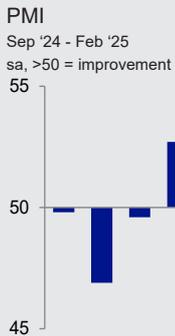


Stanbic IBTC Bank Nigeria PMI[®]

Output growth accelerates to fastest in just over a year

53.7

NIGERIA PMI
FEB '25



Demand improvements support sharper rise in new orders

Selling price inflation at seven-month low

Employment increases only marginally amid staff cost pressures

February data pointed to improved growth momentum in the Nigerian private sector. Rates of expansion in output, new orders and purchasing activity all quickened as demand picked up and inflationary pressures showed signs of moderating. That said, with costs continuing to rise sharply, some companies were reluctant to hire additional staff and employment increased only marginally.

The headline figure derived from the survey is the Purchasing Managers' Index™ (PMI[®]). Readings above 50.0 signal an improvement in business conditions on the previous month, while readings below 50.0 show a deterioration.

The headline PMI rose to 53.7 in February from 52.0 in January, signalling a solid monthly improvement in business conditions, and one that was the most pronounced since January 2024. The health of the private sector has now strengthened in three

consecutive months.

Output increased for the third month running in February. Moreover, the latest expansion was sharp and the fastest since January 2024. Respondents linked the rise in activity to higher sales amid an improving demand environment.

Output was up in agriculture, manufacturing, services and wholesale & retail, although in wholesale & retail the rise was only fractional.

New orders also increased at a marked pace, with the latest rise the most pronounced in just over a year. Customers were reportedly more willing to commit to new projects.

Signs of strengthening demand coincided with moderating inflationary pressures. Overall input costs increased at the slowest pace in ten months, although the pace of inflation remained elevated amid higher prices for raw materials and a rise in staff

Stanbic IBTC Bank Nigeria PMI
sa, >50 = improvement since previous month



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- Business expectations
- Employment and capacity
- Purchasing and inventories
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costs that was the sharpest since March 2024.

In fact, cost pressures acted to limit the pace of job creation in February. Employment rose only marginally and at the slowest pace in three months, despite marked expansions in output and new orders. Nevertheless, backlogs of work ticked down.

In line with the picture for input costs, the pace of output price inflation remained sharp in February, but eased to a seven-month low.

While employment rose only marginally, companies ramped up their input buying during the month, with the pace

of growth the steepest since May 2023.

Stocks of purchases also increased at a faster pace. Despite rising demand for inputs, suppliers' delivery times shortened to the greatest extent in seven months as prompt payments led to the speedy delivery of goods.

Although companies were optimistic that output will increase further over the next 12 months, sentiment dipped in February and was below the series average. Plans to expand businesses through the opening of new plants and increased export operations were among the factors supporting optimism.

Comment

Muyiwa Oni, Head of Equity Research West Africa at Stanbic IBTC Bank commented:

"Activity in Nigeria's private sector improved for the third consecutive month with the latest PMI reading of 53.7 points in February at its highest level since January 2024 (54.5 points). A relatively stable exchange rate and moderation in fuel prices are supporting the ease in inflationary pressures, which in turn helped strengthen consumer demand in the month. Thus, new orders increased for the fourth consecutive month, with survey participants noting a greater desire on the part of customers to commit to new projects. In line with the increase in new orders, output also increased sharply in February as the output index settled at 56.9 points from 53.7 points in January. That said, input price inflation eased further in February to its weakest level since April 2024. However, about 39.0% of respondents increased their output prices in the month, with less than 1.0% lowering their charges.

"Nigeria's real GDP growth improved further in Q4:24, rising by 3.84% y/y, from 3.46% y/y in Q3:24. Growth in Q4:24 was the highest since Q4:21 when this economy grew by 3.98% y/y in real terms. Q4:24 GDP now brings 2024 full-year growth to 3.40%, from 2.74% in 2023, supported by both the oil and the non-oil sectors. In terms of contributions to the overall GDP growth in Q4:24, Services continue to dominate with a 79.0% contribution to the country's GDP growth (same as Q3:24), followed by Agriculture with an 11.9% contribution while Industries contributed the remaining 9.0% of the real GDP growth in the review quarter.

