



NISER SOCIAL & ECONOMIC WATCH (N-SEW)





N-SEW MARKERS

01

TOTAL GDP

02

GDP PER CAPITA

03

GDP GROWTH

04

GINI COEFFICIENT

05

SECTORAL GROWTH RATE

Agric, Industry and Service Sectors

06

SECTORAL CONTRIBUTION TO GDP

Agric, Industry and Service % of GDP

07

INFLATION

08

FOREIGN EXCHANGE RATE

09

UNEMPLOYMENT

10

DEBT TO GDP RATIO





N-SEW MARKERS

11

DEBT SERVICE TO REVENUE RATIO

15

ENERGY

(INSTALLED CAPACITY, ACTUAL PRODUCTION)

12

REVENUE TO GDP RATIO

16

EXPORT TRADE

13

POVERTY RATE

17

GOVERNMENT REVENUE

14

MULTIDIMENSIONAL POVERTY RATE

18

TRADE





NISER BRIEF ON THE NIGERIAN ECONOMY



Growth and Trade Resilience (2025 – Q1 2026)

Steady Economic Expansion: Nigeria's economy showed consistent quarterly growth throughout 2025, with real GDP rising from ₦49.34 trillion in Q1 to ₦63.97 trillion by Q4. Although GDP moderated seasonally to ₦51.26 trillion in Q1 2026, the growth rate remained resilient at 3.89%.

Non-Oil Sector Dominance: The non-oil sector continues to be the primary engine of growth, accounting for over 96% of total economic output.

Sectoral Performance:

Services: Remained the strongest driver, contributing 57.7% to GDP in Q1 2026 with a growth rate of 4.3%.

Industry: Saw a significant rebound, with its share of GDP increasing to 19.1% in Q1 2026.

Agriculture: Remained resilient despite a slight growth slowdown to 3.2% in early 2026.

Foreign Exchange Stability: Market conditions improved by mid-2026, with the official exchange rate strengthening from ₦1,435/US\$ in December 2025 to ₦1,370/US\$ in May 2026, narrowing the gap with the parallel market.

Improved Trade Balance: The trade balance widened significantly to ₦4.14 trillion by March 2026. This surge was driven by stronger crude oil exports bolstered by higher global oil prices.



NISER BRIEF ON THE NIGERIAN ECONOMY



Structural Bottlenecks and Social Markers

Resurgence of Inflation: After a period of moderation, headline inflation trended upward from February to May 2026, reaching 15.9%. This was largely driven by higher energy, transport, and food costs following the Iran conflict.

Declining Living Standards: GDP per capita dropped sharply from \$1,621.1 in 2023 to \$1,084.2 in 2024. This 33.1% reduction reflects the combined impact of Naira depreciation and high inflation, indicating that economic growth is not yet translating into improved household welfare.

Energy Infrastructure Gap: While installed capacity rose to 13,625 MW in 2024, the actual available capacity remained stagnant at approximately 5,400 MW throughout 2025. This persistent gap remains a critical constraint on industrial expansion.

Long-term Social Challenges:

Unemployment: Most recent data (Q4 2023) showed a rising trend to 5.3%, with youth unemployment significantly higher at 8.4%.

Poverty: 2022 data highlights deep structural issues, with 40.09% of the population in headcount poverty and 63% (133 million people) living in multidimensional poverty.



NISER BRIEF ON THE NIGERIAN ECONOMY



Fiscal Dynamics and Policy Implications

Revenue Recovery: Government revenue showed a recovery trend in early 2026, reaching ₦2.85 trillion in May 2026.

Debt Sustainability Concerns: While the Debt-to-GDP ratio remained moderate at less than 40% in 2025, debt servicing poses a major risk. The Debt-Service-to-Revenue ratio is high at 93.8% in Q4 2025 thus severely constraining fiscal space for public spending.

Overall Policy Implications:

Productivity-Led Growth: There is an urgent need for policies that improve real household incomes and translate macro growth into inclusive development.

Energy Expansion: Bridging the 8,000+ MW gap between installed and available energy capacity is vital for sustaining industrial momentum.

Export Diversification: While current trade gains are driven by oil price surges, the economy must accelerate diversification to reduce vulnerability to global shocks.

Fiscal Prudence: Strengthening revenue mobilization is essential to manage debt sustainability and ensure stable funding for critical infrastructure.



N-SEW MARKER 1-GROSS DOMESTIC PRODUCT

- Nigeria's economy recorded steady expansion in 2025, with quarterly real GDP rising steadily from ₦49.34 trillion in Q1 to ₦63.97 trillion in Q4.
- Although real GDP moderated seasonally to ₦51.26 trillion in Q1 of 2026, the non-oil sector continued to account for over 96 % of total output.
- This reaffirms the role of the non-oil sector in sustaining economic growth and reinforcing the country's gradual transition towards a more diversified economic structure.

