

# Q1 2025 GDP GROWS BY YoY 3.13%

....Data Rebased and Poised for Upsides



August 01, 2025

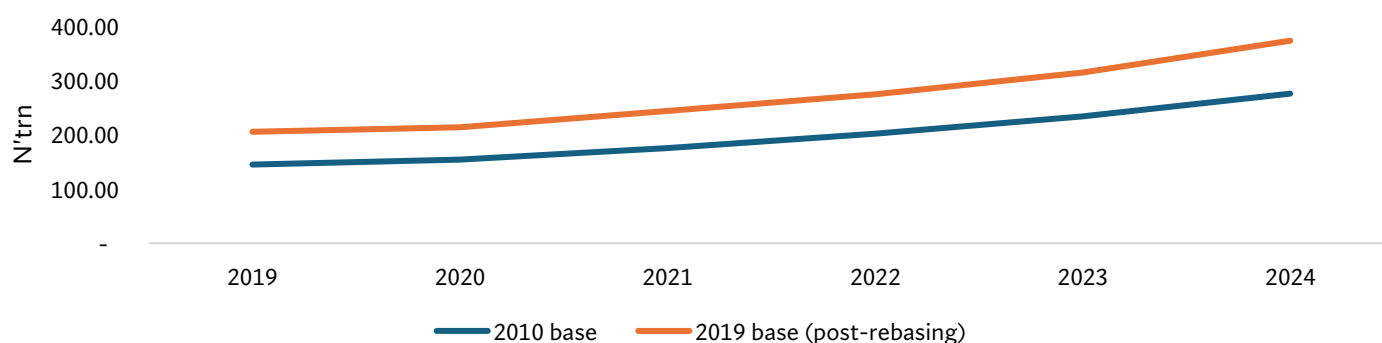
*Economic Report*

The National Bureau of Statistics (NBS) released the rebased GDP data with a revised base year of 2019 from previously used 2010. According to the NBS, using 2019 as the base year was due to the relative stability of the economy during this period.

The rebased data showed upward revisions in nominal GDP, with new figures now at:

2019 – up by 42% to N205.09 trillion;  
2020 – up by 39% to N213.64 trillion;  
2021 – up by 39% to N243.30 trillion;  
2022 – up by 36% to N274.23 trillion;  
2023 – up by 35% to N314.02 trillion;  
2024 – up by 35% to N372.82 trillion.

## Nominal GDP Trend Before and Post Rebasing



**Sources:** Nigeria Bureau of Statistics (NBS), WSTC Research

The jump in nominal GDP post-rebasing reflects the inclusion of newly captured economic activities, and also better representation of existing sectors. The newly captured sectors include Digital Economic Activities, Pension Fund Administration (PFA), the National Health Insurance Scheme (NHIS), National Social Insurance Trust Fund (NSITF), Activities of Modular Refineries, Domestic Households as employers of labour, Quarry and Other Mining Activities. Despite the growth, Nigeria retained its position as the fourth largest economy in Africa, as the Naira depreciation offset much of the nominal gains when expressed in US dollar. Using an exchange rate of N1,530/\$, the 2024 GDP stands at \$243.68 billion, trailing South Africa (\$400.26 billion), Egypt (\$389.06 billion), and Algeria (\$263.62 billion).

The post-rebasing exercise also revised Nigeria's real GDP growth, estimating the economy growth during covid pandemic in 2020 at -6.96%. As the economy recovered, growth rate was estimated at 0.95% in 2021, 4.32% in 2022, 3.04% in 2023 and 3.38% in 2024. The revised data also revealed significant changes in economy structure, with Services sector now contributing 53.09% (up from 50.22%), Agriculture sector contributing 25.83% (up from 22.12%), and Industry sector share moderated to 21.08% (down from 27.65%).

