2026 Economic Outlook

Turning the Corner: Nigeria's Path to Resilient Growth

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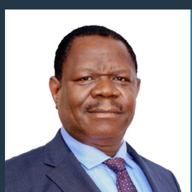
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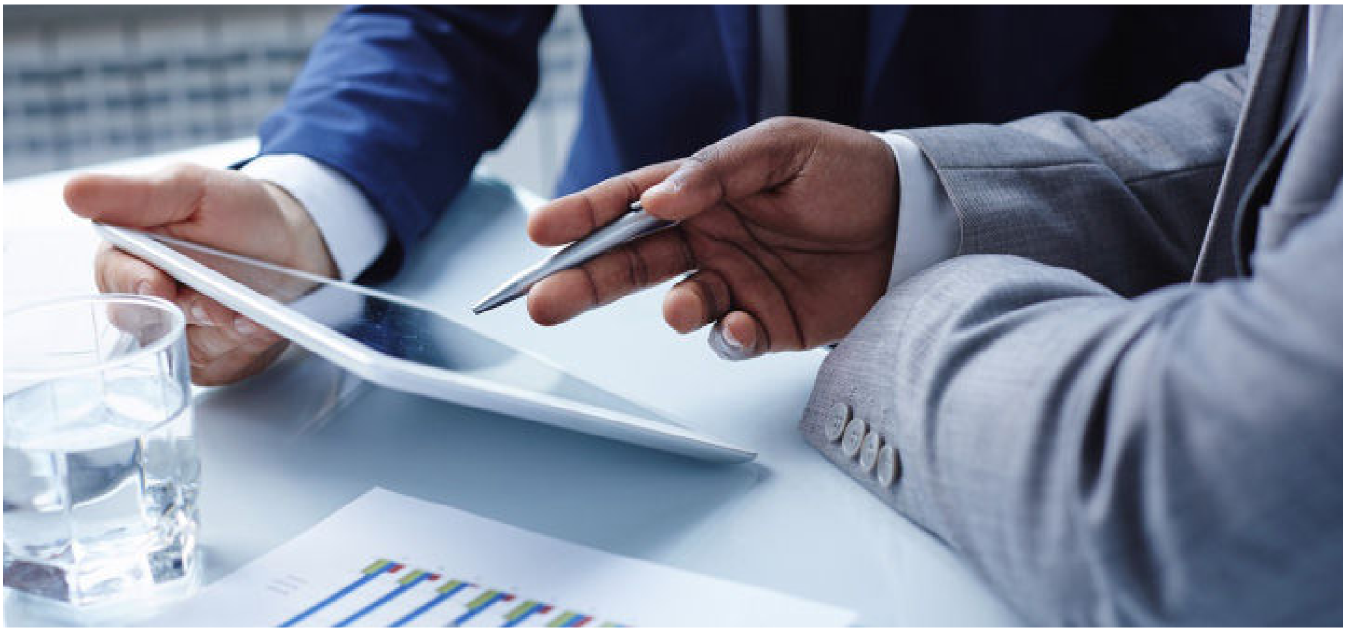
CONTENT

1.0

Executive Summary

Executive Summary



Nigeria enters 2026 at a pivotal turning point, moving from macroeconomic stabilisation toward a more resilient, structurally anchored growth trajectory. The reforms of 2024–2025—including fuel subsidy removal, foreign exchange unification, tax reforms, and tighter monetary policy—have created short-term pressures but are now yielding early signs of normalisation. Real GDP growth averaged 3.9% in 2025, led by a robust and increasingly services-driven economy. Growth is projected to accelerate modestly to around 4.4% in 2026, underpinned by financial services, telecommunications, construction, and a gradually recovering oil sector.

Inflation showed notable improvement in 2025 following the CPI rebasing, moderating to the mid-20s and trending toward the high teens, supported by easing food prices, improved logistics, and greater exchange rate stability. In 2026, inflation is expected to decelerate further, aided by tighter monetary policy, expanding domestic refining capacity, and stronger agricultural output. While official projections range from 12.9% to 16.5%, a realistic outcome is likely in the high teens, reflecting structural pressures and implementation risks.

Services remain the backbone of growth, accounting for roughly 53% of GDP by Q3 2025, providing stability amid soft consumer demand. Financial services, insurance, telecommunications, and construction recorded strong performance, while manufacturing, trade, and other consumer-facing sectors lagged, reflecting constrained household purchasing power. Capital inflows rebounded sharply in early 2025, driven by portfolio investments, but the reliance on short-term flows underscores the importance of attracting stable, long-term foreign direct investment.

On the fiscal front, 2026 is expected to focus on consolidation rather than expansion. Strategic infrastructure allocations, non-oil tax reforms, recapitalization in some major sectors eg the Banking and insurance, and an end to monetary deficit financing signal stronger policy discipline. Risks remain, including ambitious oil production targets, infrastructure execution challenges, election-related fiscal pressures, external shocks, currency volatility, and rising debt-servicing costs.

Nigeria's 2026 trajectory will ultimately depend on sustained reform credibility, disciplined implementation, stronger institutions, and the successful translation of stabilisation gains into inclusive, job-rich growth—signaling a decisive step toward resilient, long-term prosperity.

Executive Summary

2026 Projections

Variables	Outlook
GDP	↑
Inflation Rate	↔
Unemployment Rate	↓
Exchange Rate	↔
Capital Importation	↑
Oil Production	↑
MPR	↔
External Reserves	↑
Capital Markets	↑

Rating Key	Outlook
Positive	↑
Stable	↔
Negative	↓

2.0

Assessment of 2025 Fiscal Year

Assessment of 2025 Fiscal Year

Review of 2025

The 2025 Economic Outlook marked our maiden edition of the Nigeria Economic Outlook and Federal Government Budget Review. Underpinned by rigorous research and in-depth macroeconomic analysis, the report set out several bold but informed projections, establishing clear expectations for economic performance and providing practical insights on how stakeholders could navigate the evolving macroeconomic environment.

No.	2025 Projection	Commentary
1	GDP growth projected at 3%	Our projection was relatively conservative compared to actual performance. According to the World Bank, Nigeria's GDP growth reached 3.9% in 2025, driven largely by wide-ranging economic reforms, improved macroeconomic management, and renewed investor confidence following policy realignment.
2	Inflation was expected to moderate from 37% in 2024 to 25–30% in 2025	Inflation declined more sharply than anticipated. Based on the latest Central Bank of Nigeria (CBN) publication, headline inflation stood at 14.45%, largely reflecting the impact of currency rebasing and base-year effects, which were not factored into our original projection at the time of publication.
3	Exchange rate was expected to stabilise around ₦1,500/$	We projected a moderation in the exchange rate from an average of ₦1,700/$ to ₦1,500/$, anchored on reduced petroleum imports following the commencement of operations at the Dangote Refinery. This assumption largely materialised, with the exchange rate in 2025 hovering around ₦1,445/$, indicating reduced pressure on foreign exchange demand.
4	Expansion of the capital market	We anticipated a continuation of the equity market bull run that began in 2024, extending into 2025. This was realised, as NGX market capitalisation expanded from ₦62.76 trillion to ₦99.38 trillion, representing a 58% increase. The debt market also expanded significantly, reflecting increased government borrowing to finance fiscal deficits and refinance existing obligations.
5	Crude oil exports expected to stabilise or moderately increase to 1.5mbpd	Actual crude oil exports exceeded expectations, averaging ~1.65 million barrels per day in 2025. This marked a meaningful improvement over 2024 levels and was largely attributable to reduced oil theft, improved pipeline security, and relative stability in the Niger Delta region.
6	Steady growth in the financial sector.	Growth in the financial sector remained robust, supported by the ₦1 trillion banking sector recapitalisation programme, aimed at strengthening balance sheets and positioning the sector to support Nigeria's long-term ambition of achieving a $1 trillion GDP.
7	Rebound in capital importation and foreign direct investment.	Capital inflows rebounded strongly. According to Vanguard, foreign capital inflows reached nearly $14 billion in the first nine months of 2025, combining Foreign Portfolio Investment (FPI) and Foreign Direct Investment (FDI). This exceeded total inflows recorded in the whole of 2024, signalling renewed foreign investor confidence.
8	Increase in external reserves	Nigeria's external reserves strengthened considerably, reaching $46.7 billion as of November 14, 2025, the highest level in seven years. This improvement reflects stronger capital inflows, improved export receipts, and enhanced foreign exchange management by the Central Bank of Nigeria.

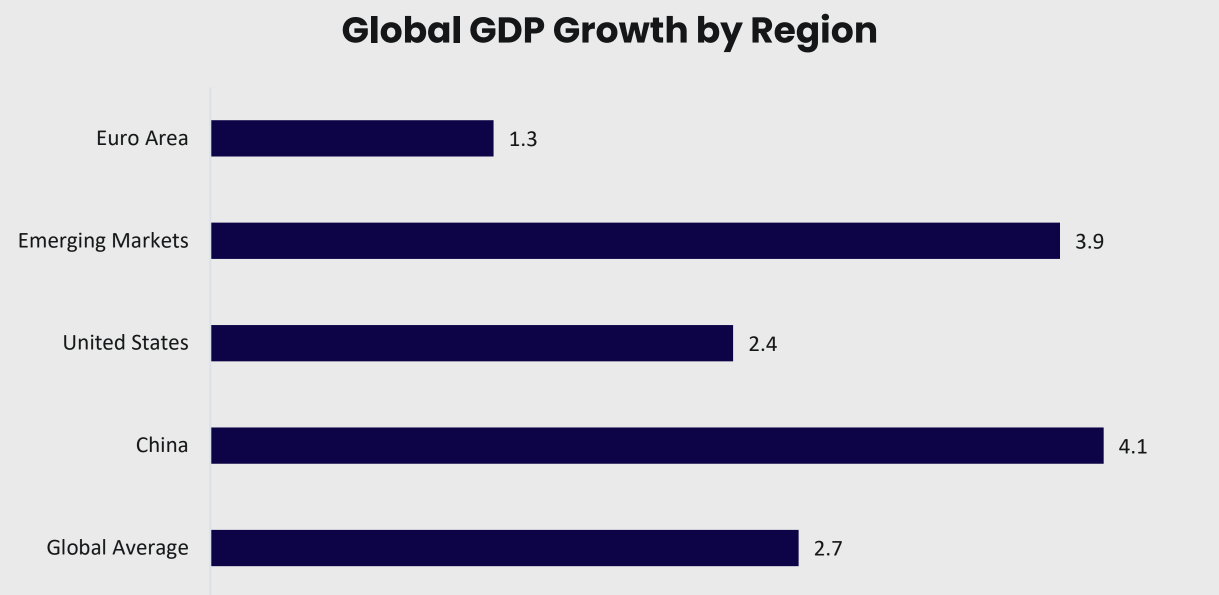
3.0

Global Economic Outlook

Global Landscape

Global Macro Overview

The global economy in 2026 is navigating a complex Soft Landing. After years of volatility, global growth is projected to stabilise at 2.7%, a pace that is sturdy but remains below the pre-pandemic historical average of 3.2%. This baseline scenario, supported by forecasts from the World Bank and Goldman Sachs, reflects a world where the acute threat of global recession has receded, replaced by a new norm of Geo-economic Fragmentation. The divergence between advanced economies is widening: the United States is outperforming expectations (projected at 2.4%) driven by fiscal stimulus and deregulation, while the Eurozone struggles with sluggish growth (1.3%) due to energy constraints and export weakness.



Source: World bank, International Monetary Fund (IMF), ***Kreston Pedabo*** *Analysis*

The Disinflation Narrative

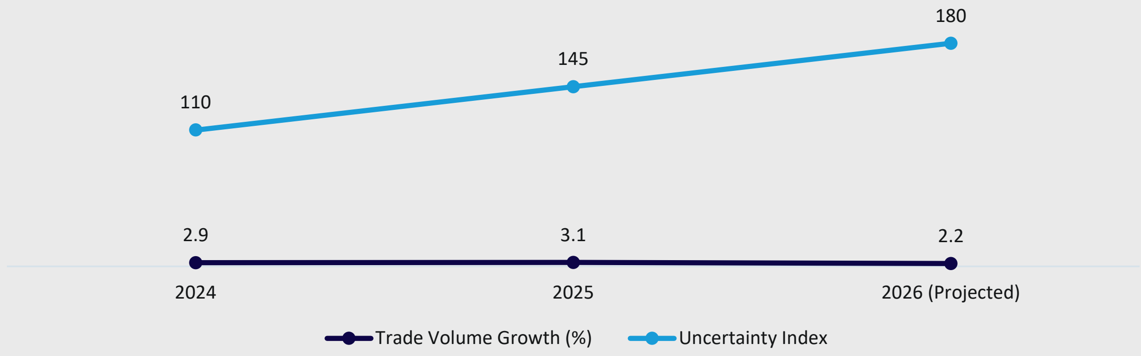
Inflationary pressures, which dominated the first half of the decade, have largely abated but remain sticky in specific pockets. Global headline inflation is forecast to moderate to 2.8% in 2026. However, a critical divergence has emerged. While Europe and China face disinflationary (or even deflationary) pressures, the United States is seeing inflation stabilise at a higher plateau (2.5% - 3.0%). This Sticky Inflation in the US is largely attributed to supply-side constraints, specifically labour shortages from stricter immigration policies and the pass-through effects of new import tariffs.

