

COWRY RESEARCH ANALYSTS'

FLASHNOTE:

NIGERIA'S GROSS DOMESTIC PRODUCT (GDP)

REPORT- Q3 2025



Cowry Research



Nigeria's Economy Fires Up 3.98% in Q3'25, Marks Continued Expansion in Non-Oil Corridor....

According to the latest data from the National Bureau of Statistics (NBS), Nigeria's economy experienced another solid growth in the third quarter of 2025, with real Gross Domestic Product (GDP) growing by 3.98% year-on-year. This represents a slight deceleration from the 4.23% recorded in Q2 2025 but remains above the 3.86% growth posted in Q3 2024.

This solid expansion was supported by strong performances in agriculture, trade, information and communications, financial and insurance services, and construction sectors. The modest slowdown followed the rebasing of the national accounts to a 2019 base year and marks another strong quarterly performance since 2021.

Growth in Q3 2025 was supported by mild expansions in both the oil and non-oil sectors, with the oil segment emerging as a notable driver.

The oil sector recorded real growth of 5.84% year-on-year, an increase of 0.18 percentage points compared to Q3 2024, although it contracted by 14.62% relative to the strong performance in Q2 2025.

The slower growth in Q3 relative to the previous quarter was due to weaker crude oil output, resulting from temporary disruptions in oil production at several export terminals. These disruptions were caused by a three-day oil workers' strike and scheduled maintenance at key facilities.

According to the NBS report, Nigeria's average crude oil production rose to 1.64 million barrels per day, up from 1.47mbpd in Q3 2024 but slightly below the 1.68mbpd recorded in the previous quarter. Consequently, the oil sector contributed 3.44% to GDP, marginally higher than the 3.38% seen in Q3 2024.

Meanwhile, the non-oil sector grew by 3.91%, outperforming the 3.79% recorded in Q3 2024 and the 3.64% in Q2 2025. Key growth drivers included crop production, telecommunications, real estate, financial services, trade, construction, and manufacturing.

Despite its relatively moderate pace compared to historical trends, the non-oil sector remained the dominant contributor to national output, accounting for 96.56% of GDP, which is slightly below its 96.62% share in Q3 2024 but higher than the 95.95% recorded in Q2 2025.

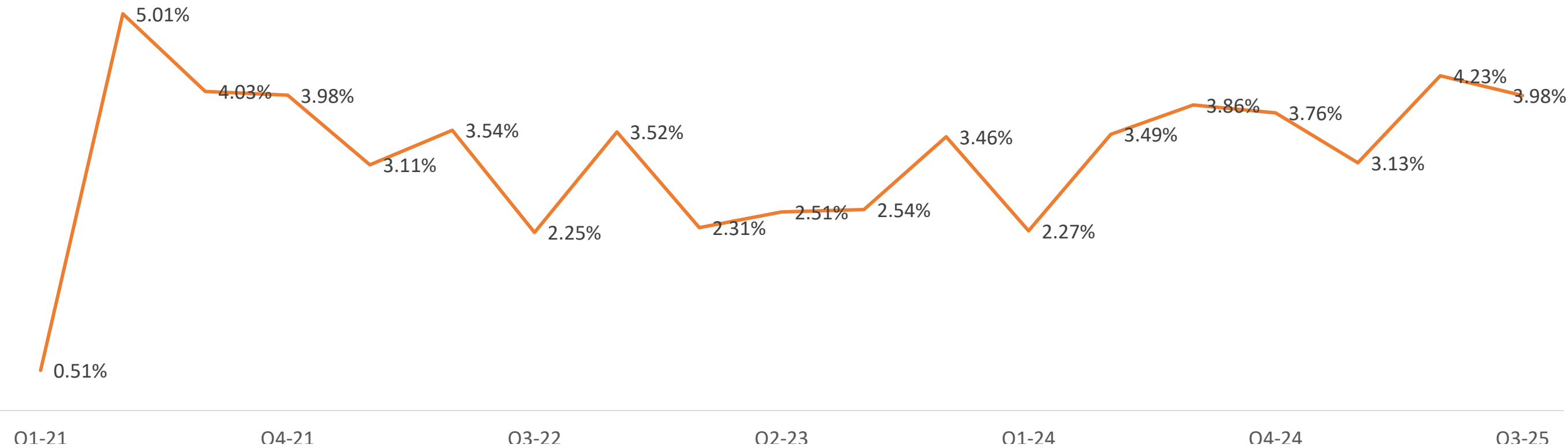
Sectoral performance was broadly positive across the three broad economic classifications. Agriculture grew by 3.79% year-on-year, up from 2.55% in Q3 2024, with crop production remaining the primary driver.

