



# NIGERIA 2025 ECONOMIC FORECAST

From Reform Fatigue Quagmire  
To Sustainable Growth



# From Reform Fatigue Quagmire To Sustainable Growth

Nigeria's 18-month economic reform program has yielded mixed results, largely due to poor implementation and putting the cart before the horse. The program's biggest impact on the economy has been the devaluation of the Naira from about 450-1700 Naira/US\$. The cost push effect of fuel subsidy removal, worsened the situation in an economy already in stagflation with sharp increases in inflation trajectory. This led to reduced household purchasing power and high interest rates for the firms and the economy. The social intervention program has also not made any impact failing to provide succor.

To exacerbate matters, government borrowing has exceeded the US\$100 billion mark and debt service costs doubling from ₦8 trillion in 2024 to ₦16.3 trillion in the 2025 proposed budget. ₦16.3 trillion in debt servicing is not sustainable, as it exceeds the defense, security, infrastructure, education and health budgets combined at ₦14 trillion. The gains from the subsidy removal are now being used for debt servicing, instead of investment in capital expenditure that can create stimulus for economic growth. Money supply has also increased by 63% YoY, to ₦108 trillion, a historic high that subverted the CBN's ability to meet its 24% 2024-year end inflation target.

Nigeria GDP at US\$195 Billion has declined over the last decade losing over \$300 billion in value due to devaluation, low productivity and stagflation. The country is no longer the largest Economy in Africa, ranking fourth behind South Africa, Egypt and Algeria. This owing to prolonged policy inconsistency since the economy came out of post covid recession. The ongoing exercise to rebase GDP and CPI, might therefore not yield the desired results.

To get the economy back on track, the government must reduce its debt burden, restore its credit rating to investment grade and tame inflation. This would reduce borrowing costs and provide stimulus for investment, sustainable growth, productivity, and employment. To accomplish this, FGN must restructure its capital structure and balance sheet. Selling down its JV oil assets will raise \$30-50 billion, that can be applied to reduce the debt burden, improve the foreign exchange regime, provide dollar supply for naira appreciation, restore credit rating and boost net reserves.

We see another year of high interest rates with inflation trajectory downwards to about 22% by year end, with effective rate cuts to sub 20% by Q1 2026. The Naira position could be sub-1000/\$ or north of 2000/\$ depending on how government manages its debt profile, boost oil production and asset sales. The oil and gas sector GDP grew by 10.2% with US\$3 Billion investments in 2024. Investment levels of US\$22 billion recorded in 2009 and 2014 must be emulated to sustain growth and optimal production.

Ultimately, the success of this budget cycle, economic policies and reform strategies rests with the FGN. The sincerity and commitment to a coordinated monetary, fiscal, trade, industry and investment policy execution, the decisive factor.

Adetilewa A. Adebajo  
January 2025

# Nigeria 2025 Macro Economic Forecast

Region: Sub-Saharan Africa | West Africa



## Country Highlights

Total Area	923,768KM²
Capital	Abuja
Population	200m
Currency	Naira (₦)
Exchange Rate Forecast	₦1,800/\$1 - ₦2,100/\$1
Ease of doing business ranking	131

## Comments

- ▶ In 2011 and 2014 the Nigerian GDP grew in excess of 8%. In both years, inflation was within a band of 11-13% and interest rates 12-15%. Our analysis and charts of the historical data, confirms that when inflation and interest rates are within this band, and real rates are positive, high GDP growth rates are assured. A pointer for Monetary Policy formulation. Nigeria requires 8-10% GDP growth.
- ▶ The lack of investment in the oil and gas sector and the drying up of FX reserves is reflected in negative GDP growth rates in the last three years. (-19%) growth in 2022 with expected (-7%) growth in 2023. For any meaningful impact on economic recovery and macro headlines, oil production must be restored to 2mbpd and gas restored to 6 NLNG train currently operating at 50% capacity.
- ▶ In 2023 only three sectors of the economy experienced double digit growth. Mining & Quarrying 26.16%, Water and Waste 11.93% and Financial Services 28.21%. Manufacturing was a paltry 1.45% reflecting the lack of productivity in the Nigerian Economy. 2024 H1 has not faired better as only Oil and Gas recovered with an impressive 10% growth with all other sectors maintaining the 2023 growth levels. Policy implementation to enhance productivity is critical to revive all the other sectors of the Nigerian economy in 2025 for recovery from stagflation and sustainable growth.
- ▶ The fundamentals of the Nigerian Economy are sound. Poor economic leadership has failed to realize the potential and grow the economy. The success or failure of our projections in 2025, will depend on governments commitment and sincerity to implement policy. A coordinated approach is required to drive the economy out of stagflation and meet the sustainable GDP growth targets in 2025.

## Nigeria Headline Economic Forecast 2025

GDP Growth (2025)	Population (2025)	Trade Balance (2025)	Foreign Reserves (2025)	Total Debt (2025)
3%	200m	US\$5.5b	US\$40b	US\$120b

Source: CBN, NBS, DMO, Oxford Economics

Unemployment Rate  
(2025)



40.5%

Inflation Rate  
(2025)



24.50%

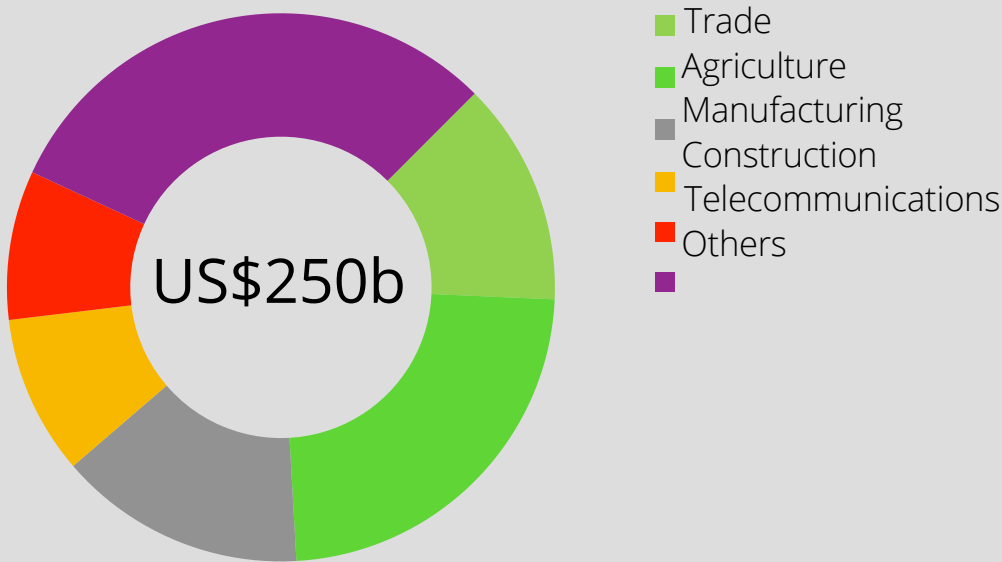
Monetary Policy  
OMO Rates  
(2025)



25.50%

Source: NBS, CBN

## Sectoral contributions to GDP 2025

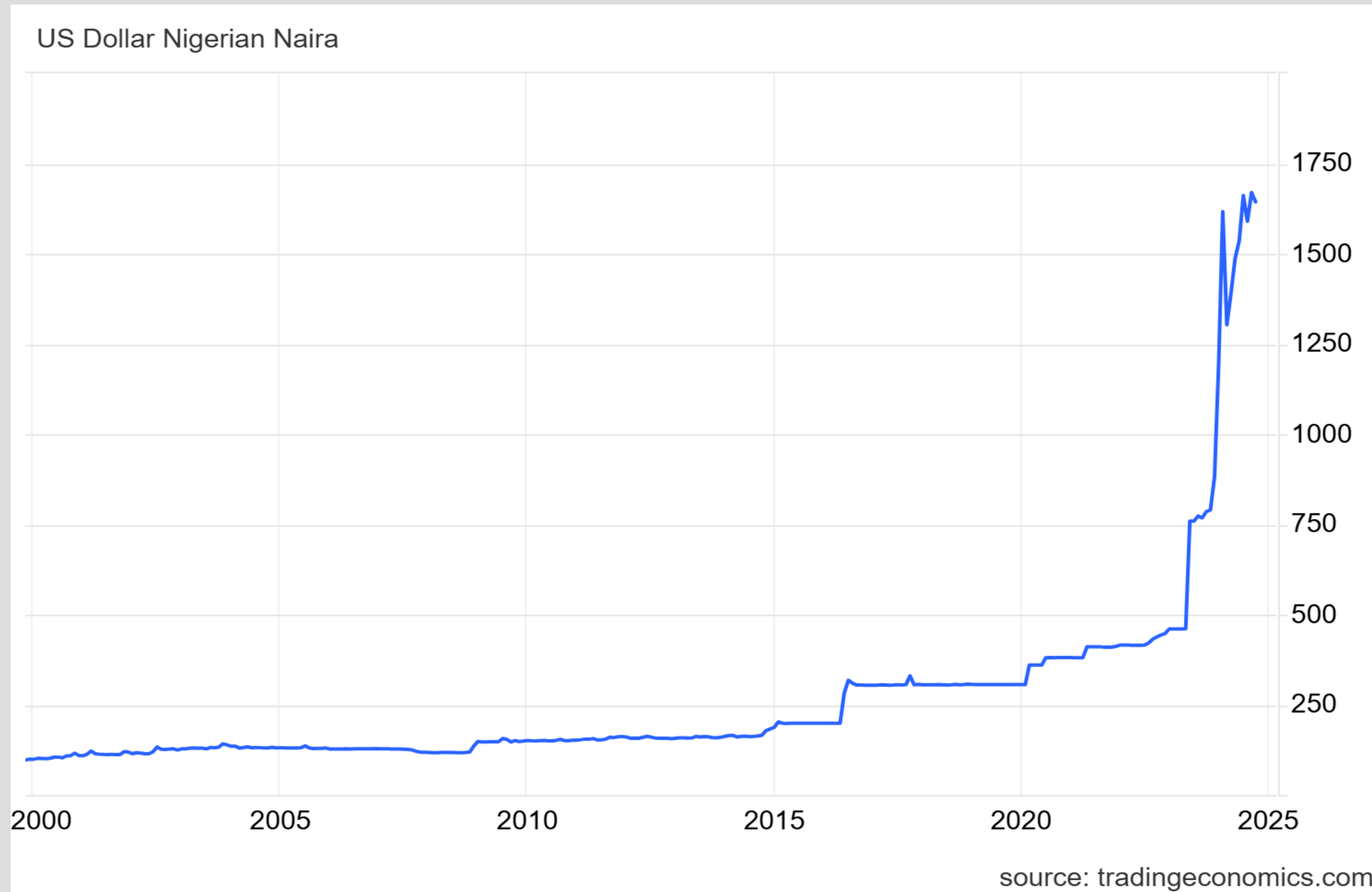


Source: The CFG Advisory Forecasts

Nigeria accounts for **10%** of Sub-Saharan Africa's GDP, as well as **20%** of the region's population.

The Nigerian economy is still largely a monolithic economy dependent on crude oil exports for the majority of its foreign exchange earnings - **95%**

# US Dollar Vs Nigerian Naira

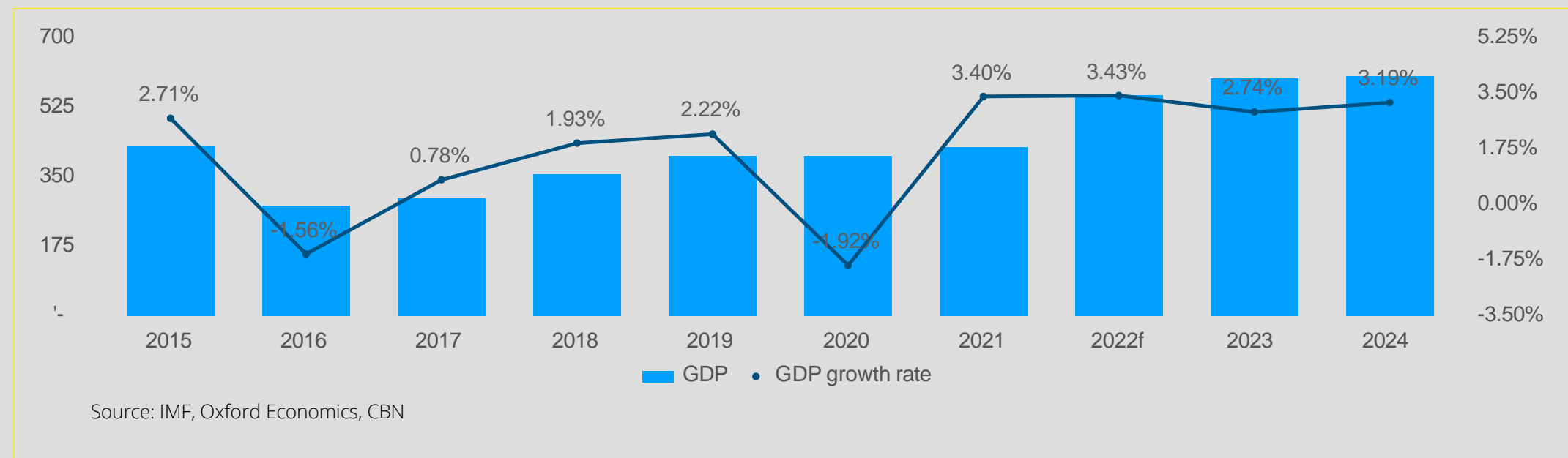


# Nigeria: Macro Dashboard

Growth potential limited by policy inconsistency, economic policy incoordination and unchecked fiscal spending

Credit Rating			
Moody's	Caa1	positive	Dec 08 2023
S&P	B-	stable	Aug 04 2023
S&P	B-	negative	Feb 03 2023
Moody's	Caa1	stable	Jan 27 2023

Trend in nominal GDP (US\$bn) vs. real GDP growth rate (%)



Comments

## GDP growth

- Nigeria's economy experienced a growth in GDP from Q1 –Q2 2024 from 2.98% to 3.91%

## Inflation

- Nigeria's inflation rate stood at 15.92% in March 2022, increased to 34.19 % in June 2024 indicating a significant increase in headline inflation and declined to 33.40% in July 2024. Now at 32.3%. The key drivers of inflation has been the sustained increase in food prices across the country, exacerbated by the removal of subsidy resulting in higher cost of petroleum products, electricity tariff adjustments and 75% increase in money supply to =N=107tn by Q3 2024.

## Interest rate

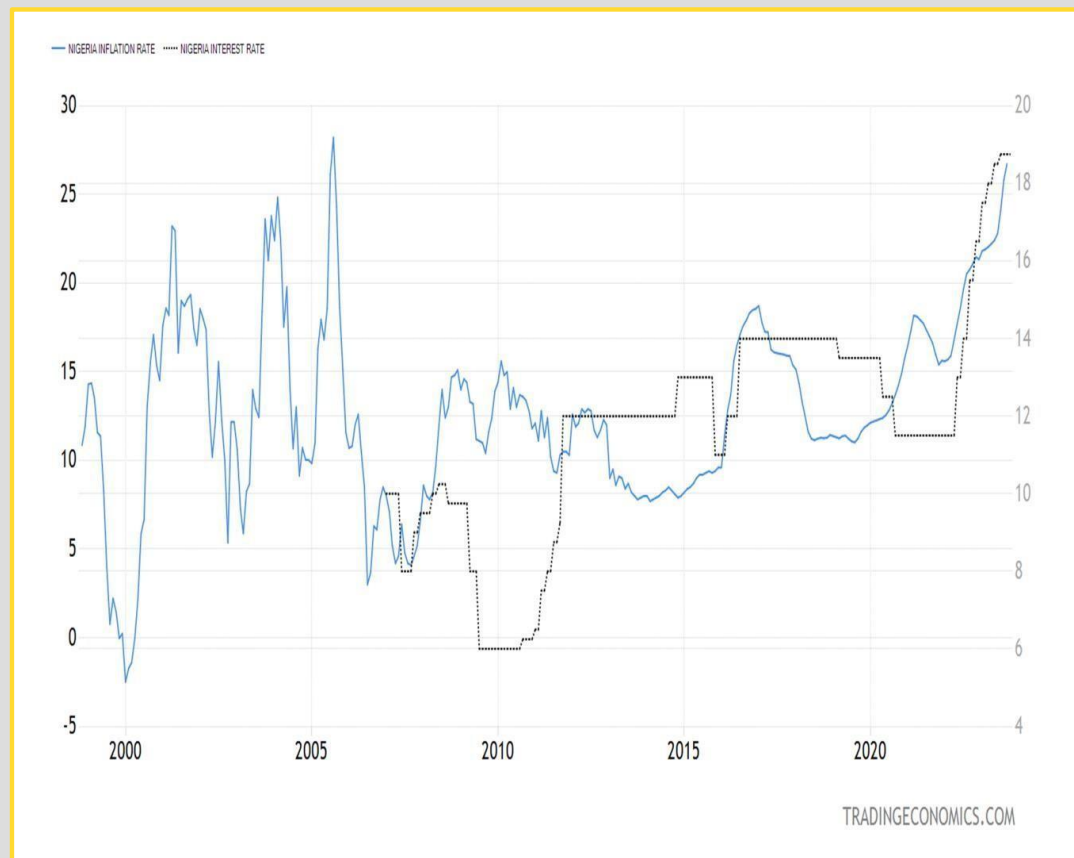
- The MPC has maintained rates at 18.75% since July 2023, Q2 2024 MPR now at 27.25%

## Exchange rate

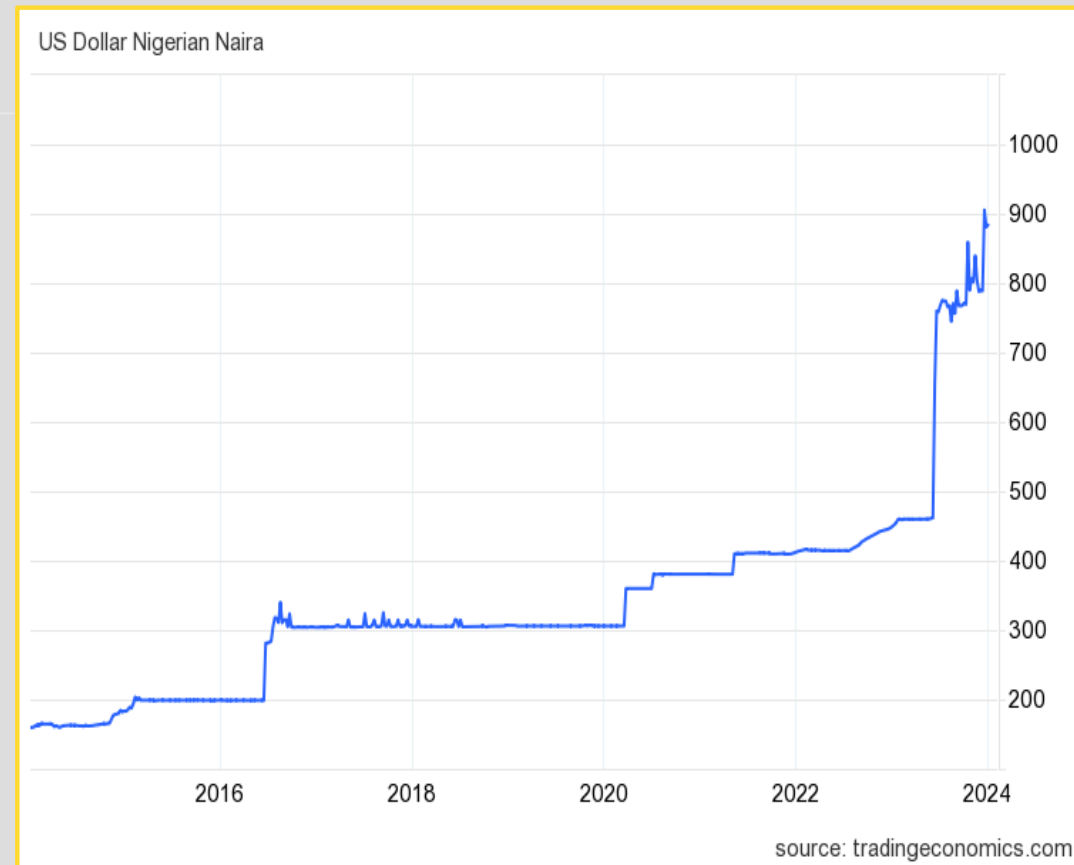
- The parallel market and NFEM gap in rates has narrowed significantly with rates now averaging around N1,700:US\$1 as at October 2024.

