

## Analyst's Note on: Nigeria's Rebased Q1 2025 Gross Domestic Product Report – June 2025

### Rebased GDP Swells Nigeria's Economy as Growth Creeps to 3.13% in Q1:25...

The National Bureau of Statistics (NBS) has released the rebased Gross Domestic Product (GDP) report for Q1 2025, revealing that Nigeria's economy expanded by 3.13% year-on-year in real terms, up from 2.27% recorded in Q1 2024. On a nominal basis, GDP grew by 18.30% over the same period. The growth was largely driven by the non-oil sector, which grew by 3.2% year-on-year, though this represents a slowdown from the 3.76% recorded in the previous quarter.

The rebasing exercise represents a major methodological shift, with the new base year updated from 2010 to 2019, to better capture the evolution of Nigeria's economic structure, including emerging sectors. Following the rebasing, Nigeria's economy is now estimated to be significantly larger, with nominal GDP for FY 2024 revised upward to N372.8 trillion (\$243.9 billion) compared with the pre-rebased estimate of N272.5 trillion (\$181.5 billion). The rebasing also entailed a reclassification of economic activities and adjustments in the sectoral weighting, thereby offering a more accurate representation of the economy's composition.



The performance of the GDP in the quarter under review was driven mainly by the Services sector, which recorded a growth of 4.33% and contributed 57.50% to the aggregate GDP driven by improved coverage of trade and real estate activities. The Agriculture sector showed marginal growth of 0.07%, recovering from a contraction of -1.79% in Q1 2024, underscoring its strategic importance. Nonetheless, persistent challenges such as insecurity, post-harvest losses and infrastructural bottlenecks continue to inhibit the sector's full potential. These constraints have hindered productivity and limited the sector's potential to fully support food security and economic diversification.

The growth of the industry sector was 3.42%, from 2.35% recorded in the first quarter of 2024 to mark the role of manufacturing sub-sector and oil-related activities. In terms of share of the GDP, the services (57.50%) and industry sectors (19.18%) contributed more to the aggregate GDP in the first quarter of 2025 compared to the corresponding quarter of 2024.

For the oil sector, it recorded real growth of 1.87% year-on-year in Q1 2025, representing a decline of 2.85 percentage points compared to Q1 2024 (4.71%), and 0.22 percentage points lower than the 2.08% growth recorded in Q4 2024. However, on a quarter-on-quarter basis, the oil sector grew by 13.81%. It contributed 3.97% to total real GDP in Q1 2025, marginally down from 4.02% in Q1 2024 but higher than 2.80% recorded in Q4 2024. Meanwhile, the nation in the first quarter of 2025 recorded an average daily oil production of 1.62 million barrels per day (mbpd), higher than the daily average production of 1.57 mbpd recorded in the same quarter of 2024 by 0.05 mbpd and higher than the fourth quarter of 2024 production volume of 1.54 mbpd by 0.08mbpd.

For the non-oil sector, it maintained its position as the engine of growth, expanding by 3.19% in real terms in Q1 2025. This rate was higher by 1.02% points compared to the rate recorded in the same quarter of 2024, which was 2.17% and lower than the 3.80% recorded in the fourth quarter of 2024. Key contributors to this performance include Information

and Communication (notably Telecommunications), Agriculture (especially Crop Production), Real Estate, Financial and Insurance services, Trade, Construction, and Manufacturing, particularly in Food, Beverages and Tobacco. The sector accounted for 96.03% of total real GDP in Q1 2025, up from 95.98% in Q1 2024 but slightly below the 97.20% reported in Q4 2024.

Cowry Research notes that the rebased GDP series gives a more refined picture of Nigeria's economic evolution since the COVID-19 pandemic, which triggered a -6.96% recession. The revised figures indicate that recovery from the pandemic began in earnest in 2022 with a growth rate of 4.32%, followed by 3.04% in 2023 and 3.38% in 2024. The updated figures also highlight the impact of exchange rate instability on GDP valuation. With the new base year, Nigeria's economy is now valued at \$243.9 billion for 2024, significantly higher than the earlier estimate of \$181.5 billion, although still a far cry from the 2019 nominal level of \$672.4 billion. However, the NBS rebasing does not yet capture several additional activities initially considered for inclusion, leaving some gaps in the new methodology. This limits the full reflection of the informal and emergent sectors' contribution to the economy.

Looking ahead, achieving the government's ambitious target of growing Nigeria's economy to \$1 trillion by 2030 will be a formidable challenge. Based on current trajectories, Cowry Research estimates that Nigeria would need to grow its GDP at an average quarterly rate of 15% to 25% to reach this milestone. Importantly, exchange rate stability will be critical to this goal. Sustaining a Naira exchange rate between N350/\$1 and N600/\$1 will be vital in ensuring the country realises stronger nominal GDP figures by 2030.

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