YEAR	FISCAL QUARTER	GDP (₦'m)	OIL (%)	NON-OIL (%)
2025	Q1	49,344,269.74	3.97	96.03
2025 (After GDP Rebasing)	Q2	51,202,651.72	4.05	95.95
	Q3	57,034,847.87	3.44	96.56
	Q4	63,969,484.82	2.87	97.13
	Total	221,551,254.2	3.53	96.47
	2026	Q1	51,261,306.14	3.92

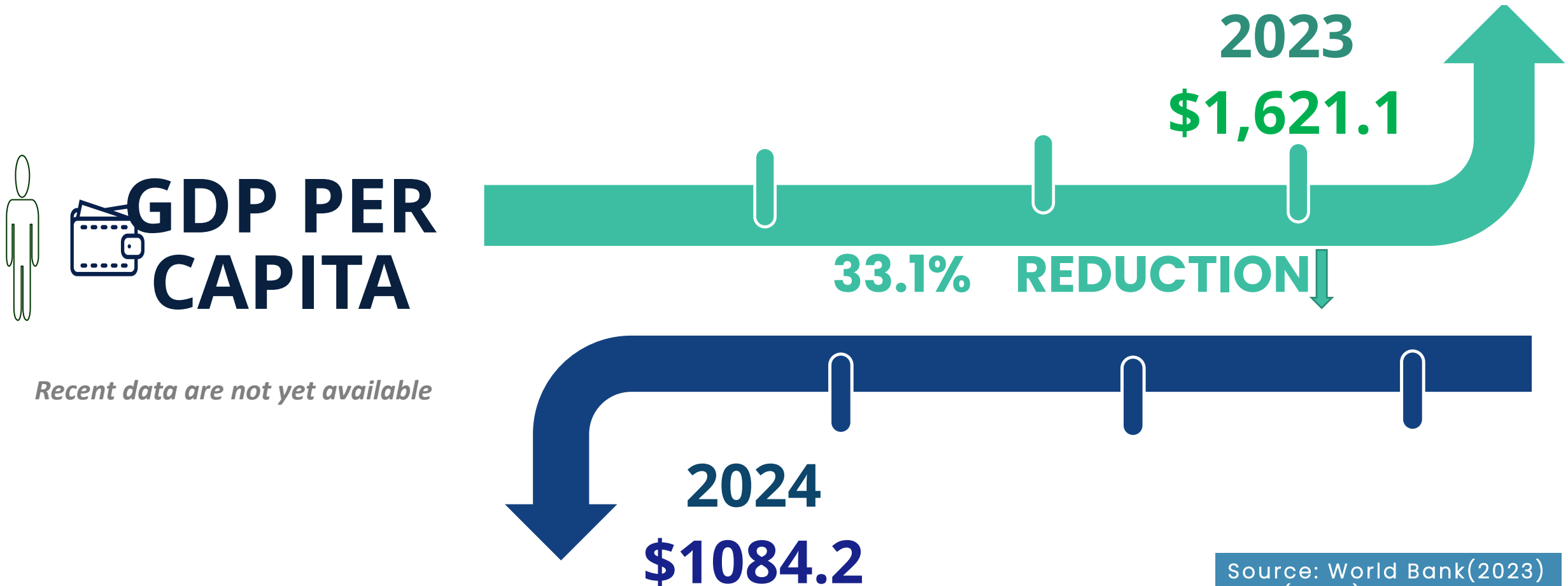


Source: NBS(2026a)

N-SEW MARKER 2

GDP PER CAPITA

Nigeria's GDP per capita declined sharply from US\$1,621.1 in 2023 to US\$1,084.2 in 2024, reflecting the combined effects of Naira depreciation, high inflation, and rapid population growth. The persistent decline indicates that economic growth has not translated into improved average living standards, underscoring the need for policies that promote higher productivity, inclusive growth, and sustained improvements in real household incomes.



Source: World Bank(2023)
WDI (2026)

N-SEW MARKER 3

- Although Nigeria's real GDP growth rate reduced slightly from 4.1% in Q4 2025 to 3.9% in Q1 2026, it remained resilient at the turn of 2026.
- Notwithstanding the decline, the economy continued to record robust growth, indicating sustained resilience in productive activities.
- Maintaining this growth trajectory will require continued policy support to stimulate investment, improve productivity, and address structural constraints that could impede economic expansion.

GDP GROWTH RATE

All Quarters

2024

Total- 3.4%

Q1 = 2.98%

Q2 = 3.19%

Q3 = 3.46%

Q4 = 3.84%

SUSTAINED GROWTH

All Quarters

2025/2026

2025

Q1 = 3.13%

Q2 = 4.23%

Q3 = 3.98%

Q4 = 4.07%

2026

Q1 = 3.89%

MODERATE BUT VOLATILE GROWTH

N-SEW MARKER 4

Recent data not yet available

**GINI
COEFFICIENT, 2022**
35.13

MORE INFO



A Gini Coefficient of 35.31 suggests a moderate level of income inequality in Nigeria. Addressing this inequality is not only a social responsibility but also contributes to long-term economic stability and inclusive development.

