

Stanbic IBTC Bank Nigeria PMI[®]

Further marked expansion of business activity at end of 2025

Key findings

Sharp rises in output and new orders

Business confidence jumps higher

Pace of job creation remains marginal

The Nigerian private sector remained in growth territory at the end of 2025 as improvements in customer demand fed through to higher new orders, output and purchasing activity. Employment also increased, but the rate of job creation remained marginal. Inflationary pressures picked up modestly in December but remained generally close to recent lows. Meanwhile, business confidence improved sharply.

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 posted 53.5 in December, little-changed from 53.6 in November and signalling a solid monthly improvement in business conditions as 2025 drew to a close. The latest strengthening in operating conditions was the thirteenth in as many months, and broadly in line with the average for 2025 as a whole.

Growth in December emanated from an improvement in customer demand which supported a marked monthly increase in new orders. The rise in sales was the fourteenth in as many months and only slightly weaker than in November.

In turn, companies expanded output sharply, with the pace of growth broadly in line with that seen in November. All four broad categories saw output rise, led by agriculture.

Stronger customer demand also encouraged firms to expand their purchasing activity and inventory holdings.

Employment was also up, but only marginally and at the slowest pace since June 2025.

For the second month running, companies noted a slight rise in backlogs of work. Delays completing projects were reportedly caused by material shortages and power supply issues.

Meanwhile, suppliers' delivery times shortened but to the least extent in six months amid reports of poor road

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sa, >50 = improvement since previous month



Sources: Stanbic IBTC Bank, S&P Global PMI.
Data were collected 4-19 December 2025.

Comment

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

"Headline PMI (53.5 vs November: 53.6) moderated for the second consecutive month in December, although still in the growth territory and the latest reading is broadly in line with the average for 2025 as a whole. The continued expansion in business activity in December, albeit slightly softer than November, reflects higher customer demand, which supported a marked monthly increase in new orders. This in turn encouraged companies to expand their purchasing activity and inventory holdings. Meanwhile, there was a marked improvement in business confidence among the companies as sentiment hit a six-month high, linked to planned investments in business expansions, including opening of new branches and plans to boost products exports.

While overall input prices (64.4 vs November: 61.9) increased sharply in December from the near five-year low posted in November, the rate of inflation was weaker than the 2025 average. Because of this high input cost, selling prices also increased in December with the most significant price increase seen in the Manufacturing sector. The pickup in inflationary pressures in December may be connected to the higher spending patterns associated with the December festive period. And so, inflation should increase m/m and y/y in December, although the y/y increase is likely to be significant on account of a low-base effect from the corresponding period of the prior year – an outcome of the country's rebased CPI. Therefore, we estimate inflation at 1.44% m/m which implies a CPI of 132.34, and y/y headline inflation of 32.34% in December.

We now see the Nigerian economy growing by 3.8% y/y in 2025 and 4.1% y/y in 2026. Both Manufacturing and Services are likely to see higher growth in 2025 compared to 2024 levels, based on the results from the PMI surveys so far this year. Elsewhere, the government has been visible in infrastructure, livestock development, easing trade constraints, and attracting investments in oil & gas and manufacturing. Aside from that, the Dangote refinery is expected to continue to have forward-linkage impact on other sectors of the economy. Additionally, likely lower interest rates in line with lower inflation and exchange rate stabilization should support private consumption and business investments in 2026. Because of these factors, we see more sectors contributing to real GDP growth rate in 2026 compared to 2025, likely translating to an improvement in the quality of lives of the citizens compared to 2025."

conditions. Those firms that registered shorter lead times linked this to prompt payments and a lack of traffic.

Higher raw material prices led to a marked rise in purchase costs. The pace of inflation quickened but remained among the weakest in the past six years. Staff costs also increased at a faster pace as firms paid employees for additional work.

Companies responded to higher input costs by raising their own selling prices in December. Here too the pace of inflation quickened, but was only slightly stronger than the recent low posted in November. Manufacturing registered the sharpest rise in charges of the four monitored categories.

Nigerian private-sector firms were much more confident in the outlook for business activity at the end of 2025. Sentiment jumped to a six-month high as close to 59% of respondents predicted growth. Planned investment in the expansion of operations and opening of new branches was central to confidence.

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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.

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. www.spglobal.com/marketintelligence/en/mi/products/pmi

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