

GROSS DOMESTIC PRODUCT (GDP) REPORT

Q1 2025 and 2024 Rebased Analysis



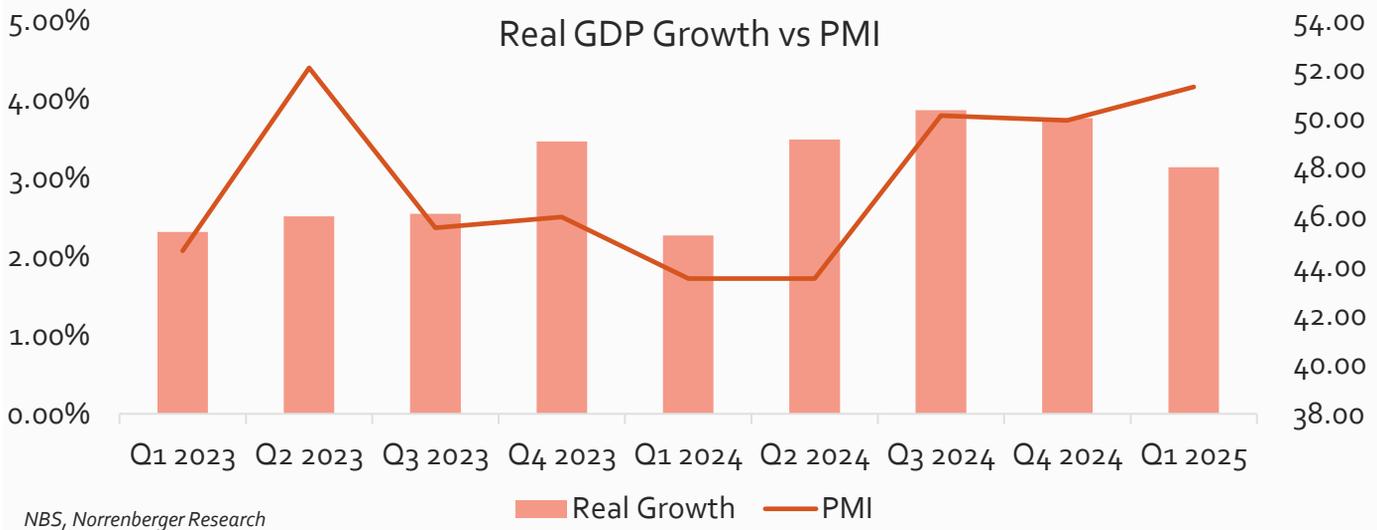
Nigeria's Real GDP grows by 3.13% following rebasing exercise

Nigeria's economy recorded solid growth in the first quarter of 2025, with Gross Domestic Product (GDP) expanding by 3.13% year-on-year in real terms, according to the recently released re-based GDP report by the National Bureau of Statistics (NBS). This represents a notable improvement from the 2.27% growth recorded in Q1 2024, reflecting the country's continued resilience in the face of domestic and global economic headwinds.

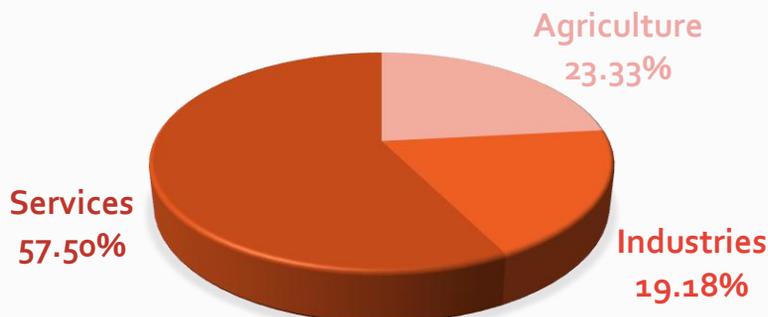
The expansion was largely driven by strong performances in the services and industrial sectors, which together formed the backbone of the Q1 2025 growth. The services sector posted the highest growth at 4.33%, contributing 57.50% to the aggregate GDP and reaffirming its central role in Nigeria's economic structure. The industrial sector also recorded healthy growth of 3.42%, up from 2.35% in the same period of 2024, supported by improvements in oil refining, construction, and power generation. Meanwhile, the agriculture sector, though still sluggish, showed signs of modest recovery with a 0.07% growth, a reversal from the 1.79% contraction recorded in Q1 2024, primarily due to weaker performance in the livestock sub-sector.