Global Landscape

Trade Fragmentation & Supply Chains

The defining feature of the 2026 economic landscape is the shift from "Global Efficiency" to "National Security." President Trump's trade policies, specifically the implementation of baseline tariffs and targeted levies on China and Mexico, have triggered a rewiring of global trade. The Trade Uncertainty Index has reached levels not seen since 2018. While global trade growth remains weak (projected at just 2.2%), these pressures have sped up near-shoring. Countries such as Vietnam, India, and Poland are benefiting as multinational companies move supply chains away from regions hit by tariffs

Global Trade Uncertainty Index vs. Trade Volume Growth



Source: World Trade Organization (WTO), Policy Uncertainty Index, ***Kreston Pedabo*** *Analysis*

Fiscal Stimulus & Deregulation

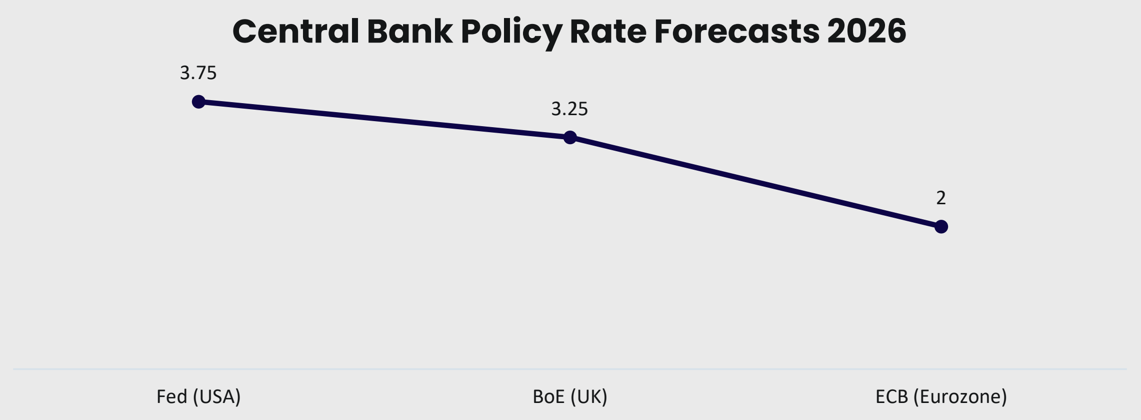
Domestically, the US economy is receiving support from the extension of the Tax Cuts and Jobs Act and new corporate tax incentives, including a reduced 15% rate for domestic producers. This fiscal easing is expected to lift GDP by around 0.4% in 2026. At the same time, broad deregulation, particularly across energy and financial services, has revived business investment. The growth boost, however, comes at a fiscal cost: the federal deficit is set to remain high, keeping global bond yields elevated as markets absorb increased issuance of US Treasuries.

Global Landscape

Central Bank Divergence

The period of synchronised global monetary policy has ended. In 2026, central banks are set to move at different speeds.

- **Federal Reserve:** Inflationary pressures from tariffs and loose fiscal policy are likely to keep US interest rates elevated, with the Fed expected to hold rates in the 3.50%–3.75% range. Markets are also focused on leadership uncertainty, as Chair Jerome Powell's term expires in May 2026.
- **ECB and BoE:** By contrast, European central banks are expected to continue cutting rates to support weak growth, widening the interest rate gap between the US dollar and the euro.



Source: Bloomberg, US Federal Reserve, **Kreston Pedabo** *Analysis*

The AI Productivity J-Curve

Beyond politics, the structural engine of the 2026 economy is Artificial Intelligence. The massive capital expenditure (Capex) cycle on data centres and energy infrastructure, which began in 2024, is starting to transition into the Deployment Phase. Corporate investment in software and equipment is forecast to rise by 5.5% in 2026. Early signs of AI-driven productivity gains are appearing in the professional services and coding sectors, providing a crucial counterweight to the demographic drag of aging populations in the West and China.

4.0

The African Landscape

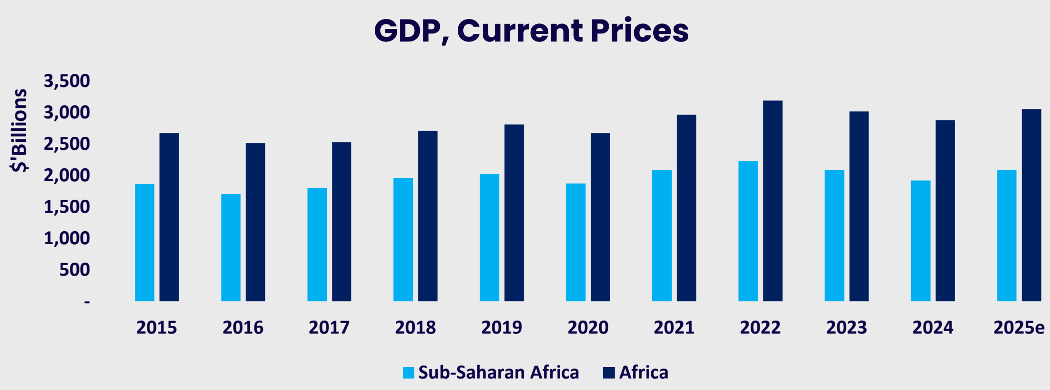
The African Landscape

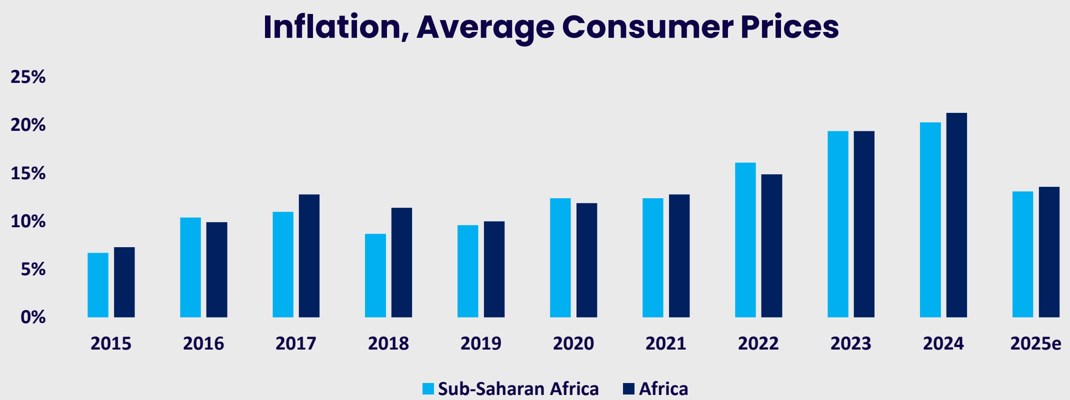
Sub-Saharan Africa: A Region of Contrasts and Opportunities

Sub-Saharan Africa (SSA) is a diverse region encompassing countries south of the Sahara Desert, characterised by rich cultural heritage, varied geography, and significant economic potential. SSA has one of the fastest-growing populations globally, with a rapidly expanding working-age cohort.

Real GDP growth for the region is estimated to have grown to 4.0% by the end of 2025, up from 3.7% in 2024. This was attributable to the easing of inflation and stronger private consumption and investment in the region. GDP is estimated to grow further by an annual average rate of 4.4% in 2026 - 2027. The region still faces issues such as the indirect effects of global trade policy uncertainty, declining investor appetite, and a shrinking pool of external finance, which makes it difficult to cut down the rate of unemployment, considering its rapidly growing labour force.

Certain reforms and investments can aid the region in stimulating job creation, such as private sector developments in sectors like agriculture, tourism, healthcare, and housing, reduction in the cost of businesses to stimulate growth, investing in sustainable energy and growth, curbing corruption, and such practices for a stable government and economy, which can attract investments





*Source: IMF, **Kreston Pedabo** Analysis*

5.0

The Domestic Landscape

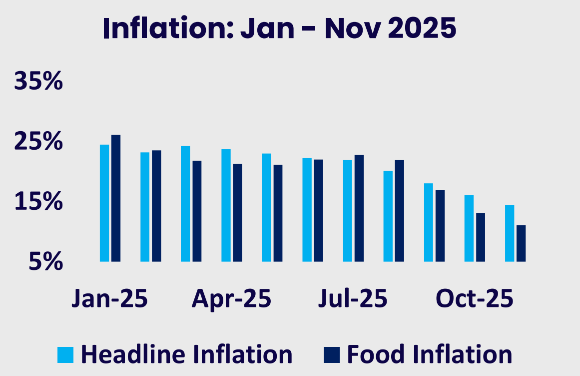
The Domestic Landscape

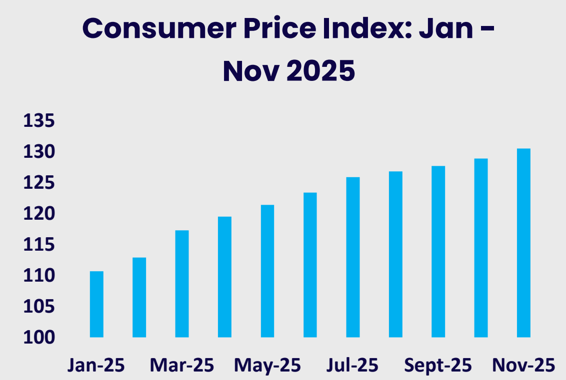
Inflation Rate

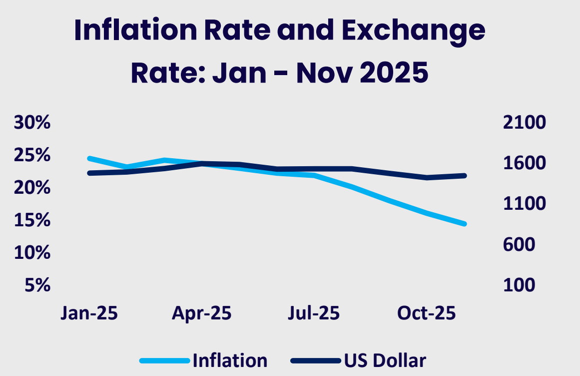
In 2025, Nigeria's headline inflation dipped significantly to 24.48 % following a rebasing of the Consumer Price Index (CPI) by the National Bureau of Statistics (NBS). This rebasing updated the basket of goods used to calculate inflation, influencing the measured decline from much higher 2024 levels. Continued broad improvements saw inflation trend lower with a significant drop to the high teens, driven notably by lower food prices and a more stable exchange rate.

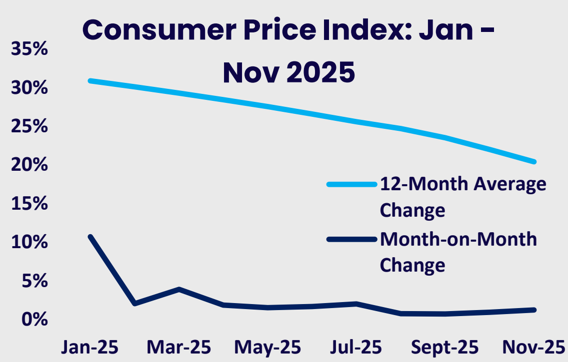
The CBN maintained a cautious, tight monetary policy stance during most of 2025, aiming to anchor inflation expectations while supporting macro stability. Food inflation, a major driver of Nigeria's overall consumer prices, eased significantly through 2025, in part due to better domestic food supply, reduced transportation and logistics costs, and seasonal harvest impacts.
2025 was a year of progressive disinflation for Nigeria, marked by notable declines in headline inflation, partly due to statistical rebasing, anchored by prudent monetary policy, easing food inflation, and broader economic reforms.

