

COWRY RESEARCH ANALYSTS'

FLASHNOTE:

NIGERIA'S GROSS DOMESTIC PRODUCT (GDP) REPORT- Q2 2025



Cowry Research

Nigeria's Economy Flexes 4.23% Growth in Q2 2025: Oil Roars Back, Non-Oil Holds the Line....

According to the latest figures from the National Bureau of Statistics (NBS), Nigeria's economy accelerated strongly in the second quarter of 2025, with real Gross Domestic Product (GDP) expanding by 4.23% year-on-year. This marked a significant improvement from the 3.13% growth recorded in Q1 2025 and well above the 3.48% growth in Q2 2024.

The robust outturn, which followed the rebasing of the national accounts using 2019 as the new base year, represents the strongest quarterly growth since Q2 2021 — ending a run of 15 quarters without breaching the 4% growth threshold.

The stronger-than-expected performance was underpinned by broad-based expansion across both oil and non-oil segments, with the oil sector emerging as a key driver. Oil GDP surged by 20.5% year-on-year, supported by higher crude output, while the non-oil economy advanced by 3.6% — buoyed by growth in agriculture, ICT, financial services, trade, construction, and electricity.

The oil sector recorded its most significant expansion in years, with real GDP growing by 20.46% year-on-year compared to 10.08% in Q2 2024 and just 1.87% in Q1 2025. Average crude oil production climbed to 1.68 million barrels per day, up from 1.41 million barrels per day in Q2 2024 and 1.62 million barrels per day in the previous quarter.

Consequently, the oil sector contributed 4.05% to GDP in Q2 2025, higher than the 3.51% recorded in Q2 2024 and 3.97% in Q1 2025. This rebound highlights improved security around oil installations and better compliance with OPEC+ quotas.

On the other hand, the non-oil sector grew by 3.64% in Q2 2025, outperforming both the 3.26% recorded in Q2 2024 and the 3.19% in Q1 2025. Key contributors included crop production, telecommunications, real estate, financial institutions, trade, and electricity supply.

Despite its slower pace relative to historical averages, the non-oil sector remained the dominant contributor, accounting for 95.95% of GDP. This was, however, marginally lower than its 96.49% share in Q2 2024 and 96.03% in Q1 2025, reflecting the oil sector's resurgence.

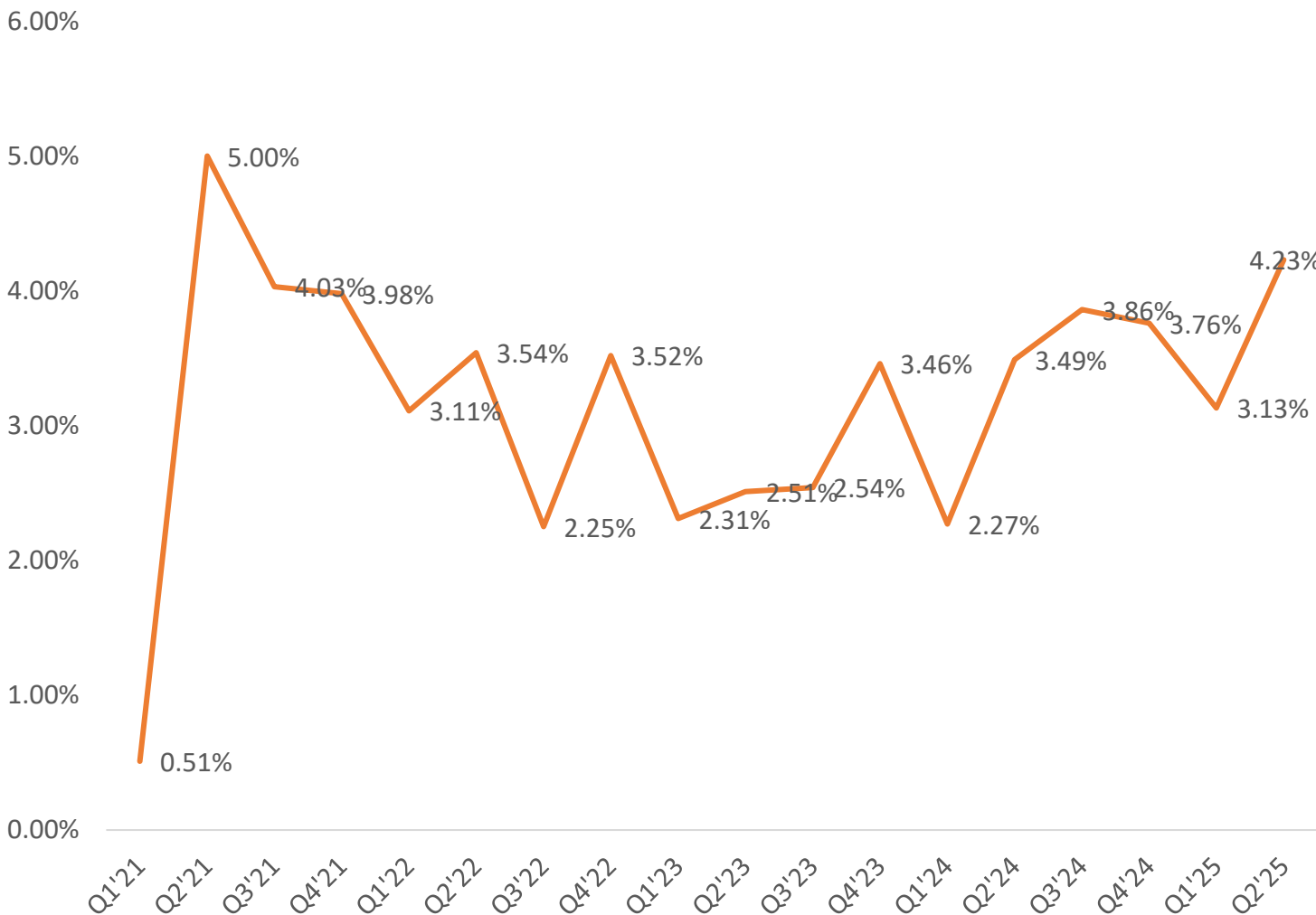
Sectoral performance was broadly positive, though with variations across industries. Agriculture expanded by 2.82% year-on-year compared to 2.60% in Q2 2024, with crop production remaining the main growth driver. The industrial sector grew by 7.45% against 3.72% in Q2 2024, largely due to mining and quarrying, which surged 20.86% year-on-year. Manufacturing output expanded by 1.60%, reflecting modest but sustained growth across 13 subsectors.