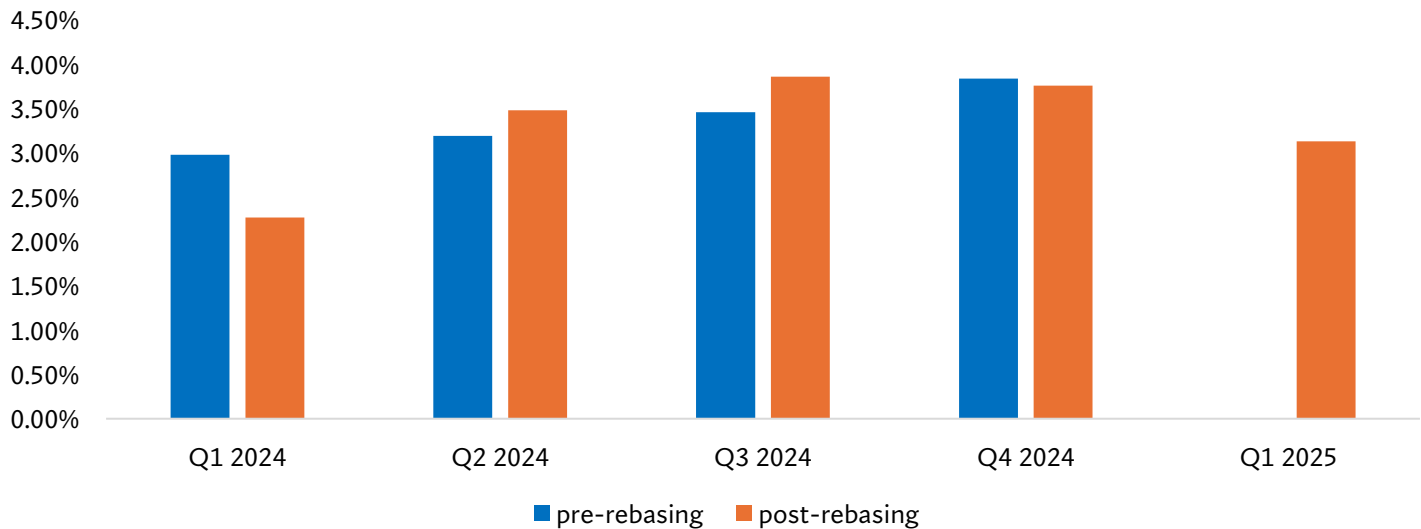
Finally, with improved statistical coverage, the informal sector's contribution to GDP is now estimated to be 42.50%, up from previously recorded 41.40%. This upward revision highlights how significant informal economic activity is, underlining its substantial contribution to the economy, employment and citizen's livelihood.



## Real GDP Grew by 3.13% in Q1 2025.

Following the rebasing exercise, the previous quarterly GDP estimates were adjusted to align the old series to the new rebased estimates. Against this back drop, the NBS reported a real GDP growth of 3.13% year-on-year for Q1 2025, and while this marked an increase from the 2.27% recorded in Q1 2024, it is a pullback from the 3.76% growth reported for Q4 2024. The quarterly moderation mirrors the subdued growth in both the non-oil and oil sectors.