CBN projects inflation to drop to 12.9% in 2026 because of an expected decrease in the price of food and premium motor spirit (PMS), as stated in its 2026 Macroeconomic Outlook.





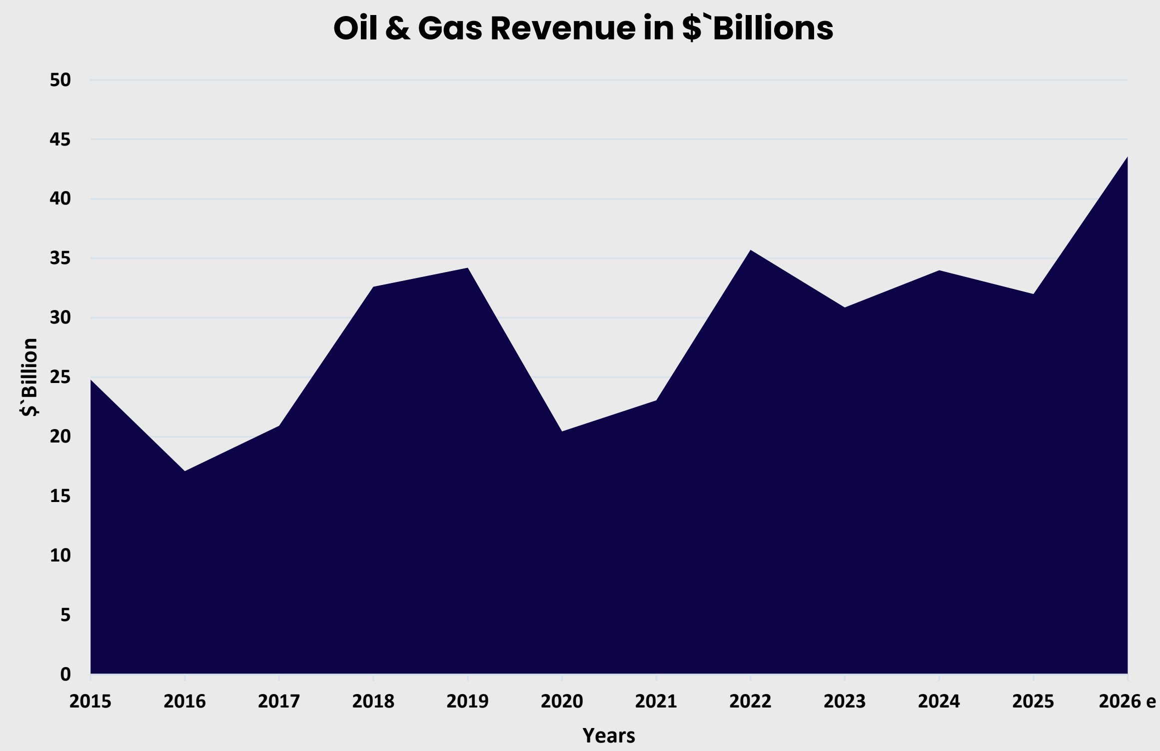




Source: CBN, NBS, ***Kreston Pedabo*** *Analysis*

The Domestic Landscape

Oil and Non-Oil Revenue

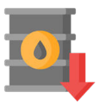


Source: CBN, NBS, ***Kreston Pedabo*** *Analysis*

Oil Revenue

While oil has traditionally dominated Nigeria's fiscal framework, 2025 collections highlight a notable shift: in the first eight months, 76% of government revenue came from non-oil sources and only 24% from oil, underscoring the growing role of non-oil revenues in supporting fiscal sustainability. For 2026, oil production is projected at 1.84 million barrels per day, with a crude oil benchmark price of $64.85 per barrel, generating approximately $43.56 billion in revenue.

A historical view of oil and gas revenue highlights its volatility and critical importance:



From $24.8 billion in 2015, revenues fell to $17.1 billion in 2016 due to low global oil prices, before recovering steadily to $43.56 billion projected for 2026.

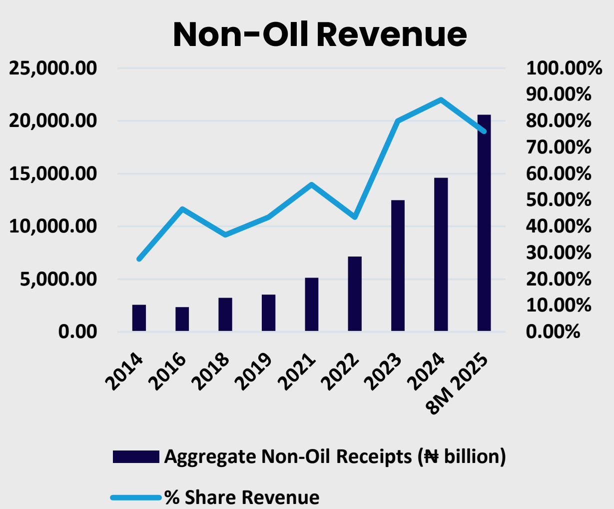
The sharp projected increase in 2026 reflects both an increase in global oil production and a stable oil price.

The Domestic Landscape

Oil and Non-Oil Revenue

The continued reliance on oil revenue exposes the government to external shocks, particularly from geopolitical developments. Heightened uncertainty arising from tensions in the Middle East and the ongoing Russia–Ukraine conflict as well as the possible impact of the US Venezuela engagements underscores this vulnerability, reinforcing the need to accelerate efforts to strengthen and diversify non-oil revenue streams.

Non-Oil Revenue



*Source: Nairametrics, NBS, **Kreston Pedabo** Analysis*

Non-oil revenue has become a critical pillar of fiscal stability, reflecting the government's ongoing efforts to diversify its revenue base away from oil dependence. Non-oil revenue comprises taxes, fees, and other internally generated funds, including company income tax, value-added tax (VAT), customs duties, and independent revenues from ministries, departments, and agencies.

Over the last decade, non-oil revenue has grown substantially both in absolute terms and as a share of total revenue. According to the Central Bank of Nigeria (CBN) fiscal policy

reports, non-oil receipts increased from ₦2.57 trillion in 2014 (28% of total revenue) to ₦7.15 trillion in 2022 (44% of total revenue), reflecting both economic growth in non-oil sectors and improved tax administration.
The shift has accelerated in recent years. The available data from 2023 to 2025 shows non-oil revenue becoming the primary driver of fiscal inflows:

- In 2023, non-oil revenue accounted for approximately 81% of total government receipts.
- In 2024, estimates indicate non-oil revenue likely represented close to 88% of total receipts, underscoring strong performance across tax and customs collections.
- In 2025 (January–August), non-oil revenue contributed ₦15.69 trillion, or roughly 76% of total revenue.

This trend is expected to continue into 2026. A major factor that will continuously support this growth is the implementation of the Nigeria Tax Act, which consolidates, modernises, and simplifies tax legislation across the country. By harmonizing tax laws, removing inconsistencies, and strengthening compliance frameworks, the Act enhances the efficiency of tax administration, broadens the tax base, and reduces opportunities for evasion.

The Domestic Landscape

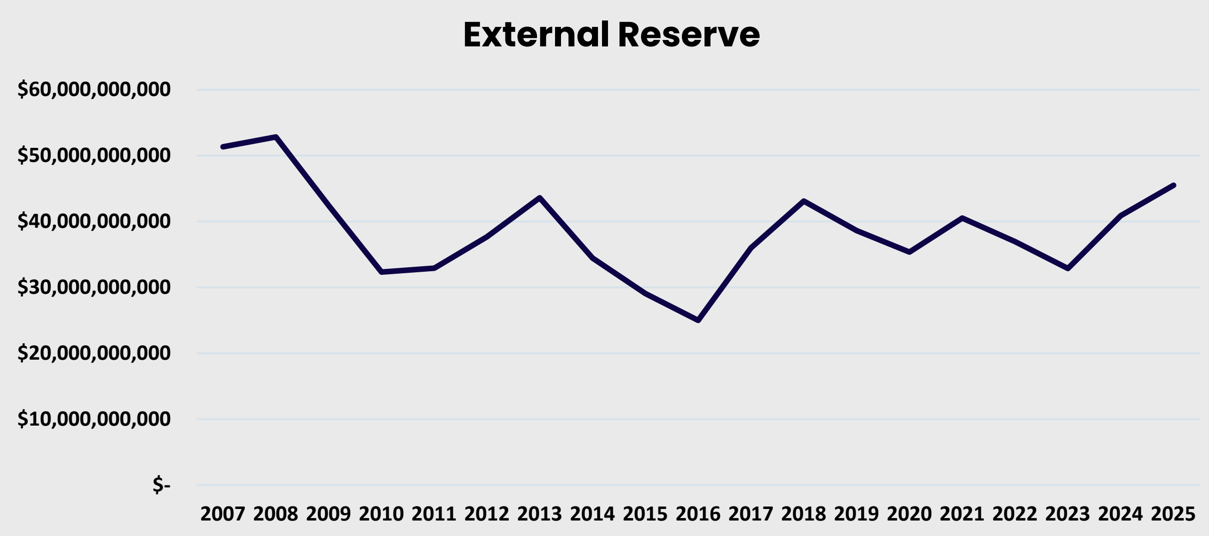
External Reserve

External reserves are now on a firmer footing, reflecting gradual improvements in external sector fundamentals and policy coordination. According to the Central Bank of Nigeria (CBN), gross external reserves are projected to rise to US$51.04 billion in 2026, underpinned by sustained foreign exchange market reforms, stronger export earnings, steady diaspora remittance inflows, and improved domestic refining capacity.

This outlook builds on the positive momentum recorded in 2025, when the balance of payments posted an estimated surplus of US$5.8 billion, lifting external reserves to about US$45.5 billion, up from US$40.9 billion in 2024. The improvement reflects a combination of higher oil production, resilient capital inflows, selective Eurobond issuances, and tighter FX management by the CBN. Together, these factors have strengthened reserve buffers and supported recent stability in the official exchange rate, narrowing the gap with parallel market rates.

Over the past two decades, Nigeria's external reserves have followed a cyclical path, closely linked to oil price dynamics, capital flow conditions, and exchange rate regimes. Reserves peaked above US$52 billion in 2008, before declining sharply during periods of oil price shocks and FX market pressures, notably between 2014 and 2016, when reserves fell to a low of about US$25.0 billion.

A recovery phase followed between 2017 and 2018, supported by higher oil prices and external borrowing, with reserves rising above US$43 billion. However, renewed pressures from the COVID-19 shock and lower oil receipts saw reserves soften again in 2020–2022. Since 2023, reserves have staged a more durable recovery, rising from US$32.9 billion in 2023 to US$45.5 billion in 2025, reflecting improved FX reforms, stronger external inflows, and better balance-of-payments management



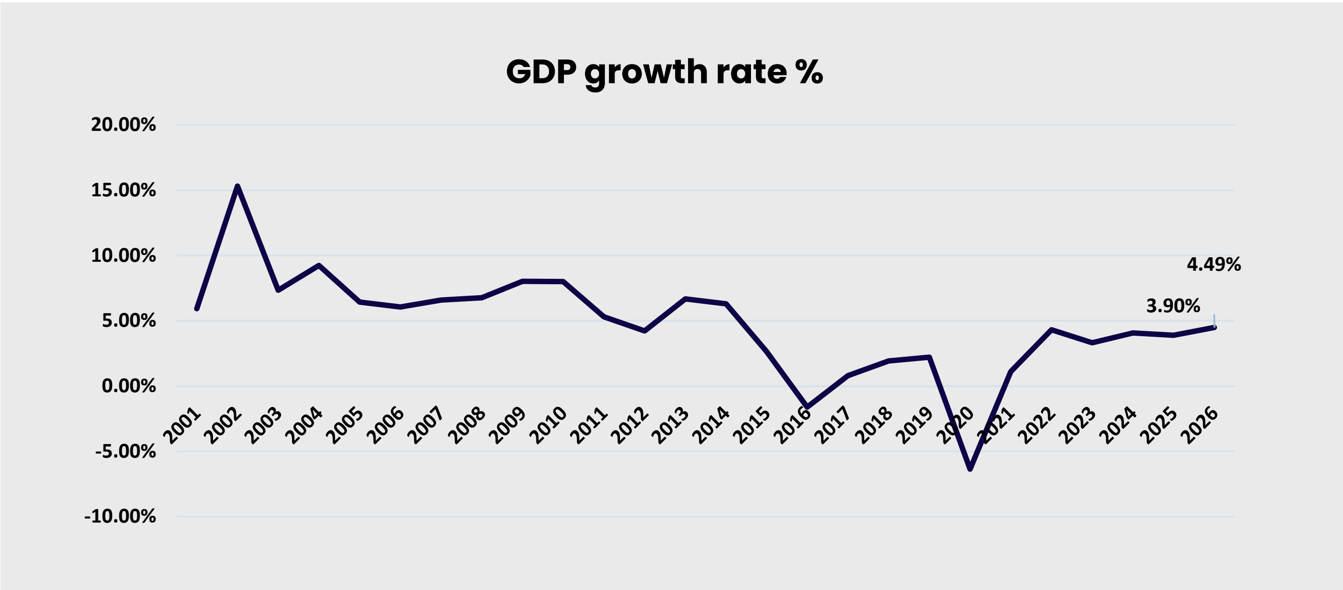
Source: CBN, NBS ***Kreston Pedabo*** *Analysis*

The Domestic Landscape

Gross Domestic Product (1/3)

Nigeria's economic performance in 2025 reflected resilience rather than rapid acceleration, shaped by the cumulative impact of major macroeconomic reforms implemented in 2023 and 2024. These reforms, while structurally necessary, continued to influence growth dynamics through tight financial conditions, elevated inflation, and higher operating costs across the economy. As a result, real GDP growth averaged approximately 3.8% in 2025, representing a modest moderation from an estimated 4.1% in 2024.