Total Public Debt June 2024			
Debt Category	Amount Outstanding (US\$Bn)	Amount Outstanding (NTn)	% of Total
Total External Debt	42.901	63.072	46.96%
Total Domestic Debt	48.446	71.224	53.04%
FGN Only	45.543	66.957	49.86%
States & FCT	2.902	4.267	3.18%
Total Public Debt (A+B)	91.347	131.297	100%

Inflation & Interest Rates (%)



NFEM Foreign Exchange Rate





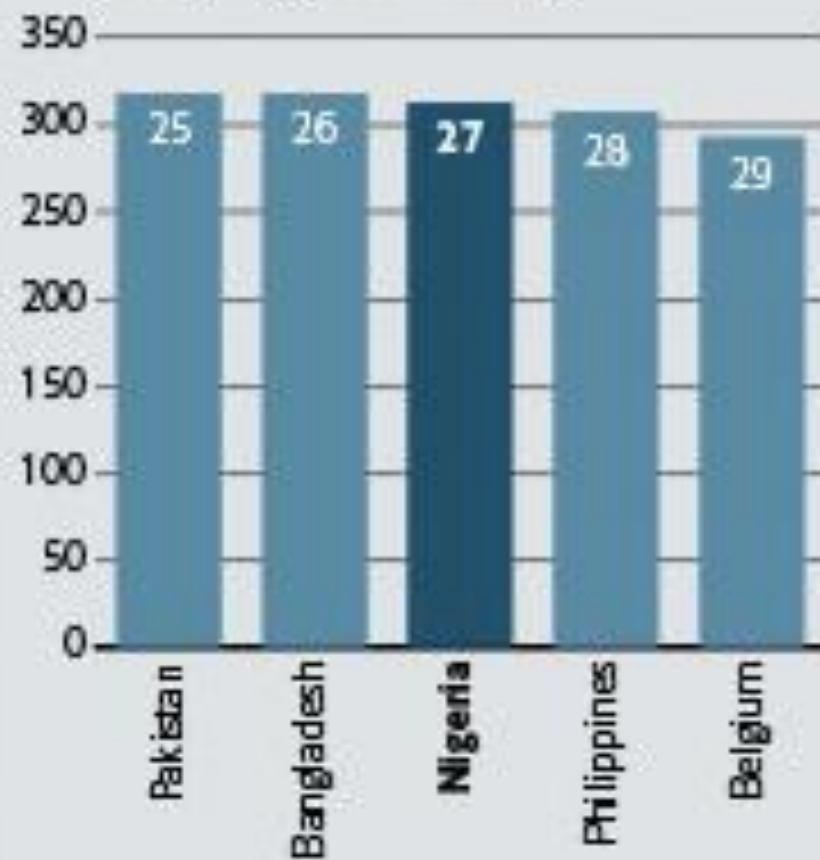
# State of The Nigerian Economy

- Economy still deep in Stagflation, after 18 months of reforms failing to achieve a sustainable growth trajectory.
- Reform Fatigue has led to an Economic Quagmire. The government put the cart before the horse with implementation.
- The outcome is a 300% currency devaluation, debt in excess US\$100 billion and an economy deep in stagflation. Household and firms are bearing the brunt of the reforms, with low purchasing power, low productivity, high interest rates and unfavorable exchange rates.
- Social intervention programs to cushion the effects have failed and mired in corruption.
- Money supply has increased by 63% YoY and peaked at an historic high of ₦108 trillion, subverting the CBN's ability to meet its 24% 2024-year end inflation target.
- While fuel subsidy is not accounted for in the 2025 Budget, debt service is now unsustainable and has doubled YOY from ₦8-16 trillion, negating any related savings from the fuel subsidy removal.
- NFEM introduction saw initial volatility which has abated with the narrowing of the gap between the parallel market with the introduction by the CBN, of a Bloomberg FX bid and offer portal for transparency.
- FDI at all time lows of under US\$29 million in H1 2024.
- Power transmission and distribution infrastructure still very poor, negatively impacting industrial productivity and economic growth.
- Plans to rebase GDP and CPI is of particular concern. Rebased unemployment numbers do not reflect the reality.
- Concerns with sub optimal budget performance, fiscal and debt management as three deficit budgets now running concurrently. Three years cumulative deficit of ₦36.07 trillion and 2025 budget allocation of ₦16.3 trillion for debt servicing is a bright red flag.
- Has anyone seen a giant? The macroeconomic situation has declined over the last 8 years with a loss of US\$300billion in GDP currently at US\$200billion. Nigeria now 4<sup>th</sup> largest economy in Africa behind Egypt, South Africa and Algeria.

# Nigerian Market Opportunities

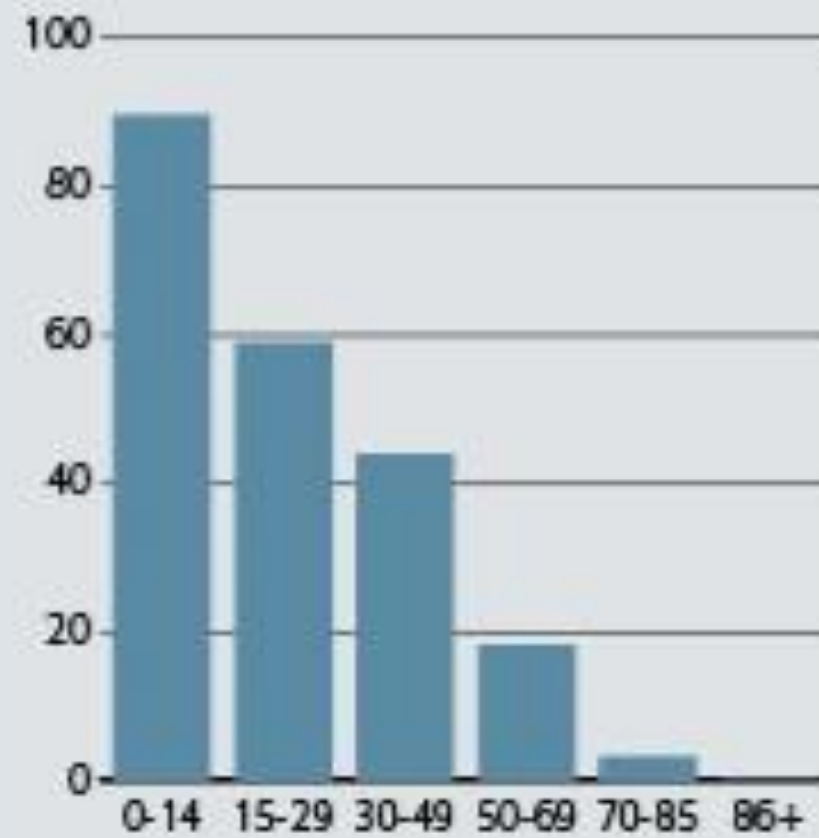
## Market opportunities

**Household consumption, 2022**  
(US\$ bn; global ranking)



Source: EIU.

**Population by age, 2022**  
(m)



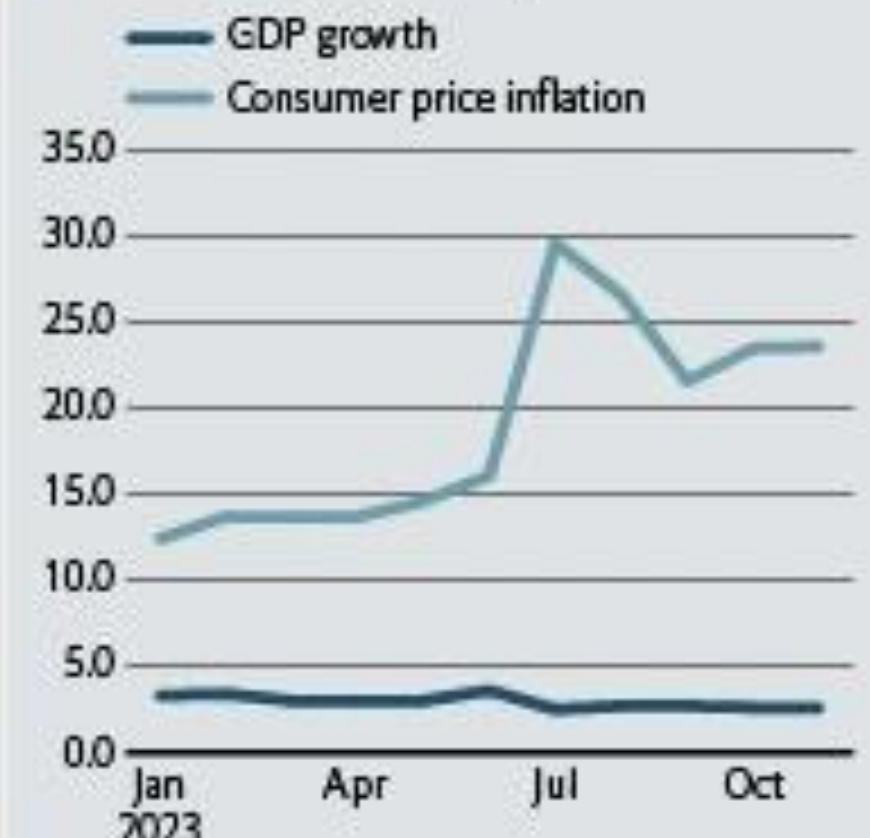
Source: EIU.

**Nominal wages**  
(% change, year on year)



Source: EIU.

**Evolution of forecasts for 2024**  
(% change, year on year)



Source: EIU.



# Nigeria Macro Outlook

## EIU Nigeria Projections

### Forecast summary

(% unless otherwise indicated)

	2023 <sup>a</sup>	2024 <sup>b</sup>	2025 <sup>b</sup>	2026 <sup>b</sup>	2027 <sup>b</sup>	2028 <sup>b</sup>
Real GDP growth	2.2	2.6	4.0	3.4	3.2	3.1
Industrial production growth	4.6	6.0	9.0	6.0	4.2	4.0
Petroleum production ('000 b/d)	1,239.4	1,316.4	1,371.4	1,381.4	1,393.4	1,410.4
Gross agricultural production growth	1.3	1.9	2.6	2.6	2.6	2.6
Consumer price inflation (av)	25.1	23.6	17.1	11.7	12.2	11.8
Consumer price inflation (end-period)	30.5	20.1	14.2	11.9	12.0	11.4
Commercial lending rate	20.0	24.0	15.7	13.0	12.5	12.0
Government balance (% of GDP)	-5.3	-5.0	-4.6	-4.7	-4.7	-4.8
Exports of goods fob (US\$ bn)	62.8	63.8	60.7	57.3	55.0	54.3
Imports of goods fob (US\$ bn)	50.7	46.9	43.7	45.7	48.2	49.1
Current-account balance (US\$ bn)	8.0	9.8	9.3	6.5	2.1	0.2
Current-account balance (% of GDP)	2.1	2.9	3.0	2.0	0.6	0.1
External debt (end-period; US\$ bn)	85.5	87.4	93.1	99.0	102.4	105.7
Exchange rate N:US\$ (av)	633.0	819.1	1,068.3	1,150.2	1,189.3	1,254.0
Exchange rate N:US\$ (end-period)	810.0	822.9	1,142.5	1,156.6	1,198.4	1,262.1
Exchange rate N:¥100 (av)	454.1	657.0	967.4	1082.6	1129.9	1195.7
Exchange rate N:€ (end-period)	874.8	934.0	1,342.5	1,370.5	1,438.1	1,514.5

<sup>a</sup> EIU estimates. <sup>b</sup> EIU forecasts.

## The CFG Advisory Comments

- ▶ The ongoing reforms of the new administration to navigate the path from stagflation to growth, is now in the implementation phase with the passage of a second budget.
- ▶ The success of these policies has been mixed as Nigeria is in an Economic Reform Fatigue Quagmire. Government commitment to checking excessive fiscal spending and deficit financing has waned. Debt service has doubled to ₦16 Trillion in the 2025 budget. From 2024, the backdrop of US\$115 billion of total debt profile with 75% of revenues going towards debt service, which now exceeds both recurrent and capital expenditure, and the Defence, Security, Infrastructure, Health, Education combined budgets.
- ▶ The main thrust of the reforms is a revenue drive, focused on restoring oil production to 2mbpd, reforming the tax regime and increasing internally generated revenue.
- ▶ NFEM is the new FX market driven system now driven by a transparent Bloomberg bid and offer based system.
- ▶ FX liquidity improving as CBN has cleared the backlog. Rates have stabilized after the initial volatility with the introduction of NFEM. Price discovery remains the challenge.
- ▶ GDP growth 2024 of 3.5%, is not sufficient to deliver value for the size of the Nigeria economy, as expectations of GDP growth is between 8.5-10%
- ▶ Real rates and yields are still negative. We expect that rates will be increased via OMO to correct the situation in a move to tame inflation.
- ▶ In 2025 Households, Firms and Investors should be prepared for a continued high-interest rate regime and another 12 months of economic recovery reforms. Hedge to preserve value, by moving excess liquidity and profits into value retaining assets.
- ▶ Benchmark recommendation for FX = ₦1,700- 2000/\$.



# Global Inflation

## DECLINING GLOBAL INFLATION

Headline Inflation - Annual Avg. Change

-- IMF Forecast (Oct 2023)

— IMF Forecast (Apr 2024)

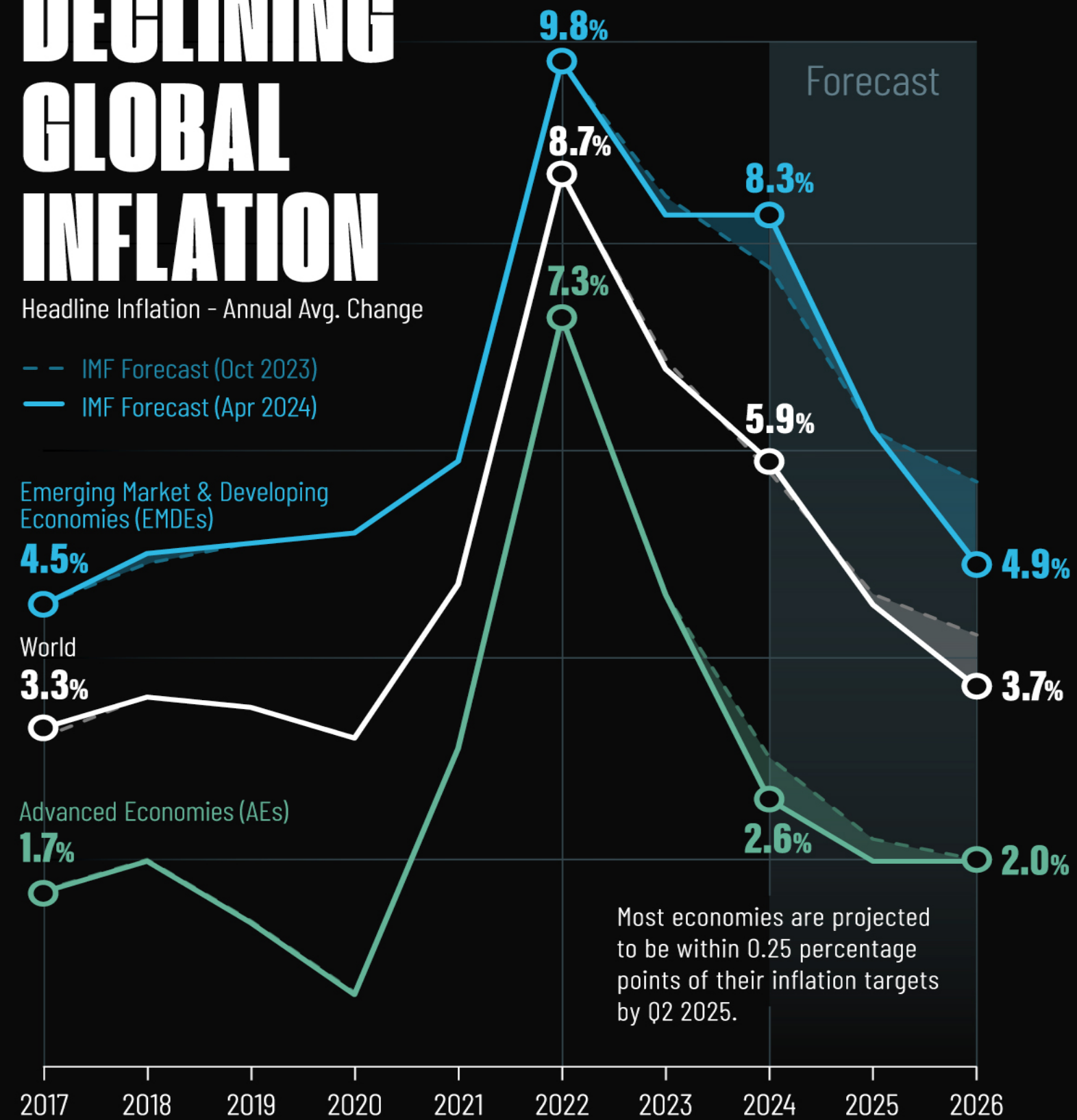
Emerging Market & Developing Economies (EMDEs)

4.5%

World  
3.3%

Advanced Economies (AEs)

1.7%



Source: IMF, World Economic Outlook, April 2024

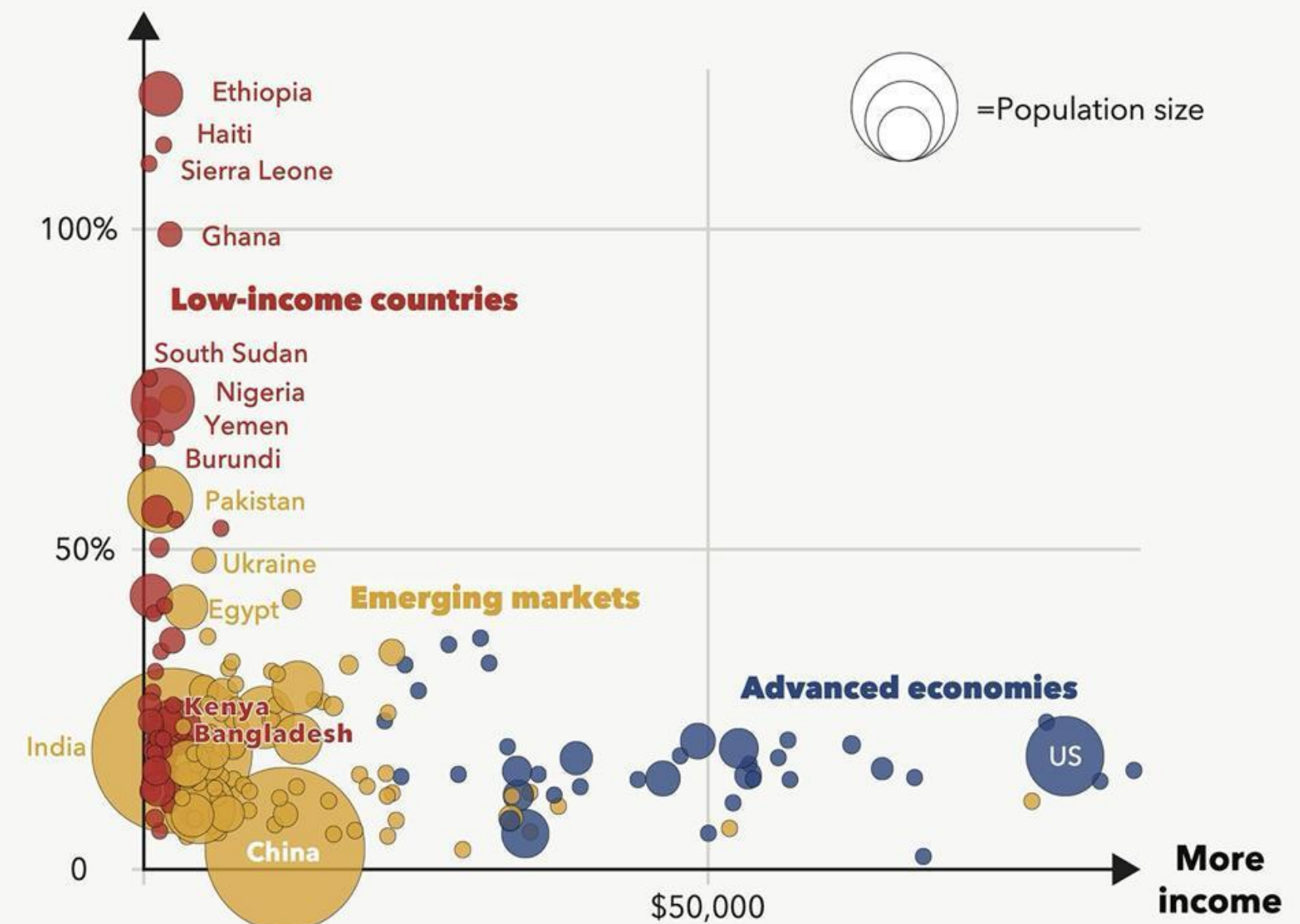


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## INFLATION INFLICTED PAIN, ESPECIALLY ON THE POOR

Larger increase in price level



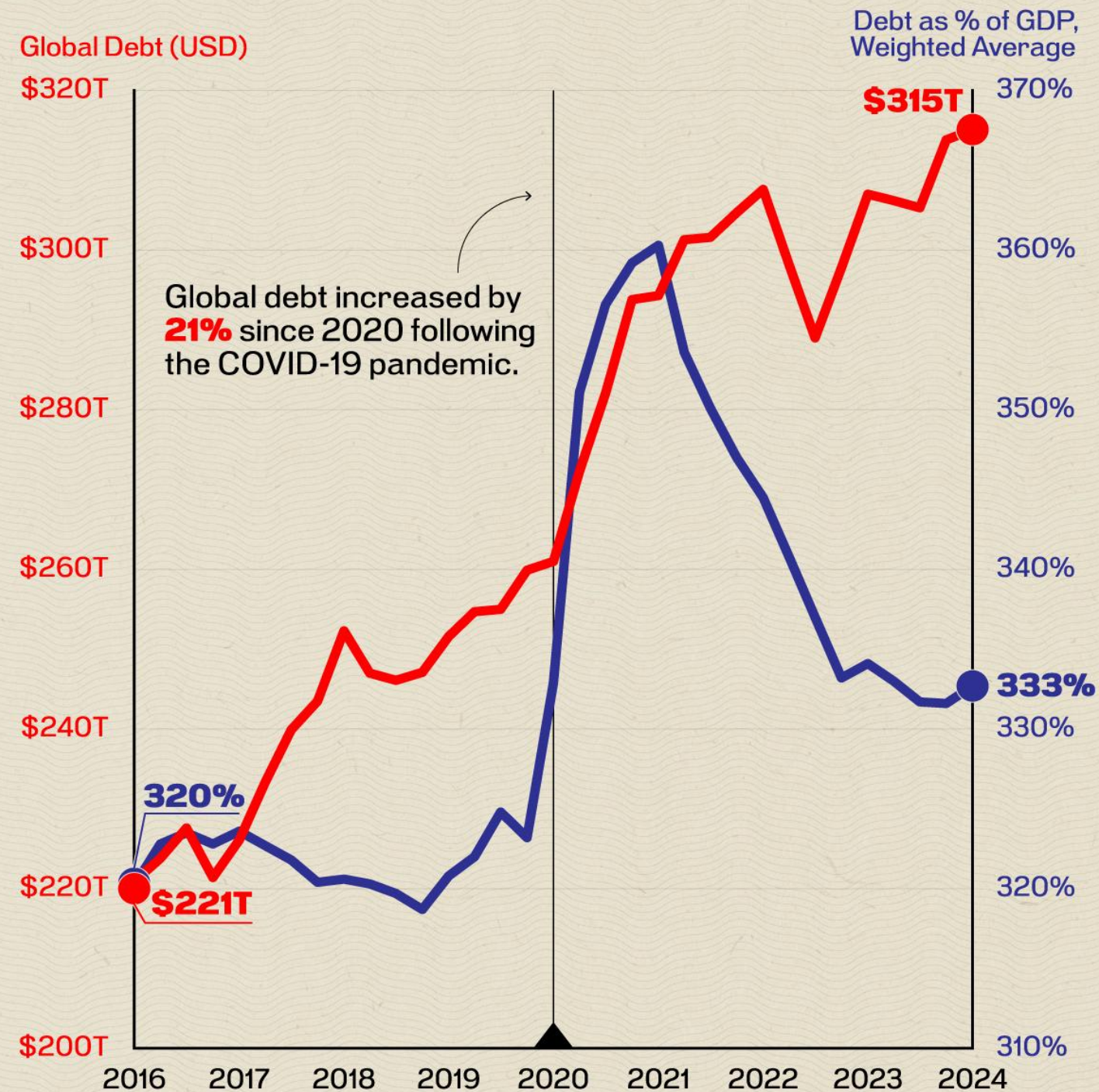
Source: IMF. Cumulative change in CPI, 2020-2023 vs. GDP per capita.