GINI COEFFICIENT

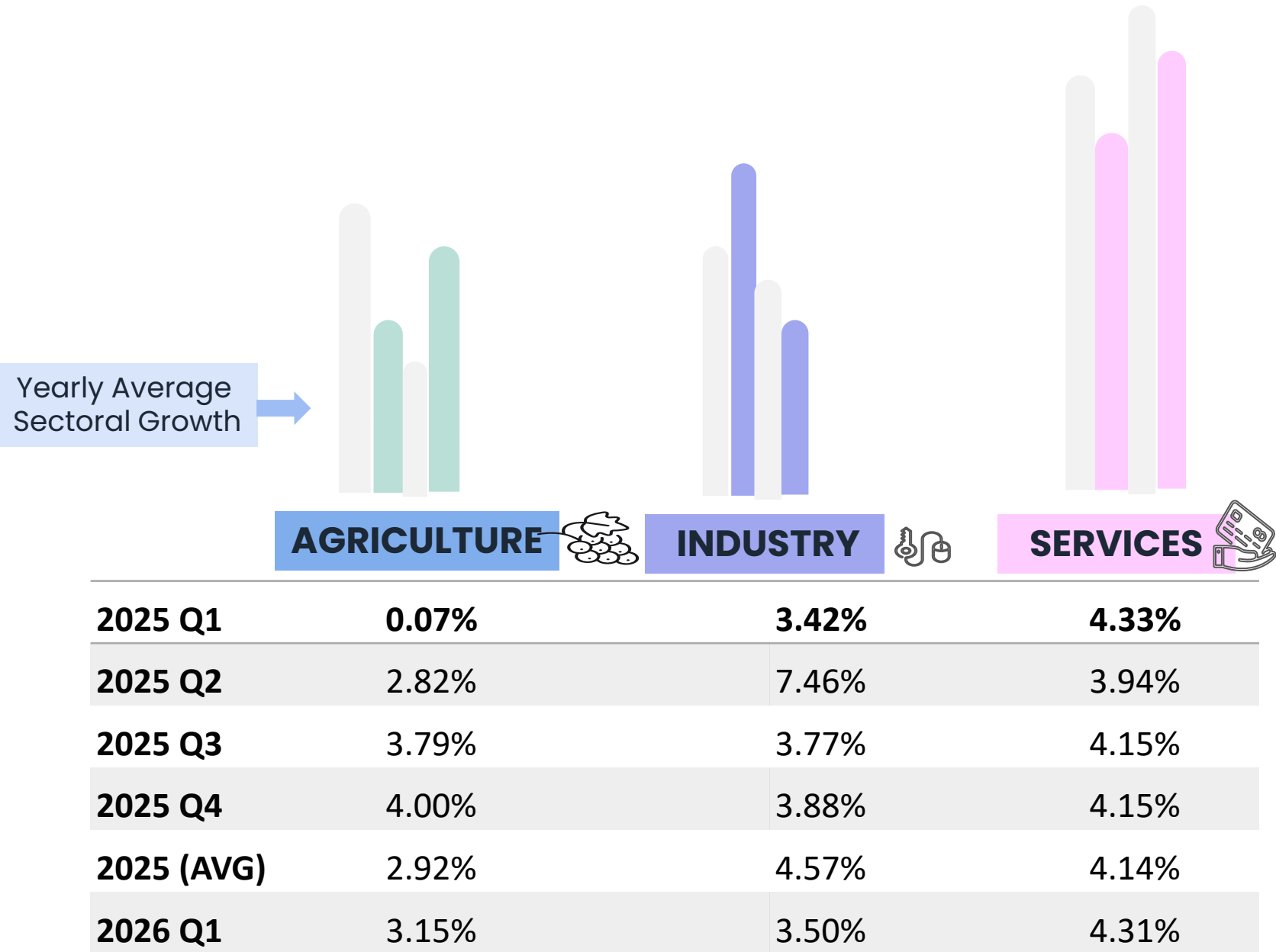


Data Source: NBS(2022)

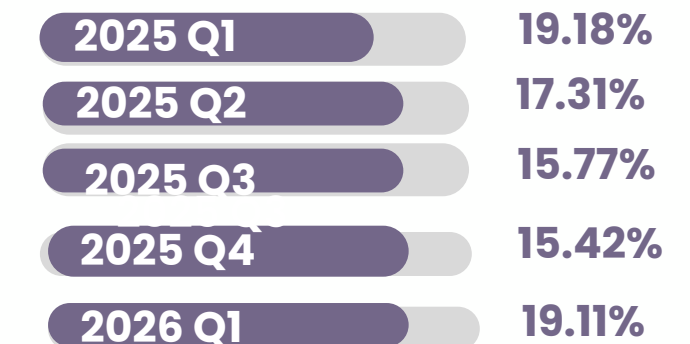
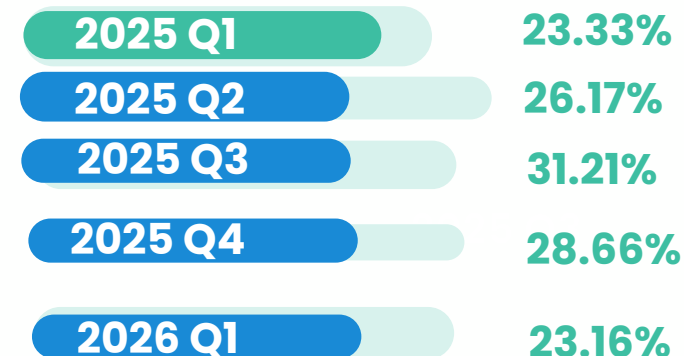
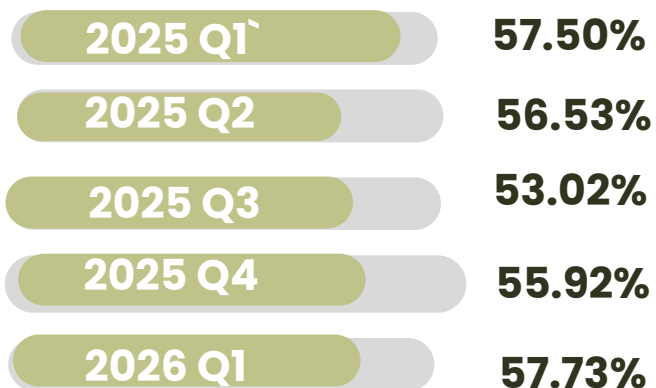
DATA SNAPSHOT

- Despite the slowdown in agric. sector growth from 4% in Q4 2025 to 3.2% in Q1 2026, the sector remained resilient, with growth exceeding the 2025 annual average of 2.9%.
- Industrial sector growth moderated slightly from 3.9% in Q4 2025 to 3.5% in Q1 2026.
- The services sector remained the strongest driver of economic growth, with growth increasing slightly from 4.2% in Q4 2025 to 4.3% in Q1 2026. The services sector remained relatively stable throughout the period.