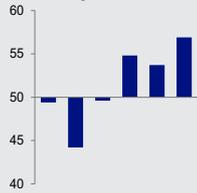
"The non-oil sector of the Nigerian economy is now poised to improve further in 2025 as the lingering FX stability and improved FX liquidity bodes well for the real sector activities, including manufacturing, trade and real estate. This, in addition to the anticipated reduction in borrowing costs should further support the growth of the non-oil sector in 2025. Accordingly, we project the non-oil sector to grow by 3.4% y/y in 2025. Therefore, we still expect the Nigerian economy to grow by 3.5% y/y in real terms in 2025 with the Q1:25 growth print forecasted to settle at 3.55% y/y."



Output and demand

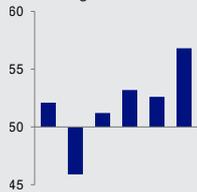
Output Index

Sep '24 - Feb '25
sa, >50 = growth



New Orders Index

Sep '24 - Feb '25
sa, >50 = growth



Output

Stronger customer demand and higher sales meant that Nigerian companies increased their output again in February, thereby extending the current sequence of growth to three months. Moreover, the latest expansion was marked and the fastest since January 2024. All four monitored sectors posted a rise in activity, although the increase in the wholesale & retail category was only fractional.

New orders

February data pointed to a fourth consecutive monthly increase in new orders, with the rate of expansion accelerating sharply to the fastest in just over a year. Panellists noted a greater willingness on the part of customers to commit to new projects.

Output Index

sa, >50 = growth since previous month



New Orders Index

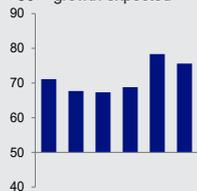
sa, >50 = growth since previous month



Business expectations

Future Output Index

Sep '24 - Feb '25
>50 = growth expected



Although companies in Nigeria remained optimistic that output will increase over the coming year, sentiment dipped from January and was much weaker than the series average. Those firms that were optimistic linked this to business expansion plans, including the opening of new branches. A number of respondents also signalled that they were planning to expand export operations. More than half of panellists predicted a rise in output over the next 12 months.

Future Output Index

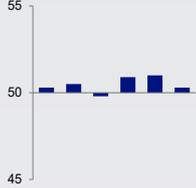
>50 = growth expected over next 12 months



Employment and capacity

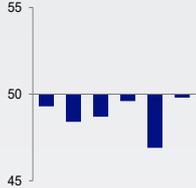
Employment Index

Sep '24 - Feb '25
sa, >50 = growth



Backlogs of Work Index

Sep '24 - Feb '25
sa, >50 = growth



Employment

Despite the sharp rises in output and new orders, employment increased only marginally midway through the opening quarter of the year. The rise in February was the slowest in the current three-month sequence of job creation. While some firms did take on additional staff, others had to let workers go due to difficulties paying them. Employment increased in manufacturing and services, but decreased in agriculture and wholesale & retail.

Backlogs of work

Backlogs of work decreased for the ninth consecutive month in February, with a number of respondents indicating that all outstanding business had been completed. That said, the pace of depletion was only fractional and the joint-weakest in the current sequence, equal with that seen in June 2024. A sharp rise in new orders alongside shortages of both materials and staff led to pressure on capacity in some cases.