In nominal terms, which measure the total market value of goods and services without adjusting for inflation, GDP rose sharply by 18.30% year-on-year to ₦94.05 trillion, up from ₦79.51 trillion in Q1 2024. The wide disparity between real growth (3.13%) and nominal growth (18.30%) underscores the significant inflationary pressures affecting the economy during the period.

Meanwhile, this real GDP growth aligns with broader economic indicators, including data from the Central Bank of Nigeria (CBN), which reported a marked improvement in the Purchasing Managers' Index (PMI)—a key gauge of private sector activity, rising to 51.3 points in Q1 2025, compared to 43.5 points in Q1 2024. The positive PMI reading suggests improved business confidence and expansion across manufacturing and non-manufacturing sectors.



Broad Sectoral Structure



NBS, Norrenberger Research

Non-Oil Sector

The non-oil sector of the Nigerian economy posted a real growth rate of 3.19% in Q1 2025, representing a 102bps increase from the 2.17% recorded in the corresponding period of 2024. However, this performance was slightly lower than the 3.80% growth achieved in Q4 2024.

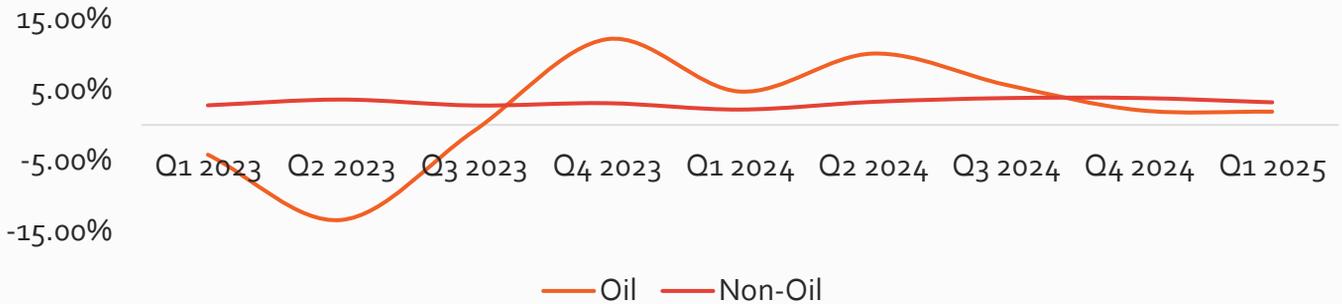
The sector's growth was underpinned by robust performance across several key industries. Leading the charge was the Information and Communication sector, particularly telecommunications and motion picture activities, which benefitted from the surge in social media usage and the growth of online content creation. Other significant contributors included agriculture, with crop production as the main driver, alongside real estate, financial and insurance services (especially financial institutions), trade, construction, and manufacturing, where the food, beverage, and tobacco sub-sector recorded strong output.

Oil Sector

Nigeria's oil sector recorded a mixed performance in Q1 2025, reflecting both progress and persistent structural challenges. According to the report, average daily crude oil production rose to 1.62 million barrels per day (mbpd) during the quarter, an improvement from 1.57 mbpd in Q1 2024 and 1.54 mbpd in Q4 2024. This upward trend is attributed to the Federal Government's intensified efforts to strengthen security and surveillance across oil-producing regions, particularly in curbing crude oil theft and pipeline vandalism. Notably, January 2025 saw the highest monthly output at 1.74 mbpd, underscoring the early impact of these interventions.

However, despite the increase in production, real GDP growth for the oil sector slowed to 1.87% in Q1 2025, down from 4.71% in Q1 2024 and 2.08% in Q4 2024, partly due to high-base performance in 2024.