### Quarterly Real GDP Trend



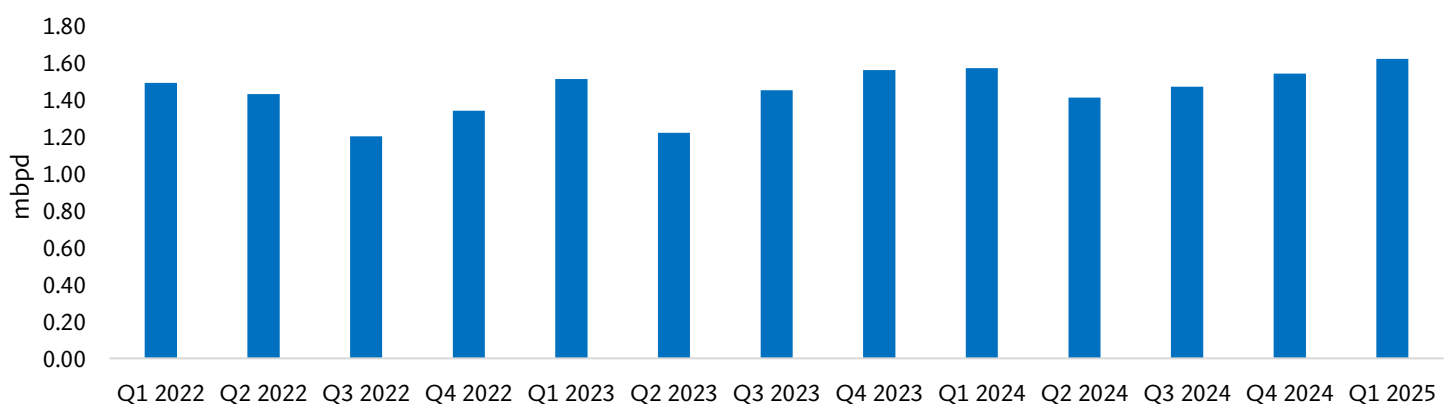
**Sources:** Nigeria Bureau of Statistics (NBS), WSTC Research

### Oil Sector

Nigeria's oil production picked up steam in Q1 2025, reaching an average daily crude oil production of 1.62 million barrels per day (mbpd) as reported by the NBS. This reflects an improvement from 1.54 mbpd in Q4 2024 and 1.57 mbpd in Q1 2024, underscoring the impact of intensified government and industry-led interventions aimed at curbing crude oil theft and pipeline vandalism.

Despite the improvement in oil production, the growth impact on the sector's real GDP was limited. The oil sector posted a positive year on year growth in Q1 2025, but the growth moderated to 1.87%, from 2.08% in Q4 2024 and well below 4.71% in Q1 2024. In terms of its share of real GDP, the sector contributed 3.97% in Q1 2025. This marked an improvement from 2.80% in Q4 2024 but was slightly lower than the 4.02% share recorded in Q1 2024, indicating that the sector's overall contribution to the economy remains relatively weak.

### Oil Production Trend



**Sources:** Nigeria Bureau of Statistics (NBS), WSTC Research



## Non-Oil Sector

Driven by an improved macroeconomic condition on a year-on-year basis, and broader coverage of economic activities, the non-oil sector grew by 3.19% in Q1 2025, up from the 2.17% growth recorded in Q1 2024. However, on a quarter-on-quarter basis, the Q1 2025 was a moderation from the 3.80% recorded in Q4 2024. The sector's contribution to the total real GDP declined to 96.03% in Q1 2025, from 97.20% in Q4 2024. However, this reflects a slight improvement from its Q1 2024 share of 95.98%.

