

Q2 2025 GDP GROWS BY YoY 4.23%

.... GDP Growth Accelerates as Oil Sector Surges

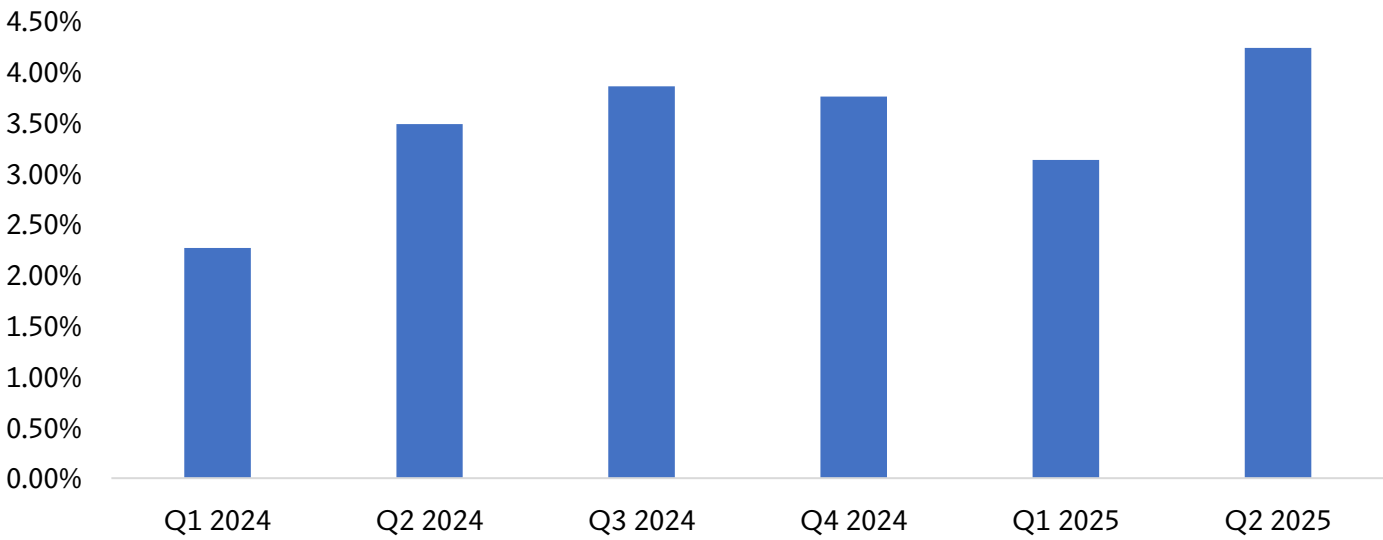


September 25, 2025.

Economic Report

Nigeria’s economy strengthened further in Q2 2025, with Real GDP expanding by 4.23% year on year, according to the National Bureau of Statistics (NBS). This marks the fastest quarterly growth in recent years, outpacing 3.48% in Q2 2024 and 3.13% in Q1 2025. The stronger momentum reflects a broad-based recovery, with the Oil sector emerging as the most striking performer.

