

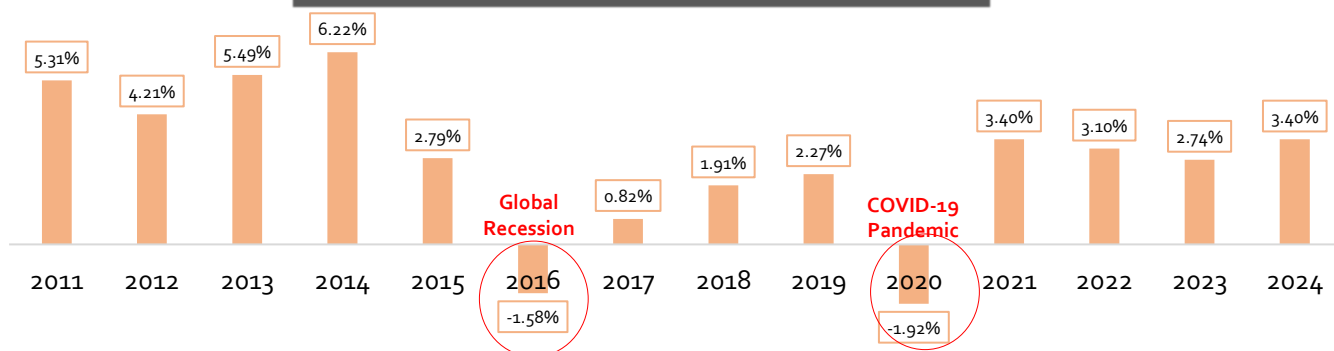


Nigeria's GDP grows by 3.8% in Q4 2024, Oil refining records rare growth

The Nigerian economy grew by 3.84% year-on-year in real terms in Q4 2024, faster than the 3.46% recorded in the previous quarter and corresponding period of 2023 respectively. On an annual basis, real GDP grew by 3.4% compared to 2.74% growth recorded in the previous year, driven by both the oil and non-oil sector.

Further analysis showed that Nigeria recorded its strongest annual growth in the last ten years. Notably, the last time the economy grew faster than 3.4% was in 2014, when it expanded by 6.22%. Meanwhile, nominal GDP grew by 17.1% in the review year to stand at N269.3 trillion. The difference between the real and nominal GDP growth reflects the continuous impact of inflationary pressure on the economy, which closed the year at 34.8%.

Annual Real GDP Growth



NBS, Norrnberger Research

Oil Sector

The oil sector expanded by 1.48% in Q4 2024, maintaining the positive momentum seen since Q4 2023. However, this growth was slower compared to the previous quarter's 5.17% expansion and the 12.11% growth recorded in the same period of 2023. The modest growth in Q4 was primarily due to base effects from the significant gains in the corresponding period of 2023.

On an annual basis, the sector grew by 5.5%, reversing the 2.2% contraction recorded in 2023. In terms of GDP contribution, the oil sector accounted for 4.6% in Q4 2024, slightly lower than the 4.7% recorded in Q4 2023.

Notably, the sector's improved performance was driven by higher crude oil output, which averaged 1.5mbpd, up from 1.44mbpd in 2023. This growth highlights the sector's gradual recovery and its contribution to Nigeria's economic expansion.