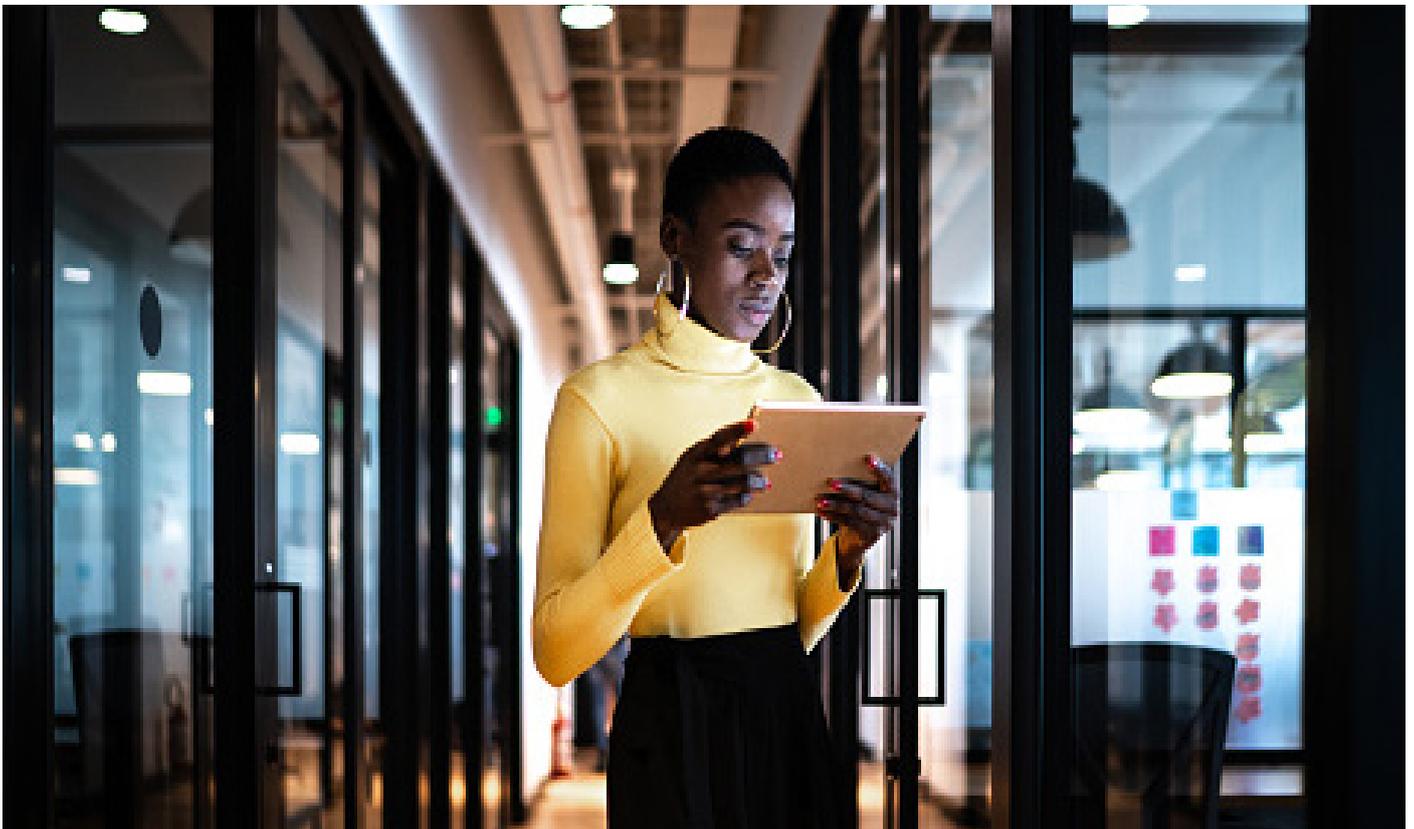
Employment Index

sa, >50 = growth since previous month



Backlogs of Work Index

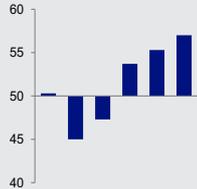
sa, >50 = growth since previous month



Purchasing and inventories

Quantity of Purchases Index

Sep '24 - Feb '25
sa, >50 = growth



Quantity of purchases

Nigerian companies responded to higher new orders by ramping up their buying of inputs during February. Purchasing activity rose for the third consecutive month, and at a marked pace that was the fastest since May 2023.