**IMF**



# Global Debt & Money Supply

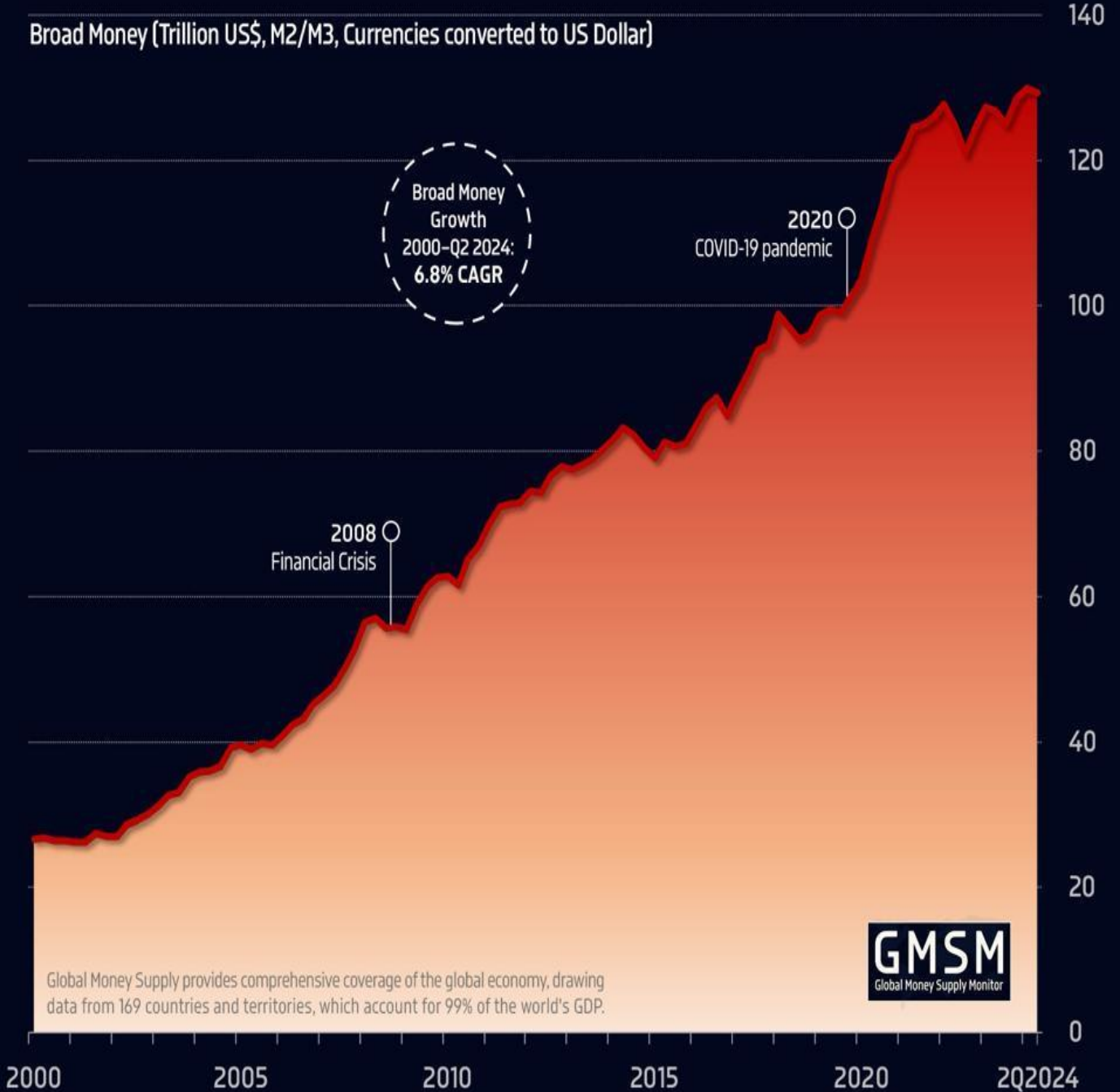
## GLOBAL DEBT REACHES \$315 TRILLION



Source: IIF Global Debt Monitor

COLLABORATORS RESEARCH + WRITING Dorothy Neufeld | ART DIRECTION + DESIGN Sabrina Lam

## GLOBAL BROAD MONEY SUPPLY HITS \$129.3 TRILLION IN Q2 2024



Sources: GSM, Central Banks

Research and visualization: Ehsan Soltani

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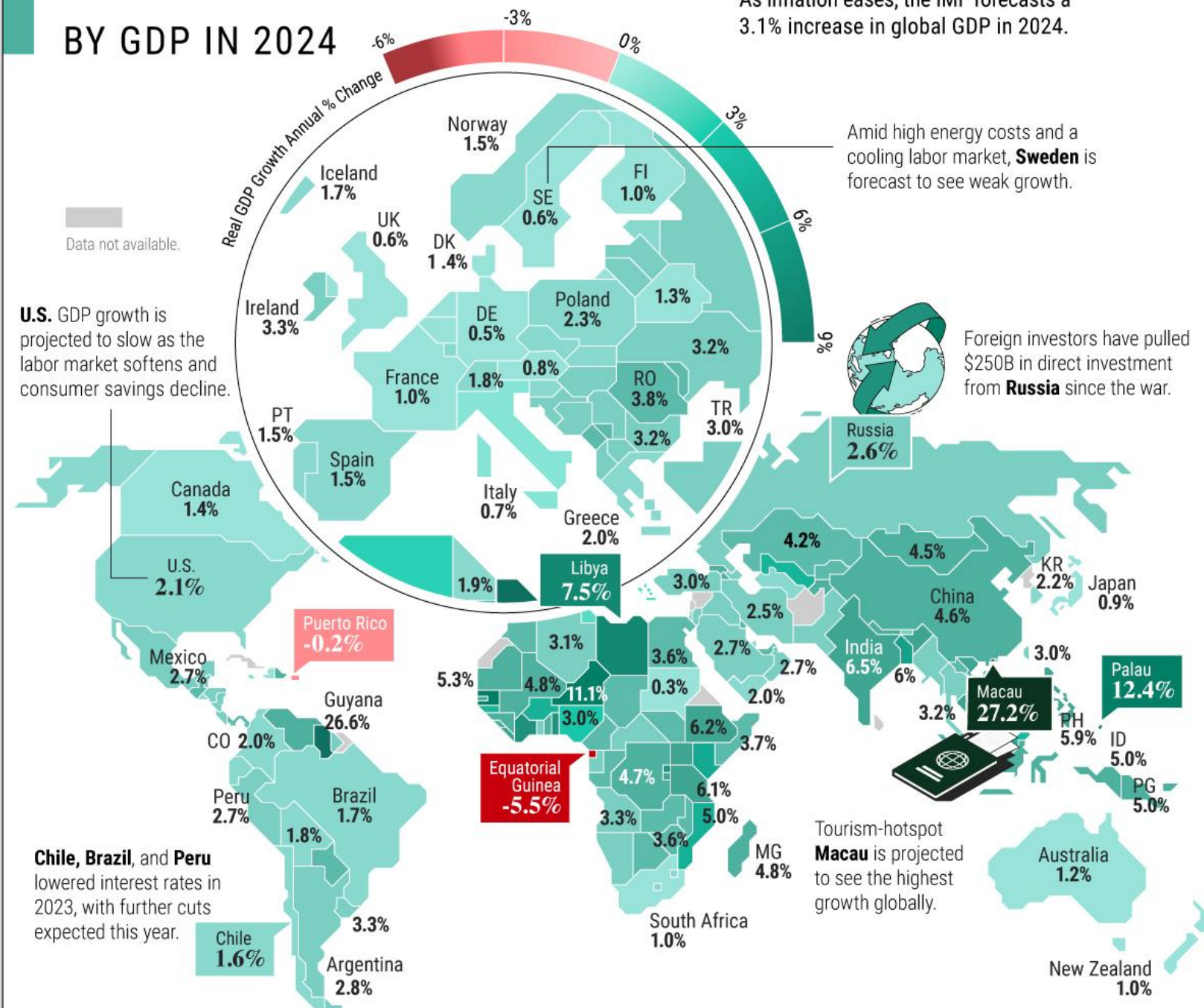
# Global Growth Forecasts

## Global Growth Forecasts

BY GDP IN 2024

Due to the resilience of major economies, achieving a soft landing looks increasingly likely.

As inflation eases, the IMF forecasts a 3.1% increase in global GDP in 2024.



Source: IMF World Economic Outlook (Oct 2023 and Jan 2024 Update), Peterson Institute for International Economics, The Economist

## IMF Forecasts Steady Global Growth in 2025

Real GDP growth projections for selected countries, by year



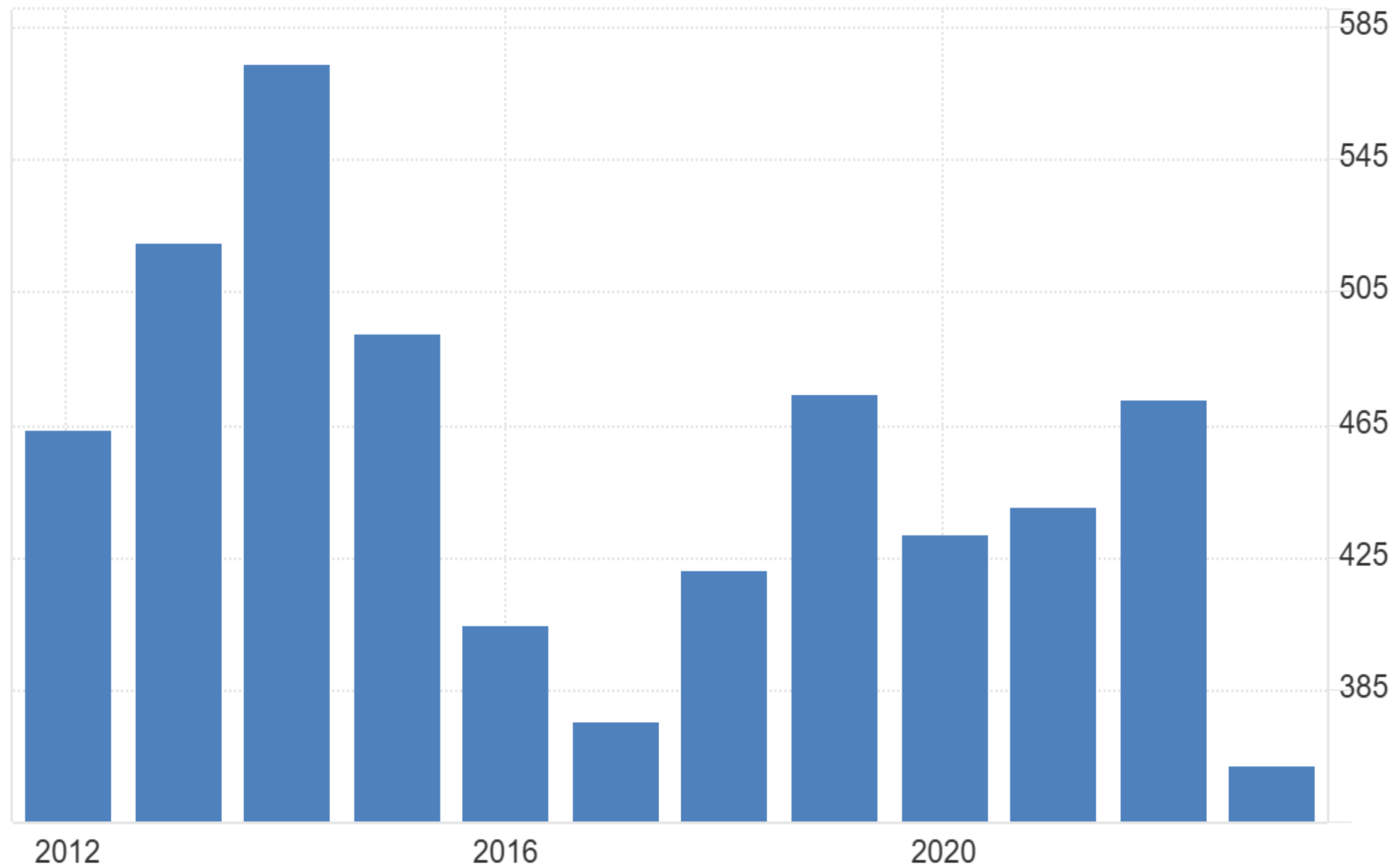
As of Oct. 2024

Source: Fonds monétaire international

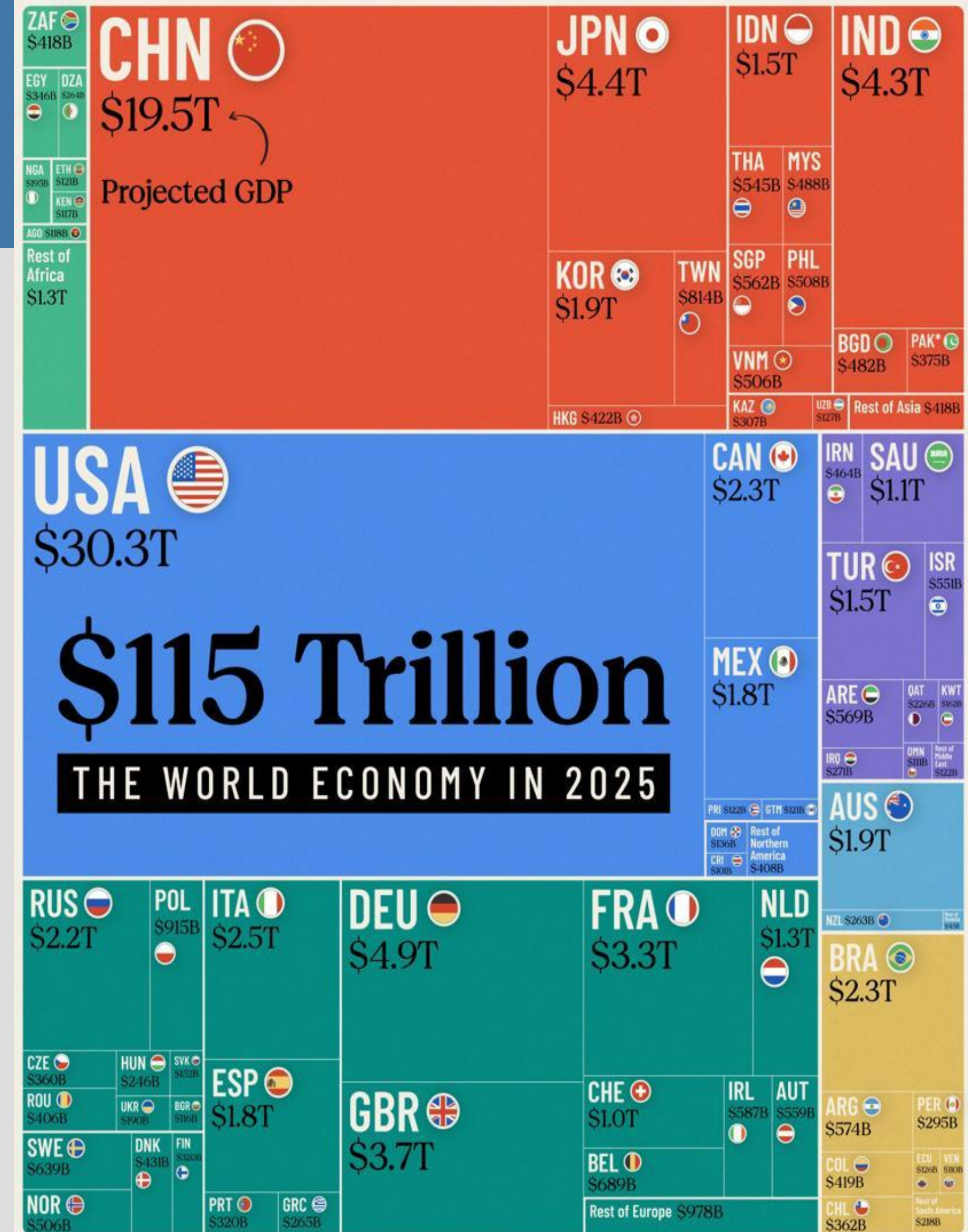


# Nigeria and Global GDP

NG GDP - USD Billion

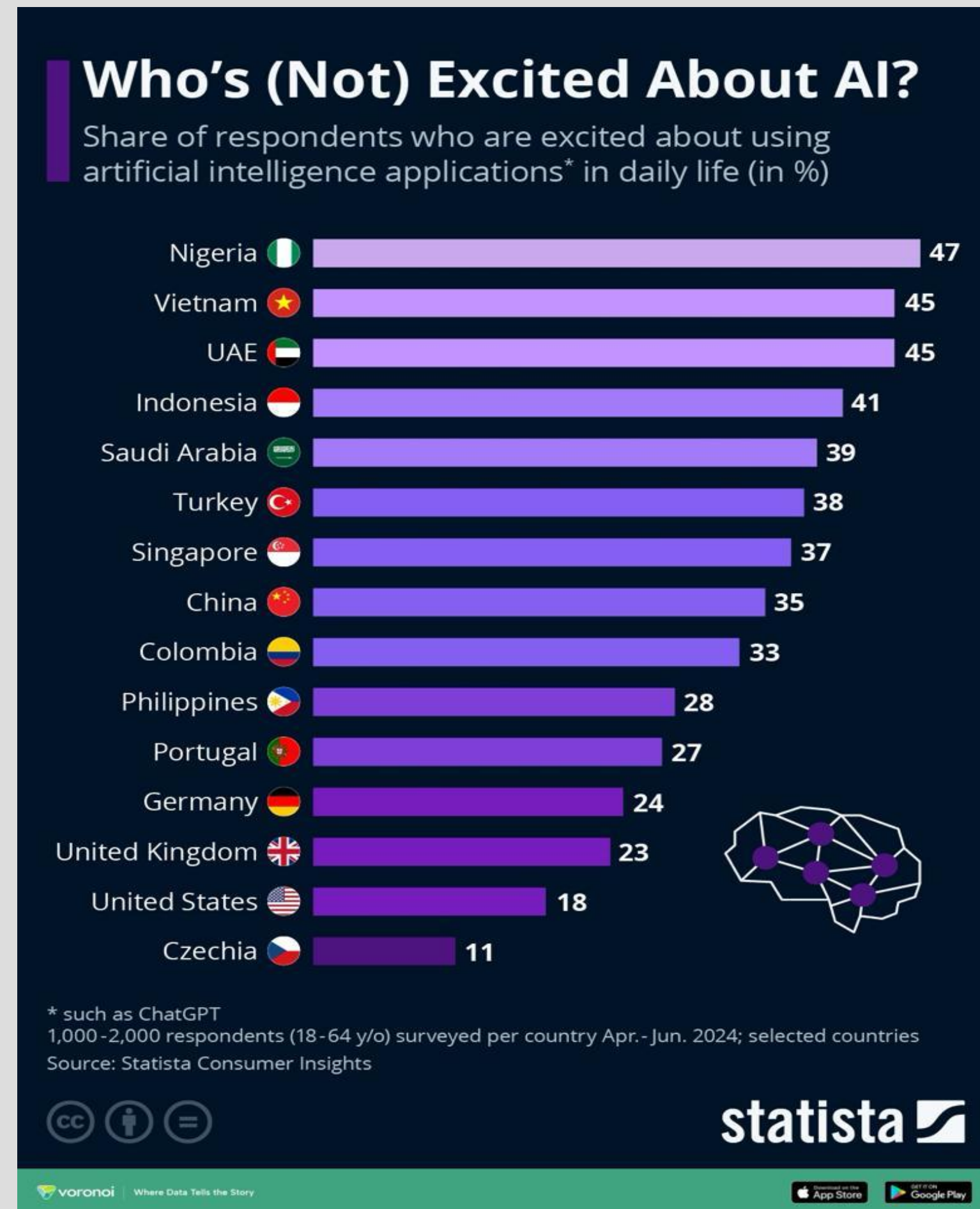


Source: tradingeconomics.com | World Bank





# Artificial Intelligence





# Global Macro Outlook

## EIU International Projections

### International assumptions

	2023	2024	2025	2026	2027	2028
<b>Economic growth (%)</b>						
US GDP	2.0	0.8	1.8	2.0	2.0	2.2
Developed economies GDP	1.4	1.1	1.7	1.8	1.8	1.8
World GDP	2.3	2.2	2.7	2.7	2.7	2.7
World trade	0.7	2.7	3.4	3.6	3.7	3.7
<b>Inflation indicators (% unless otherwise indicated)</b>						
US CPI	4.1	2.5	2.3	2.3	2.4	2.4
Developed economies CPI	4.5	2.4	2.0	2.0	2.0	2.0
Manufactures (measured in US\$)	5.0	3.6	3.7	2.8	2.1	3.2
Oil (Brent; US\$/b)	83.8	84.8	79.8	73.0	67.7	63.9
Non-oil commodities (measured in US\$)	-14.7	-0.6	-0.3	-0.6	0.1	0.2
<b>Financial variables</b>						
US\$ 3-month commercial paper rate (av; %)	5.1	5.2	4.4	3.4	2.6	2.5
N:US\$ (av)	633.0	819.1	1,068.3	1,150.2	1,189.3	1,254.0

## The CFG Advisory Comments

- ▶ Recovery well underway with growth results ahead of projections and the US leading the way with 50% reduction in inflation from 6% to 3% in the past year. Global GDP expected to grow by 2.7% by 2025..
- ▶ Talk of recession abating
- ▶ Central Banks are taking a cautious stance, monitoring the economy, on standby to intervene, as investors adjusting to higher interest rate regime.
- ▶ Rate hikes seem unlikely as rates settle to new levels.
- ▶ The question now is when, not if, Central Banks will start to cut rates.
- ▶ Employment numbers encouraging especially in the United States.
- ▶ China's growth which is a driver of global trade expected to rebound to 4.5%-5%
- ▶ Financial markets, equities and fixed income securities all performing better as the era of negative real rates are over with the emergence a positive yield curve.
- ▶ Oil prices still relatively high and commodities and energy price impact on cost production and cost of living crisis yet to abate.
- ▶ The Russia vs Ukraine war still has its impact on the global economy, especially in Europe.
- ▶ Emerging markets are yet to turn the corner as inflation driven by high food and energy costs is yet to abate. .