The growth trajectory from Q1 2024 to Q3 2025 highlights three distinct phases. In Q1 2024, real GDP growth slowed sharply to 2.27%, the weakest performance in seven quarters, reflecting post-reform adjustment pressures. Household consumption weakened, business costs rose, and private investment declined as the economy absorbed the immediate effects of fuel subsidy removal, monetary tightening, and broader price adjustments.



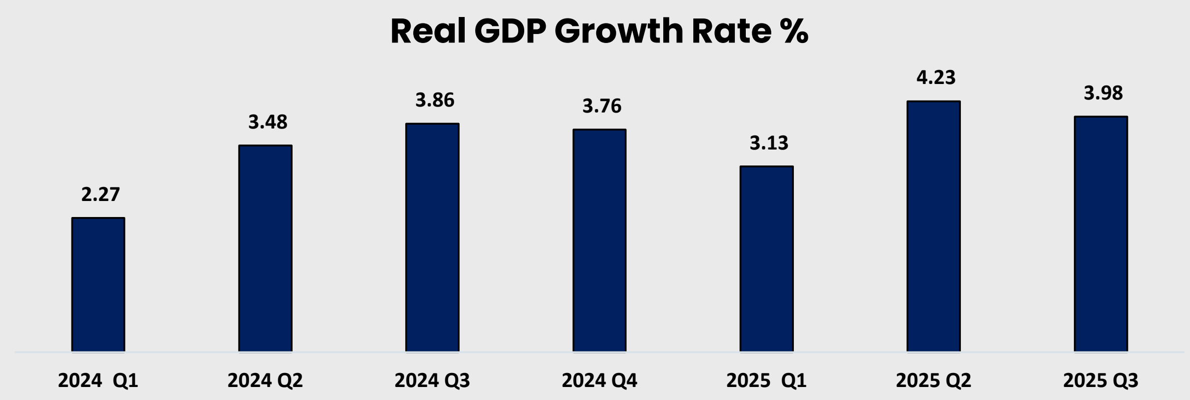
Source: CBN, NBS, **Kreston Pedabo** Analysis

From Q2 to Q4 2024, growth recovered steadily, rising from 3.48% to 3.76%. This rebound was driven by improved oil-sector output and sustained resilience in services, particularly telecommunications, financial services, and trade, as firms gradually adapted to new pricing and cost structures.

Despite this recovery, elevated inflation continued to constrain real incomes and living standards. A defining development in 2025 was the National Bureau of Statistics' rebasing of GDP, which expanded sectoral coverage and reweighted contributions, revealing a more diversified and service-driven economy.

The Domestic Landscape

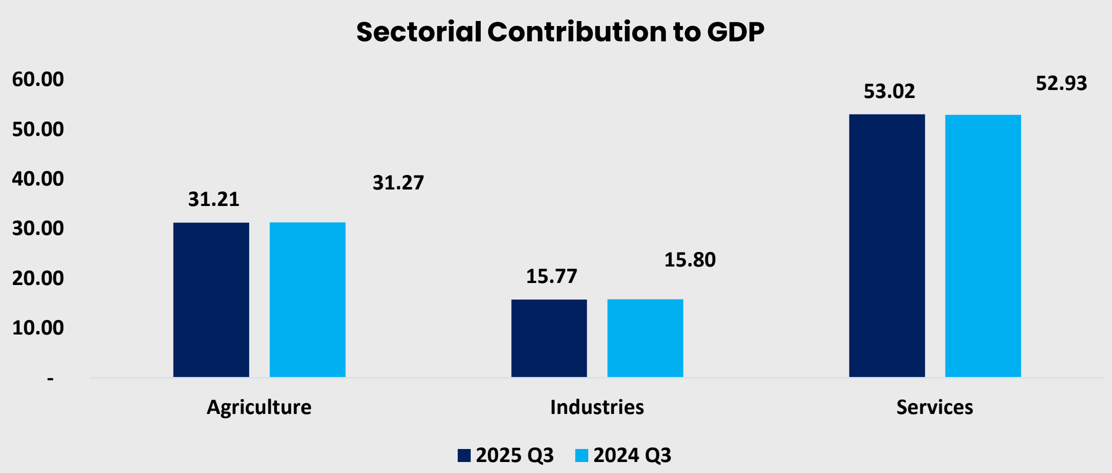
Gross Domestic Product (2/3)



*Source: CBN NBS, , **Kreston Pedabo** Analysis*

Against this backdrop, growth moderated to 3.13% in Q1 2025, due largely to base effects rather than underlying weakness. Growth then accelerated sharply to 4.23% in Q2 2025, the strongest quarterly performance, before easing slightly to 3.98% in Q3, signaling consolidation. Rebased GDP data confirms that Nigeria's economy in 2025 is predominantly services-driven, with services accounting for about 53% of GDP by Q3, compared with 31% for agriculture and 16% for industry. Services provided the main stabilising force for growth, keeping GDP expansion near 4% despite weak consumer demand.

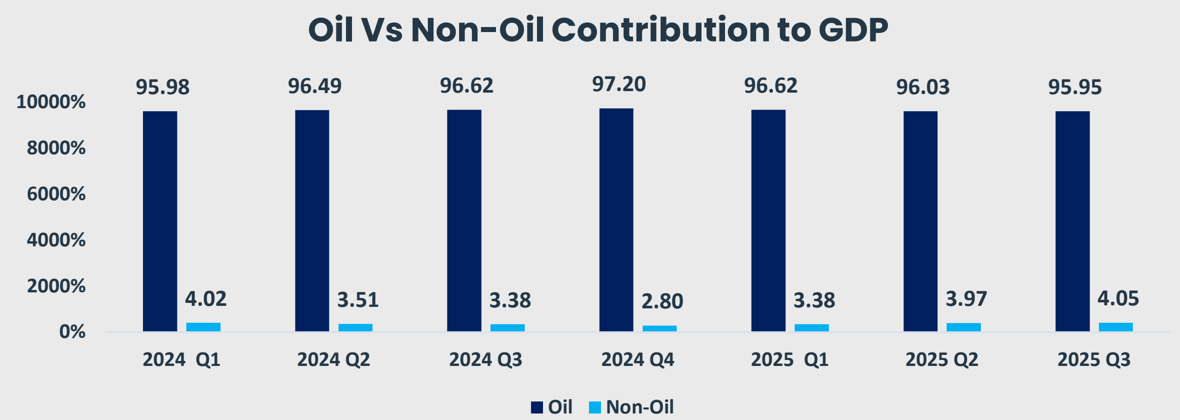
Strong performance in financial services, telecommunications, and construction offset subdued activity in consumer-facing sectors, underscoring a structurally driven, rather than consumption-led, growth profile.



*Source: CBN, NBS, **Kreston Pedabo** Analysis*

The Domestic Landscape

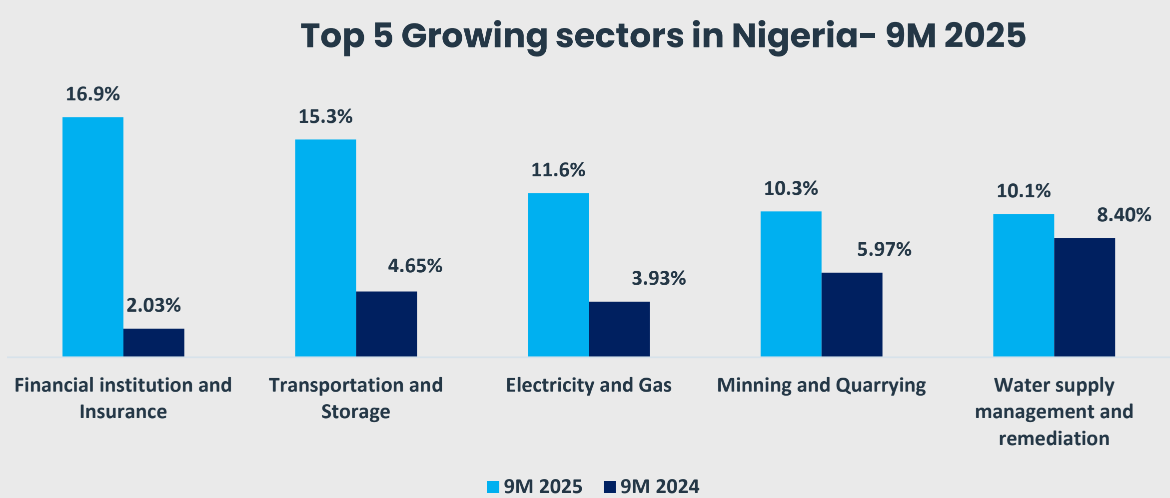
Gross Domestic Product (3/3)



Source: CBN NBS, , ***Kreston Pedabo*** *Analysis*

The oil versus non-oil decomposition highlights Nigeria's increasingly diversified growth profile in 2025. While the oil sector remained central to exports, external balances, and fiscal revenues, its direct contribution to real GDP growth softened over the period. By contrast, non-oil GDP growth strengthened steadily, rising from 3.38% in Q1 2025 to 4.05% by Q3, indicating a greater role for non-oil activity in driving output.

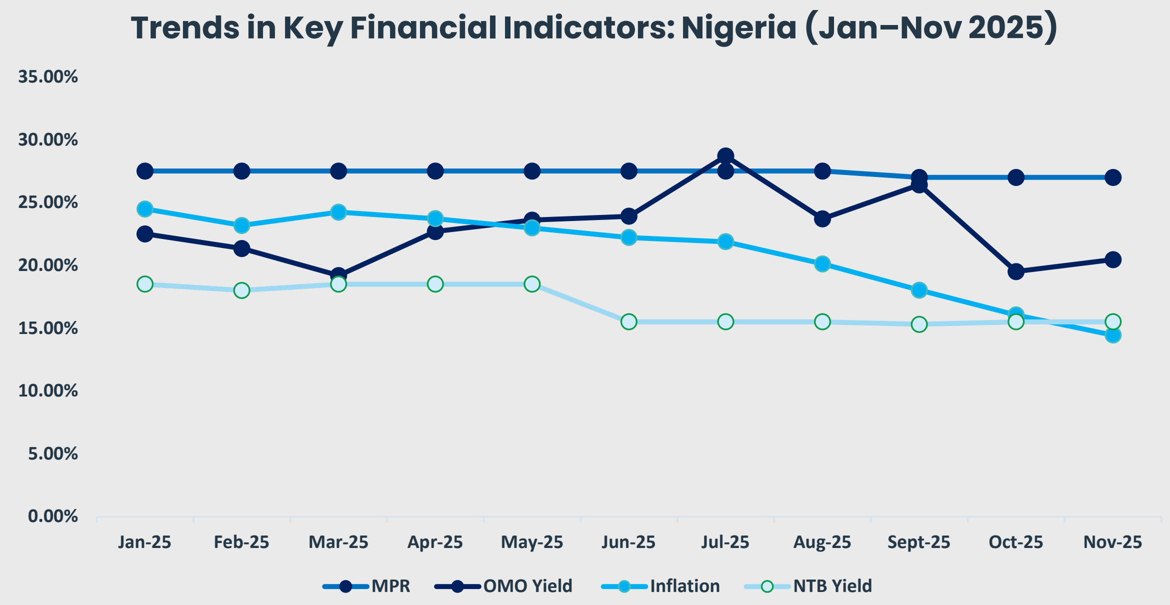
Sectoral performance in 9M-2025, measured year-on-year, was led by financial institutions and insurance, which expanded by 16.9%. Transportation and storage grew by 15.3%, electricity and gas by 11.6%, mining and quarrying by 10.3%, and water supply and waste management by 10.1%. Overall, non-oil sectors increasingly anchored domestic output, reinforcing the resilience of Nigeria's growth trajectory.