This was supported by seasonal harvest which boosted food supplies during the period. The industrial sector expanded by 3.77% compared with 2.78% in Q3 2024.

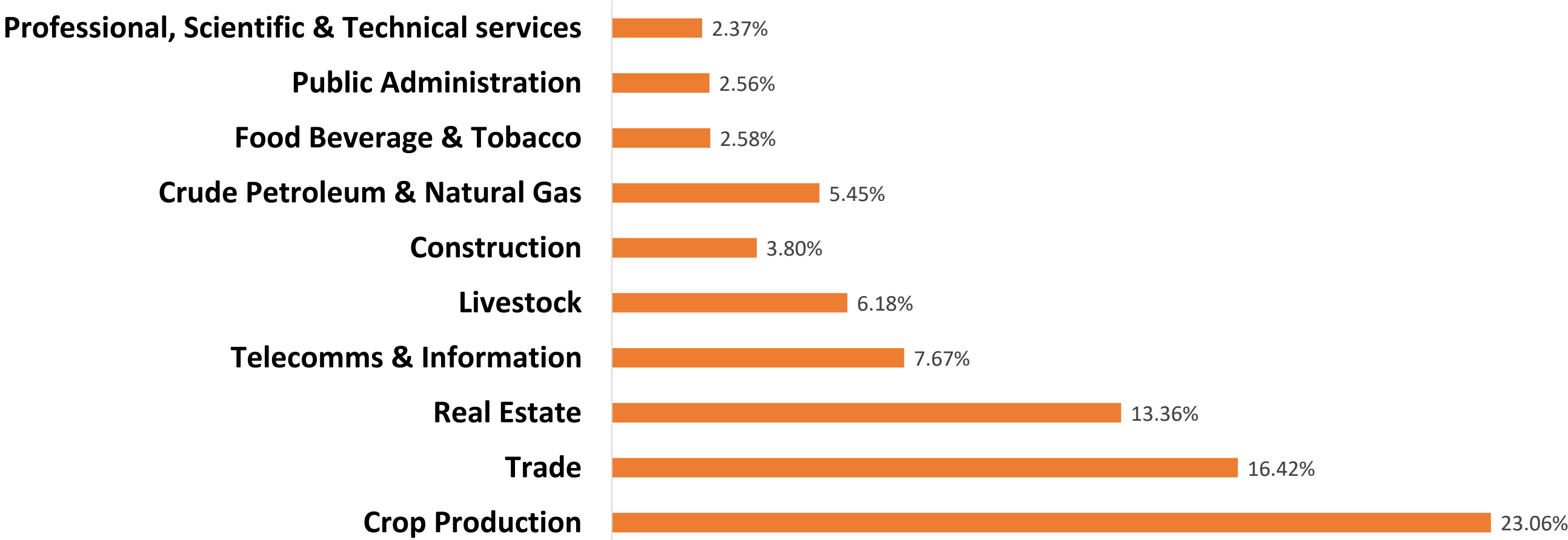
Services sector continued its strong performance as it contributed 53.02% to aggregate GDP, higher than the 52.93% recorded in the corresponding period of 2024. The sector grew by 4.15%, compared to 4.97% in Q3 2024. Within services, ICT expanded by 5.78%, raising its GDP share to 8.95% as against the 11.18% in the previous quarter.

Real growth in the manufacturing sector stood at 1.25% y/y in Q3 2025, reflecting mild growth across 13 subsectors. This was slightly higher than the same period in 2024 but 0.34 percentage points lower than the previous quarter. On a quarterly basis, the sector recorded a strong 8.65% growth. Manufacturing contributed 7.62% to real GDP in Q3 2025, down from 7.82% in Q3 2024 and 7.81% in Q2 2025.

Nigeria's Quarterly GDP Growth 2021 - 2025



Top 10 Contributing Activities to Real GDP in Q3 2025 (%)



From Cowry Research, we expect Nigeria's growth trajectory to remain moderately positive going into 2026, supported by improving oil production, ongoing policy reforms, and steady expansion in key non-oil industries such as telecommunications, financial services, construction, and trade. However, the pace of growth may stay below potential due to lingering structural challenges, including high production costs, infrastructure gaps, fluctuating oil output, and tight domestic liquidity conditions.

Elsewhere, the non-oil sector may likely remain the primary driver of economic performance, with agriculture benefiting from seasonal improvements and targeted government interventions, while services continue to expand. In spite of recent volatility, the oil sector is expected to contribute positively to total GDP, driven by improved domestic oil production and ongoing investments in upstream operations.

Overall, we forecast a stable but cautious upward trend in GDP growth to 4.1% in 2026, slightly higher than the 3.86% forecast for 2025. Though risks from global oil price volatility, inflationary pressures, and external sector imbalances could weigh on near-term momentum.

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