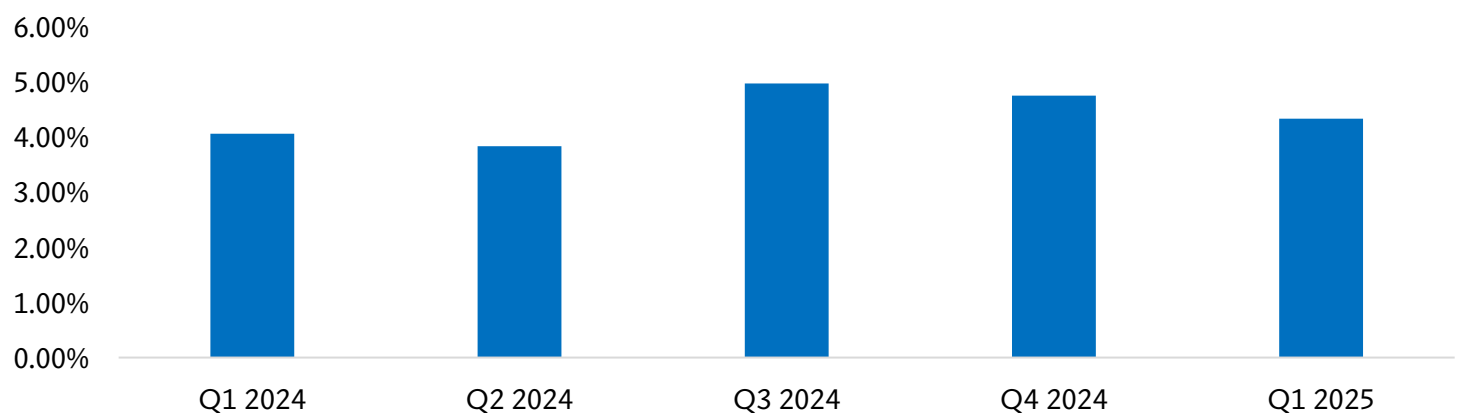
The **Services sector** remained the largest contributor to the sector's GDP in Q1 2025, with a growth of 4.33% year-on-year (vs Q4 2024: 4.75%, Q1 2024: 4.06%). The sector's performance was primarily driven by improved growth in Information & Communication, as well as Finance & Insurance sub-sectors, while other major contributors recorded softer expansion. Specifically, Trade (32% of total services sector) and Real Estate (23% of total service sector) reported a growth of 1.78% and 4.61%, respectively - a slowdown from 2.04% and 5.28% respectively in Q4 2024, and 2.31% and 8.01%, respectively in Q1 2024.

The Finance and Insurance sub-sector delivered a strong double-digit growth of 15.03% in Q1 2025, up from 5.99% in Q4 2024, and 1.46% in Q1 2024. This performance was fueled by higher net interest income amid sustained elevated interest rate.

The Information and Communication subsector also grew by 7.40% in Q1 2025, up from 7.00% in Q4 2024, and 4.04% in Q1 2024. This growth was driven by increased digital adoption and upward revision in telecom tariffs, following the Nigeria Communications Commission's 50% tariff hike approval during the quarter.

Overall, the Services sector's contribution to total GDP rose to 57.50% in Q1 2025, up from 55.87% in Q4 2024, and 56.84% in Q1 2024.

### Services Sector Quarterly Trend



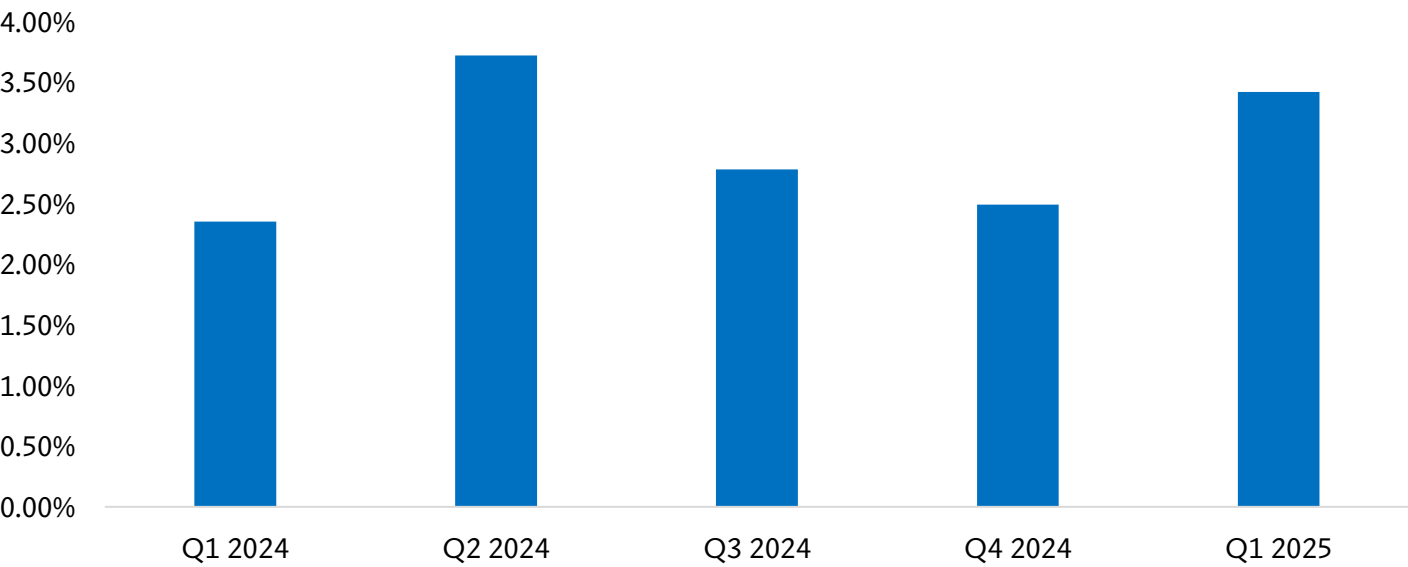
**Sources:** Nigeria Bureau of Statistics (NBS), WSTC Research