Source: NBS, , ***Kreston Pedabo*** *Analysis*

The Domestic Landscape

Monetary Policy and Financial Conditions



Source: CBN, ***Kreston Pedabo*** *Analysis*

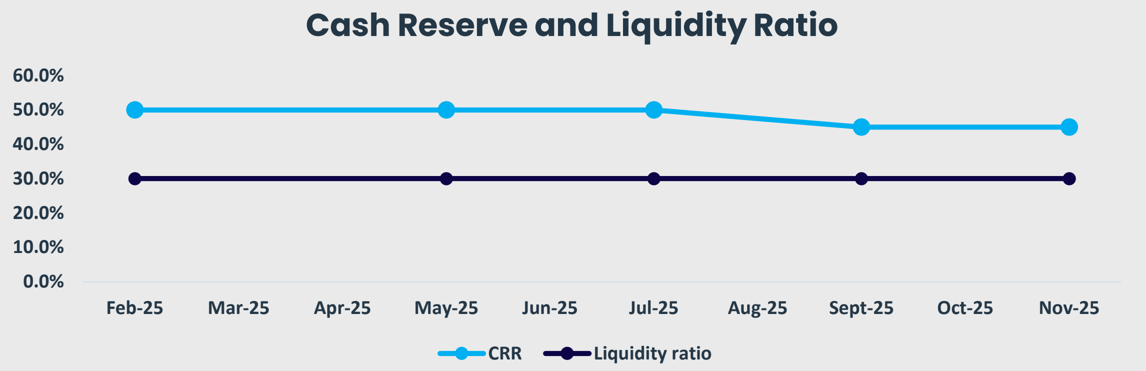
Monetary policy in 2025 remained firmly oriented toward restoring and sustaining macroeconomic stability following the significant policy adjustments of recent years. For most of the year, the Central Bank of Nigeria (CBN) maintained a restrictive stance, prioritising inflation moderation, monetary credibility, and orderly financial conditions. At its February, May, and July 2025 meetings, the Monetary Policy Committee (MPC) held the Monetary Policy Rate at 27.50%, the Cash Reserve Ratio at 50.0%, and the liquidity ratio at 30.0%, extending a prolonged period of tight monetary settings. The combination of a high policy rate and elevated CRR underscored the CBN's emphasis on liquidity control and interest-rate discipline.

These policy settings were reflected in financial market conditions. Open Market Operation and Treasury bill yields remained elevated through the year, adjusting to liquidity conditions and portfolio flows. OMO yields ranged between 19% and 29%, peaking in July, while Treasury bill yields traded largely between 15% and 18.5%. The persistence of high market yields alongside a fixed MPR highlights the role of active liquidity management in shaping financial conditions.

Inflation trended downward over the year, easing from 24.48% in January to 14.45% by November. This disinflation gradually improved real yield dynamics, shifting returns on naira fixed-income instruments into positive territory by the fourth quarter. Overall, the interaction of tight policy rates, liquidity management, and easing inflation defined financial conditions in 2025, reinforcing monetary transmission and supporting a more stable macro-financial environment.

The Domestic Landscape

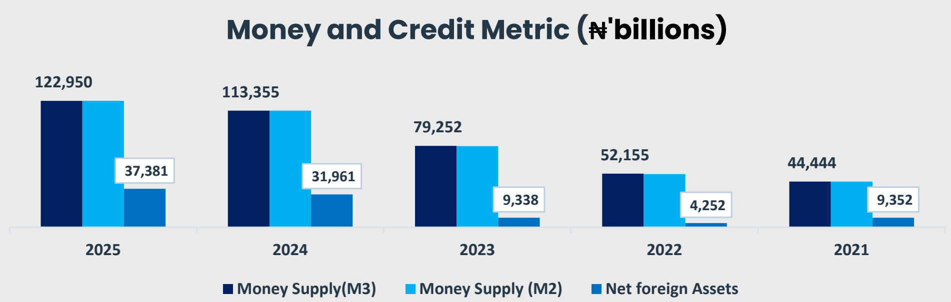
Monetary Policy and Financial Conditions



Source: CBN, ***Kreston Pedabo*** *Analysis*

By September, as inflation moderated to 18.02% and FX stability improved, the MPC initiated a cautious recalibration. The Committee reduced the MPR by 50bps to 27.00% and cut the CRR to 45.0%, while maintaining the liquidity ratio at 30.0%. This adjustment signaled the start of a gradual normalisation process rather than a shift to an accommodative stance. The CRR reduction was particularly significant from a financial conditions perspective, easing and improving interbank liquidity. Market yields responded swiftly: OMO rates fell sharply from their July peak, reaching 23.7% in August, 26.4% in September, and 19.5% in October, before stabilising around 20.5% in November, while Treasury bill yields narrowed to a band of 15.3–15.5% from June onward. These movements reflected easing inflation expectations, improved liquidity, and stronger confidence in macroeconomic stability.

At its November meeting, the MPC maintained all policy parameters, keeping the MPR at 27.00%, the CRR at 45.0%, and the liquidity ratio at 30.0%. By this stage, monetary conditions were restrictive but stabilising, with high nominal yields, reduced volatility, and materially improved real returns owing to the steady decline in inflation.



Source: CBN, ***Kreston Pedabo*** *Analysis*

The Domestic Landscape

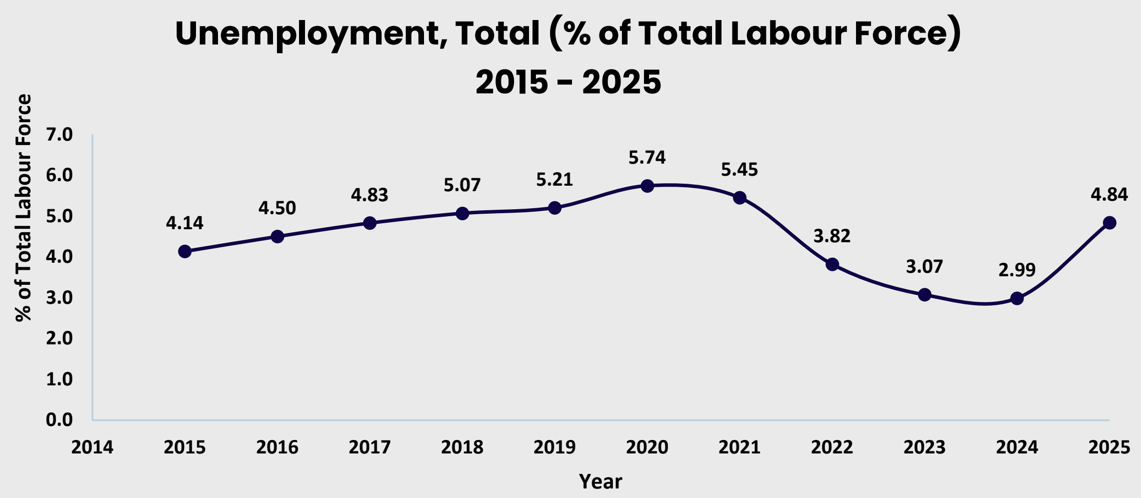
Unemployment

Nigeria's labour market in 2026 is expected to remain fragile, marked by persistently high unemployment and underemployment despite early signs of stabilisation. Ongoing risks from volatile oil prices threaten government revenue and foreign exchange inflows, constraining public investment and limiting the state's capacity to generate jobs. Continued reliance on fuel imports amplifies foreign exchange pressures, raises input costs for energy-intensive and import-dependent firms, and discourages business expansion and hiring.

The gradual ramp-up of the Dangote refinery is expected to reduce dependence on petrol and diesel imports, easing foreign exchange demand for refined products and lowering domestic energy supply risks. Over time, this could help stabilise energy costs for manufacturers and transport operators, supporting job retention and potentially creating new employment opportunities.

Monetary policy remains cautious. The Central Bank of Nigeria maintained the Monetary Policy Rate (MPR) at 27% in November 2025, reflecting a cautious approach to easing amid a decline in headline inflation. Lending conditions remain restrictive, and while inflation is projected to continue easing and foreign exchange conditions stabilise, any monetary policy easing in 2026 is likely to be gradual. High borrowing costs will continue to limit credit access for businesses, constraining investment and formal sector job creation, particularly in manufacturing, construction, and large-scale services.

In the absence of robust formal sector growth, the informal economy will remain the primary source of employment, absorbing displaced workers and new entrants. Accounting for 76.7% of the workforce, informal trade, agriculture, and services will continue to play a critical role in labour absorption. However, these jobs are generally low-paying, offer limited access to credit, and provide minimal social protection. As a result, underemployment and income vulnerability are likely to persist, even if headline unemployment rates stabilise.



*Source: World Bank, NBS, **Kreston Pedabo** Analysis*

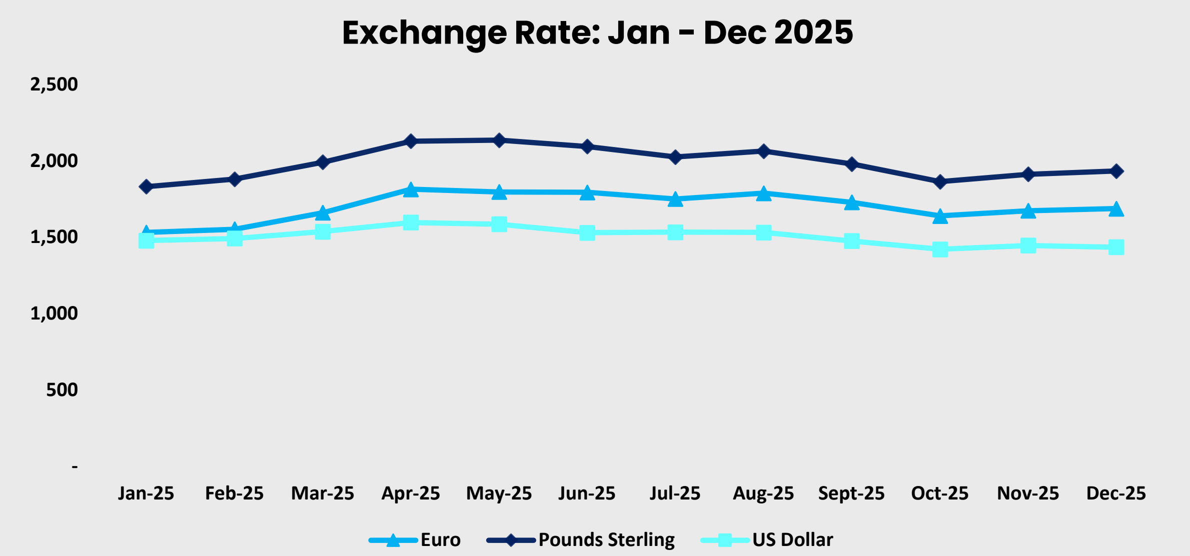
The Domestic Landscape

Exchange Rate

At the start of 2025, the naira was generally trading around ₦1,540 - ₦1,550 per US dollar in official markets, after a period of sharp volatility in prior years. Analysts noted early signs of stabilisation across both official and parallel FX markets.

One of the defining developments in 2025 was the operationalisation of new central bank frameworks designed to make the FX market more transparent: Nigeria's Electronic Foreign Exchange Matching System (EFEMS) and an updated FX Code were rolled out to improve market transparency and discipline. These systems helped match FX demand and supply more efficiently and reduce speculation. The Central Bank of Nigeria (CBN) emphasised that the exchange rate had become largely determined by market forces, reducing heavy administrative FX interventions.

By the end of 2025, the naira's performance represented a notable improvement compared with previous years. The naira strengthened by about 7.4 % over 2025, closing the year at approximately ₦1,429 - ₦1,435 per US dollar.



*Source: CBN, **Kreston Pedabo** Analysis*

Even as global conditions shifted, the naira's gains were supported by stronger external reserves (including an 11.3 % rise year-on-year) and broader FX reforms that discouraged speculative trading.