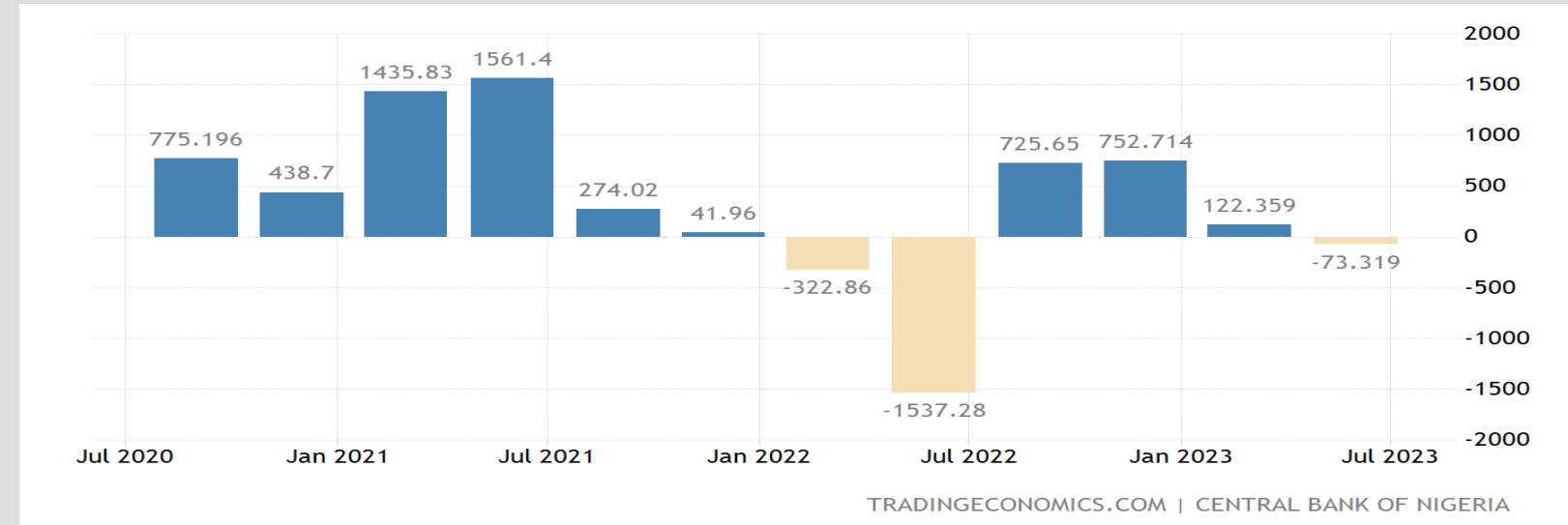
# Nigeria: Investment Climate

Nigeria overdue for a major overhaul of Industry, Trade and Investment Policies

## Top obstacles to doing business

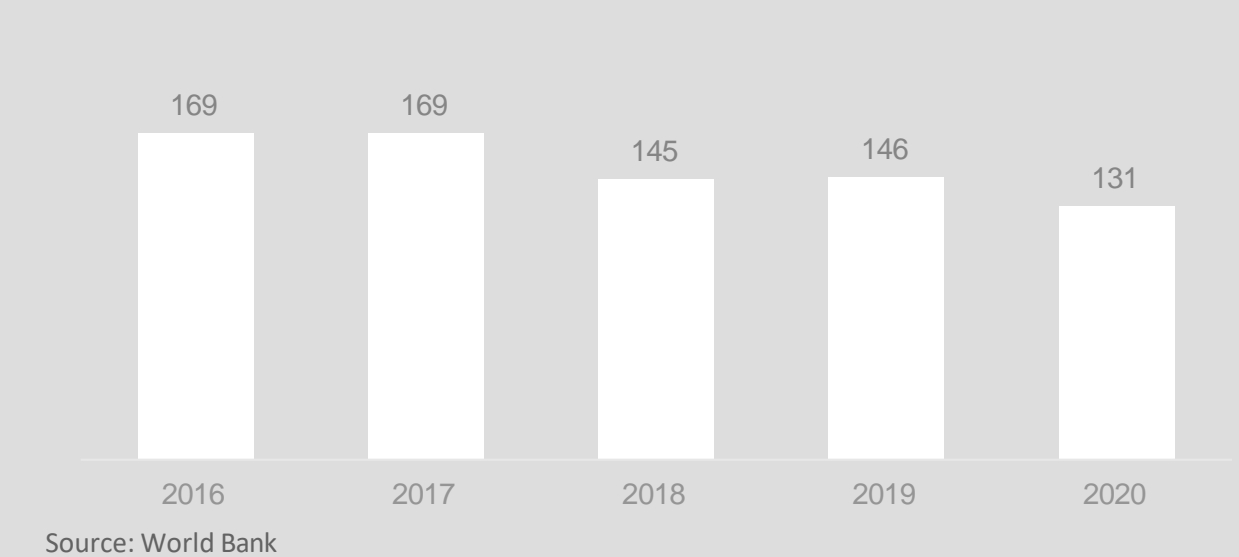
- The World Bank ranks countries based on 11 indicators including: protecting minority investors, enforcing contracts, resolving insolvency, starting a business, getting credit, trading across borders etc.
- From the chart above, doing business has improved marginally from year to year however, the major obstacles to doing business in Nigeria are:
  - Registering a property: This currently takes 92 days compared to average of focus countries 42.6 days.
  - Trading across borders: Time and cost to export averages 128 hours and \$786 compared to average of 121 hours and \$479 of focus countries.
  - Getting electricity: Access to electricity cost 296% of the average income per capita of residents in the country and takes 110 days to access.
  - Industry, Trade and Investment Policies need to be upgraded; to enhance FDI inflows, facilitate local manufacturing and drive growth.
  - Macroeconomic framework needs to be reformed as FX devaluation and inflation eroding returns. Lack of FX liquidity at the CBN also impacting repatriation of funds.

## Foreign Direct Investment (\$'M)

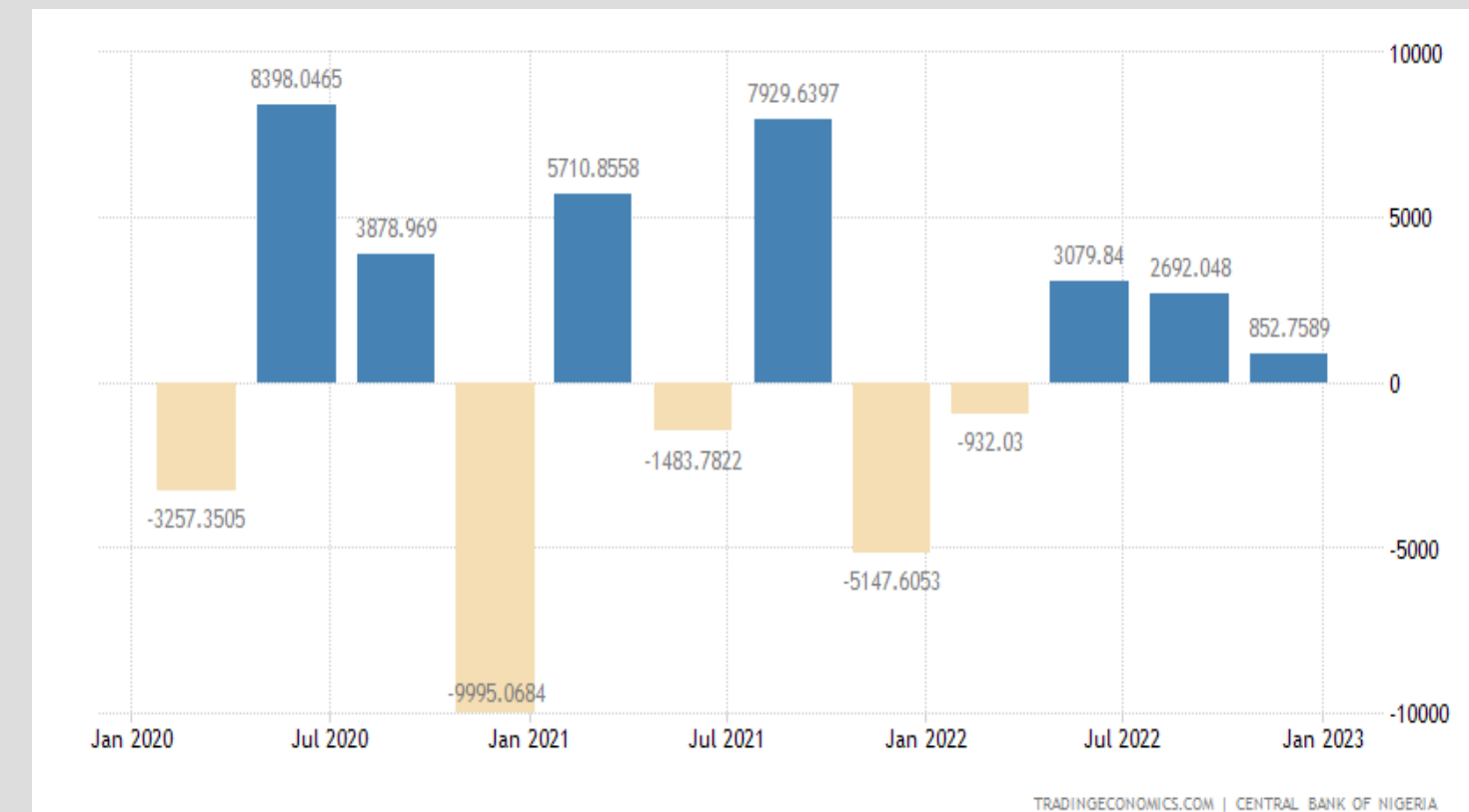


- ▶ The investment climate determines the ease and costs of doing business in any country. It determines the justification for an investor's capital allocation within countries.
- ▶ Nigeria has strong growth potential, provided the government provides the requisite enabling environment and regulatory framework.
- ▶ FDI represented 10.43% of total capital inflows in Nigeria in 2021. In Q4 2021, FDI totaled US\$358.23m compared to US\$250.04mn in Q4 2020 increasing by c.43% year- on-year.
- ▶ Over the years, equity investments have represented over 99% of Nigeria's FDI inflows. The same trend was followed in 2021 with equity investment accounting for 99.1% of total FDI inflows.
- ▶ Increased economic activities due to the ease of COVID-19 measures and steady recovery in businesses and industries contributed to the increase in FDI recorded in 2021. FDI in 2023 at an all time low below US\$1billion.
- ▶ The banking sector received the largest share of investments with \$1,461million inflows, representing c.22% of the total inflows in 2021. Inflows in the production sector of \$934million, accounted for c.14% of the total inflows.
- ▶ Announcement on the non-viability of NLNG Train 8 is of concern. The US\$6.5bn Train 7 is 30% complete and existing trains 1-6 currently operating below 50% capacity due to the non availability of gas.

## Doing Business Ranking



## Capital Flows (\$'M)



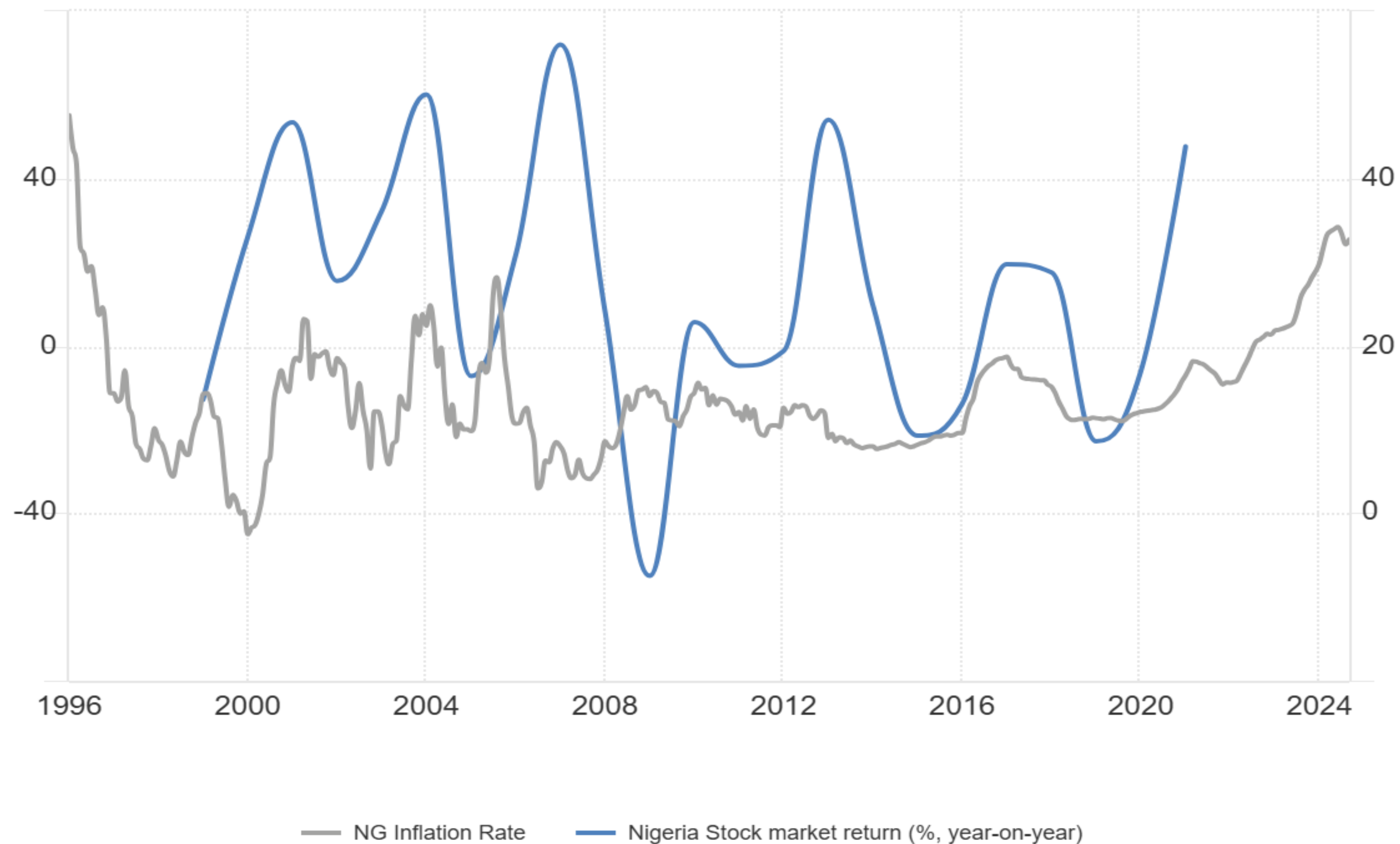
NSE ASI 2024 ₦ Returns 37.65% US\$ Returns (-19.56%)





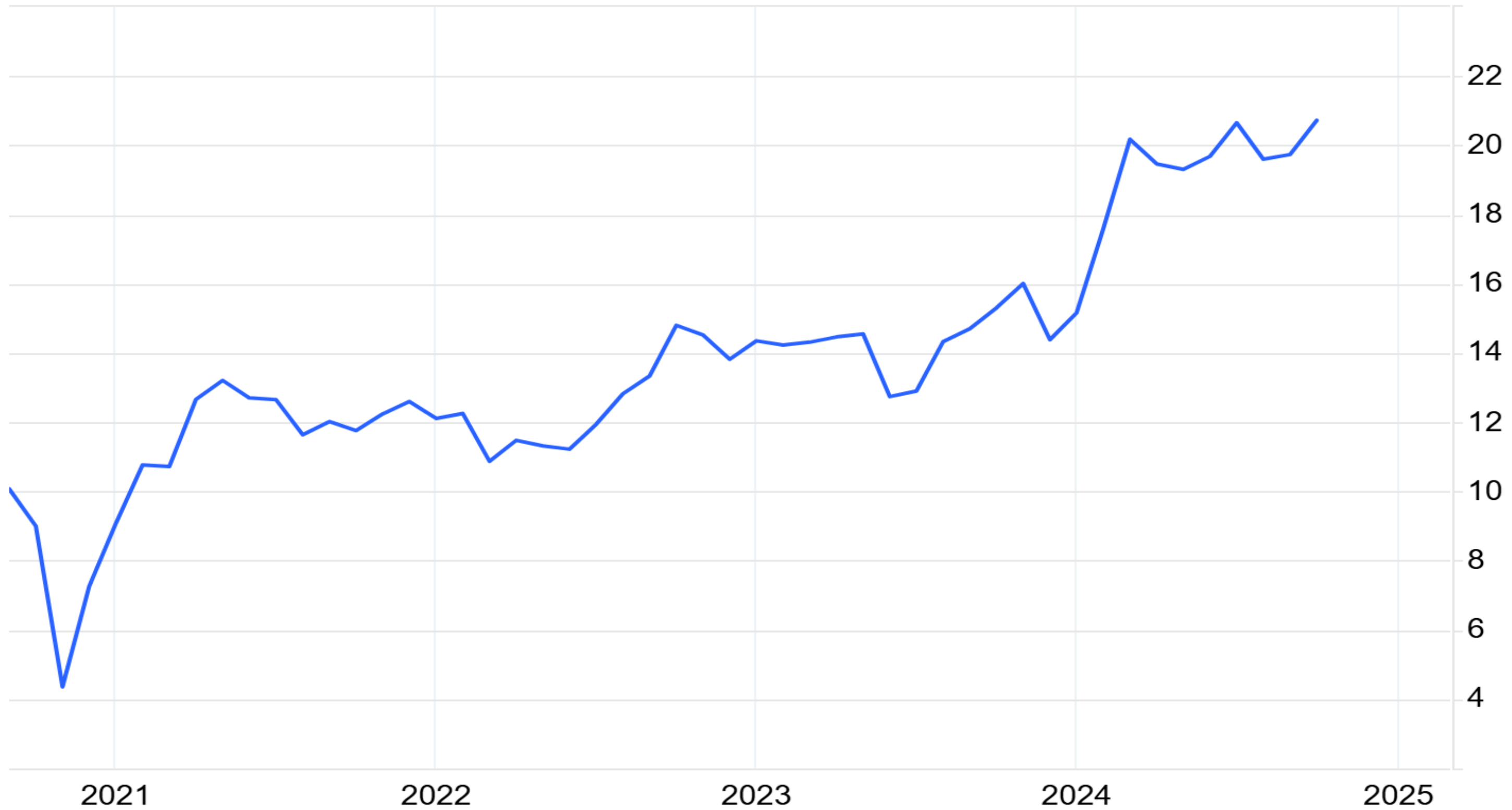
# Nigeria Inflation Rate Vs Stock Market Return

Source: tradingeconomics.com



# FGN 10 Year Bond Yield

Nigeria 10Y Bond Yield



source: tradingeconomics.com



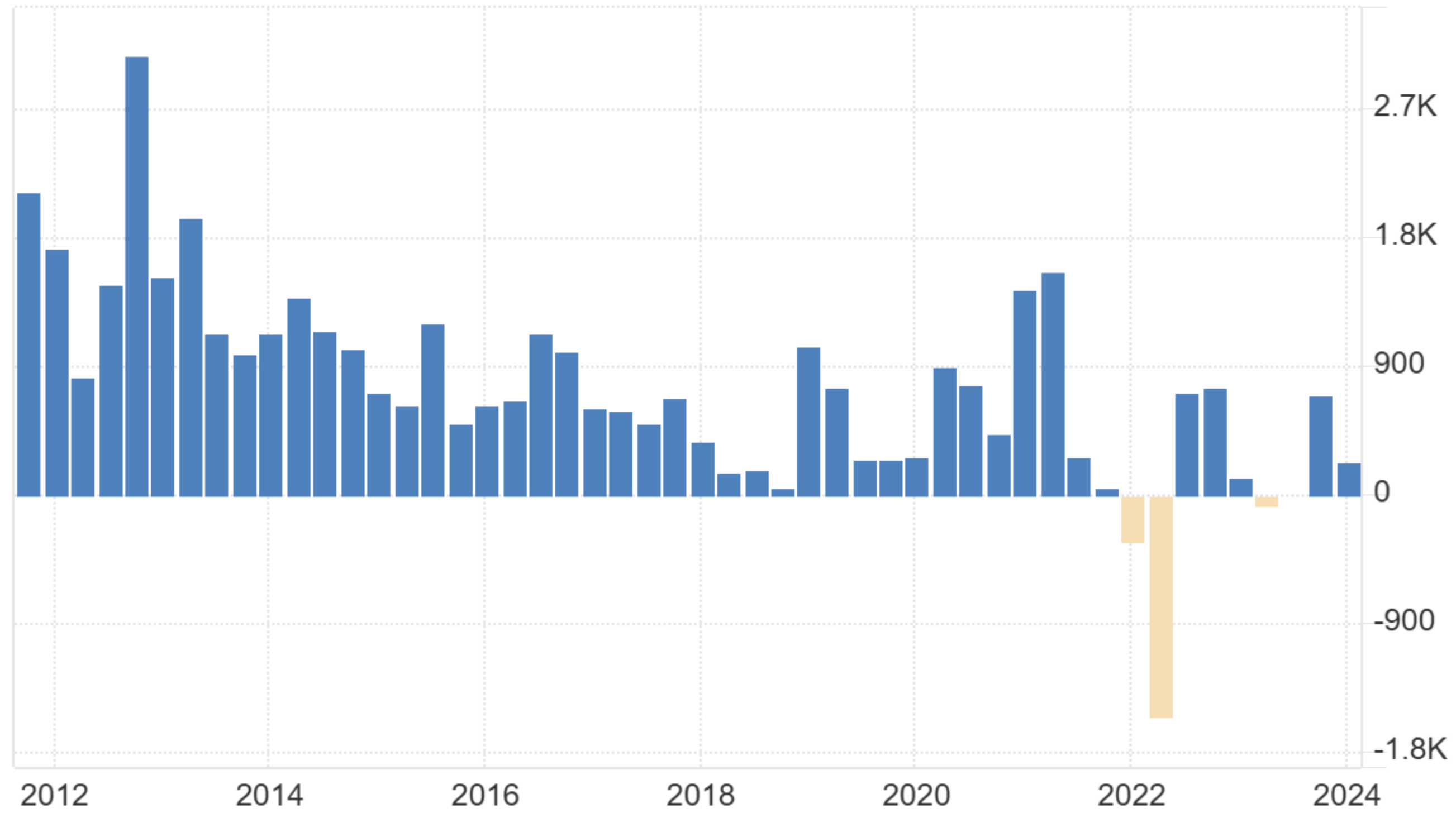
# Inflation Rate Vs FGN 10 Year Bond Yield