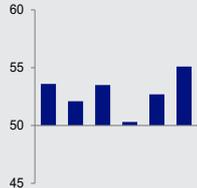
Quantity of Purchases Index

sa, >50 = growth since previous month



Suppliers' Delivery Times Index

Sep '24 - Feb '25
sa, >50 = faster times



Suppliers' delivery times

Although demand for inputs strengthened markedly during February, suppliers' delivery times continued to shorten. Moreover, the latest improvement in vendor performance was the most pronounced for seven months. Panellists often reported that they had been able to secure quick deliveries by making prompt payments for goods.

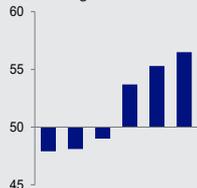
Suppliers' Delivery Times Index

sa, >50 = faster times since previous month



Stocks of Purchases Index

Sep '24 - Feb '25
sa, >50 = growth

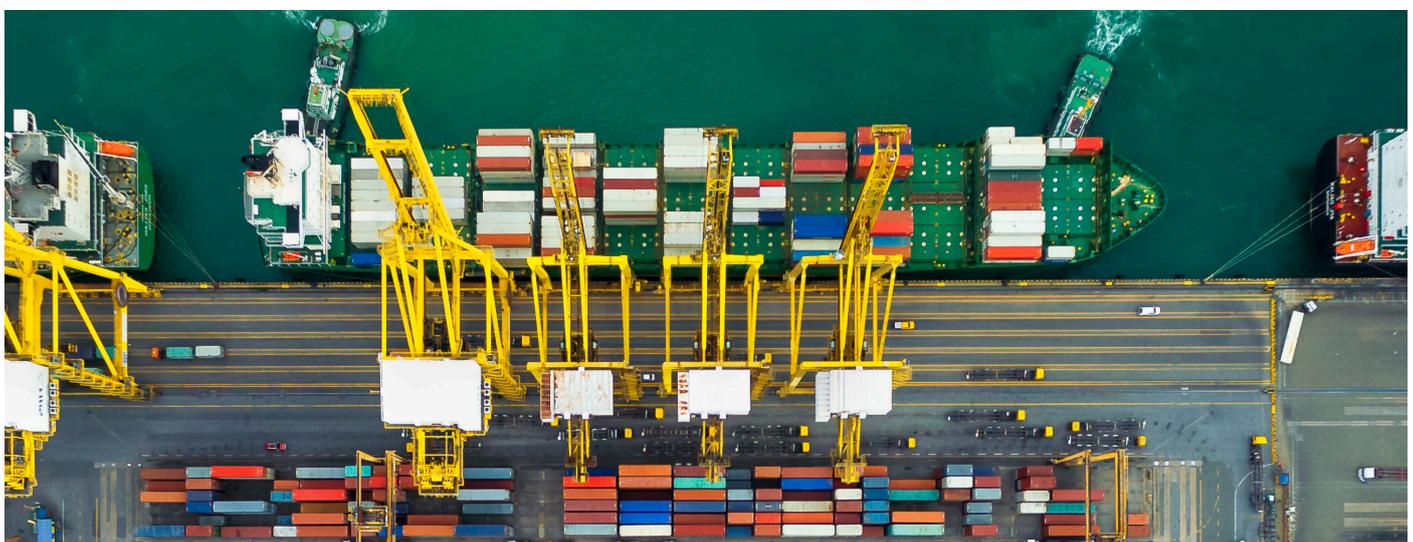


Stocks of purchases

The rise in purchasing activity in response to greater output requirements meant that stocks of inputs increased again in February. Inventories have now accumulated in three consecutive months. Moreover, the latest rise was marked and the sharpest since June 2023.