Services grew by 3.94%, slightly higher than the 3.83% recorded in Q2 2024. Within services, ICT recorded 6.61% growth, boosting its share of GDP to 11.18% compared with 10.93% a year earlier. The electricity, gas, steam, and air conditioning sector grew by 11.47%, while construction expanded by 5.27%.

Trade, however, weakened slightly, with growth of 1.29% year-on-year compared to 1.82% in Q2 2024, though it still contributed a sizeable 18.28% to GDP. Transportation and storage activity surged by 22.09% year-on-year, buoyed by strong performances across road, air, and pipeline transport.

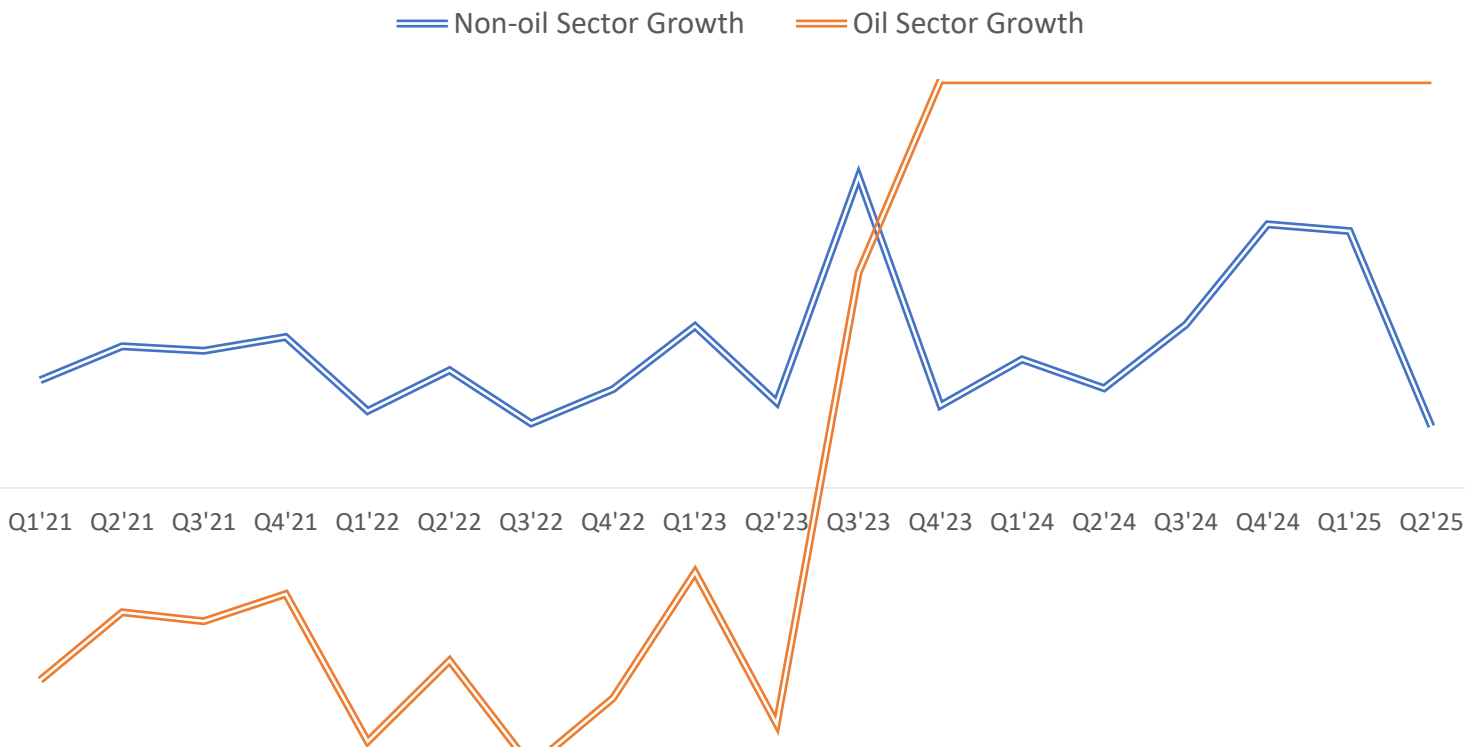
Financial and insurance services also posted impressive gains, growing by 16.13% year-on-year, far above the 0.3% recorded in Q2 2024, though moderating from the expansion in Q1 2025. The sector’s contribution to GDP stood at 3.23%. Other services delivered mixed but generally positive results, with education expanding by 2.22%, health services by 2.35%, arts and entertainment by 7.64%, and real estate by 3.79%.

Quarterly GDP Growth Rate %



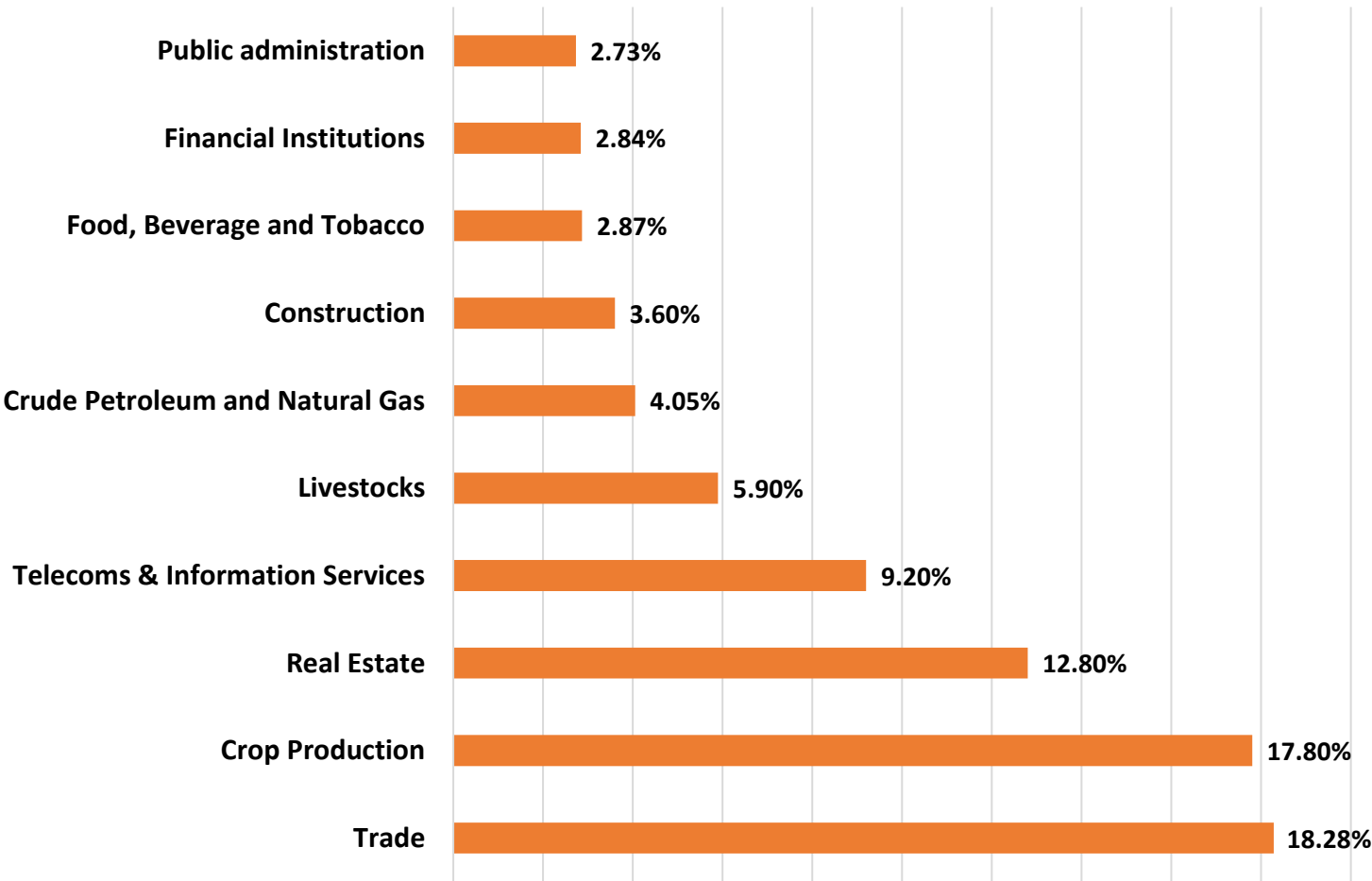
Source: National Bureau of Statistics, Cowry Research