Data Source: NBS(2026a)



Although agricultural sector's contribution to GDP declined from 28.7% in Q4 2025 to 23.2% in Q1 2026, the sector remains one of the largest contributors to economic output, underscoring its continued importance to Nigeria's economic structure and food security. The industrial sector's share increased remarkably from 15.4% in Q4 2025 to 19.1% in Q1 2026, reversing the gradual decline observed during 2025. The services sector strengthened its dominance in the Nigerian economy, with its contribution to GDP increasing from 55.9% in Q4 2025 to 57.7% in Q1 2026.



N-SEW MARKER 7

INFLATION

2025 Q1	Headline = 27.08% Food = 27.28%	Q2	Headline = 26.06% Food = 24.88%	2026 Q1	Headline = 15.18% Food = 11.77%
Q3	Headline = 23.02% Food = 23.89%	Q4	Headline = 17.15% Food = 13.78%		

Inflation resumed an upward trend from February to May 2026, driven largely by higher global oil prices following the Iran conflict, which raised domestic energy, transport, and food costs.

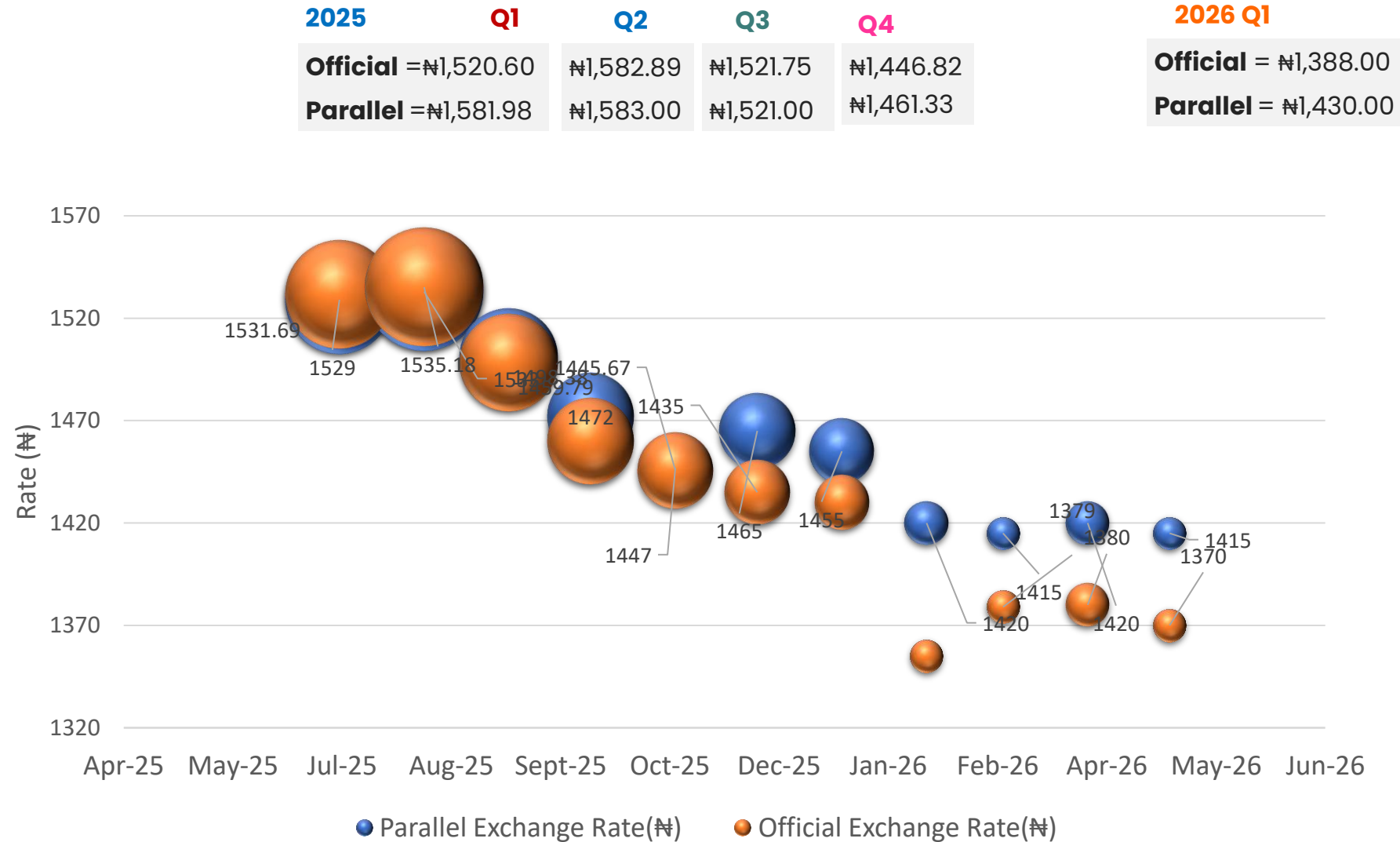


SOURCE: NBS (2026a)