The **Industries sector** grew by 3.42% in Q1 2025, an increase from 2.49% in Q4 2024 and 2.35% in Q1 2024. At the heart of this growth was the Manufacturing sector, which accounts for 50% of the sector's total output. Manufacturing sector posted a growth of 1.69% in the quarter, up from 1.28% in Q4 2024 and 1.58% in Q1 2024. A key driver within the manufacturing sector was the sustained recovery in the Oil Refinery activities. The Oil refinery sub-sector recorded an expansion of 11.51%, compared to 9.36% in Q4 2024, and a sharp rebound from a contraction of 27.87% in Q1 2024. Additionally, the improved macroeconomic environment, particularly the relative stability in the foreign exchange market also contributed to the manufacturing sector's performance, as it ease input cost pressures of imported raw materials and foreign liabilities.



The sector’s contribution to the total real GDP rose to 19.18% in Q1 2025, up from 15.45% in Q4 2024, and 19.12% in Q1 2024.

Industries Sector Quarterly Trend

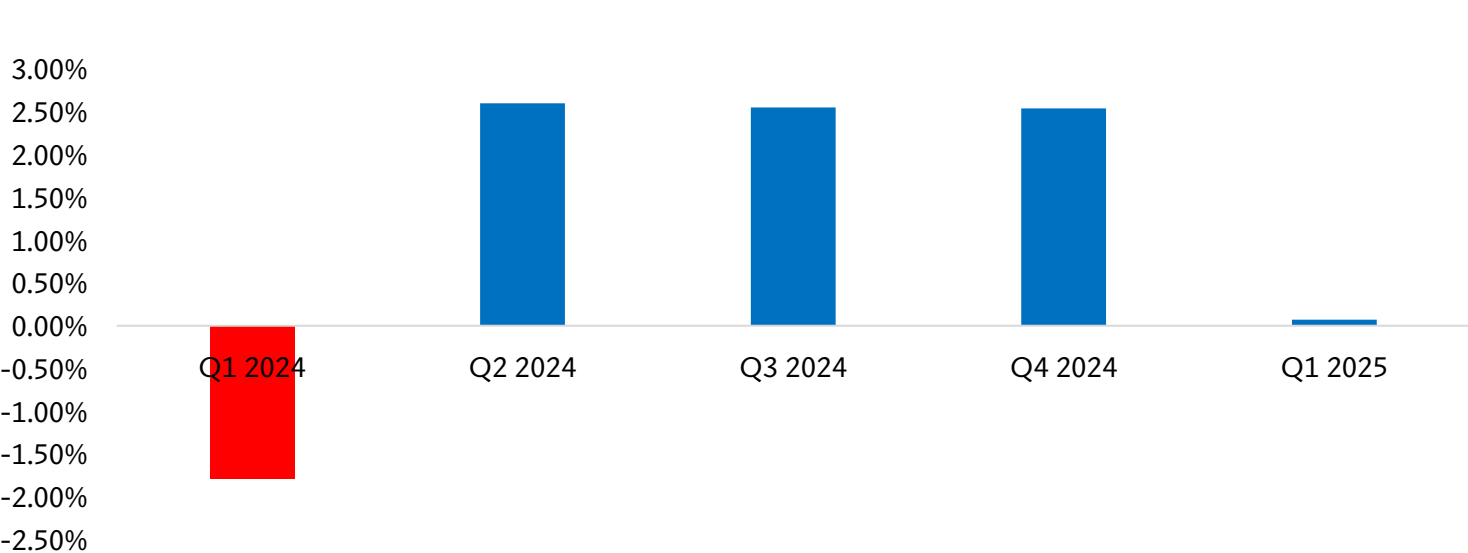


Sources: Nigeria Bureau of Statistics (NBS), WSTC Research

The **Agriculture sector’s** growth was more subdued, with a real GDP growth of 0.07% in Q1 2025. Although, this is a massive slowdown from 2.54% in Q4 2024, it reflects a recovery from the 1.79% contraction recorded in Q1 2024. The year-on-year rebound was primarily driven by crop production (+3.71%) and forestry (+1.82%). Overall, structural bottlenecks such as insecurity in key food-producing regions, inadequate infrastructure and transportation inefficiencies continue to weigh on the sector’s growth potential.

The sector’s contribution to the total real GDP stood at 23.33% in Q1 2025, down from 28.68% in Q4 2024, and 24.04% in Q1 2024.

Agriculture Sector Quarterly Trend



Sources: Nigeria Bureau of Statistics (NBS), WSTC Research



## Outlook

We are optimistic about the Oil sector's prospects for the rest of the year, as we expect the sustained clampdown on crude oil theft and pipeline vandalism to continue driving incremental oil production gains. Additionally, increased investment by new onshore and shallow water asset holders and upstream activities bodes well for the oil sector.