After years of volatility and depreciation pressure, Nigeria's exchange rate environment in 2025 shifted toward stability and gradual appreciation. This was driven by structural reforms in the FX market, improved transparency, renewed foreign exchange inflows, and strong reserve buffers – together fostering confidence among investors and currency market participants.

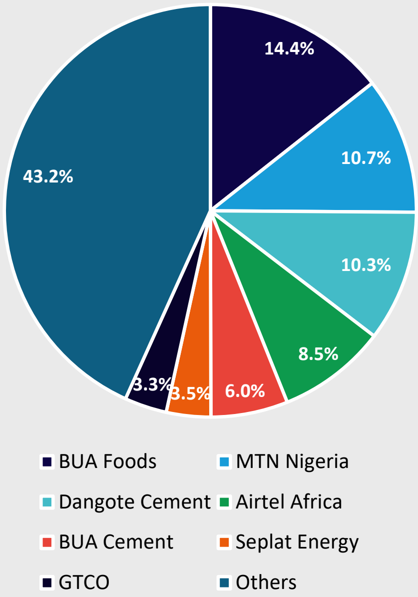
The Domestic Landscape

Capital Market Development

The Nigerian capital market delivered one of its strongest performances in nearly two decades in 2025, marking a significant rebound in investor confidence and market sentiment. The NGX All-Share Index (ASI) advanced by over 51 percent during the year up from 37.65 percent in 2024, ranking Nigeria among the best-performing equity markets globally. This rally lifted total equity market capitalisation from approximately ₦62.7 trillion at the start of the year to about ₦99.4 trillion by year-end, representing growth of nearly 60 percent. Consequently, investors realised estimated capital gains of ₦36 trillion from share price appreciation.
Equities remained the dominant segment of the capital market, accounting for roughly 66 percent of total market value when debt instruments are included. Market activity strengthened markedly, with total trading turnover rising to ₦11.23 trillion in 2025, more than double the level recorded in the prior year. Improved liquidity and heightened investor participation enhanced price discovery and increased the attractiveness of the market to institutional investors.

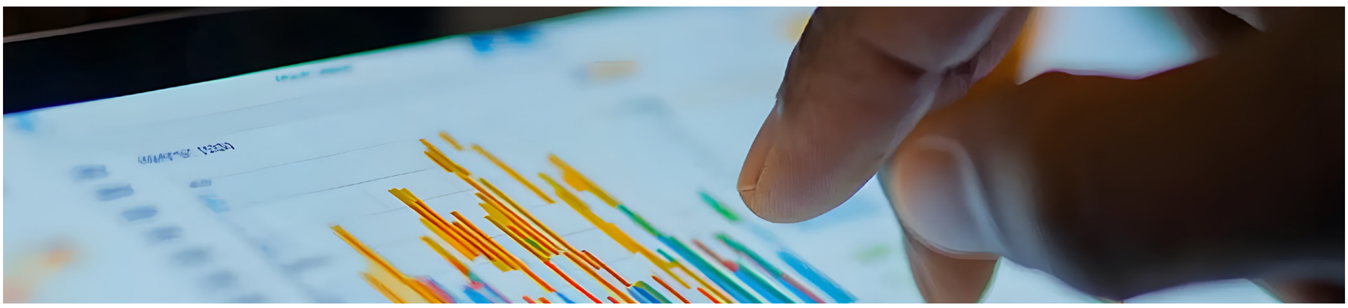
Notwithstanding the broad-based rally, market performance was heavily influenced by a narrow group of large-capitalisation stocks. Companies such as BUA Foods, MTN Nigeria, Dangote Cement, Airtel Africa, BUA Cement, Seplat Energy, and GTCO emerged as the primary drivers of market capitalisation. Collectively, these firms accounted for approximately 65 percent of total equity value, underscoring a high degree of market concentration. While their dominance supported index stability and liquidity, it also highlighted structural limitations in market depth and the underdevelopment of mid- and small-cap stocks.

Contribution to NGX Total Market Value (2025)



Source: NGX, ***Kreston Pedabo*** *Analysis*

The 2025 rally was underpinned by favourable macroeconomic and financial conditions, including foreign exchange reforms, expectations of banking sector recapitalisation, improved corporate earnings, and declining real returns on fixed-income securities. Additionally, equities were increasingly viewed as a hedge against inflation. However, persistent inflationary pressures, currency depreciation, fiscal constraints, and policy uncertainty continue to pose risks to valuation sustainability and medium-term market stability.



The Domestic Landscape

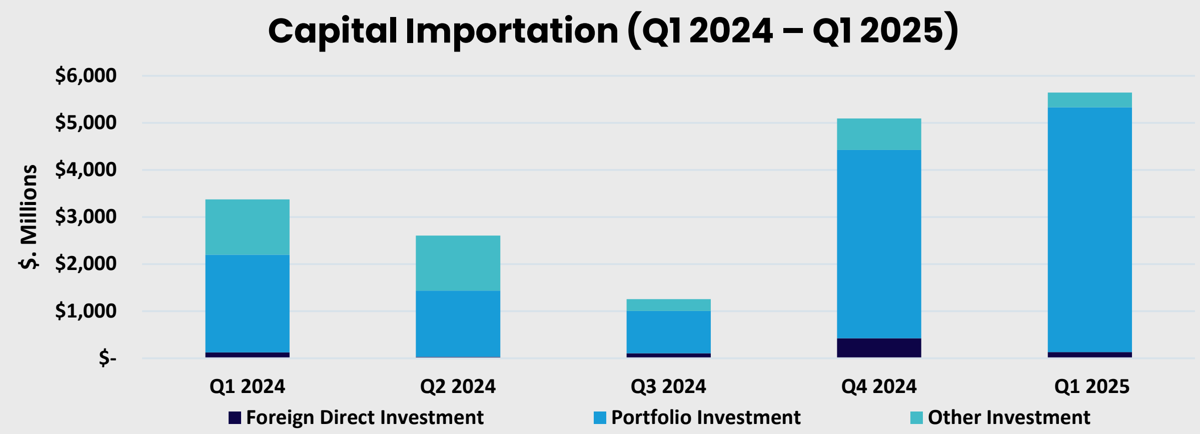
Capital Importation

Nigeria's capital importation recorded a strong rebound in early 2025, reflecting improving investor sentiment following recent monetary and foreign exchange reforms. According to the National Bureau of Statistics (NBS), total capital importation stood at US$5.64 billion in Q1 2025, representing a 67.12 percent increase compared to US$3.38 billion in Q1 2024. On a quarter-on-quarter basis, inflows also rose by 10.86 percent from US$5.09 billion in Q4 2024, confirming a sustained recovery momentum at the start of the year.

This resurgence has been largely supported by tighter monetary conditions and foreign exchange market reforms, which improved yield attractiveness and price discovery. However, the structure of inflows remained heavily skewed toward Foreign Portfolio Investment (FPI). In Q1 2025, portfolio flows accounted for US$5.20 billion, representing 92.25 percent of total capital importation, as investors responded to elevated interest rates and attractive returns on money market instruments such as Treasury Bills and OMO securities. In contrast, Foreign Direct Investment (FDI) remained subdued at US$126.29 million, accounting for only 2.24 percent, underscoring persistent investor concerns around infrastructure gaps, security challenges, and policy predictability.

Sectoral distribution further highlights this concentration. The banking sector absorbed the largest share of inflows at US$3.13 billion (55.44 percent), followed by the financing sector with US$2.10 billion (37.18 percent), while the production and manufacturing sector received just US$129.92 million (2.30 percent). Geographically, capital importation originated predominantly from the United Kingdom, which accounted for 65.26 percent of total inflows, while investment was concentrated almost entirely in Abuja (FCT) and Lagos State, jointly receiving over 99 percent of imported capital.

While rising inflows have supported external reserve accretion and near-term exchange rate stability, the heavy reliance on short-term portfolio capital presents liquidity and reversal risks. The medium-term outlook therefore hinges on Nigeria's ability to convert this renewed investor interest into sustainable FDI, particularly within manufacturing, energy, and export-oriented sectors, to support long-term growth and macroeconomic resilience.



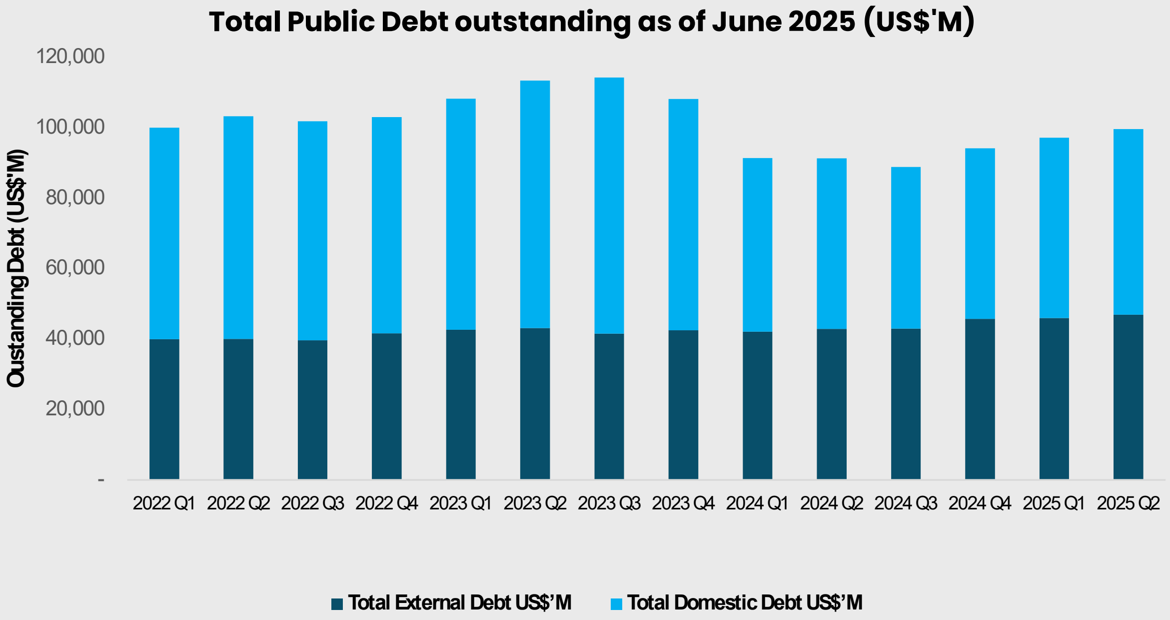
*Source: NBS, **Kreston Pedabo** Analysis*

The Domestic Landscape

Debt

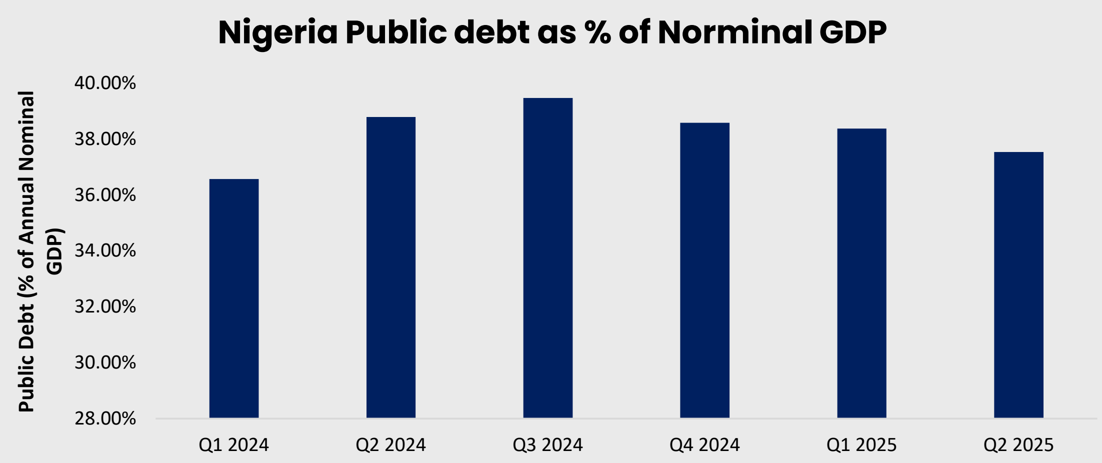
Nigeria's public debt position continued to expand in the second quarter of 2025, reflecting ongoing deficit financing amid elevated interest costs and persistent revenue constraints. Total national public debt, comprising both domestic and external obligations, rose to US$99.65 billion (₦152.39 trillion) as of June 2025, from US$97.23 billion (₦149.38 trillion) in the previous quarter. Domestic debt accounted for US$52.67 billion (₦80.55 trillion), while external debt stood at US$46.98 billion (₦71.84 trillion). In naira terms, domestic debt represented 52.86 % of total public debt, compared with 47.14 % for external debt, indicating a broadly balanced but slightly domestic-leaning debt structure.