N-SEW MARKER 8- FOREIGN EXCHANGE RATE

DATA SNAPSHOT

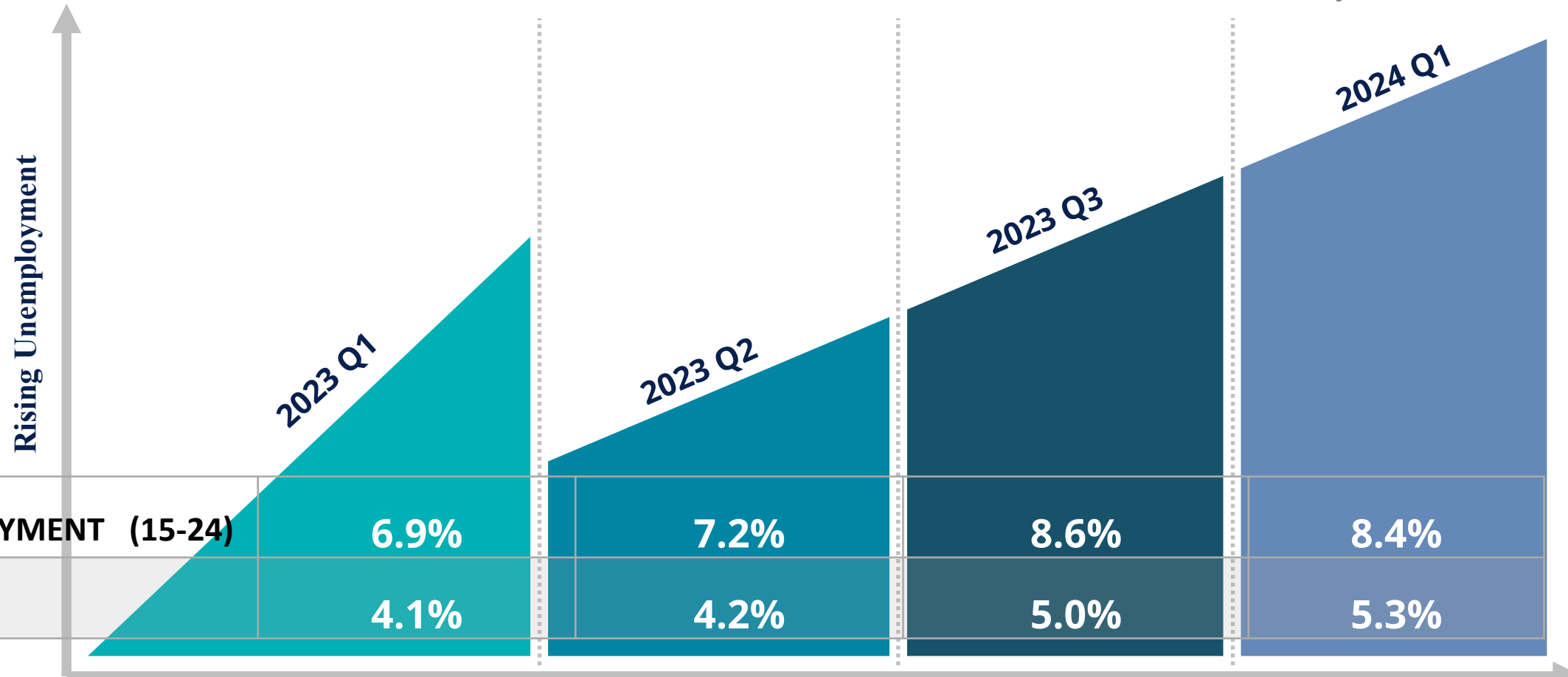
- The Naira remained broadly stable, with the official exchange rate improving from ₦1,435/US\$ in December 2025 to ₦1,370/US\$ in May 2026.
- The parallel market rate also appreciated from ₦1,465/US\$ to ₦1,415/US\$.
- Although both markets recorded a slight depreciation in March and April 2026, the exchange rate remained relatively stable.
- Overall, the trend observed suggests improved foreign exchange market conditions and a narrowing gap between the official and parallel market rates.



SOURCE: Official – CBN (2026)

Youth unemployment consistently remained higher than overall unemployment, with the gap widening in Q3 2023 when youth unemployment peaked at 8.6%. Although the adoption of a new measurement methodology kept figures relatively low, the sustained rise in both rates raises concerns about labour market stability.

Recent data not yet available



YOUTH UNEMPLOYMENT (15-24)	6.9%	7.2%	8.6%	8.4%
UNEMPLOYMENT	4.1%	4.2%	5.0%	5.3%

Quarterly Changes in Unemployment

Source: NBS(2024c)

N-SEW MARKER 10

2024 Q4 = 35.4%

2025 Q1 = 39.4%

2025 Q2 = 38.1%

2025 Q3 = 36.2%

2025 Q4 = 35.9%

DATA SNAPSHOT

Using the IMF's benchmark of 60% for emerging economies, Nigeria's debt level is moderate relative to the size of its economy. The debt-to-GDP ratio suggests a reasonable balance. However, Nigeria's low revenue-to-GDP ratio, coupled with a debt service-to-revenue ratio that significantly exceeds the World Bank's recommended threshold of 22.5%, raises concerns about the country's ability to manage rising debt levels effectively.