Source: tradingeconomics.com



# Foreign Direct Investment

NG Foreign Direct Investment - USD Million

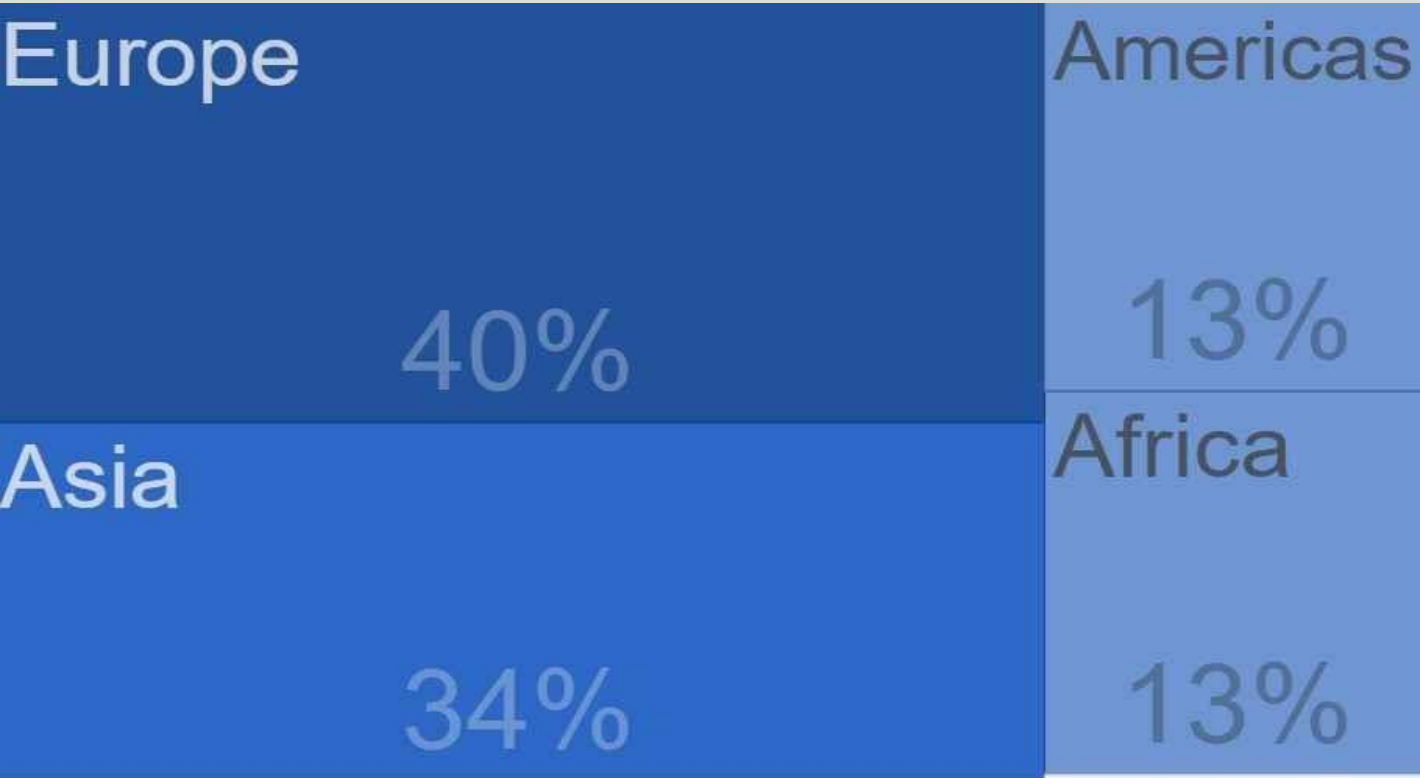




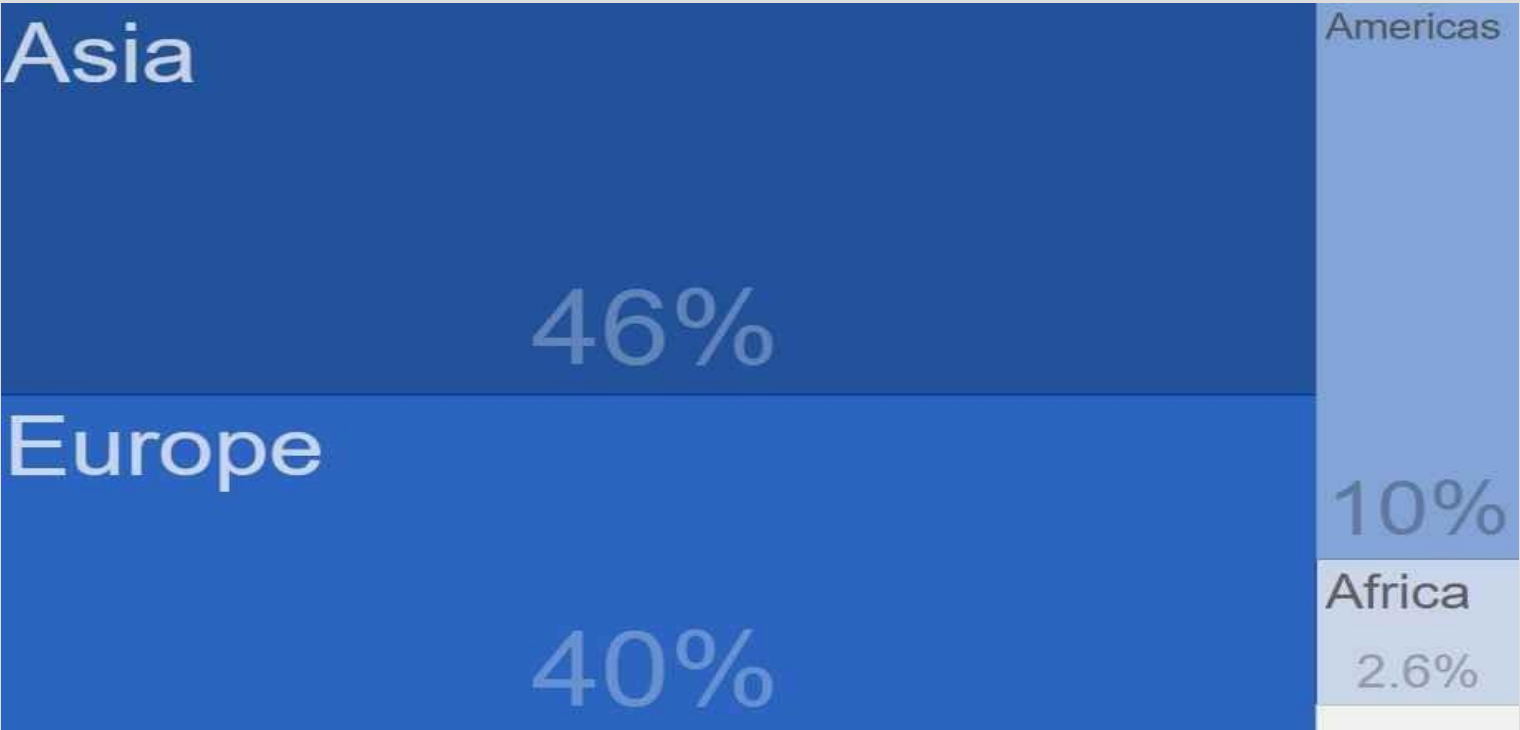
# Nigeria: Import and Export

Nigeria overdue for a major overhaul of Industry ,Trade and Investment Policies

Top Export Destinations



Top Import Countries



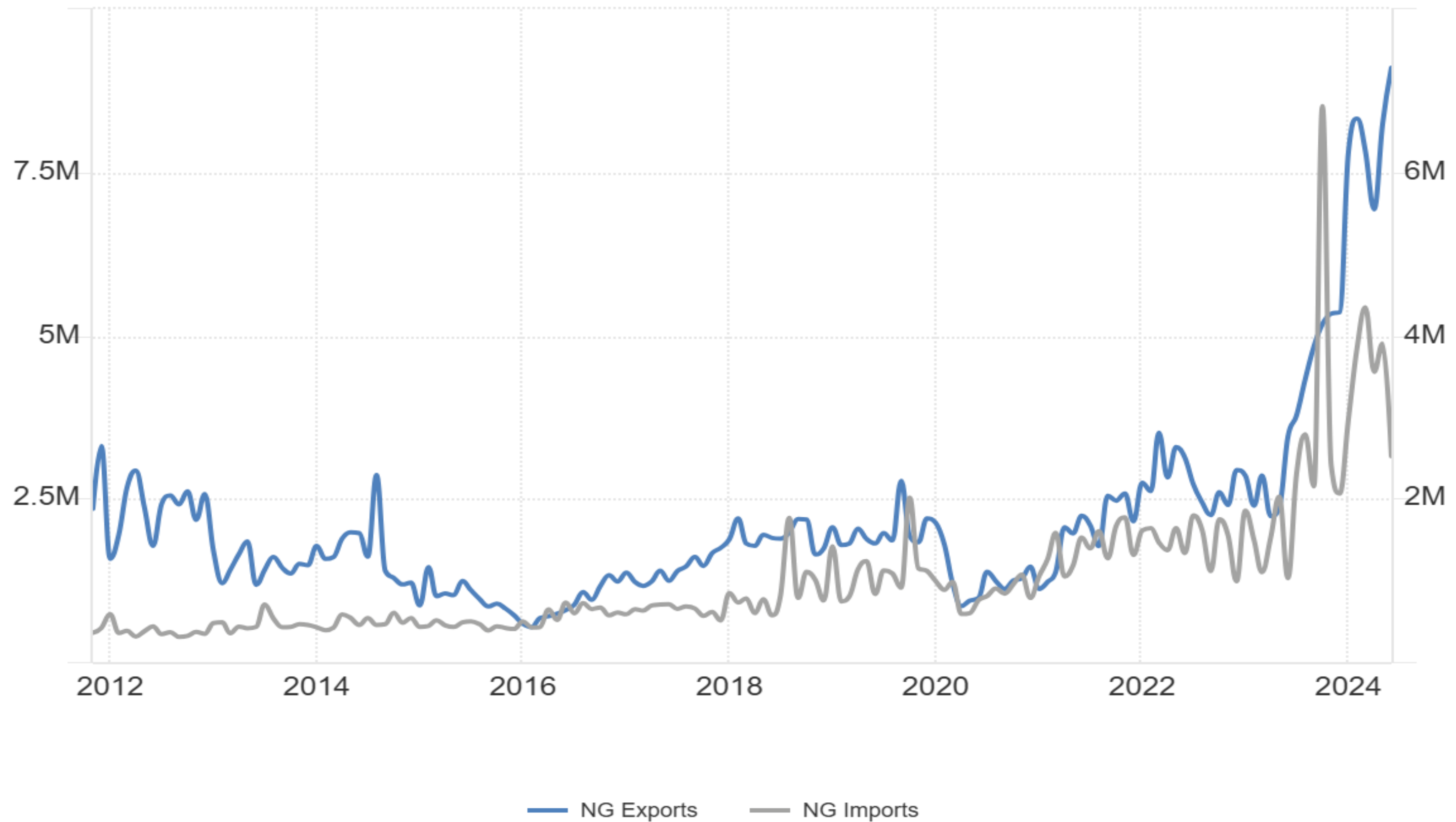
Export & Import Values

EXPORTS	
Europe	\$18.3B USD
Asia	\$15.5B USD
Americas	\$6.16B USD
Africa	\$6.02B USD
<b>TOTAL</b>	<b>\$45.98 USD</b>

IMPORTS	
Europe	\$20.9B USD
Asia	\$24.0B USD
Americas	\$5.25B USD
Africa	\$1.36B USD
<b>TOTAL</b>	<b>\$51.51 USD</b>