Stocks of Purchases Index

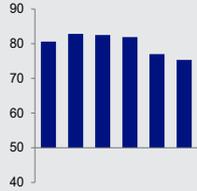
sa, >50 = growth since previous month



Prices

Input Prices Index

Sep '24 - Feb '25
sa, >50 = inflation



Input prices

The pace of overall input price inflation continued to ease in February, slowing for the fourth consecutive month to the weakest since April last year. The pace of inflation remained elevated, however, as input costs rose sharply across each of the four monitored sectors.

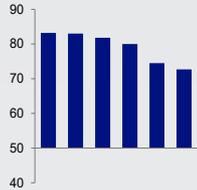
Input Prices Index

sa, >50 = inflation since previous month



Purchase Prices Index

Sep '24 - Feb '25
sa, >50 = inflation



Purchase prices

In line with the picture for overall input costs, the pace of purchase price inflation also slowed during February. The latest rise was the weakest in nine months, but remained sharp nonetheless. Some panellists reported that strong demand for inputs had pushed up the price of raw materials, while currency weakness again had an inflationary impact.

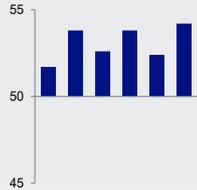
Purchase Prices Index

sa, >50 = inflation since previous month



Staff Costs Index

Sep '24 - Feb '25
sa, >50 = inflation



Staff costs

February data pointed to a further increase in staff costs in the Nigerian private sector, with the pace of inflation quickening to a solid pace that was the fastest in almost a year. Respondents often mentioned that they had increased staff pay in response to a high cost of living in the country.

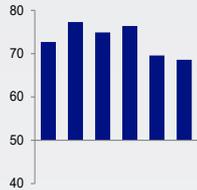
Staff Costs Index

sa, >50 = inflation since previous month



Output Prices Index

Sep '24 - Feb '25
sa, >50 = inflation



Output prices

Sharp increases in the cost of goods meant that companies in Nigeria continued to raise their own selling prices at a marked pace in February. That said, the rate of inflation softened for the second month running and was at a seven-month low. Around 39% of respondents increased charges over the month, with less than 1% lowering output prices.

Output Prices Index

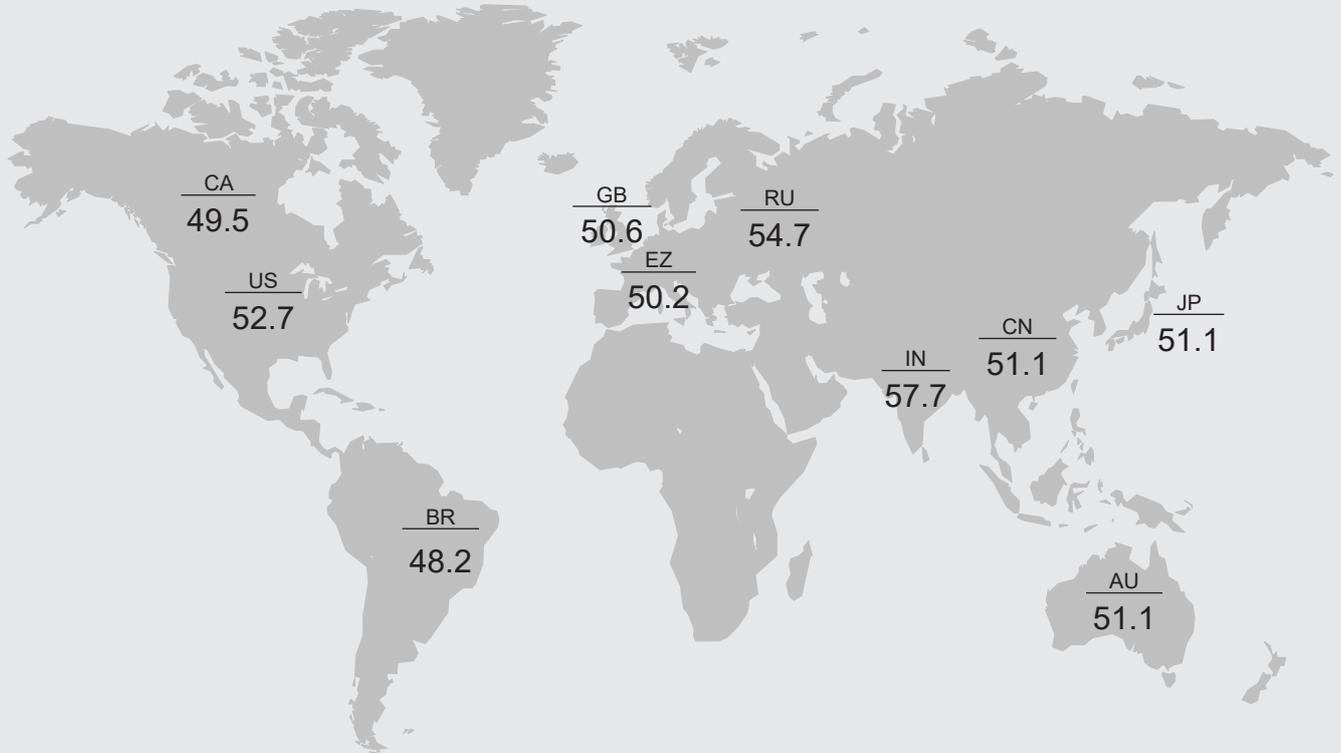
sa, >50 = inflation since previous month