DEBT TO GDP RATIO



Source: HMFBNP(2026)

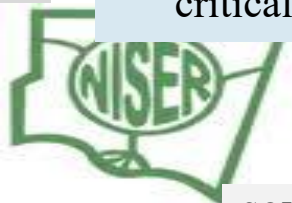
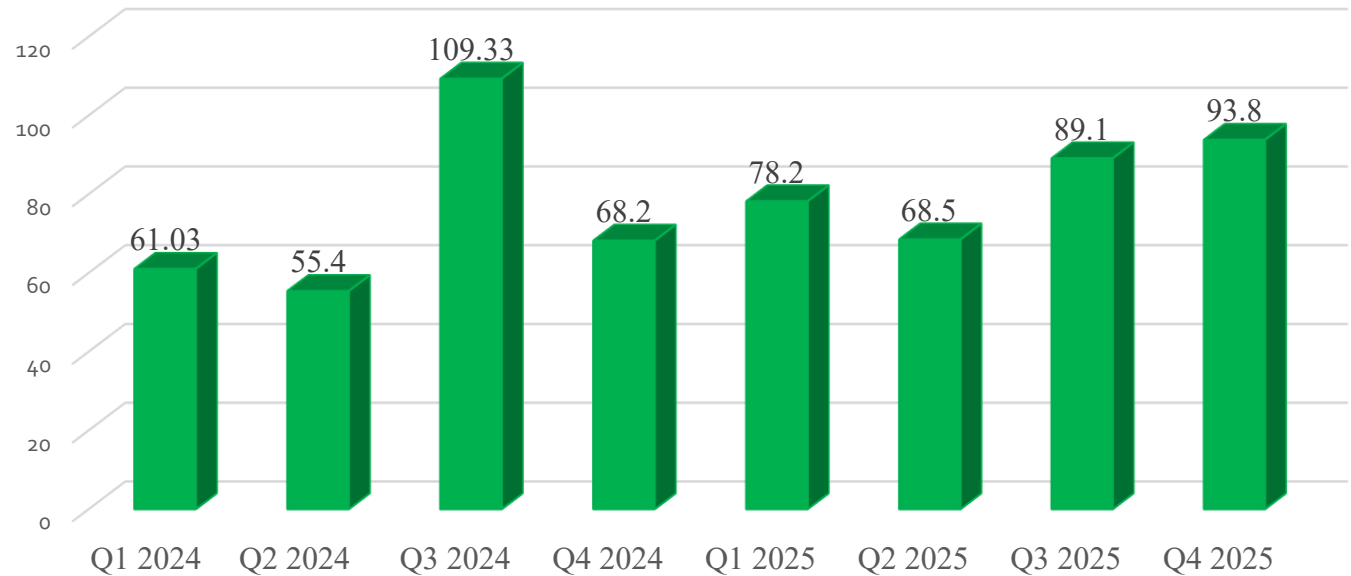


N-SEW MARKER 11- DEBT SERVICE TO REVENUE RATIO

- The Debt Service to Revenue Ratio peaked at 109.3% in Q3 2024 implying all of revenue generation during this period was committed to serving the country's debt. However, this ratio dropped to 68.2% in Q4 2024. The debt service to revenue ratio remained high in 2025, rising from 68.5% in Q2 2025 to 89.1% and 93.8% in Q3 and Q4 2025.
- The observed pattern of debt dynamics points to concern over debt sustainability as a larger portion of FG revenue is spent on debt servicing, thereby constraining fiscal space for critical public spending.

Debt Service to Revenue Ratio

2025 Q1 = 78.2%
2025 Q2 = 68.5%
2025 Q3 = 89.1%
2025 Q4 = 93.8%



SOURCE: CBN, BOF (2025)