Using annual nominal GDP, as is standard for debt sustainability analysis, the Central Bank of Nigeria reports Nigeria's nominal GDP at ₦227.49 trillion as of Q4 2024. While quarterly nominal GDP in Q2 2025 was approximately US$63.77 billion, according to CEIC, public debt represented approximately 37.5 %of GDP in June 2025 on an annualised basis, down from 38.4 %in the preceding quarter. The improvement reflects modest nominal GDP expansion relative to the pace of debt accumulation, rather than a contraction in borrowing.



Source: Debt Management Office, ***Kreston Pedabo*** *Analysis*

The Domestic Landscape



Source: Debt Management Office, ***Kreston Pedabo*** *Analysis*

Nigeria's public debt-to-GDP ratio declined modestly from 38.4% in Q1 2025 to 37.5% in Q2 2025. While the headline ratio remains moderate by international standards, the improvement largely reflects nominal GDP expansion rather than a reduction in borrowing pressures. Debt sustainability concerns, therefore, remain closely tied to revenue mobilisation and debt-servicing capacity."

At the federal level, FGN external debt stood at US$42.17 billion, while FGN domestic debt amounted to US$50.08 billion, underscoring the Federal Government's dominant role in overall public borrowing. Sub-national debt remains unevenly distributed. Lagos State recorded the highest domestic debt stock at ₦1.04 trillion, followed by Rivers State at ₦364.39 billion, while Jigawa State and Ondo State recorded the lowest domestic debt levels. A similar concentration is evident on the external side, where Lagos State accounted for US$1.04 billion, followed by Kaduna State at US$658.70 million, while the Federal Capital Territory and Yobe State recorded the lowest external debt exposures.

The current trend towards domestic borrowing is generally positive from a structural standpoint. Increased domestic debt decreases vulnerability to external refinancing shocks, lessens exposure to exchange-rate volatility, and mitigates the fiscal impact of global monetary tightening. This consideration is particularly important given Nigeria's exposure to oil price fluctuations and periodic foreign-exchange pressures. In this regard, the 2026 Federal Budget's ₦23.04 trillion debt finance provision will play a crucial role in determining the dynamics of near-term debt. If it is accompanied by reputable revenue-enhancing changes, a primarily domestic borrowing strategy would assist in reducing foreign exchange risks and enhance budgetary predictability.

However, greater reliance on domestic borrowing is not without trade-offs. Increased domestic issuance has the potential to hinder economic growth by driving up interest rates, increasing the cost of debt servicing, and displacing private sector lending. Therefore, finding the right balance, giving priority to domestic borrowing, judiciously using concessional external funding when available, and expediting reforms targeted at expanding the revenue base and enhancing expenditure efficiency constitute the policy challenge. Even a moderate debt-to-GDP ratio will continue to result in severe fiscal strain in the absence of consistent progress on revenue mobilisation.

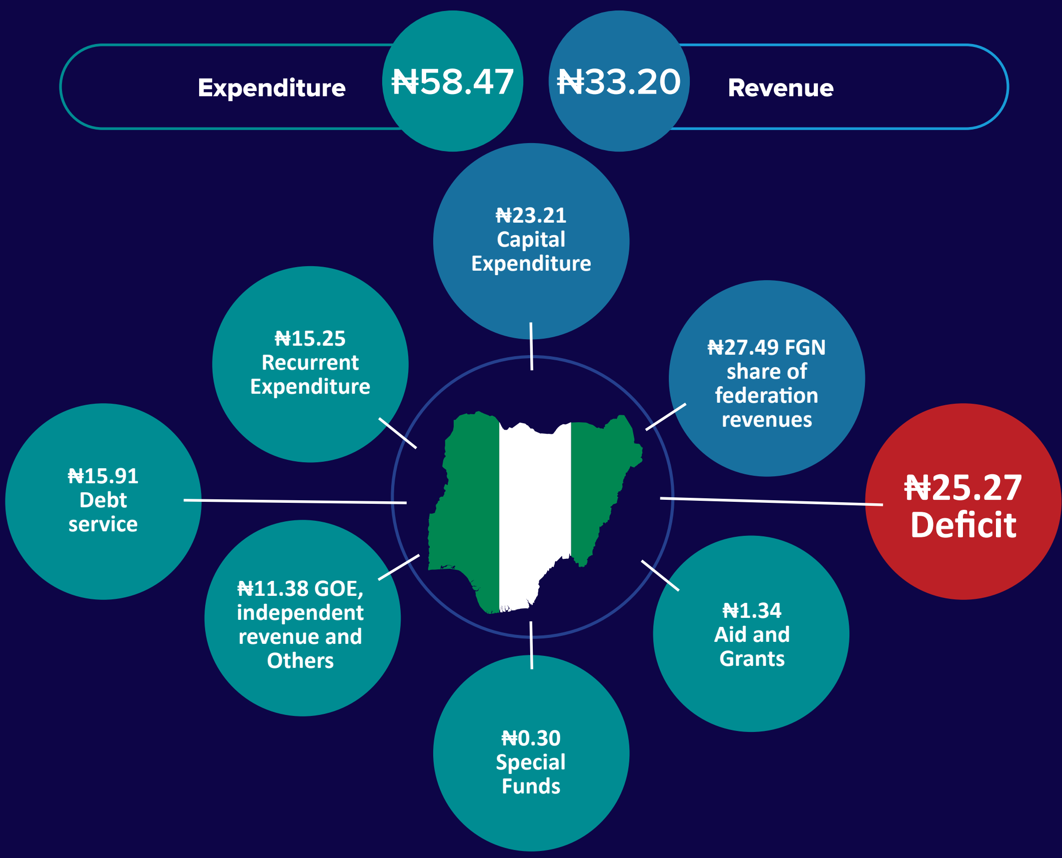
Overall, Nigeria's public debt profile as of mid-2025 remains manageable in headline terms but fragile in quality. The government's capacity to boost revenue collection, manage debt-servicing constraints, and anchor fiscal policy within a realistic medium-term framework will be more important to the medium-term sustainability of public debt than the rate of borrowing.

6.0

Projections for the 2026

Projections for the 2026

Proposed 2026 Budget



Source: Appropriation Bill, Kreston Pedabo Analysis

The Federal Government unveiled a ₦58.47trillion spending plan for 2026, structured across three major expenditure categories: 40% allocated to capital expenditure, 26% to recurrent expenditure, and the remainder to debt servicing. Revenue projections are anchored on a crude oil benchmark of US$64.85 per barrel, average crude oil production of 1.84 million barrels per day, and an assumed exchange rate of ₦1,400 to the US dollar for the 2026 fiscal year

With the budget deficit exceeding total capital expenditure, analysts at Kreston Pedabo expressed skepticism about the budget's feasibility, citing Nigeria's persistent challenges with budget implementation. This underperformance is frequently attributed to the country's income-driven budgeting framework, which places heavy emphasis on revenue assumptions while insufficiently addressing underlying structural inefficiencies.

More information is available in the Kreston Pedabo 2026 budget analysis

More information is available in the Kreston Pedabo 2026 budget analysis

Projections for the 2026

Nigeria 2026 Economic Outlook

GDP

Nigeria's economic growth is projected at approximately 4.3% in 2026, supported by continued expansion in the services sector, particularly financial services, potential improvements in oil prices and production levels, ongoing tax reforms, rising foreign direct investment, and gradual improvements in macroeconomic stability. However, persistent structural inefficiencies, infrastructure deficits, foreign exchange constraints, elevated inflation, fiscal pressures, and security challenges, particularly in key agricultural and oil-producing regions alongside heightened global economic uncertainties, are likely to constrain the pace of growth. Achieving stronger and more sustainable GDP expansion will therefore require deeper and more coordinated economic reforms focused on enhancing productivity, strengthening institutions, improving policy consistency, and addressing structural bottlenecks across key sectors of the economy.

Inflation Rate

Nigeria's economy in 2026 is shaped by a significant transition following the rebasing of the Consumer Price Index in 2025, changing the base year from 2009 to 2024. This adjustment reduced inflation figures on paper, and headline inflation has continued to moderate, but has not lessened the cost of living, a concern for many Nigerians. The Federal Government's 2026 Budget of Consolidation projects an average inflation of 16.5% for the year, while the Nigerian Economic Summit Group anticipates a 5.5% economic growth, inflation moderating to 16%, and foreign reserves rising to $52 billion. The Central Bank of Nigeria predicts a more optimistic inflation rate of 12.94%, driven by Naira stability and improved agricultural and oil production. However, the realistic inflation forecast likely ranges from 16.8% to 17%, depending on the effective implementation of structural reforms and consistent monetary policies.

Exchange Rate

Ongoing reforms in the foreign exchange (FX) market are expected to reduce the premium between official exchange rates and Bureau De Change (BDC) rates, promoting stability. A key factor is the revitalisation of domestic oil refining, particularly the operationalisation of Dangote and Port Harcourt refineries, which is decreasing reliance on imported petroleum and curbing FX demand. As these refineries and the upcoming BUA facility ramp up operations, they will help stabilise the Naira and aid the Central Bank in liquidity management. To maintain long-term stability, Nigeria needs to diversify its foreign exchange earnings by boosting non-oil exports and attracting Foreign Direct Investment (FDI). Aligning policy goals and improving revenue streams will create a resilient macroeconomic environment, capable of defending the national currency against external shocks.

Nigeria Exchange (NGX) Limited

The Nigerian Exchange (NGX) is set for growth in 2026, with market capitalisation projected to reach ₦250 trillion. This increase is driven by improved corporate earnings, operational efficiencies, and potential major listings, such as Dangote Petroleum Refinery and NNPC Limited, which are expected to enhance market liquidity. However, there are risks, as the market shows signs of being overbought, with gains largely driven by strong earnings rather than valuation expansion. Additionally, rising domestic borrowing costs and potential foreign portfolio outflows pose challenges. To maintain this growth, strategic government policies are essential to improve market depth and attract stable Foreign Direct Investments (FDI).

Projections for the 2026

Nigeria 2026 Economic Outlook

Oil Sector

Nigeria's oil sector outlook for 2026 remains cautiously positive, anchored on improving production performance and conservative fiscal assumptions under the 2026–2028 Medium-Term Expenditure Framework. The budget framework is based on a crude oil benchmark price of US$64.85 per barrel, production of 1.84 million barrels per day (mbpd), and an average exchange rate of ₦1,400/US$. Recent output trends support this outlook. In July 2025, Nigeria's oil production averaged 1.71 mbpd, representing a 9.9% year-on-year increase and 100.5% of its OPEC quota. The recovery reflects improved asset optimisation and better evacuation conditions. However, risks persist from oil theft, pipeline vandalism, and price volatility. Sustained security improvements and effective implementation of the Petroleum Industry Act will be critical to stabilising output and achieving 2026 revenue targets.

Non-Oil Sector

The non-oil sector has firmly emerged as the main driver of Nigeria's economy, accounting for about 96% of real GDP as of the second quarter of 2025. The sector is projected to grow by around 4% in 2026, supported by sustained activity in agriculture, manufacturing, and services. A key catalyst for this outlook is the 2026 tax reform package, which introduces full Value Added Tax (VAT) recoverability for manufacturers and exempts small businesses from Company Income Tax, rather than applying a zero-percent rate.
While the fiscal implications may appear similar, the distinction is important, as the exemption and zero-rating apply in different regulatory contexts.

The Renewed Hope Ward Development Plan aims to boost rural productivity, while the Renewed Hope Infrastructure Fund has allocated ₦3.56 trillion for essential projects like the Lagos-Calabar Coastal Highway. Although challenges in power and logistics remain, the government's focus on digital revenue and streamlined budgeting is anticipated to enhance investment efficiency. Ultimately, the sustainability of this non-oil growth will depend on the successful transition of these stabilisation gains into high-quality, job-rich opportunities for Nigeria's expanding workforce.