The Non-oil sector is also looking up, as growth prospects remain supported by favorable macroeconomic conditions. The relative stability in the foreign exchange market, alongside moderating inflation is expected to translate into improved consumer purchasing power in near term. As market price adjusts to better reflect easing inflationary pressure, we anticipate firmer household demand, which should lend continued support to non-oil sector performance.

In the Services sector, the telecommunications sector stands out as a key upside driver. We expect the full impact of the tariff hike to be more reflective in subsequent quarters. This, supported by continued growth in digital penetration should lift revenue across the segment and enhance its contribution to GDP.

The Industries sector outlook is equally encouraging. In addition to a more stable macroeconomic environment, expectations for interest rate cuts later in the year could ease financing constraints for corporates, lower borrowing costs, and catalyse expansion in manufacturing and other capital-intensive industries. We also expect continued growth in oil refining activity, as local refineries ramp up capacity.

Conversely, the Agriculture sector's growth prospect are clouded by structural bottlenecks. While the harvest season in H2 2025 is expected to boost output, persistent structural headwinds which includes insecurity in key producing regions, infrastructure deficits, and logistic inefficiencies, will continue to limit growth. As such, we remain cautious about the sector's near-term prospects.

Overall, we revise our projection for FY 2025 real GDP growth lower to 3.50% (previous: 3.71%), reflecting the delay in transmission of moderating inflation rate to market prices which has continued to strain household purchasing power as of the end of H1 2025. Furthermore, the global uncertainty which poses risk to both the country's foreign exchange market, supply chain and monetary policy interest rate outlook, all of which have direct implications for the non-oil sector output.



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- Hold Rating: estimated change in price is between  $-10\%$  and  $19\%$  of current market price.
- Sell Rating: estimated change in price is  $\leq -10\%$  of current market price.

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WSTC Securities Limited has its registered office at 2, Maitama Sule Street, South-West Ikoyi, Lagos, Nigeria.

Email: [research@wstc.com.ng](mailto:research@wstc.com.ng)

Website: [www.wstc.com.ng](http://www.wstc.com.ng)

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