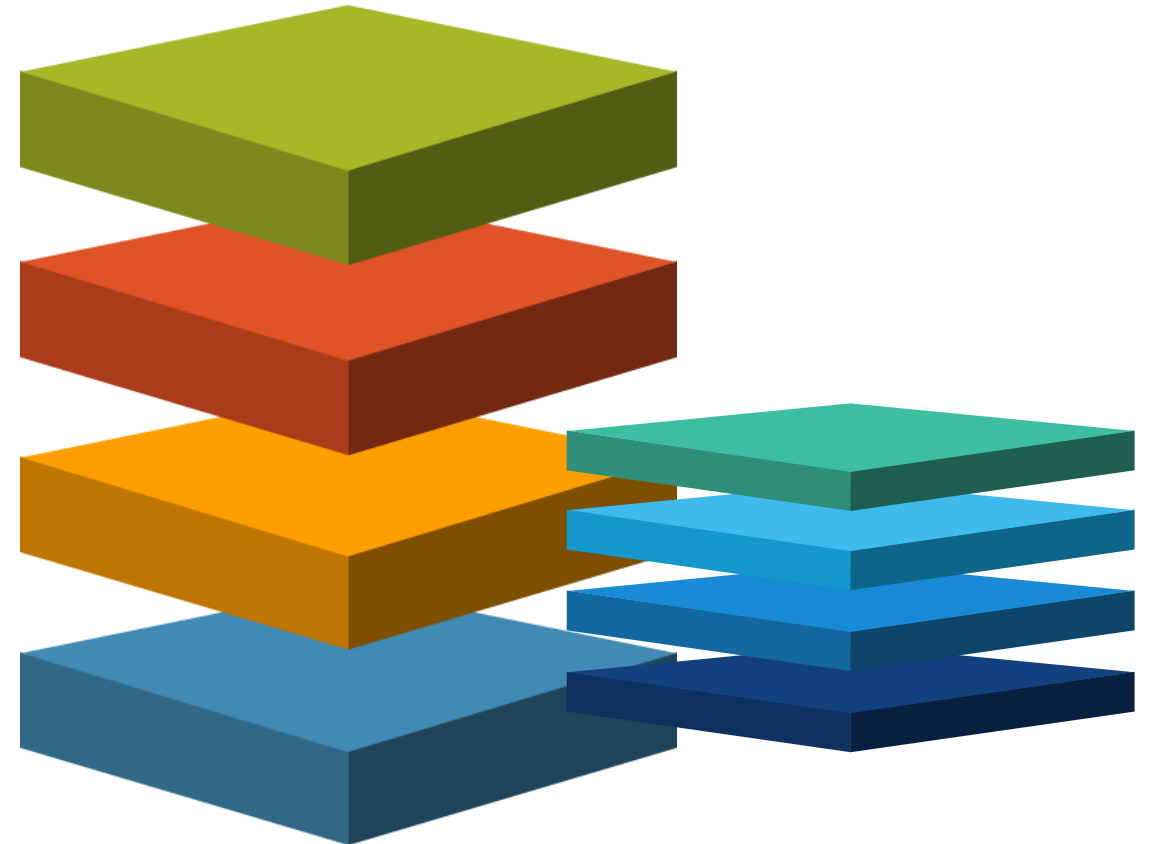
REVENUE TO GDP RATIO

2024 Q4- **10.80%**
 2025 Q1- **10.30%**
 2025 Q2- **11.20%**
 2025 Q3- **10.00%**
 2025 Q4- **10.40%**

DATA SNAPSHOT

The Revenue to GDP ratio in Nigeria fluctuated over the review period. It increased from 10.8% in Q4 2024 to 11.20% in Q2 2025. However, this dropped in Q3 2025 and rose again in Q4 2025.

Moreover, the ratio is low at less than 12% on the average thus emphasizing the need to strengthen the country's fiscal capacity.



POVERTY (HEADCOUNT, % OF POPULATION)

40.09%

DATA SNAPSHOT

This proportion translates to about 85 million persons; indicating a huge number below the poverty line. Nigeria's population is experiencing economic hardship, unable to meet basic needs such as food, shelter, and healthcare.

POVERTY RATE, 2022

Recent data not yet available



MULTIDIMENSIONAL POVERTY

63%

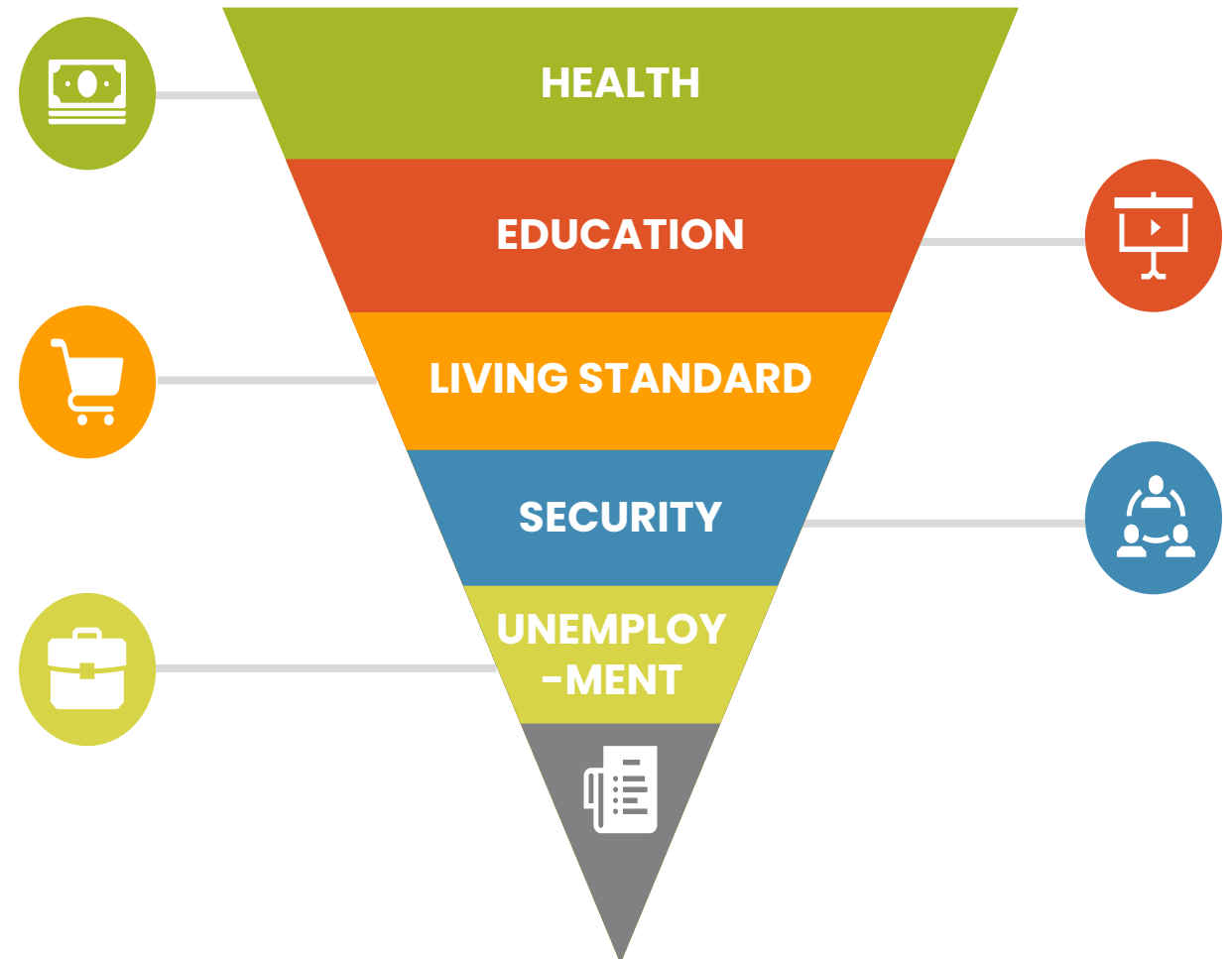
(133million people)