Oil vs. Non-Oil Sector Growth



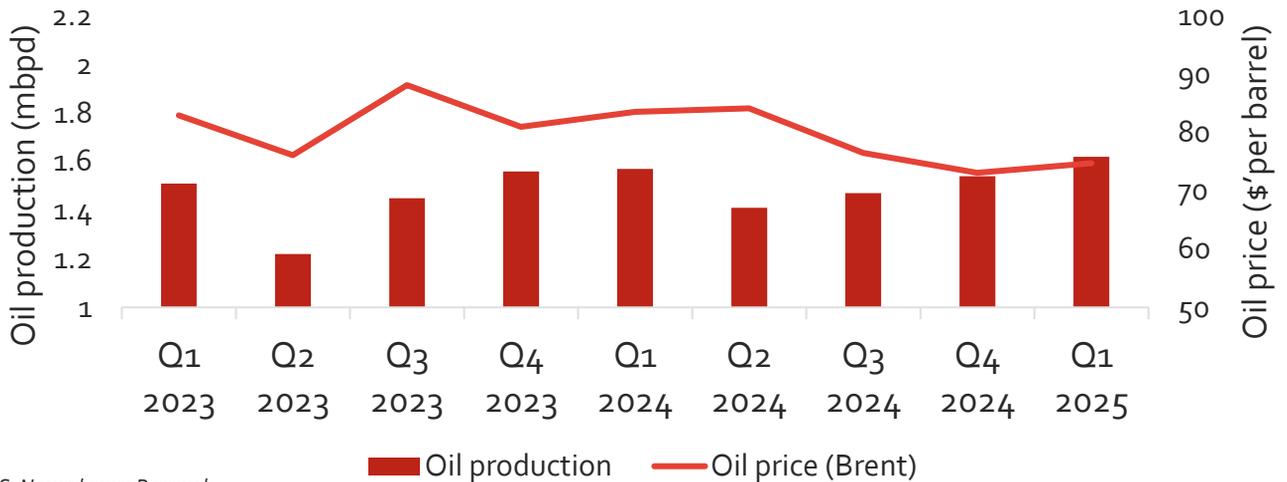
In terms of its contribution to national output, the non-oil sector accounted for 96.03% of Nigeria's real GDP in Q1 2025, a modest increase from 95.98% in Q1 2024. However, this is a slight decline compared to the 97.20% contribution in Q4 2024.

This tepid growth highlights underlying inefficiencies and lingering operational bottlenecks, including underinvestment, ageing infrastructure, and ongoing community disruptions in key oil-producing areas.



The sector's contribution to the economy also declined marginally year-on-year, settling at 3.97% in Q1 2025, compared to 4.02% in the same quarter of 2024. Nevertheless, this was a significant improvement from the 2.80% contribution in Q4 2024, reflecting a slight rebound in oil sector contribution. Despite these gains, Nigeria's crude oil output remains well below the 2025 budget benchmark of 2.06 mbpd, signaling that the nation is yet to fully harness its oil potential.

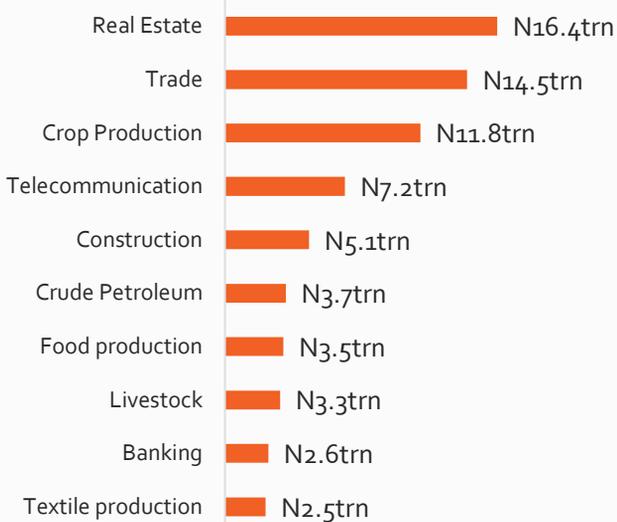
Oil Production vs Price



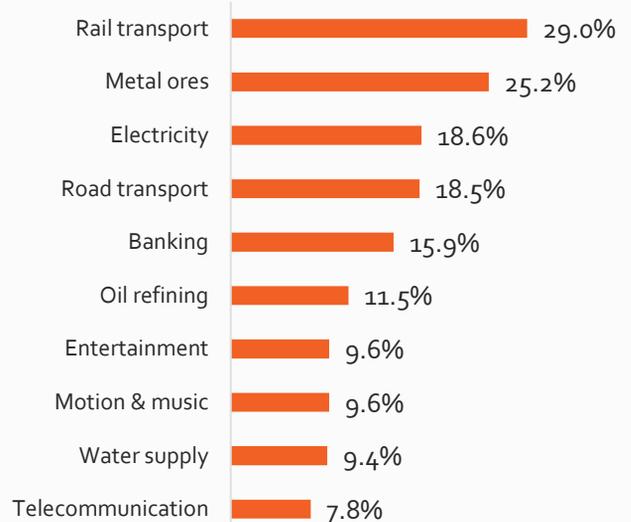
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Sectoral view