Quarterly Real GDP Trend

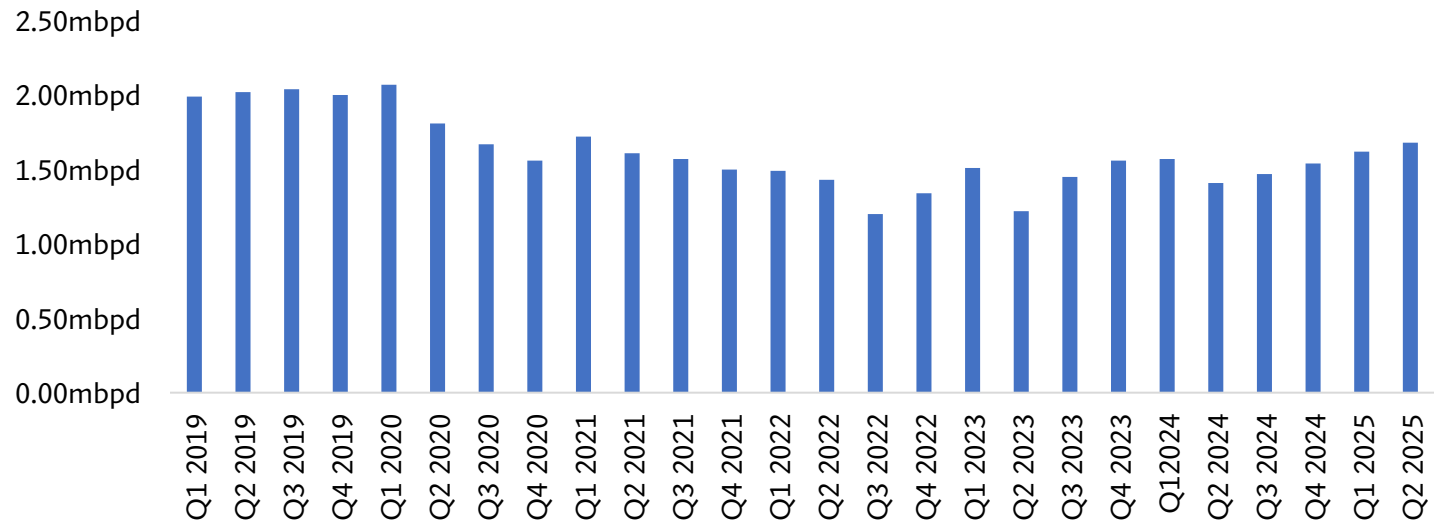


Sources: Nigeria Bureau of Statistics (NBS), WSTC Research

Oil Sector

The Oil sector posted an exceptional 20.46% year on year expansion in Q2 2025, a sharp jump from 1.87% in Q1 2025 and nearly double the 10.08% recorded in Q2 2024. The contribution to GDP rose to 4.05%, up from 3.51% in Q2 2024. This surge was powered by higher crude output as average daily production climbed to 1.68 million barrels per day from 1.62 mbpd in Q1 and 1.41 mbpd in Q2 2024 which was on the back of improved security in oil producing regions and sustained efforts to curb theft and pipeline vandalism.

Oil Production Trend



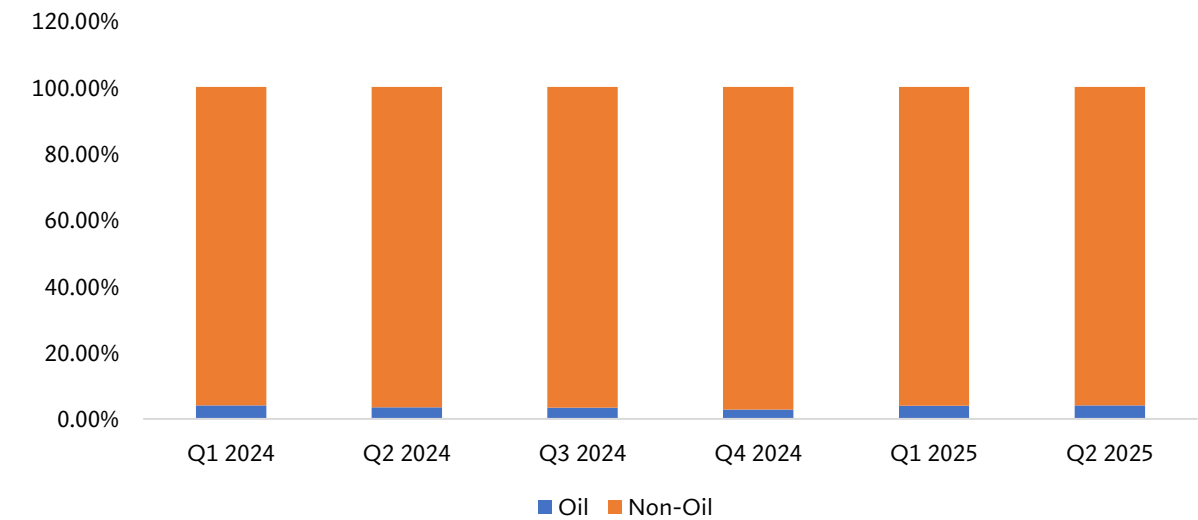
Sources: Nigeria Bureau of Statistics (NBS), WSTC Research