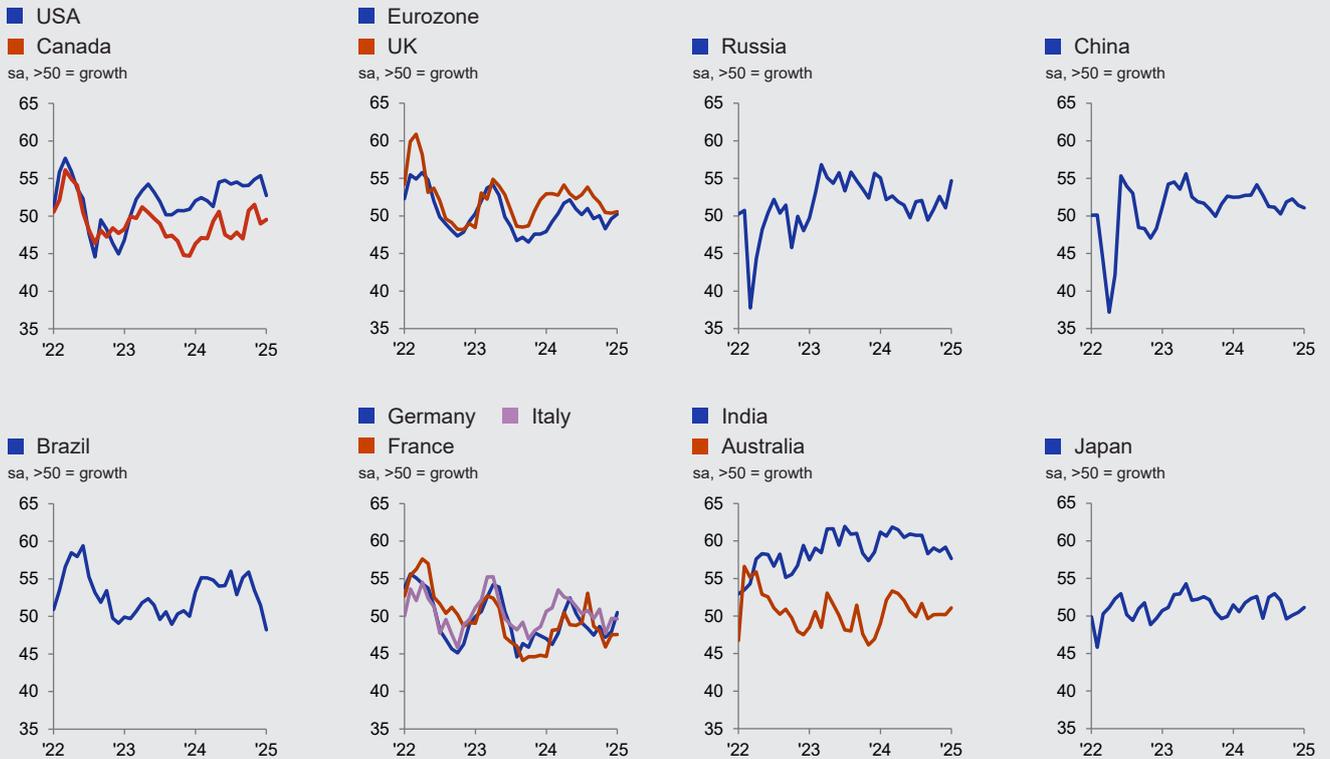
International PMI

Composite Output Index, Jan '25
sa, >50 = growth since previous month

The Composite Output Index is a GDP-weighted average of the Manufacturing Output Index and the Services Business Activity Index.



Composite Output Index



Survey methodology

The Stanbic IBTC Bank Nigeria PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 private sector companies. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. The sectors covered by the survey include agriculture, mining, manufacturing, construction, wholesale, retail and services. Data were first collected January 2014.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

Survey dates

Data were collected 10-26 February 2025.

Survey questions

Private sector

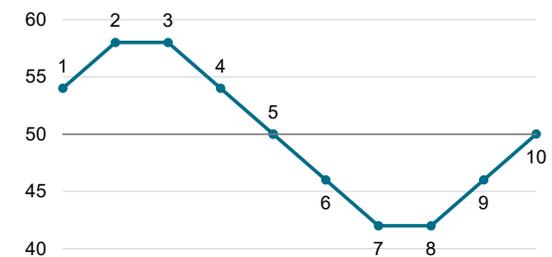
Output	Suppliers' Delivery Times
New Orders	Stocks Of Purchases
New Export Orders	Input Prices
Future Output	Purchase Prices
Employment	Staff Costs
Backlogs Of Work	Output Prices
Quantity Of Purchases	

Index calculation

$$\% \text{ "Higher" } + (\% \text{ "No change" }) / 2$$

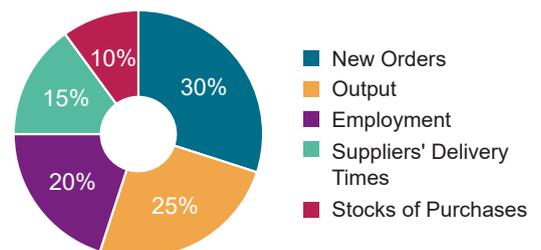
Index interpretation

50.0 = no change since previous month



- | | |
|--------------------------|----------------------------|
| 1 Growth | 6 Decline, from no change |
| 2 Growth, faster rate | 7 Decline, faster rate |
| 3 Growth, same rate | 8 Decline, same rate |
| 4 Growth, slower rate | 9 Decline, slower rate |
| 5 No change, from growth | 10 No change, from decline |

PMI component weights



Sector coverage

PMI data include responses from companies operating in sectors classified according to the following ISIC Rev.4 codes:

A Agriculture, Forestry and Fishing	K Financial and Insurance Activities
B Mining and Quarrying	M Professional, Scientific and Technical Activities
C Manufacturing	N Administrative and Support Service Activities
F Construction	P Education*
G Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	Q Human Health and Social Work Activities*
H Transportation and Storage	R Arts, Entertainment and Recreation
I Accommodation and Food Service Activities	S Other Service Activities
J Information and Communication	

*Private sector

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About PMI

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends.

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