Largest Sectors



Fastest Growing Sectors



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In Q1 2025, Nigeria's GDP revealed a critical imbalance, the largest sectors by size were not the fastest growing, underscoring the challenges of achieving broad-based and inclusive growth. Real estate emerged as the largest contributor to nominal GDP, accounting for 17.5% of total output, followed by trade (15.5%) and crop production (12.5%). These sectors represent key pillars of economic activity and employment for millions of Nigerians. However, their relatively sluggish growth performance during the quarter indicates a structural weakness that could restrain the broader economy's capacity to absorb labor and reduce poverty.

In contrast, the fastest growing sectors—rail transport (29.0%), metal ores (25.2%), and electricity (18.6%)—while showing impressive growth rates, contribute far less to the overall GDP and employ a smaller portion of the workforce. This misalignment between growth and economic weight raises concerns about the sustainability and inclusiveness of Nigeria's recovery.

Without significant productivity improvements and investments in the dominant sectors of the economy, especially those with high labor intensity, headline growth will remain insufficient to drive meaningful socio-economic transformation. The current pattern signals the need for policies that not only promote high-growth industries but also revitalize traditional sectors where the bulk of economic activity and jobs reside.

Rebased GDP reveals stack increase in Nominal and Real figures

The recently released rebased Gross Domestic Product (GDP) figures by the NBS reveal a significant shift in the structural composition and overall size of Nigeria's economy. The new data, anchored on 2019 as the new base year, provides a more current and accurate reflection of economic activities, marking a major departure from the previous base year of 2010, which had become outdated and less representative of recent economic transformations.

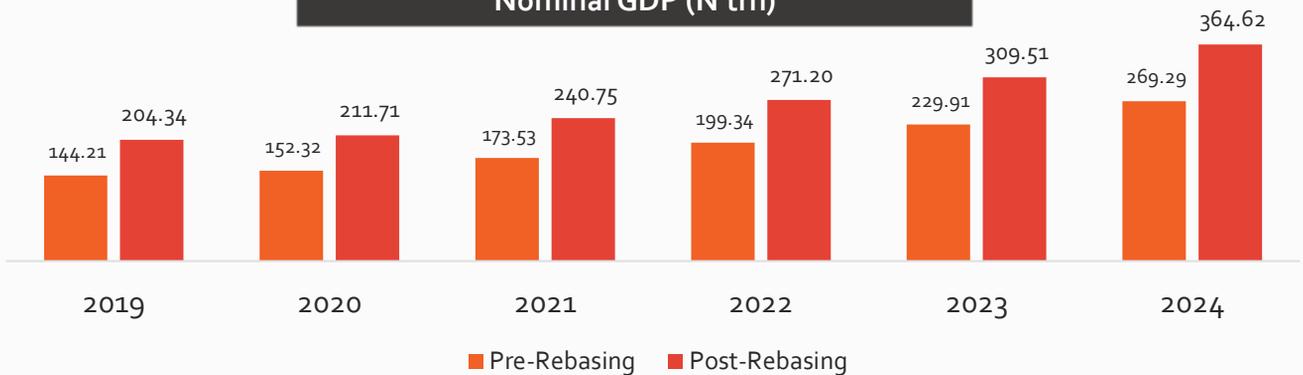
The choice of 2019 as the new base year is particularly strategic. It reflects a period of relative macroeconomic stability before the disruptions of the COVID-19 pandemic and its aftershocks. To improve data accuracy, the NBS employed comprehensive data collection methodologies, drawing from two key national censuses and follow-up surveys: the National Business Sample Census and the Survey of Establishments, the National Agricultural Sample Census and Survey, as well as the Nigeria Living Standards Surveys (NLSS) for 2019 and 2023.