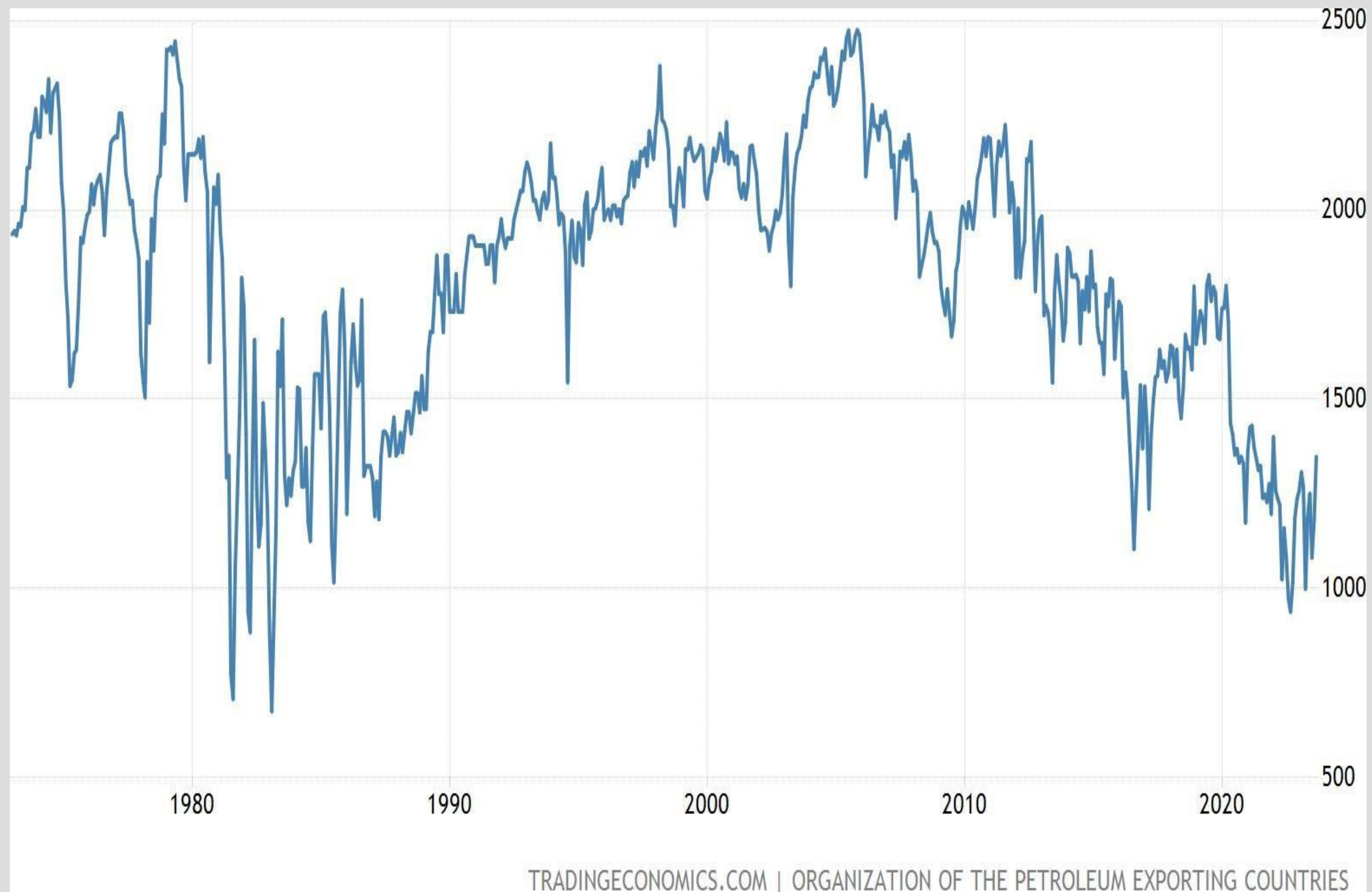
# NG Exports Vs Imports

Source: tradingeconomics.com

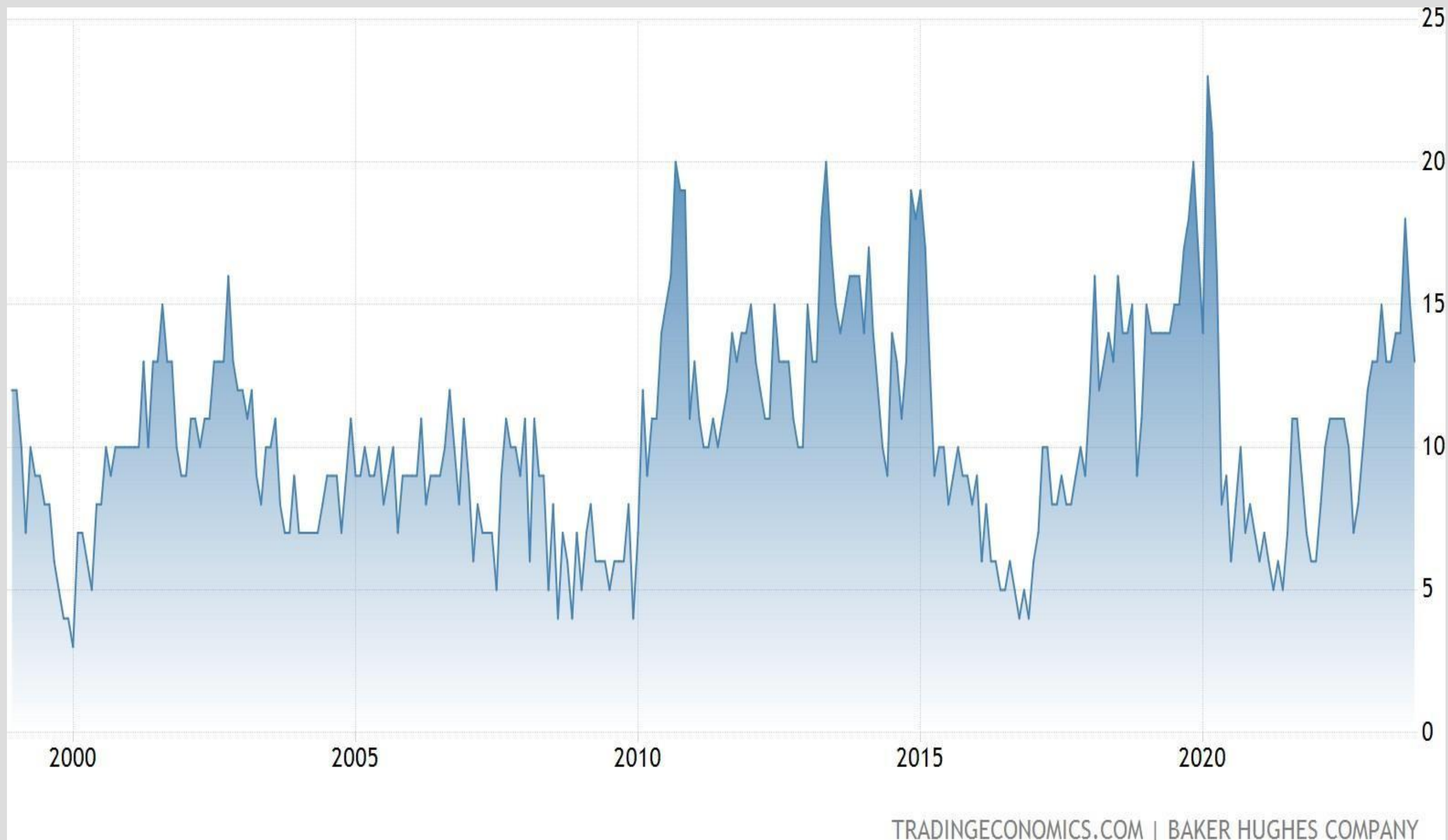




# Nigeria Crude Oil Production (mbp)

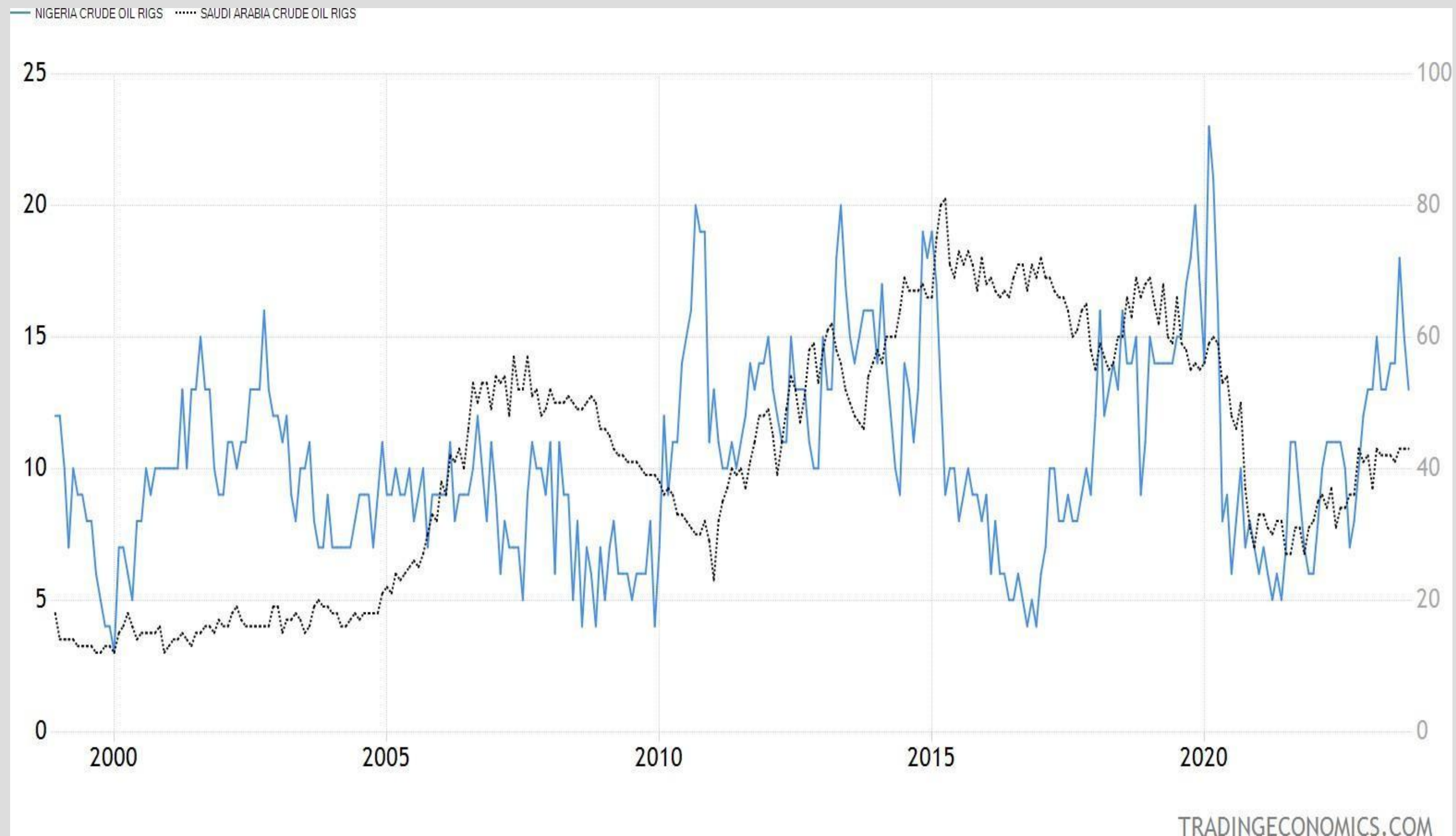


# Nigeria Rig Count



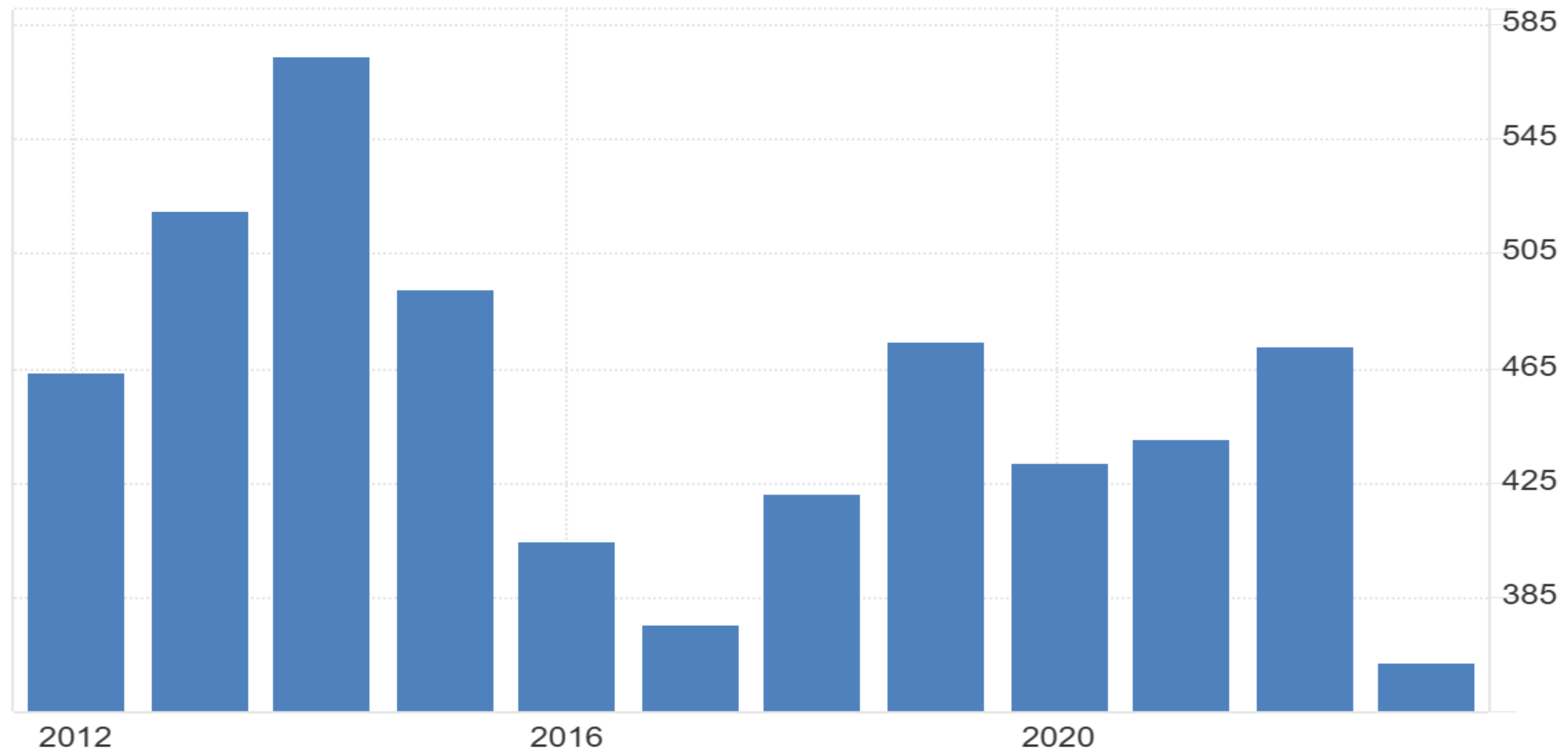


# Nigeria Vs Saudi Arabia Rig Count



# Gross Domestic Product

NG GDP - USD Billion



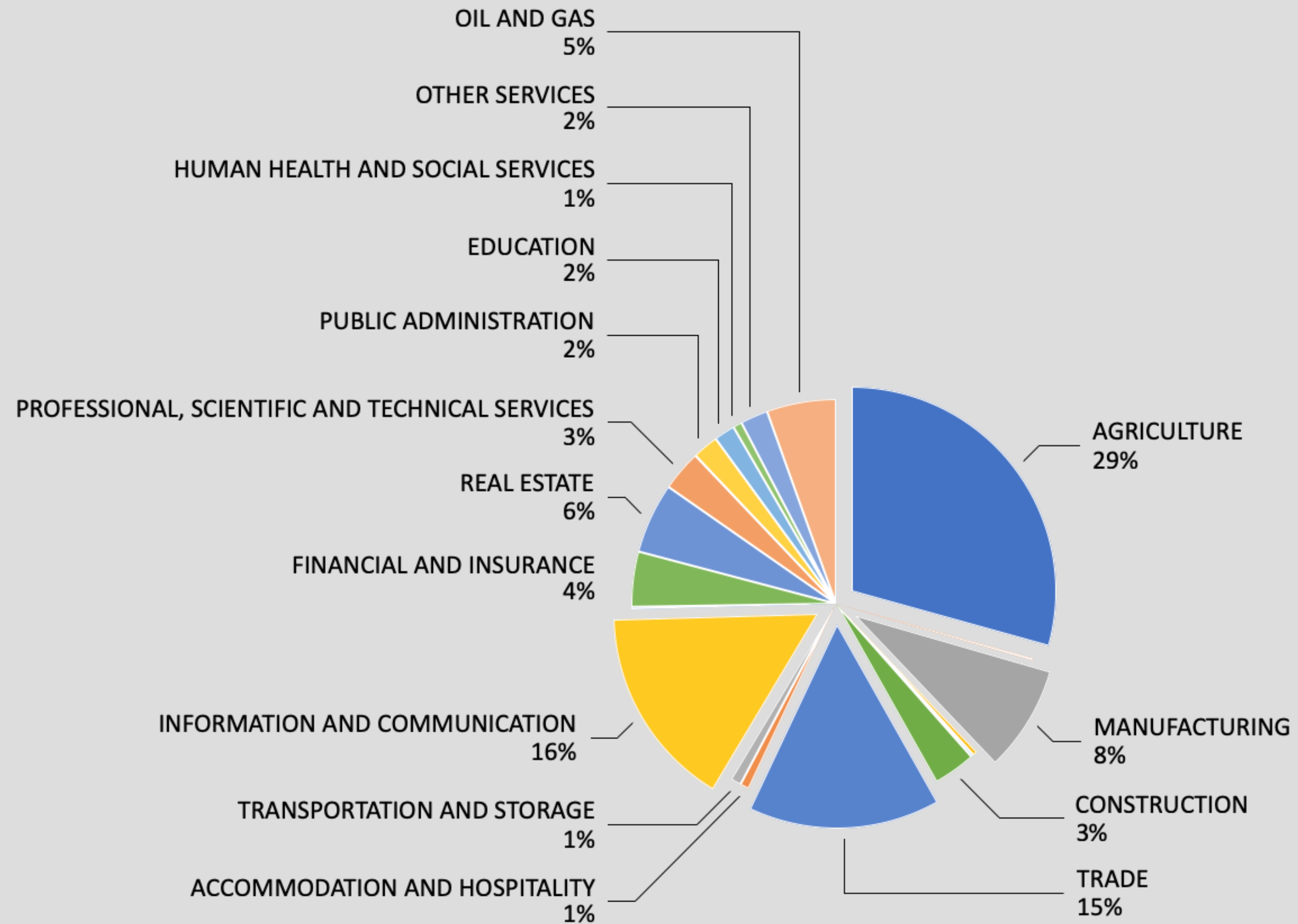
Source: [tradingeconomics.com](https://tradingeconomics.com) | World Bank



# Real GDP Growth 2021-2024

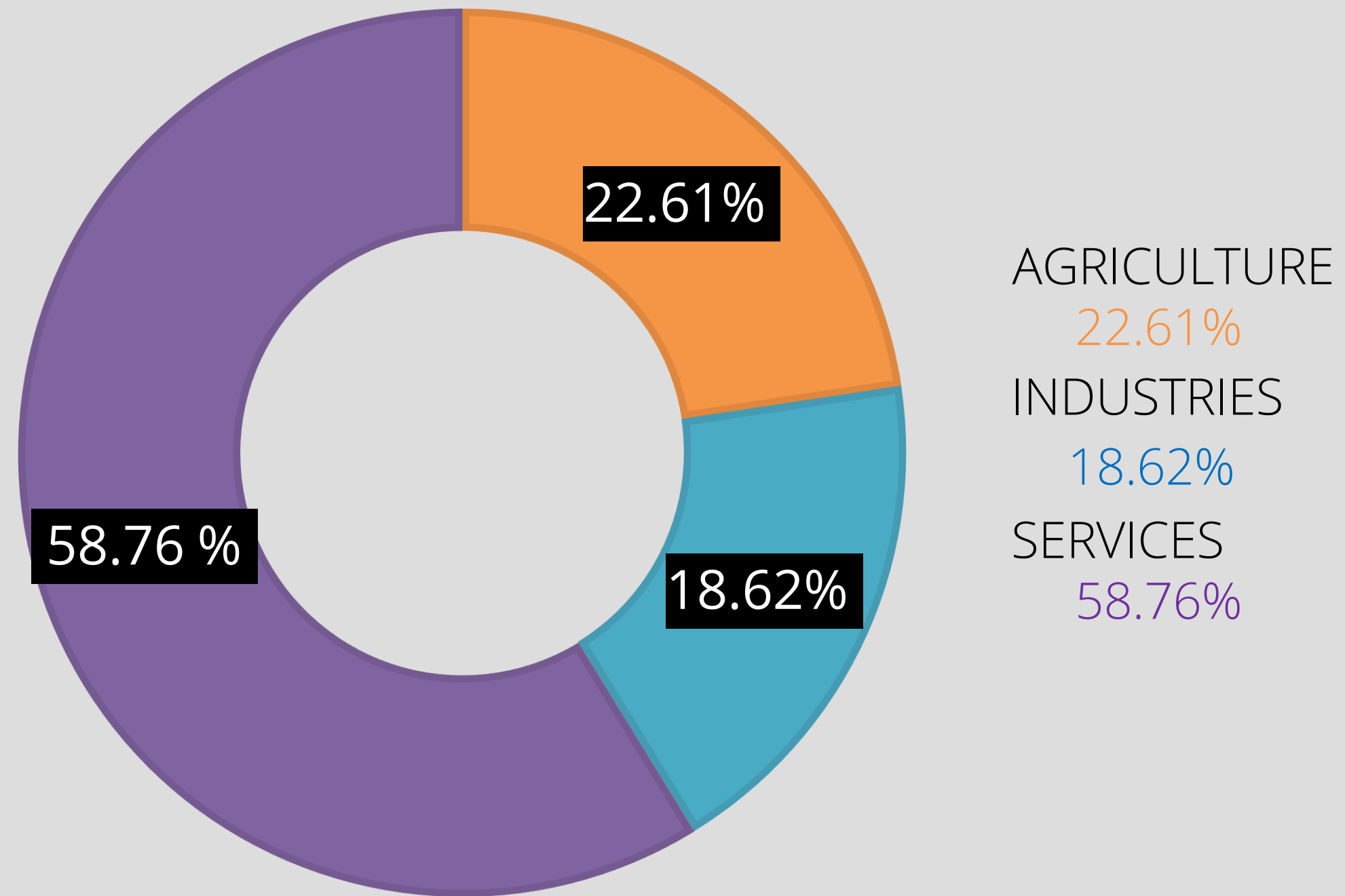
	2021	2022	2023	2024
	Growth	Growth	Growth	Growth
AGRICULTURE	2.13	1.88	1.30	1.41
MINING AND QUARRYING	26.10	16.58	26.16	7.79
MANUFACTURING	3.35	2.45	1.45	1.28
ELECTRICITY	27.57	(2.21)	1.91	5.96
WATER AND WASTE MANAGEMENT	18.34	13.62	11.93	8.2
CONSTRUCTION	3.09	4.54	3.89	1.05
TRADE	8.62	5.13	1.53	0.7
ACCOMMODATION AND HOSPITALITY	(0.45)	4.22	3.57	2.13
TRANSPORTATION AND STORAGE	16.25	15.20	(35.85)	-13.5
INFORMATION AND COMMUNICATION	6.55	9.76	6.99	4.44
ARTS, ENTERTAINMENT AND RECREATION	1.72	4.29	4.45	1.79
FINANCIAL AND INSURANCE	10.07	16.36	28.21	28.8
REAL ESTATE	2.26	3.95	1.90	0.75
PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES	0.05	2.28	2.15	1.34
ADMINISTRATIVE & SUPPORT SERVICES	2.57	3.16	2.77	1.32
PUBLIC ADMINISTRATION	(0.30)	1.90	2.05	1.85
EDUCATION	(0.75)	1.35	1.45	1.92
HUMAN HEALTH AND SOCIAL SERVICES	4.93	4.20	2.93	2.41
OTHER SERVICES	(0.16)	1.07	0.63	-12.7
OIL AND GAS	(8.30)	(19.22)	(6.16)	10.2