DATA SNAPSHOT

About two-thirds of Nigerians are deprived across various dimensions beyond just income. This suggests challenges in access to healthcare, education, living standard, security, employment, and other essential services.

MULTIDIMENSIONAL POVERTY, 2022

Recent data not yet available



Source: NBS (2022)

N-SEW MARKER 15

ENERGY

Average electricity generation capacity remained broadly stable during 2025, increasing marginally from 5,366.88 MW in Q1 to 5,400.38 MW in Q4. The modest improvement suggests gradual strengthening of power supply, although generation levels remain well below the country's installed capacity.

INSTALLED CAPACITY,
2023- 12,671MW
2024- 13,625MW



ENERGY

INSTALLED
CAPACITY, AVERAGE
AVAILABLE CAPACITY

AVERAGE AVAILABLE CAPACITY

2025 Q1 = 5366.88MW
2025 Q2 = 5395.72MW
2025 Q3 = 5430.34MW
2025 Q4 = 5400.38MW



N-SEW MARKER 17 – GOVERNMENT REVENUE (₦' Billion)

Government revenue moderated towards the end of 2025 but remained relatively strong. Between January and May 2026, revenue recovered despite some month-to-month fluctuations, reflecting sustained fiscal performance and continued improvements in revenue mobilization

2025

Total= ₦11,966 b
September to December

2026

Total= ₦13,335 b
January to May

SEPT-25

₦3,635.80

NOV-25

₦2,934.60

JAN-26

₦2,585.61

MAR-26

₦2,230.41

MAY-26

₦2,848.72

OCT-25

₦3,054.55

DEC-25

₦2,343.39

FEB-26

₦3,040.26

APR-26

₦2,632.39



SOURCE - CBN (2026)

N-SEW MARKER 16 – EXPORTS (N'MILLION)

Nigeria's export performance is largely oil-driven, highlighting the economy's continued dependence on hydrocarbon exports despite ongoing efforts to diversify the export base.

Year/Quarter	Total Exports	Crude Oil & Gas	Non Oil Exports	Oil/Non-Oil
2025-Q1	20,598,480.75	12,955,028.20	3,167,875.83	4.09
2025-Q2	22,750,744.24	11,965,980.58	3,045,547.30	3.93
2025-Q3	22,813,567.87	12,806,776.15	2,996,620.94	4.27
2025-Q4	18,963,409.97	9,702,868.89	3,145,544.96	3.08
2025 Total	85,126,202.84	47,430,653.83	37,695,549.01	1.26
2026-Q1	21,169,266.84	11,202,350.25	3,186,736.33	3.52
	N'MILLION	N'MILLION	N'MILLION	RATIO

N-SEW MARKER 18- TRADE (₦'Million)

Data Highlights



- Nigeria's trade balance improved significantly in Q1 2026, widening from ₦355.5 billion in December 2025 to ₦4.14 trillion in March 2026.
- The improvement was driven by a substantial increase in the value of exports relative to imports.
- The sharp rise in exports in was driven primarily by stronger crude oil exports and higher global crude oil prices, which boosted Nigeria's export earnings and improved its external trade position.

Month	Imports	Exports	Balance
Aug-25	5,225,304.03	7,091,647.79	1,866,343.76
Sept-25	4,563,172.08	6,859,839.59	2,296,667.51
Oct-25	6,045,978.11	6,488,175.50	442,197.39
Nov-25	5,226,100.29	6,140,875.63	914,775.34
Dec-25	5,978,855.61	6,334,358.84	355,503.23
Jan-26	4,372,913.07	6,349,485.96	1,976,572.89
Feb-26	4,509,519.78	5,940,717.25	1,431,197.47
Mar-26	4,736,895.02	8,879,063.63	4,142,168.00
Q1 2025	15,426,174.74	20,598,480.76	5,172,305.99
Q2 2025	15,286,779.41	22,750,744.23	7,463,964.83
Q3 2025	16,122,981.73	22,813,567.87	6,690,586.14
Q4 2025	17,250,934.01	18,963,409.97	1,712,475.96
Q1 2026	13,619,327.87	21,169,266.84	7,549,938.97

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