The impact of this rebasing is most evident in the substantial upward revision of both nominal and real GDP figures:

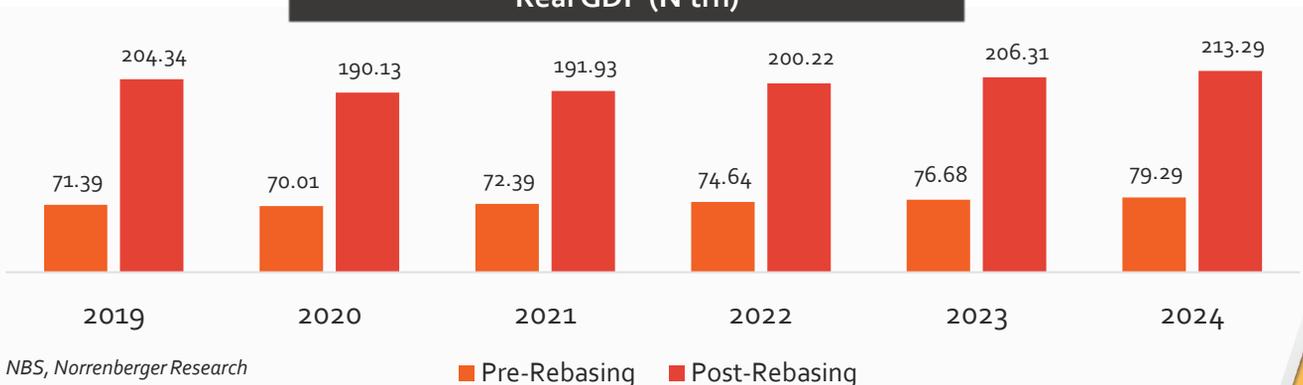
- In 2019, Nigeria's nominal GDP at basic prices was revised from ₦144.2 trillion to ₦204.34 trillion, reflecting a more robust and inclusive coverage of economic activities.
- For 2024, nominal GDP surged to ₦364.6 trillion, significantly higher than the pre-rebasing estimate of ₦269.3 trillion.
- In real terms, GDP for 2019 was revised upward from ₦71.4 trillion to ₦204.3 trillion, while the 2024 real GDP estimate rose sharply to ₦213.3 trillion, compared to the previous estimate of ₦79.3 trillion.

These revisions highlight the importance of GDP rebasing in capturing the evolving structure of the economy, especially the emergence and expansion of previously underrepresented sectors such as ICT, entertainment, and fintech. It also has implications for macroeconomic indicators like debt-to-GDP ratios, productivity analysis, and policy planning.

Nominal GDP (N'trn)

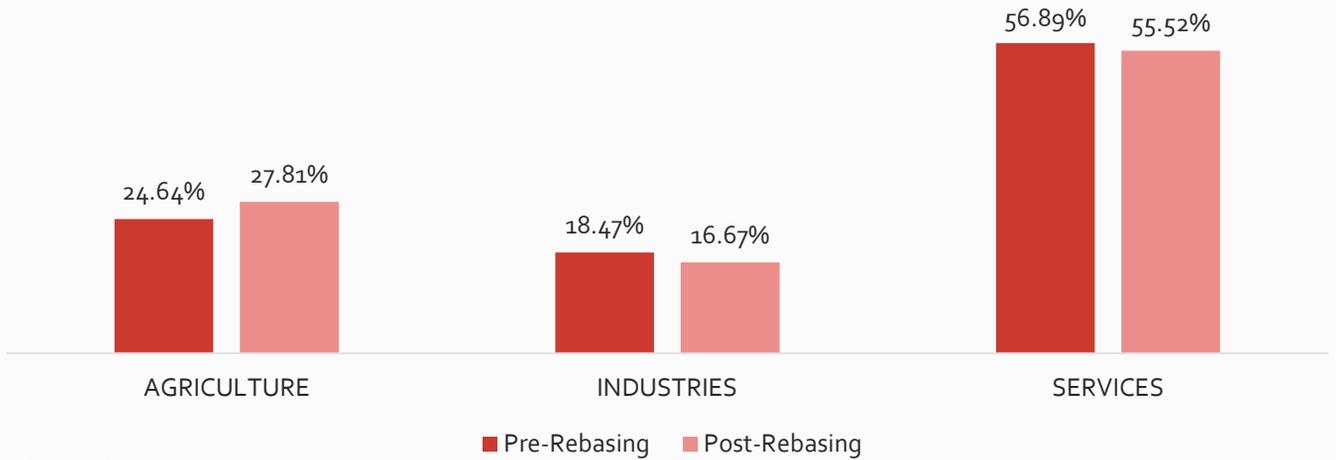


Real GDP (N'trn)