# GDP Sector Contribution Year 2023 US\$362 Billion

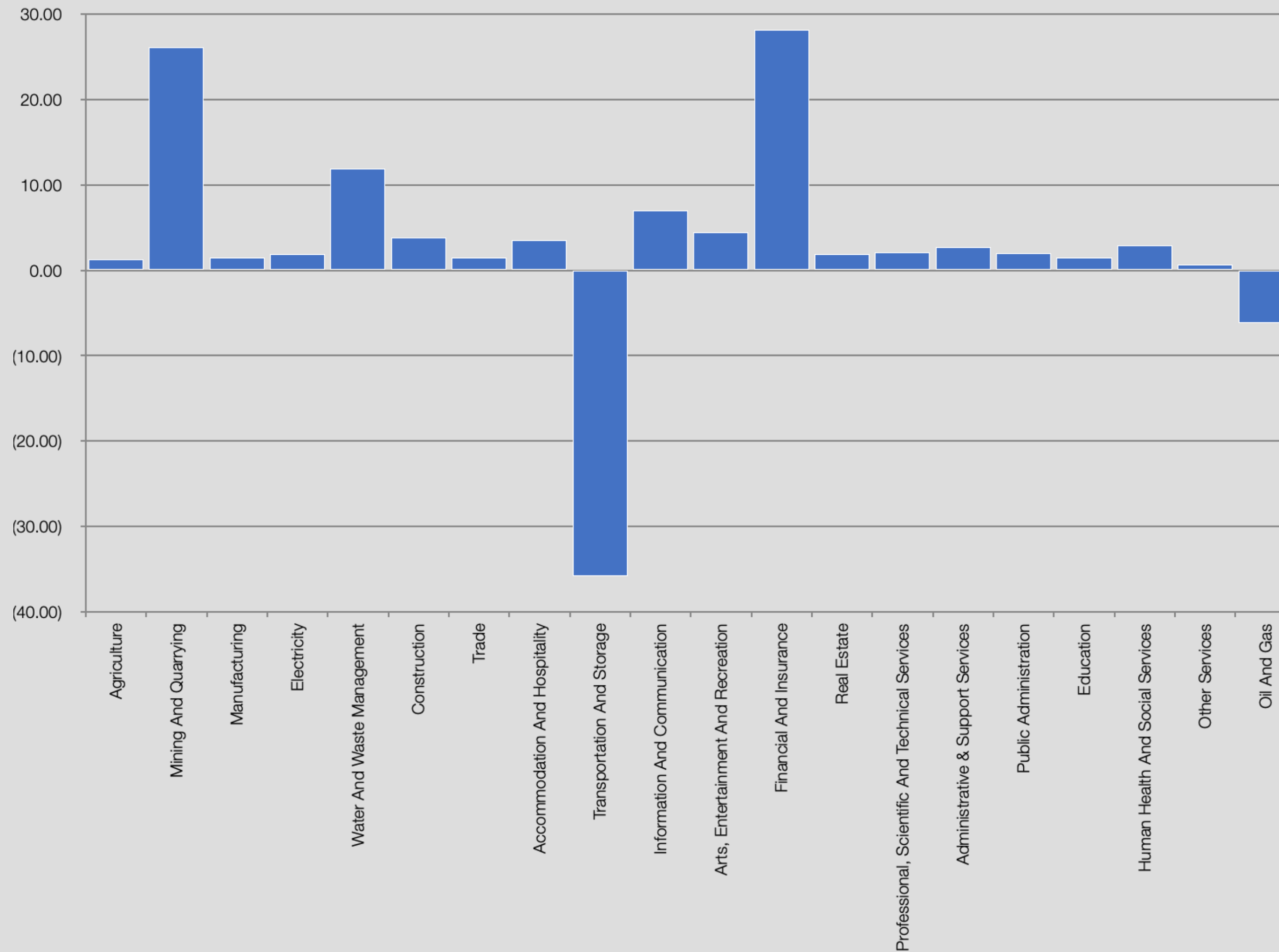




# GDP Sector Contribution H1 2024 US\$200 Billion

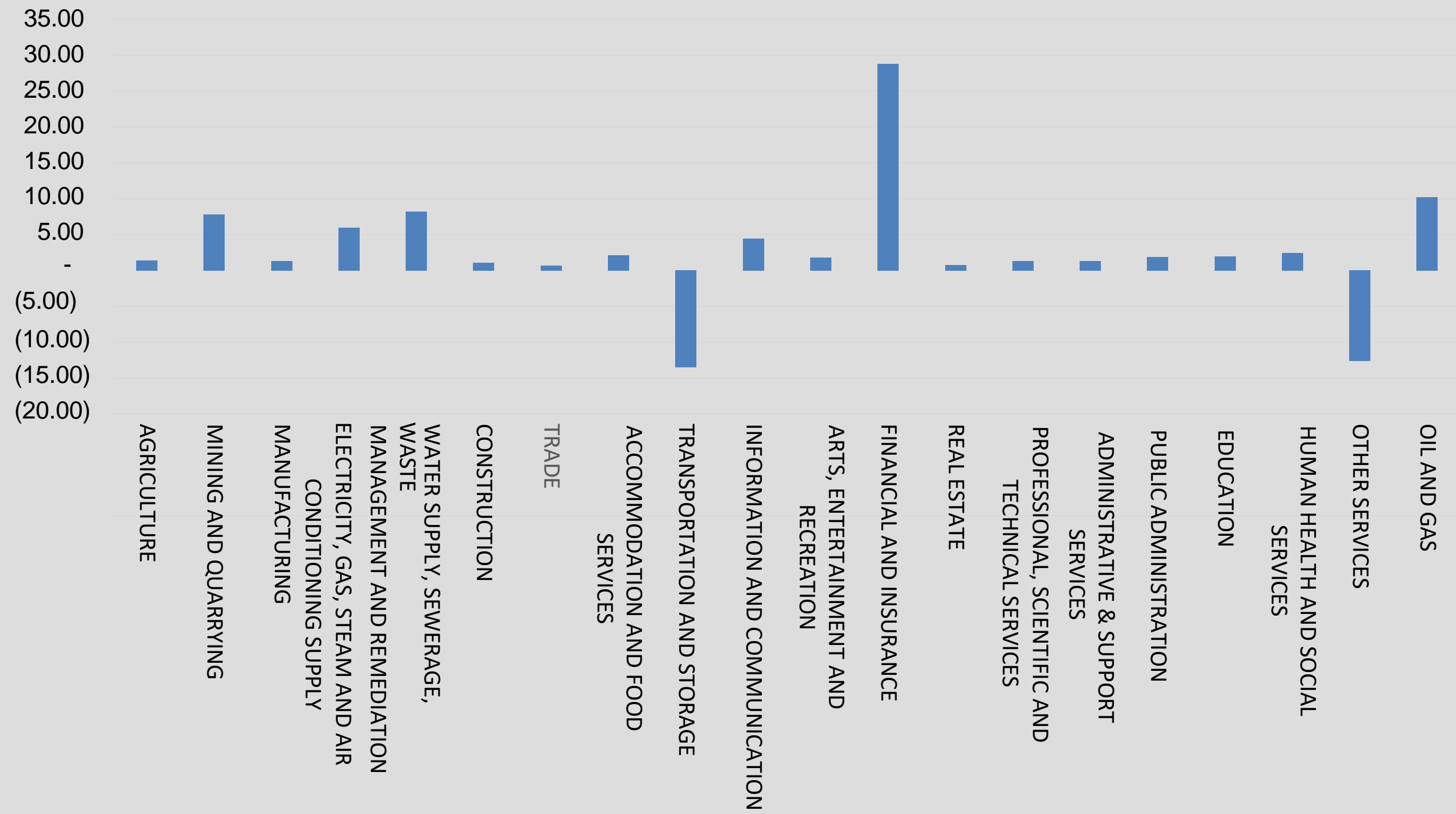


# GDP Sector Growth - Year 2023





# GDP Sector Growth – 2024

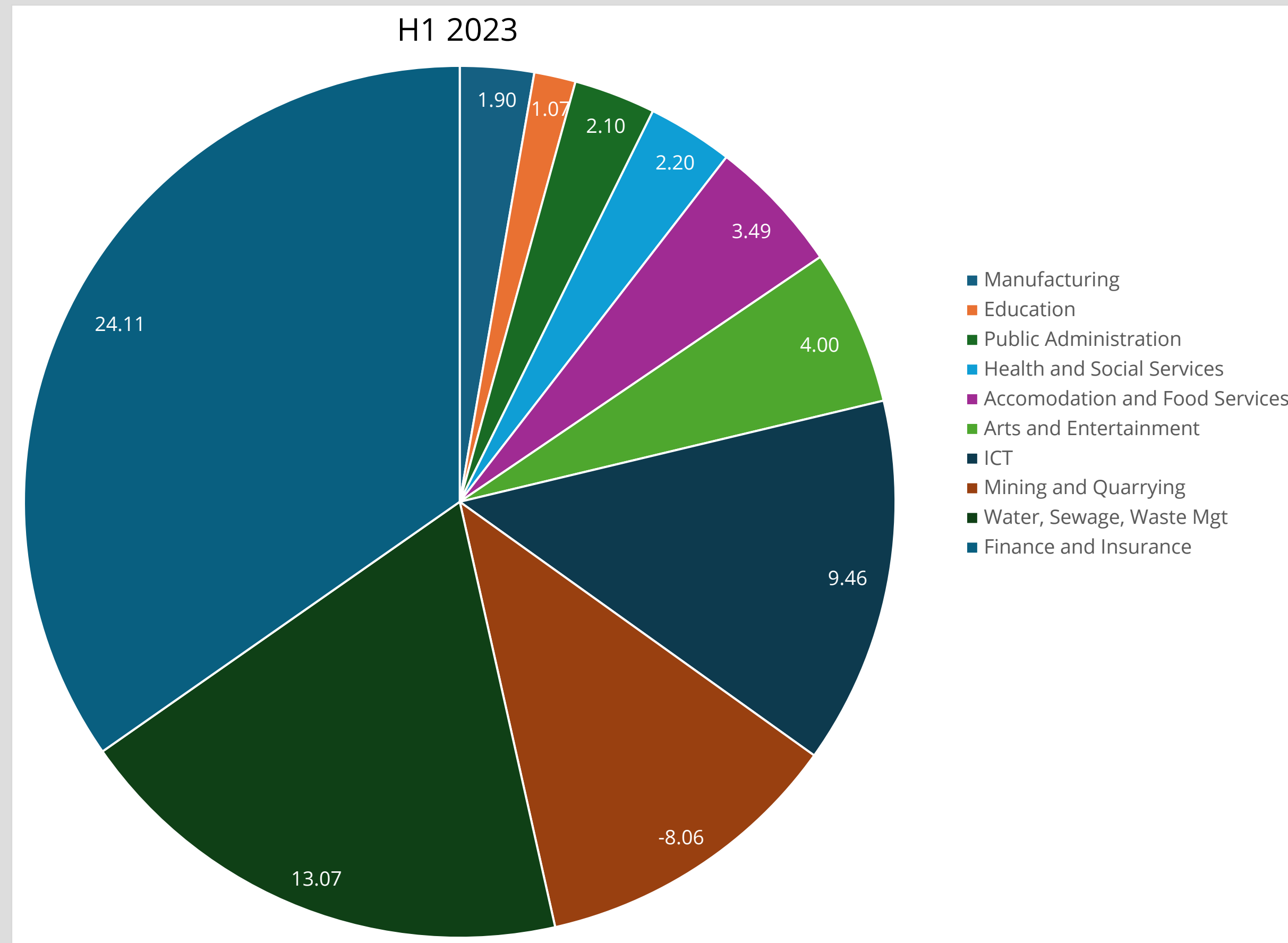


# Top Growth Sectors In Nigeria

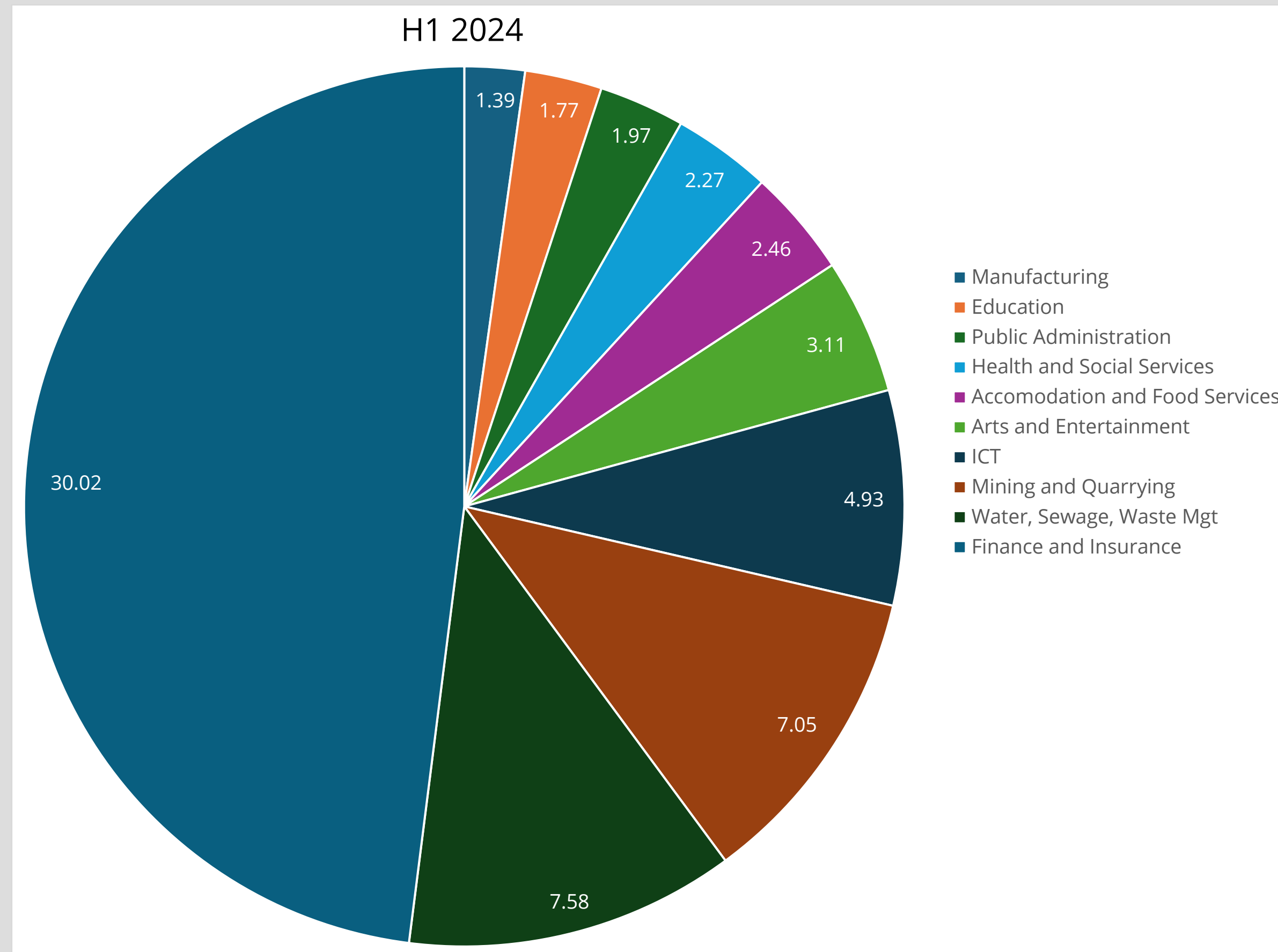
	H1 2023	H1 2024
Other Services	- 9.18	- 15.46
Transport	- 20.64	- 5.10
Construction	3.35	- 0.55
Administrative Support	- 1.33	- 0.10
Electricity, Gas, and Power	7.81	0.26
Agric.	0.30	0.80
Real Estate	1.79	0.80
Trade	1.86	0.96
Professional Services	2.99	1.17
Manufacturing	1.90	1.39
Education	1.07	1.77
Public Administration	2.10	1.97
Health and Social Services	2.20	2.27
Accommodation and Food Services	3.49	2.46
Arts and Entertainment	4.00	3.11
ICT	9.46	4.93
Mining and Quarrying	- 8.06	7.05
Water, Sewage, Waste Mgt	13.07	7.58
Finance and Insurance	24.11	30.02



# Top Growth Sectors In Nigeria - 2023



# Top Growth Sectors In Nigeria - 2024





# Informal Sector Contributes 50% of GDP

## Key insights on Nigeria's informal economy.



The average monthly income of an informal business is less than **₦250,000**.

Informal business owners are likely to be between **25-34 years**.



**Unemployment** is the most common reason for starting an informal business.

**89%** of informal businesses pay some form of taxes.



**Retail & General** trade has the highest number of informal business owners.

The lifespan of most informal businesses is **under 5 years**.



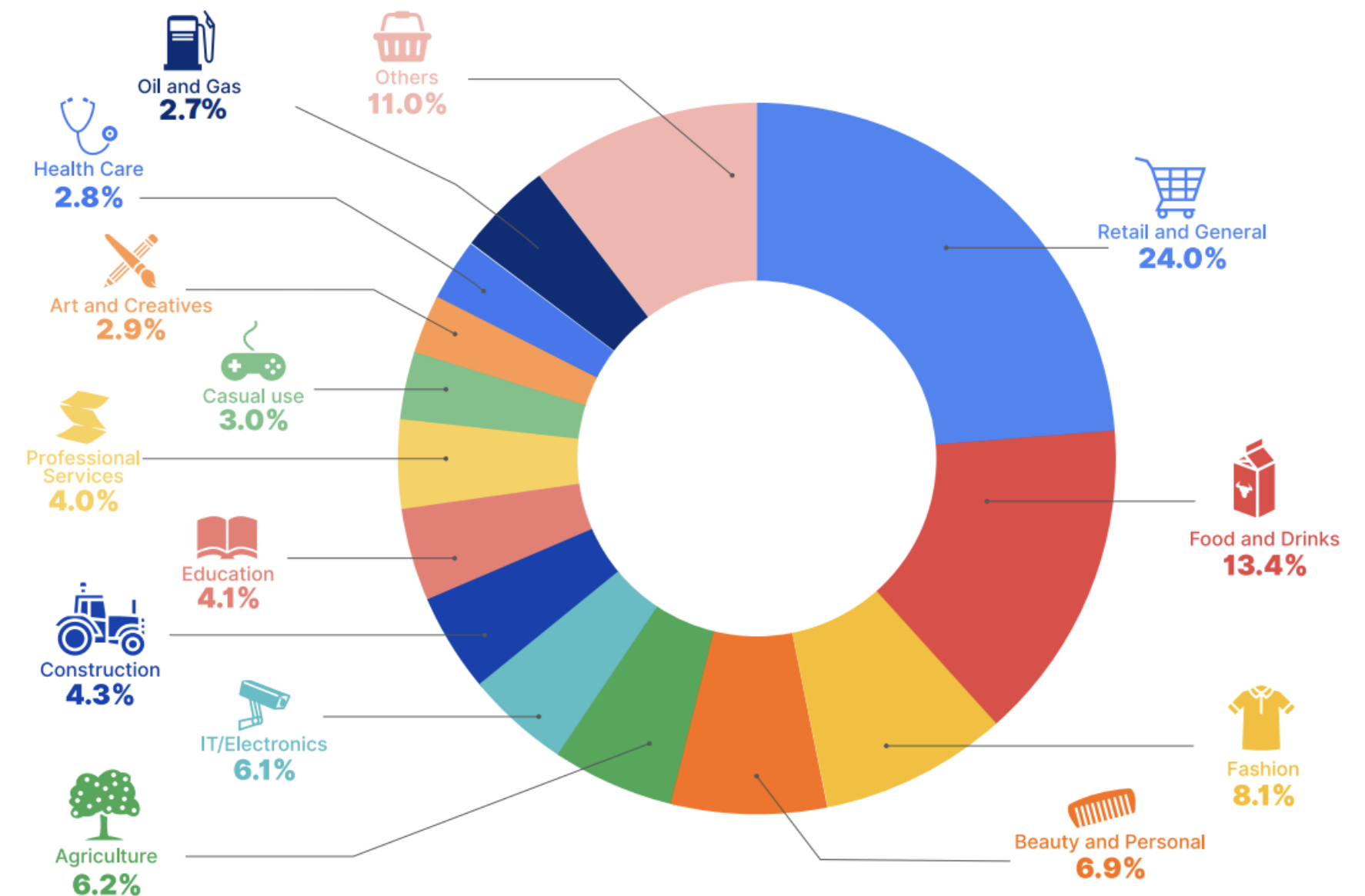
**70%** of informal business owners **borrow money** for their business.

**52%** of informal business owners prefer to be paid **via cash**.



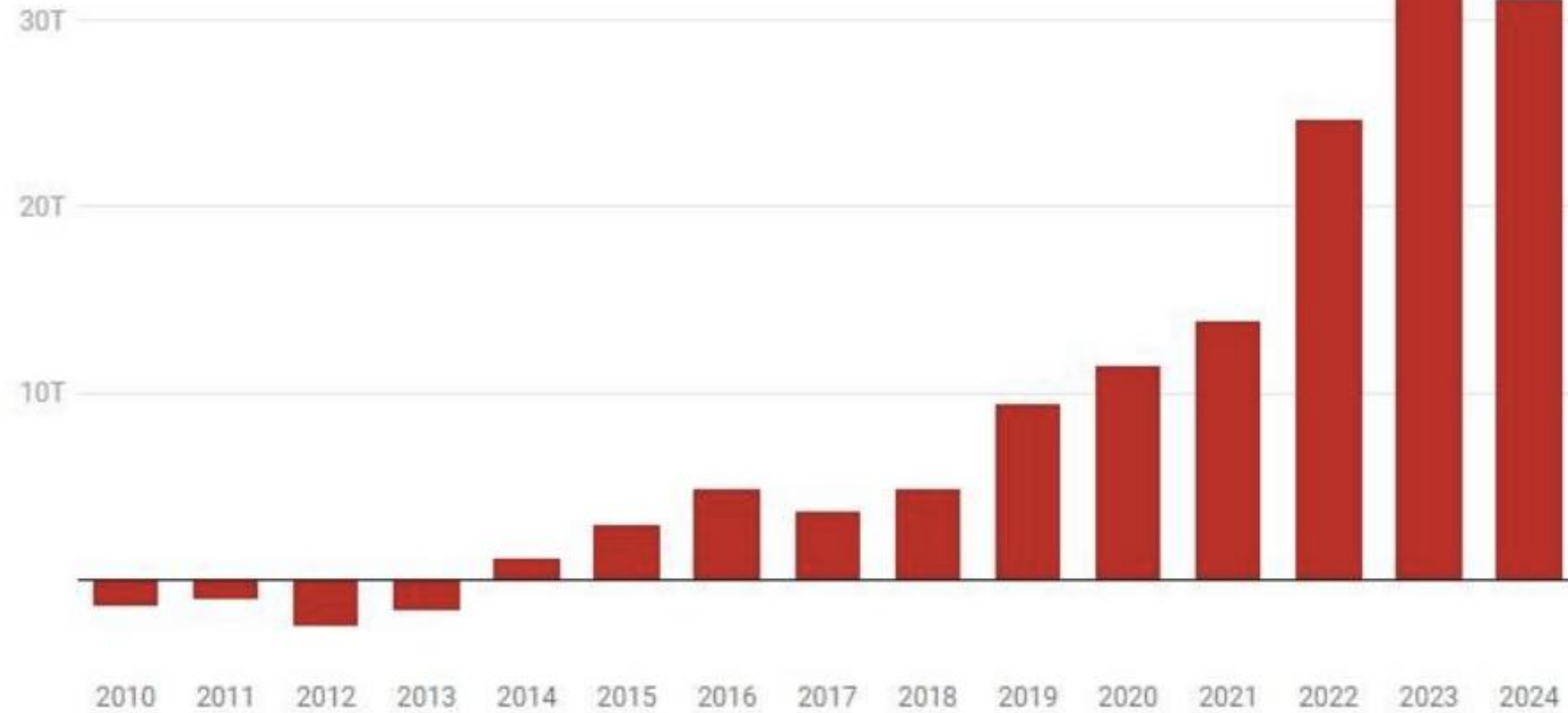
**Feeding & Family Expenses** are what most informal business owners spend their income on.

**Half of the business owners** in the informal economy run more than one business.



# FGN Ways and Means

## Ways and Means Financing 2010-2024 (N' Trillion)

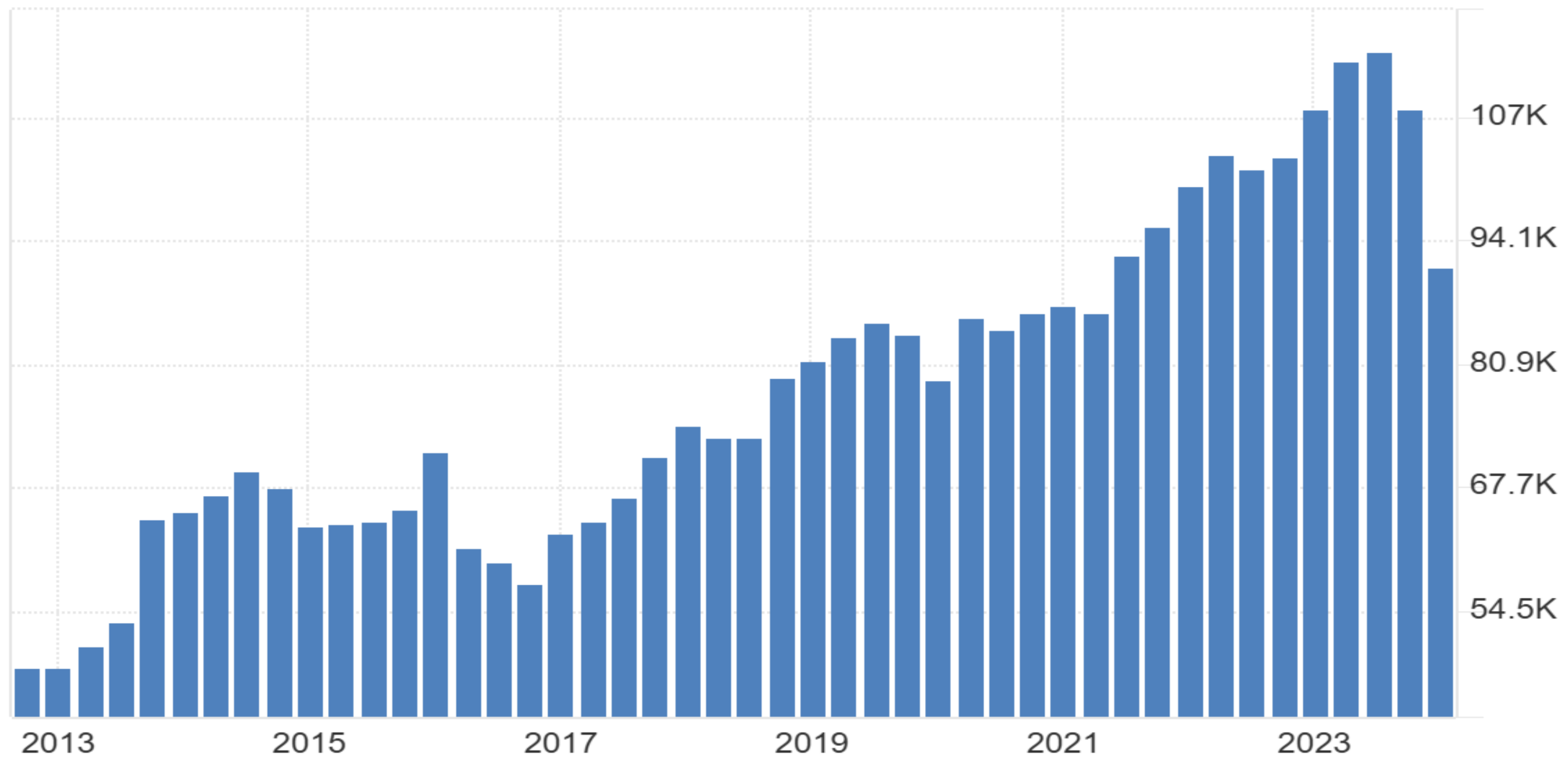


Source: The Central Bank of Nigeria Money and Credit Statistics • [Get the data](#) • Created with [Datawrapper](#)



# FGN Debt in USD

NG Government Debt - USD Million



Source: [tradingeconomics.com](https://tradingeconomics.com) | Debt Management Office, Nigeria