Non-Oil Sector

Non-Oil sector remained the anchor of overall activity, expanding by 3.64% year on year. This represents an improvement from both Q1 2025 at 3.19% and Q2 2024 at 3.26%. Contributing 95.95% of total GDP, the Non-Oil sector reflects the benefit of a relatively more stable macroeconomic backdrop, with moderating inflation and improving investor sentiment supporting economic activities.

Oil and Non-oil Contribution to Real GDP



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

Breaking down the Non-Oil performance, the Agricultural sector grew by 2.82% year-on-year, contributing 26.17% to GDP (Q1 2025: 23.33%, Q2 2024: 26.53%). This is a notable rebound from the mere 0.07% growth in Q1 2025 and a step up from the 2.60% recorded in Q2 2024, signaling renewed momentum.

The Agricultural sector’s year-on-year growth of 2.82% represents a notable uptick from the 0.07% growth recorded in Q1 2025, and the 2.60% gain achieved in Q2 2024, reflecting a significant growth in the sector. Further analysis shows that Crop production contributed largely to the growth in this sector.

The Industrial sector posted a strong 7.46% year-on-year growth, contributing 17.31% to GDP (Q1 2025: 19.18%, Q2 2024: 16.79%). This performance reflects a significant acceleration from the 3.42% growth in Q1 2025 and 3.72% in Q2 2024. Mining and Quarrying subsectors led the growth, which grew by a remarkable 20.86% year-on-year, which is a sharp jump when compared to 2.97% in Q1 2025 and 7.51% in Q2 2024. Notably, the manufacturing subsector’s growth eased to 1.60% from 1.69% in Q1 2025.

In contrast, growth in the Services sector showed signs of moderation. Although the sector recorded a 3.94% year-on-year increase, which is slightly higher than the 3.83% in Q2 2024, it fell short of the 4.33% posted in Q1 2025. This slight slowdown reflects weakening momentum in some of the key sub-industries within the services domain.