The rebased 2024 GDP figures offer deeper insights into the shifting dynamics of Nigeria’s economic structure. When compared with the pre-rebased data, agriculture’s contribution to GDP increased notably—from 24.64% to 27.81%—highlighting its growing prominence in the economy. In contrast, the industry sector saw a contraction in its share, declining from 18.47% to 16.67%. Although the services sector remains the largest contributor, its share slightly decreased from 56.89% to 55.52%, reflecting subtle adjustments in sectoral weights under the updated methodology.

Broad Structure of the Economy- 2024



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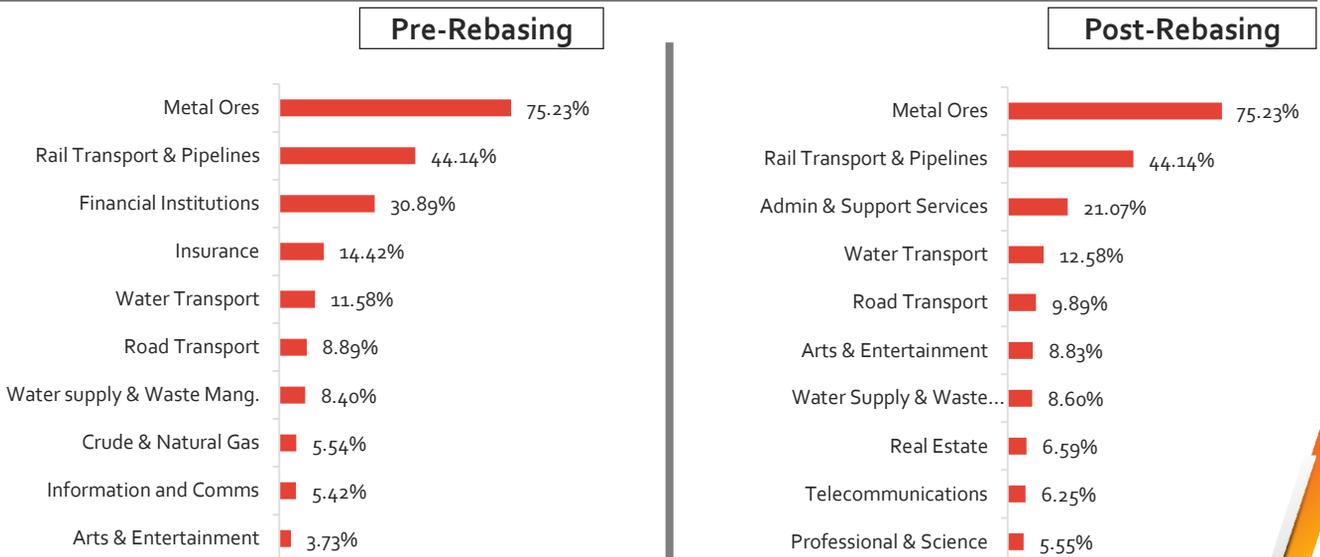
Fastest Growing Sectors: Pre-Rebasing vs. Post-Rebasing

While metal ores and rail transport & pipelines have retained their positions as the top two performers with unchanged growth levels, the rebased data sheds new light on other rapidly expanding areas. The wider coverage of service and water transport sub-sectors led to positive changes in the water transport, arts & entertainment, and administrative & support services sectors pushing them up the rank in terms of real growth.

Also, improved coverage of the real estate informal sector has pulled the real estate sector into the spotlight as one of the faster-growing sectors post-rebasing, exhibiting an impressive 6.59% growth rate compared to a mere 0.79% before rebasing.

Conversely, the rebasing had a detrimental effect on the financial institutions and insurance sectors, which were swept off the top-performing chart, now growing at a reduced rate of 2.89% and 3.42% respectively.