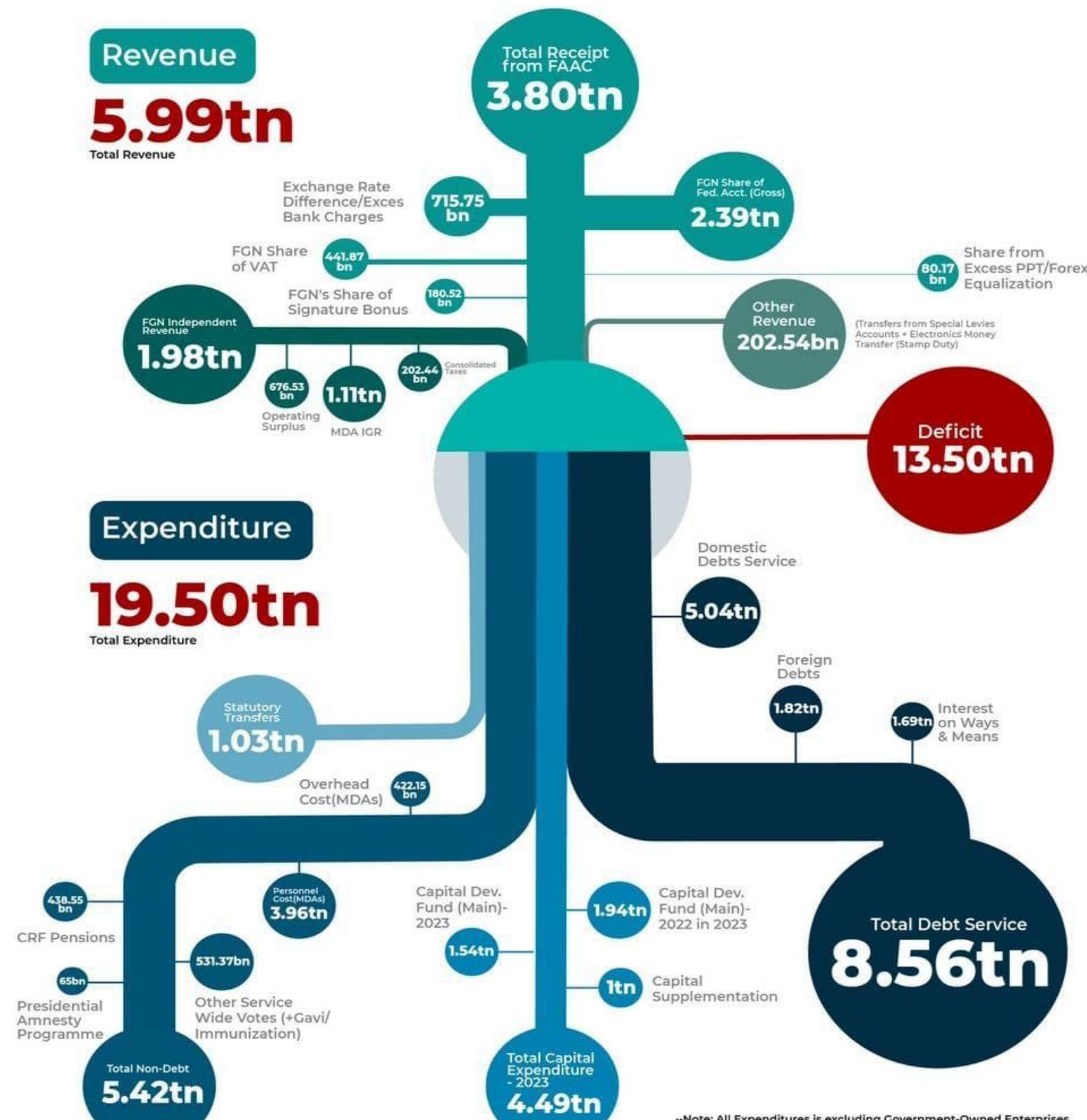


# FGN Budget 2023-2024

## Nigeria's Federal Government Budget Implementation Report

**2023**

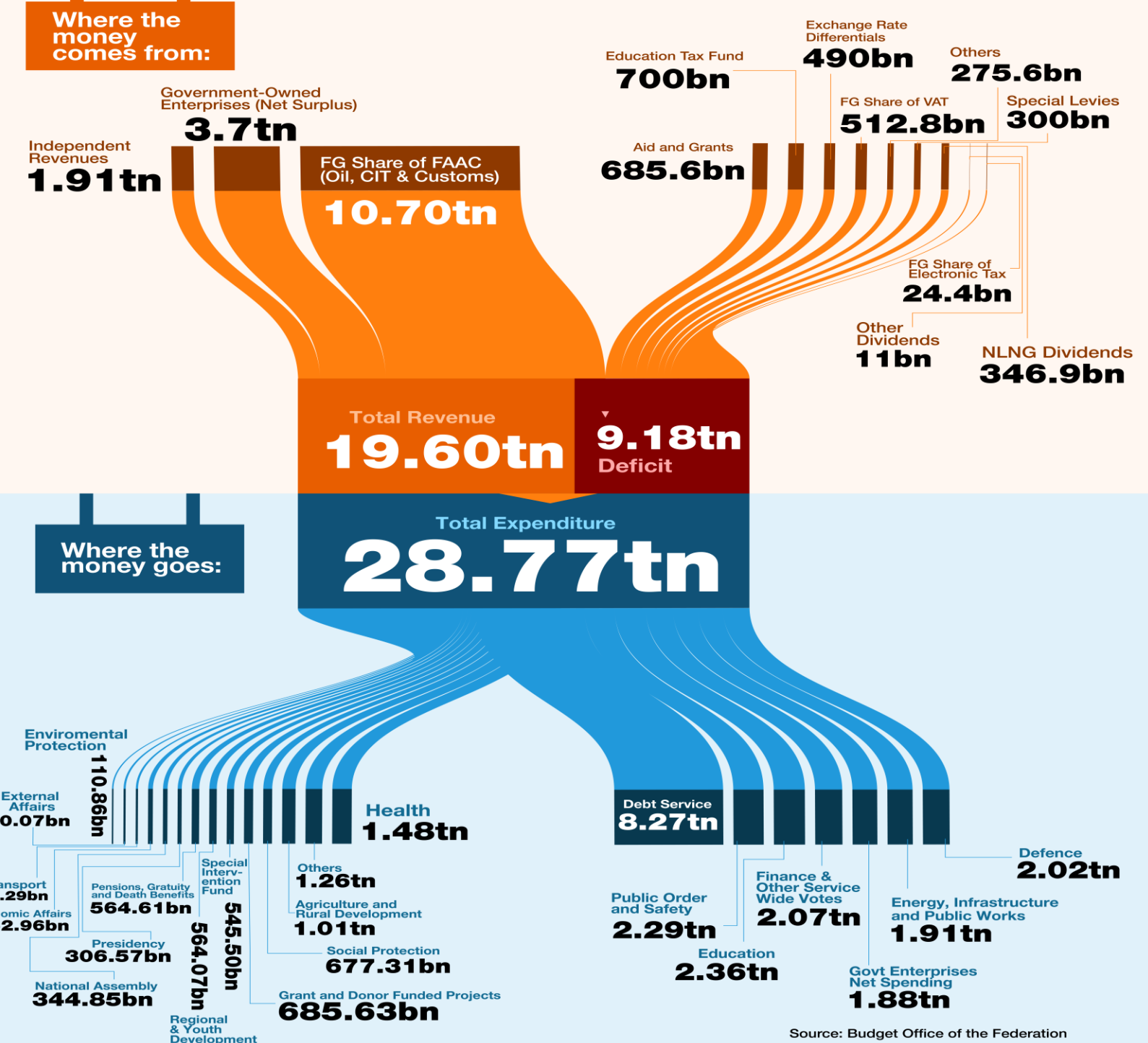
Figures in naira NGN



## 2024 Budget: Fiscal Framework

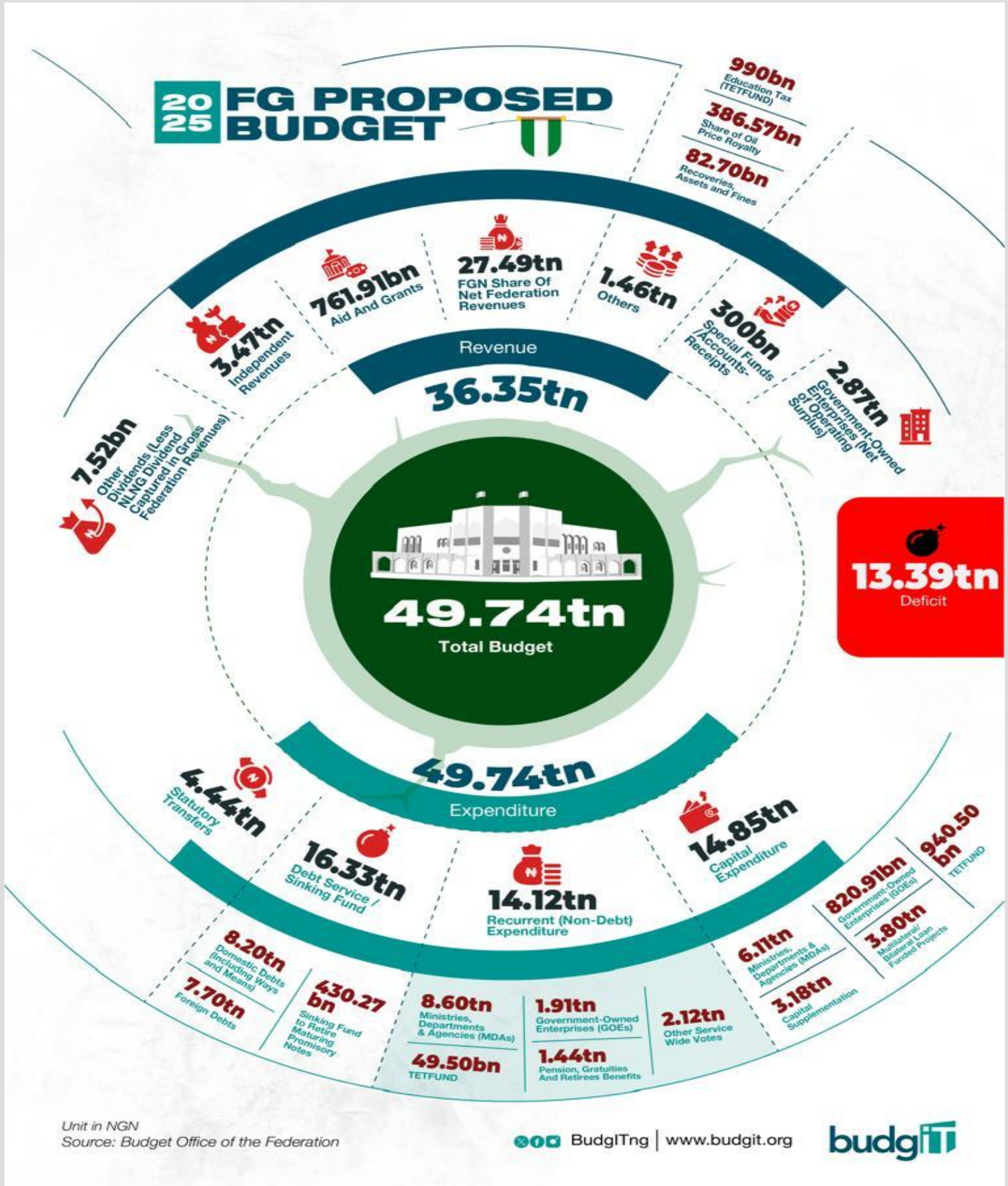
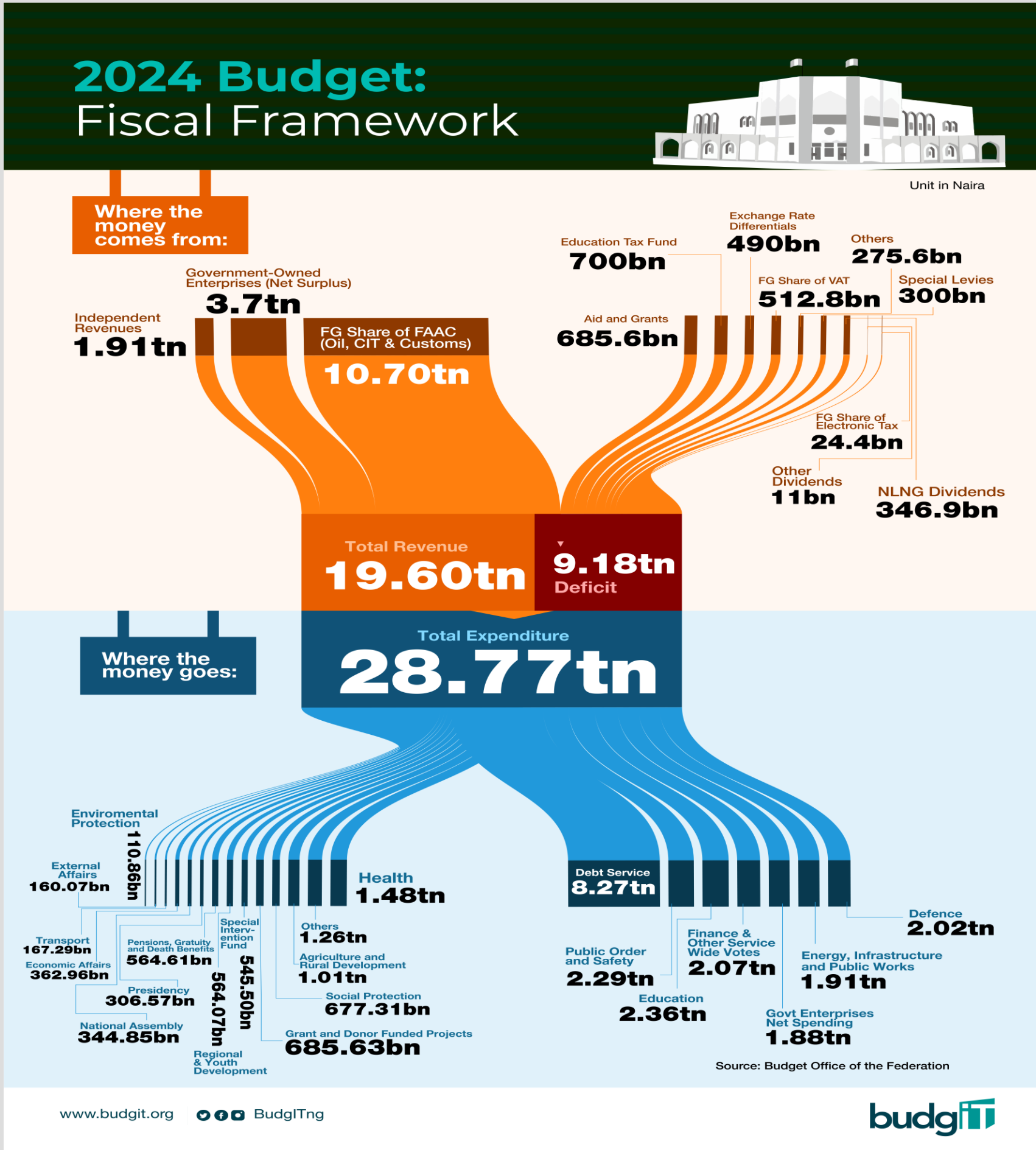


Unit in Naira





# FGN Budget 2024-2025



# US Inflation Rate

US Inflation Rate - percent



Source: [tradingeconomics.com](https://tradingeconomics.com) | U.S. Bureau of Labor Statistics



# Nigeria Inflation

NG Inflation Rate - percent

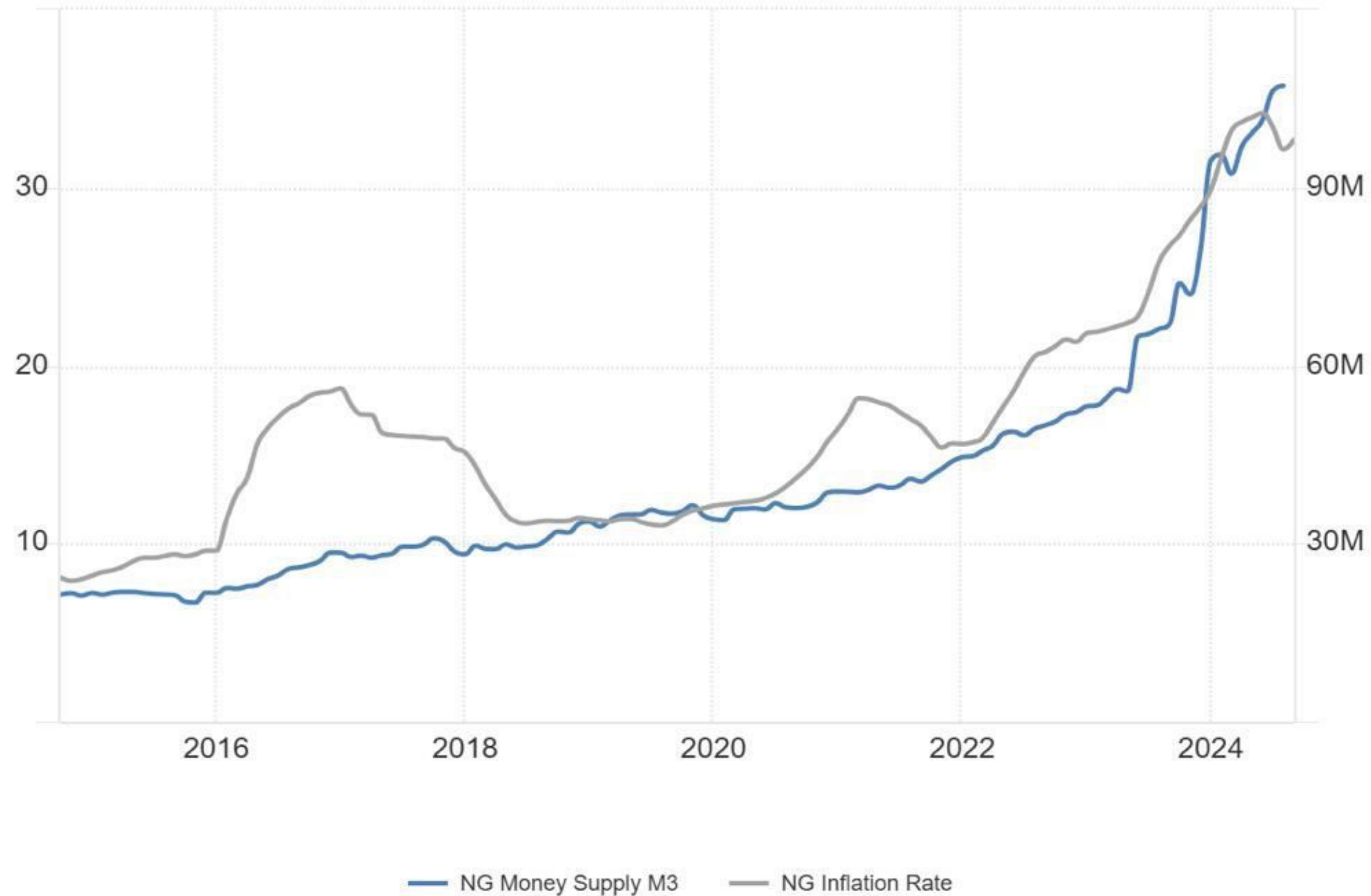


Source: [tradingeconomics.com](https://tradingeconomics.com) | National Bureau of Statistics, Nigeria

# Nigeria Inflation vs M3

Source: tradingeconomics.com

**Chart I: Direct Correlation between Inflation and M3 Growth**



# Nigeria Inflation Vs Interest Rates

- 2006-2016 Real Interest Rates Positive for Only 5 Years.      2016 Real Interest Rates Negative.
- 2016-2020 Real Rates Positive.      2021-2023 Real Rates Negative





# NG Inflation Rate Vs Interest Rate

Source: tradingeconomics.com



# Nigeria Inflation Vs GDP Growth Rates

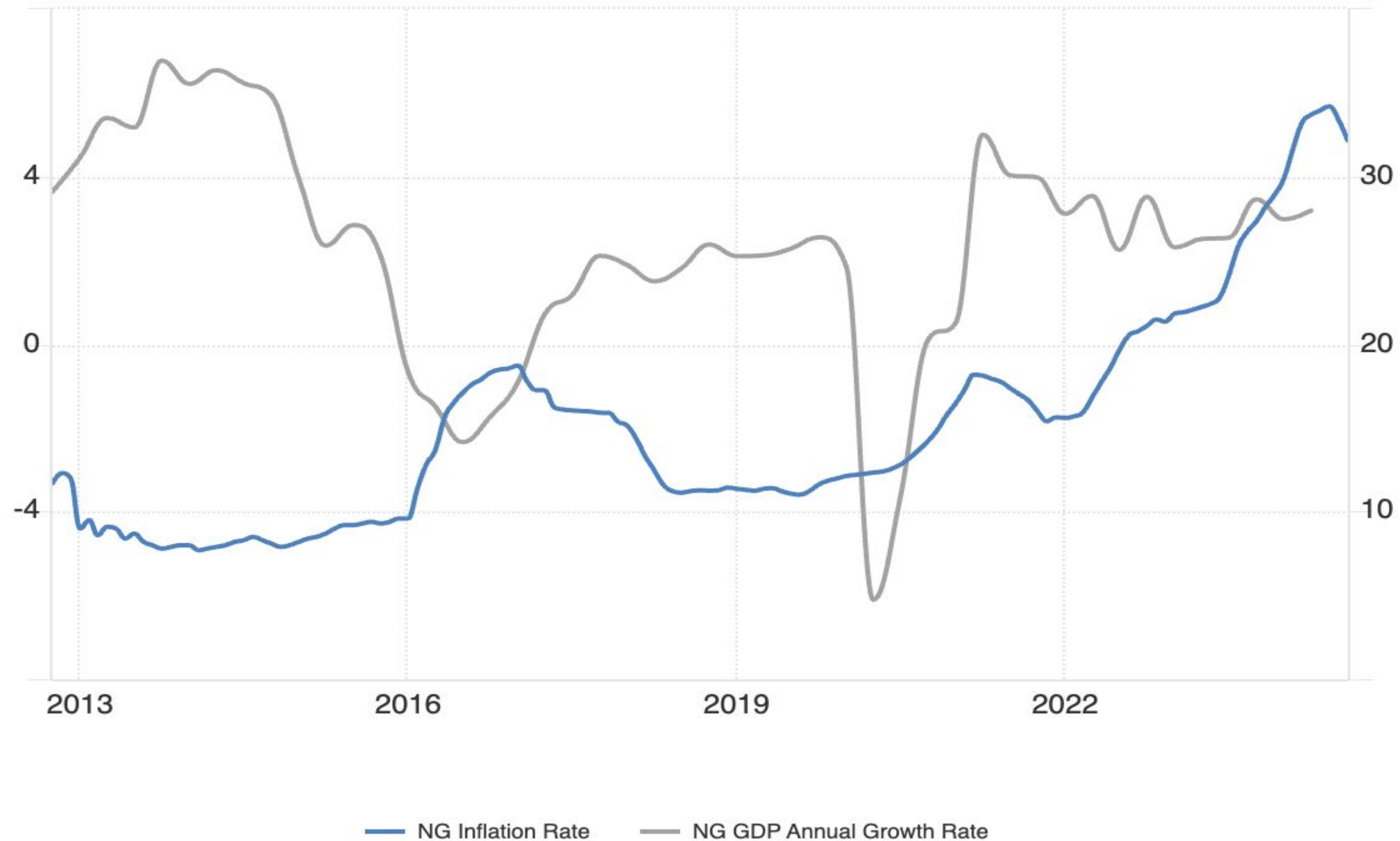
- In 2011 and 2014 the Nigerian GDP grew in excess of 8%. In both years, inflation was within a band of 11-13% and interest rates 12-15%. Our analysis and the historical data in the previous three charts, confirms that when inflation and interest rates are within this band, high GDP growth rates are assured. A pointer for Monetary Policy formulation.



# GDP Growth Vs Inflation

Source: tradingeconomics.com

**Chart II: Inverse Correlation between GDP Growth and Inflation**





# 2025 EXPECTATIONS

- The current debt profile at over us\$100 billion with =N=16trillion in debt service is unsustainable. All the gains from fuel subsidy removal now going towards debt service.
- Excessive fiscal spending, a massive deficit and failure of the social intervention program has left Nigerian households and firms despondent with an economy struggling with stagflation
- FGN needs to urgently sell down to at least 49%, of its interest in the 74 Licensed Concession Assets in a bid to raise US\$50 billion to improve government finances, restructure and recapitalize NNPC balance sheet. It must also consolidate all of NNPC oil forwards contracts into a structured debt instrument for ease of management, better rates, transparency and accountability.
- With this in place and other bottlenecks removed, Nigeria can restore investments into the Oil and Gas industry, which has declined from the highs of US\$22 billion in 2009 and 2014 to less than US\$3billion in 2024. This in a bid to ramp up production to 2.5mbpd for revenue sustainability and FX availability and rate reduction.
- The state of the economy and the recent strike and protests should serve as a big wake up call to the government. In 2025, the FGN holds the key to positive economic prospects, by implementation of policies to foster productivity, growth, exchange rate stability, lower inflation and investment.