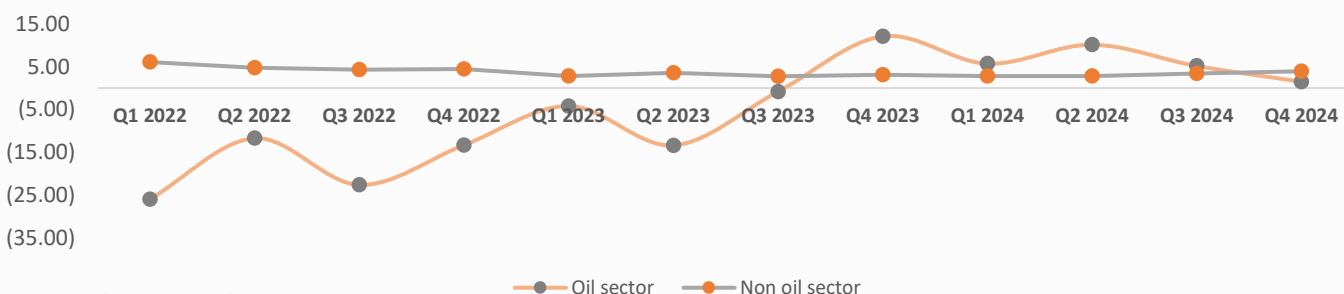
Non-oil Sector

The non-oil sector of Nigeria's economy in the same vein expanded by 3.96% in Q4 2024, surpassing the 3.37% growth recorded in the previous quarter and the 3.07% achieved in Q4 2023. On an annual basis, growth improved to 3.3%, up from 3.04% in 2023.

Key contributors to this expansion included financial services, telecommunications, art and entertainment, crop production, trade, and transportation. The sector accounted for 95.4% of Nigeria's GDP in Q4 2024, slightly higher than its 95.3% share in Q4 2023 and 94.43% in Q3 2024.

This performance was driven by robust growth in the transportation sector and increased activity in the information and communication sector. However, growth was partially constrained by weaker performance in sub-sectors such as coal mining, manufacturing, air transport, and electricity.

Oil vs Non-Oil Sector Growth (%)



NBS, Norrnberger Research

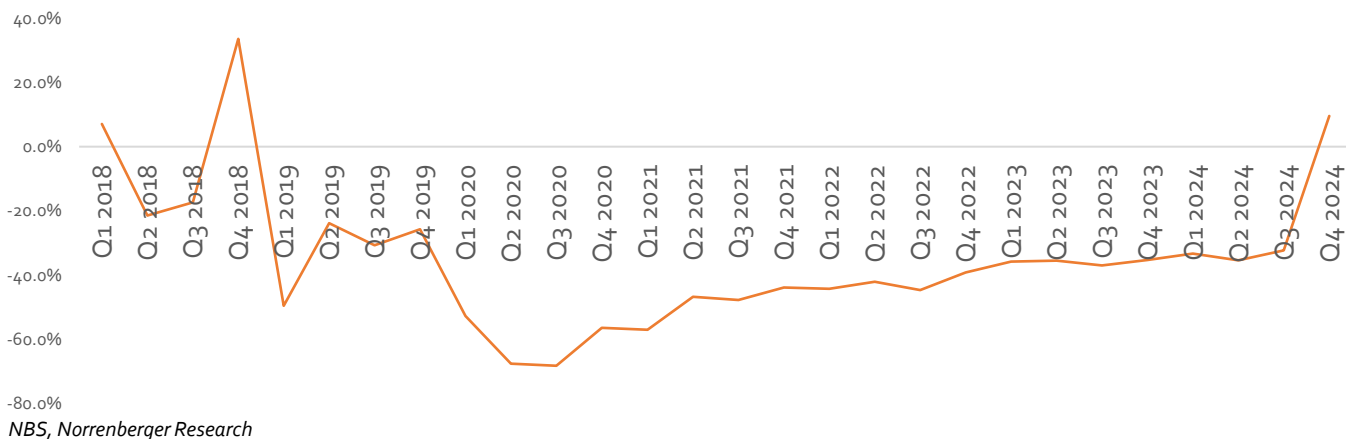
Oil Refining Sector Records first Quarterly Growth in Six Years

The oil refining sector experienced a rare rebound in the last quarter of 2024, recording a real growth of 9.5%. This marks a significant turnaround from the 35.3% contraction observed in the same period of 2023 and represents the sector's first positive growth in six years, since Q4 2018.