OIL & NON-OIL SECTORS QUARTERLY GROWTH



Source: National Bureau of Statistics, Cowry Research

Top 10 Contributing Activities to Real GDP in Q2 2025



Source: National Bureau of Statistics, Cowry Research

For Cowry Research, we think that the 4.23% growth print sends a strong signal of resilience in Nigeria's economic trajectory, with momentum anchored not only on the rebound in the oil sector but also on sustained strength across key non-oil activities. We believe this performance, driven by higher crude output alongside steady gains in agriculture, ICT, and financial services, sets a cautiously optimistic tone for the remainder of 2025.

The oil sector's recovery has provided much-needed fiscal space and external buffers, while the non-oil economy continues to demonstrate adaptability despite structural headwinds.

That said, lingering challenges remain. The slowdown in trade and construction from the prior quarter reflects underlying fragility in domestic demand, as households and firms continue to grapple with elevated inflation and restrictive borrowing costs. In addition, persistent volatility in global oil markets and exchange rate pressures pose downside risks that could undermine the growth momentum in the second half of the year.

Looking ahead, we maintain that reforms targeted at infrastructure, energy, and foreign exchange stability will be critical in consolidating these gains. If effectively implemented, such reforms could position Nigeria to sustain GDP growth above 5% threshold in the near term and setting the stage for a more inclusive economic expansion.

**CONTACT US****HEAD OFFICE**

Plot 1319, Karimu Kotun Street,
Victoria Island
Lagos
Website: www.cowryasset.com
Email: research@cowryasset.com

ABUJA OFFICE

Statement Suites Hotel D03 (3rd Floor), Plot 1002,
1st Avenue, Off Ahmadu Bello Way
Central Business District,
Abuja
Website: www.cowryasset.com
Email: research@cowryasset.com

PORT HARCOURT OFFICE

UPDC Complex, 26 Aba Road,
Port-Harcourt
River State
Website: www.cowryasset.com
Email: research@cowryasset.com

RESEARCH TEAM**CHARLES ABUEDE**

Cabuede@cowryasset.com

TAIWO LUPO

Tlupo@cowryasset.com

TOMIWA JIMOH

Tjimoh@cowryasset.com

www.cowryasset.com

www.twitter.com/cowryassetmgt

www.facebook.com/cowryasset

Disclaimer

This report is produced by the *Research Desk* of Cowry Asset Management Limited (COWRY) as a guideline for Clients that intend to invest in securities on the basis of their own investment decision without relying completely on the information contained herein. The opinion contained herein is for information purposes only and does not constitute any offer or solicitation to enter into any trading transaction. While care has been taken in preparing this document, no responsibility or liability whatsoever is accepted by any member of COWRY for errors, omission of facts, and any direct or consequential loss arising from the use of this report or its contents.