Infrastructure Development

The 2026 infrastructure development outlook for Nigeria is cautiously optimistic, with substantial capital allocations of ₦10.7 trillion from 15 states and ₦23.21 trillion from the Federal Government for capital expenditure. Notably, ₦3.56 trillion is allocated to the Ministry of Works for critical projects like the Lagos-Calabar Coastal Highway and the rehabilitation of federal roads, aimed at stimulating economic growth. However, the fiscal cycle includes a "clean-up" operation. Under the re-enacted 2025 Appropriation Act, the Federal Government has extended the implementation of capital projects to March 31, 2026, with up to 70% of uncompleted projects eligible for rollover into the 2026 budget if they are not concluded by the deadline. Despite these measures, challenges persist, including a large annual financing gap and bureaucratic delays.

The government is increasing reliance on Public-Private Partnerships and strategic international collaborations, particularly with China, and continued engagement with France for energy and transport infrastructure.

Ultimately, the success of this ambitious roadmap hinges on the government's ability to move beyond budgetary allocations toward strict policy implementation, transparent procurement, and the efficient mobilisation of non-oil revenues.

Projections for the 2026

Financial Services Industry

The financial services sector is projected to record steady growth in 2026, supported by regulatory reforms and a moderating inflationary environment. By December 2025, Nigeria's headline inflation rate had eased to 15.15%, reflecting a significant slowdown in price pressures compared with 2024, which should help ease strain on interest rates and support real investment returns. While exchange rate volatility remains a risk, softer inflation and improving macro stability are likely to bolster asset quality and reduce pressure on non-performing loans.

Pension reforms under the Pension Reform Act 2025 have expanded inclusiveness and sustainability, including rebranding the Micro Pension Plan as the Personal Pension Plan to extend coverage to the informal sector, while monthly pension payouts were increased in June 2025 to benefit retirees. The Nigerian insurance industry is also being strengthened through reforms that enhance capital thresholds and risk-based supervision under the 2025 Insurance Industry Reform Act, positioning the sector for more resilient growth.

In the banking sector, the Central Bank of Nigeria's recapitalisation drive has encouraged stronger capital buffers, with multiple banks meeting new requirements ahead of the March 31, 2026, deadline, fostering competition and encouraging consolidation.

Despite these advancements, inflationary persistence and FX risks could still affect profitability. The sector's performance in 2026 will depend on balancing innovation with sound risk management to translate capital strengthening into real credit expansion.

Professional Services

Nigeria's professional services sector is poised for accelerated growth in 2026, driven by regulatory reforms and expanding corporate complexity. A major catalyst is the full operationalisation of the Nigeria Tax Act 2025, which introduced a unified 4% Consolidated Development Levy alongside a 15% minimum effective tax rate for large corporations. These changes have triggered a significant rise in demand for specialised tax advisory, compliance, and restructuring services as firms adjust to the new fiscal regime.

Additional momentum is coming from the conclusion of the Central Bank of Nigeria's banking recapitalisation programme in March 2026, which has created robust demand for post-merger integration support, business valuation, equity and fixed-income advisory, and complex financial reporting for newly consolidated banking institutions. Beyond traditional finance-led services, professional firms are increasingly expanding into Environmental, Social, and Governance (ESG) advisory, helping Nigerian companies align with global sustainability standards and improve access to foreign investment.

To sustain this growth trajectory, professional services firms will need to prioritise skills development, adopt global best practices, and deepen the integration of technology into service delivery to maintain competitiveness

Capital Importation

Nigeria's capital importation in 2026 is expected to recover modestly, fueled by policy reforms, improved investor confidence, and efforts to stabilise the naira. A rebound in foreign capital inflows with Nigeria attracting approximately $20.98 billion in foreign investment in the first ten months of 2025, according to the Central Bank of Nigeria is expected to strengthen forex reserves and mitigate exchange-rate volatility; combined with the government's macroeconomic reset, which has unified the exchange rate and enhanced policy credibility, this makes Nigeria a more attractive destination for both portfolio and direct investments. This influx is helping the Central Bank bolster reserves, fostering a more stable environment for foreign investors. While the initial recovery has seen short-term portfolio investments in high-yield government securities, there is a notable shift toward long-term Foreign Direct Investment (FDI) in the non-oil sector, particularly in manufacturing and the digital economy. The sustainability of this trajectory hinges on maintaining a stable exchange rate and a transparent, competitive business climate.

Projections for the 2026

Nigeria 2026 Economic Outlook

Key Risks and Potential Disruptions to the 2026 Economic Outlook

While Nigeria's 2026 economic outlook is underpinned by cautious optimism, the recovery path remains exposed to multiple downside risks that could disrupt macroeconomic stability and reform momentum.

1. **Fragile Disinflation:** Although inflation has moderated, the disinflation trend remains fragile. Climate-related shocks, insecurity in major food-producing regions, and renewed volatility in global energy prices could quickly reverse recent gains. A resurgence in inflation would erode household purchasing power, weaken consumption, and complicate monetary policy management.

2. **Oil Production Execution Risk:** The 2026 budget is based on an ambitious crude oil production target of 1.84 million barrels per day; a level Nigeria has historically struggled to sustain. Failure to meet this benchmark would create immediate revenue shortfalls. Without clearly articulated contingency buffers, such gaps could necessitate additional borrowing and worsen debt dynamics.

3. **Oil Sector Vulnerabilities:** Persistent oil theft, pipeline vandalism, and operational disruptions remain structural constraints. Combined with global oil price volatility, these factors continue to undermine fiscal stability and limit foreign exchange inflows.

4. **Infrastructure Execution Risks:** The success of the 2026 outlook depends on efficient project delivery, procurement transparency, and policy consistency. Bureaucratic delays or reform reversals could weaken investor confidence, while failure to deliver tangible improvements in power, transport, and logistics would erode public support.

5. **Structural Inefficiencies:** Insecurity, weak infrastructure, and governance challenges remain key impediments to growth. These factors disrupt economic activity, discourage private investment, and slow the pace of reforms.

6. **Non-Oil Sector Challenges:** Despite easing inflation, high energy costs, elevated interest rates, naira depreciation, and supply-chain disruptions continue to squeeze margins and raise capital costs, limiting the transmission of macroeconomic stabilisation into real economic activity.

7. **Global Economic Uncertainty:** External shocks, including shifts in global fossil fuel demand, geopolitical tensions, and prolonged high global interest rates, could reduce export earnings, trigger capital outflows, and heighten exchange rate volatility.

8. **Pre-Election Year Risks:** As 2026 precedes a national election cycle, heightened political spending pressures, reform delays, and policy populism pose risks to fiscal discipline and reform continuity.

9. **Unemployment Pressures:** Persistently high youth unemployment and weak job creation remain threats to inclusive growth and social stability.

10. **Debt Sustainability:** Rising public debt and high debt-servicing costs may constrain fiscal space for infrastructure and social investment.

11. **Naira Stability:** Strong import demand, limited domestic production, and exposure to external shocks continue to exert pressure on the currency.

12. **Governance and Accountability:** Weak transparency, limited accountability, and uneven policy enforcement risk undermining effective policy implementation and investor confidence.

Projections for the 2026

Nigeria 2026 Economic Outlook

Key Recommendations and Policies

Category	Strategies / Innovations	Expected Impact
Agricultural Development	» Scale Anchor Borrowers' Programme » Invest in irrigation, storage, and logistics » Promote mechanised farming » Expand agro-processing zones	» Increased food production » Lower food inflation » Rural employment growth » Reduced food imports
Infrastructure Development	» Expand Public–Private Partnerships (PPPs) for roads, rail, and power projects » Accelerate completion of key infrastructures, such as the Lagos–Calabar Highway and key transport corridors	» Faster infrastructure delivery » Lower logistics and transport costs » Improved productivity and private sector investment
Export Diversification	» Promote non-oil exports (agriculture, manufacturing, digital services) » Strengthen international trade agreements. » Provide FX incentives for exporters	» Increased foreign exchange earnings » Reduced oil dependency » Improved trade balance » More stable naira
Energy & Oil Sector Reform	» Operationalise idle refineries » Scale up modular refineries » Strengthen pipeline security and reduce oil theft	» Reduced fuel imports and FX pressure » Higher domestic production » Energy security and price stability
Industrialisation Drive	» Support SMEs with tax reliefs and affordable credit » Encourage local manufacturing and import substitution » Expand Special Economic Zones (SEZs)	» Growth in domestic industries » Reduced import dependency » Job creation » Stronger GDP contribution from non-oil sector
Technology & Innovation	» Invest in broadband and digital infrastructure » Support tech startups and innovation hubs » Digitalise government services and tax systems	» Higher productivity » Growth of digital economy » Increased foreign tech investments Improved service efficiency
Financial Services & Capital Market Development	» Improve FX market transparency and liquidity » Attract foreign portfolio and direct investment	» Stronger financial stability » Increased long-term funding for businesses » Higher market capitalization » Improved investor confidence

Projections for the 2026

Nigeria 2026 Economic Outlook

2026 Projections

Variables	Outlook
GDP	↑
Inflation Rate	↔
Unemployment Rate	↓
Exchange Rate	↔
Capital Importation	↑
Oil Production	↑
MPR	↔
External Reserves	↑
Capital Markets	↑

Rating Key	Outlook
Positive	↑
Stable	↔
Negative	↓

Glossary of Terms

CIT (Company Income Tax)	is a direct tax levied on the profits made by companies operating in a particular jurisdiction.
GDP(Gross Domestic Product)	The total value of goods and services produced within a country in a given period.
Monetary Policy	The actions taken by a central bank to control the money supply and interest rates in the economy.
Debt Burden	The total amount of government debt, including both domestic and foreign debt
Fiscal Reforms	Measures taken by the government to improve its revenue collection and spending efficiency.
Public-Private Partnerships (PPPs)	Arrangements between the government and private sector to finance, develop, and operate infrastructure projects.
Foreign Exchange Reserves	The amount of foreign currencies held by a country's central bank.
Purchasing Managers' Index (PMI)	A composite index that tracks the perceived change in business conditions for manufacturing and services.
Equities Market	The market where stocks and shares of publicly-traded companies are bought and sold.
OPEC+	A coalition of oil-producing countries, including members of the Organization of the Petroleum Exporting Countries (OPEC) and other major oil producers.

Glossary of Terms

Economic Stability	A condition in which an economy experiences low and stable inflation, sustainable economic growth, and low unemployment.
Currency Depreciation	Currency depreciation occurs when a currency loses value compared to another currency in the foreign exchange market, primarily driven by the forces of demand and supply.
Purchasing Power	Purchasing power represents the quantity of goods and services that can be acquired with a given unit of currency.
Unemployment Rate	The percentage of the labor force that is unemployed and actively seeking employment.
mbpd (Million Barrels Per Day)	A unit of measurement for oil production volume.
Exchange-Traded Funds (ETFs)	Funds that track an index, sector, commodity, or other asset class, and whose shares trade on stock exchanges like stocks.
Fiscal Consolidation	Government measures aimed at reducing budget deficits and stabilizing public finances.
Arbitrage	The simultaneous purchase and sale of an asset to profit from a price difference between two or more markets.
NESG	Nigerian Economic Summit Group
IMF	International Monetary Fund
ECB	European Central Bank
BoE	Bank of England

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Methodology

The research for this report was conducted using a combination of secondary data sources and expert insights. Key data sources included the Central Bank of Nigeria Statistical Bulletin, Bloomberg, the National Bureau of Statistics, the World Bank, the International Monetary Fund (IMF), the African Development Bank, Trading Economics, Proshare, and Veriv Africa.

In addition to these robust datasets, the study incorporated qualitative inputs from discussions and interviews with industry experts across diverse fields, whose perspectives provided valuable insights into the macroeconomic factors influencing Nigeria's economy.

The collected data was rigorously analysed and critically examined. The analysis also focused on identifying strategies to mitigate potential adverse effects and support sustainable economic growth in 2026 and beyond.

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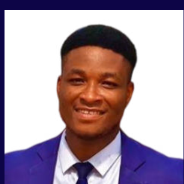

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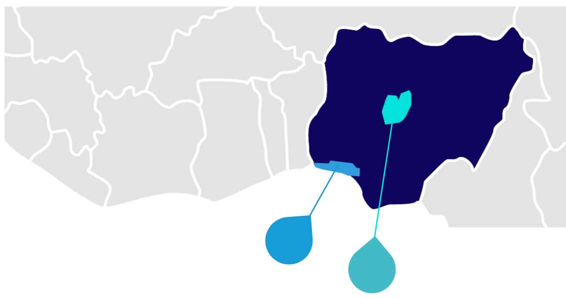

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