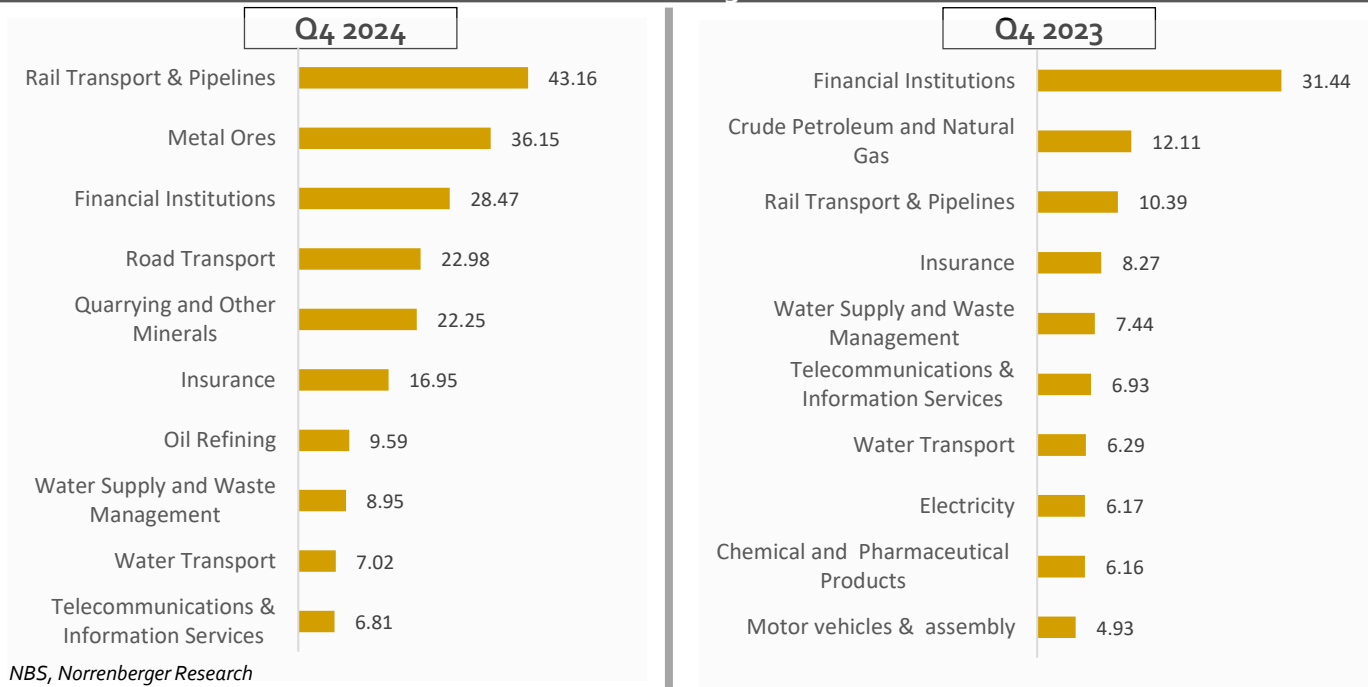
This resurgence was primarily driven by increased refining activities, following the full operationalization of the Dangote Refinery in the second half of 2024. The refinery's commencement of full-scale operations provided a major boost to domestic refining capacity, reducing reliance on imported refined products and enhancing overall sector performance.

Looking ahead, the sector is poised for further expansion as the government accelerates efforts to rehabilitate the Warri and Port Harcourt refineries. These initiatives, if successfully implemented, could strengthen Nigeria's refining capacity, improve energy security, and reduce the country's import dependence on petroleum products.

Oil Refining Sector Growth



Fastest Growing Sectors



Outlook

Nigeria's economic outlook for 2025 remains optimistic, underpinned by GDP rebasing, FX stability, and potential monetary policy easing. While challenges persist, targeted policy interventions and structural reforms could reinforce economic resilience and drive sustainable growth in the coming year.

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