 2024 and 1.43mbpd in Q4 2024. In contrast, the non-oil sector maintained strong momentum, expanding by 3.19% YoY in Q1 2025, compared to 2.17% and 3.80% in Q1 and Q4 2024 respectively.



❖ Outlook

- With the economy starting 2025 on a positive trajectory—driven by the oil sector alongside sustained policy reforms—we expect Q2 2025 data to reflect continued momentum. However, greater focus is needed on infrastructure development, investment, and fiscal discipline, particularly with renewed attention to the underperforming agriculture sector.