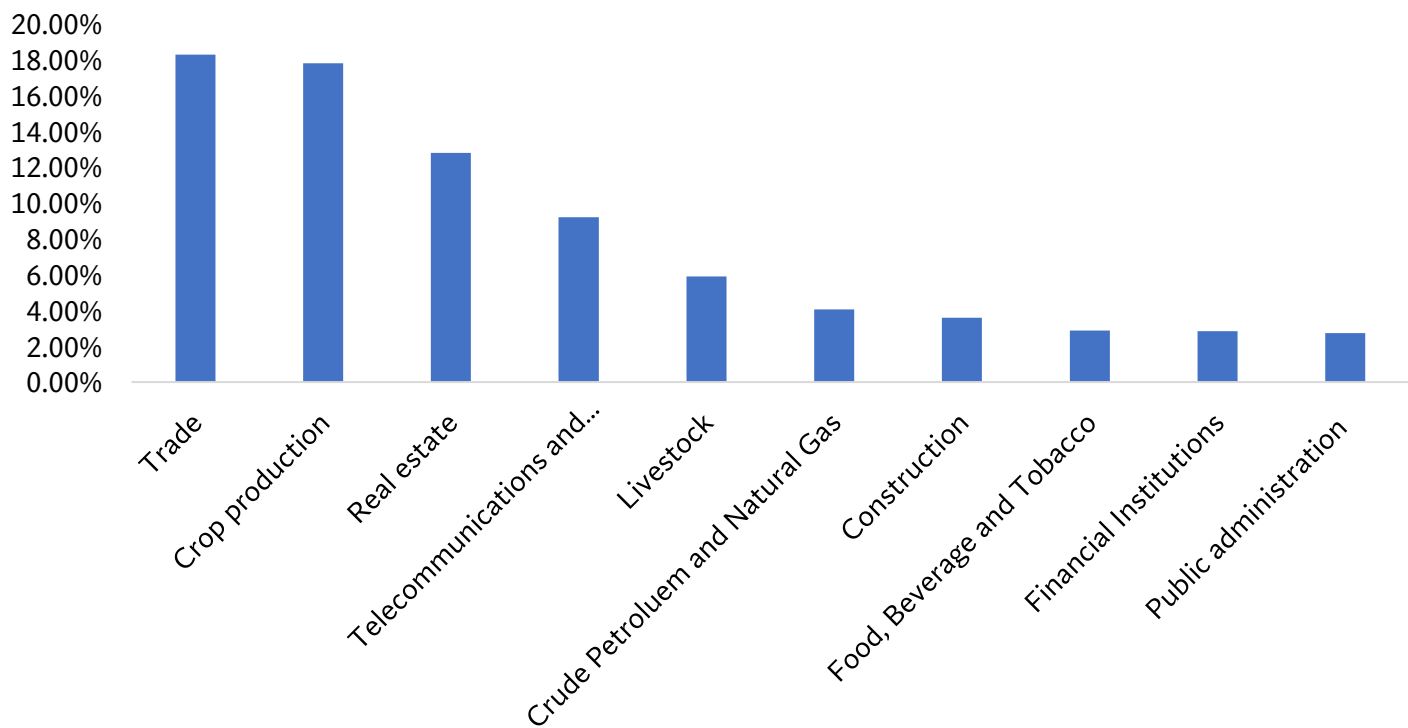
Specifically, the Information & Communication subsector saw its growth eased to 6.61% in Q2 2025, down from 7.40% in Q1 2025, even though it remains ahead of the 4.38% recorded in Q2 2024. Within this segment, Telecommunications decelerated to 7.39%, from 7.82% in the previous quarter. Evidently, the decline is attributed to the drop in the number of mobile subscribers due to the directive issued by the NCC regarding linkage of Subscriber Identification Modules (SIMs) to National Identification Numbers (NINs), leading to the deactivation of non-compliant SIMs.



On the other hand, the Finance & Insurance subsector stood out, posting an impressive 16.13% year-on-year growth, up from 15.03% in Q1 2024. This leap was primarily driven by the Insurance industry, which surged by 15.70% which is more than doubling its 7.08% growth in Q1 2025 and far exceeding the 1.56% expansion seen in Q2 2024. The substantial growth in insurance is directly linked to the strong performance reported by leading players during the quarter.

Notably, the Trade subsector’s growth declined year-on-year to 1.29% (Q1 2025: 1.78%, Q2 2024: 1.82%). This subsector contributed 18.28% to the total GDP (Q1 2025: 18.21%). Moreso, the Real Estate subsector’s growth also fell to 3.79% (Q1 2025: 4.61%, Q2 2024: 7.35%). This subsector contributed 12.80% to total GDP (Q1 2025: 13.30%)

Top Contributors to Real GDP



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

Outlook

Looking ahead, sustained progress in curbing crude oil theft and vandalism is expected to further lift production levels, positioning the oil sector as a consistent growth engine through the second half of the year. Average daily output has already shown signs of resilience, and with improved security and operational efficiency, the sector should continue to anchor overall growth momentum.

On the non-oil side, the arrival of the harvest season will boost agricultural output, support rural productivity and helping to stabilise food supply. Industry is likely to maintain its upswing, driven by manufacturing and construction, while services will continue to thrive on strong contributions from financial services, trade, and ICT. These gains will be supported by improving macroeconomic conditions, particularly the ongoing trend of disinflation and relative exchange rate stability, which should reinforce business confidence and encourage new investment flows.

Taking these factors into account, we raise our FY 2025 real GDP forecast to 3.75% from our previous 3.50%. FY 2025 nominal GDP is projected to reach \$431.53bn, an increase from \$364.62bn in FY 2024.



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