Fastest Growing Sectors: 2024



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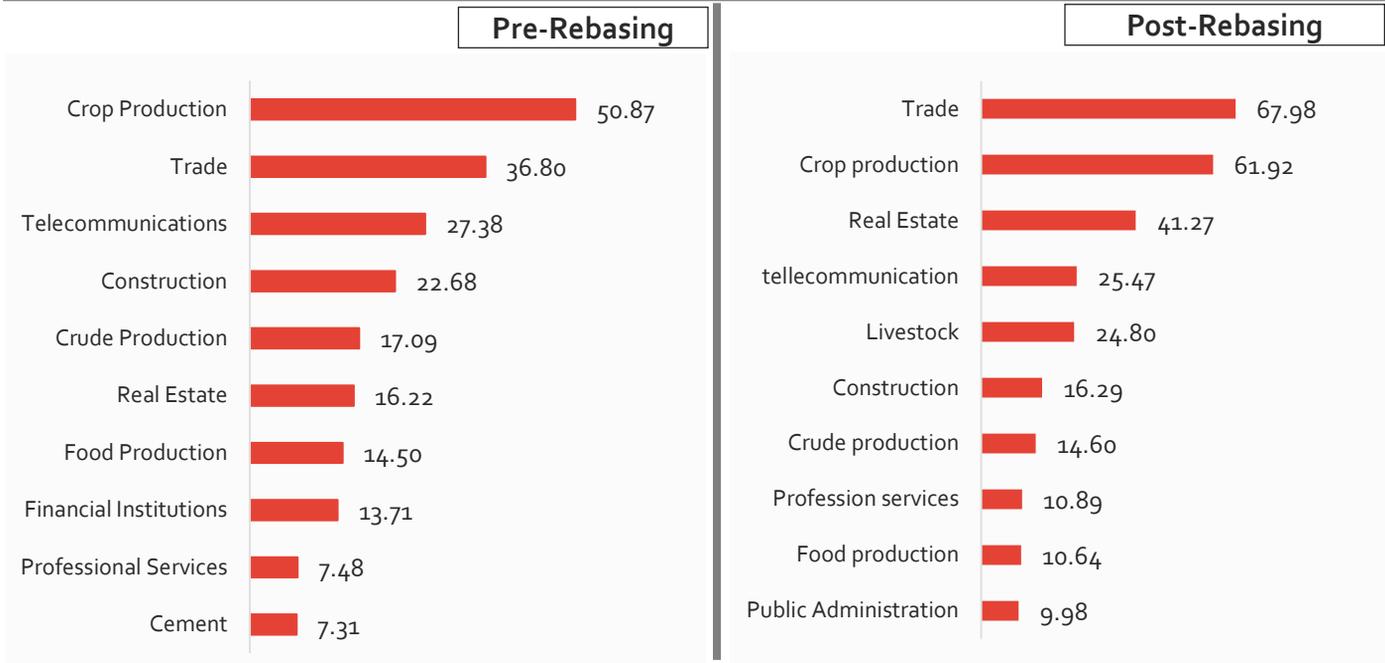
Largest sectors: Pre-Rebasing vs. Post-Rebasing

Analysis show that metal ores and rail transport & pipeline stayed at the largest sub sectors, although with a moderated rate for metal ores. Incorporating activities of Nigeria Port Authority (NPA), Nigerian Maritime Administration and Safety Agency (NIMASA), National Inland Waterways Authority (NIWA), and Nigerian Shipper’s Council (NSC) accounted for significant revisions and improvements of the water transport sub-sector.

Improved coverage of agriculture activities, which was enhanced by statistics from the National Agricultural Sample Census (NASC) and National Agricultural Sample Survey (NASS) led to a larger data for fishing sub-sector.

Financial institution was replaced as the third biggest sub-sector in 2024 and replaced with admin & support services, this is based on the wide scope of informal sector in the rebased GDP.

Largest sectors of the economy - 2024



Bottom Line

- Nigeria's economy is projected to expand by approximately 4% in 2025, supported by a combination of structural reforms, improved trade dynamics, and enhanced investor confidence. The relative stability of the naira has helped restore macroeconomic confidence, while policy measures aimed at enhancing the ease of doing business are beginning to yield results.
- In addition, the recently rebased GDP data underscores the rising significance of emerging sectors such as banking, real estate, telecommunications, and the creative industries—including arts and entertainment, which are expected to be key drivers of growth in the short to medium term.
- These developments, alongside improvements in the country’s external trade balance and renewed business optimism, position the economy for a stronger and more inclusive growth trajectory through the rest of the year.





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