

# Stanbic IBTC Bank Nigeria PMI<sup>®</sup>

## New order growth hits 19-month high

### Key findings

Improving customer demand supports sharp rise in new business

Rate of job creation remains muted

Slowest rise in selling prices since April 2020

Growth in the Nigerian private sector continued to gain momentum during August as customer demand improved and inflationary pressures softened. Sharper increases in output and new orders were recorded, although rates of expansion in purchasing activity and employment eased. Meanwhile, business confidence softened but firms remained optimistic that output will increase over the coming year.

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

At 54.2 in August, the headline PMI was above the 50.0 no-change mark for the ninth month running, signalling a sustained improvement in the health of the Nigerian private sector. Moreover, the latest reading was up from 54.0 in July, pointing to a solid strengthening of business conditions and one that was the most pronounced since April.

The rise in the headline index primarily reflected sharper expansions in output and new orders, with rates of growth hitting four- and 19-month highs respectively. Panellists reported stronger customer demand and a greater willingness among clients to commit to new projects.

Output increased across three of the four broad sectors covered by the survey, the exception being manufacturing.

While firms continued to expand staffing levels in response to higher new orders, the rate of job creation was only slight and softer than that seen in July. Companies were nonetheless able to deplete outstanding business for the first time in five months.

A slower increase in purchasing activity was also registered in August. Nonetheless, input buying rose markedly in response to improving customer demand, with positive expectations for the future also encouraging firms to accumulate inventories.

Expectations for output growth over the coming year

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sa, >50 = improvement since previous month



Sources: Stanbic IBTC Bank, S&P Global PMI.  
Data were collected 12-27 August 2025.

### Comment

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

*“Business activity increased further in August and has remained above 50 points for the ninth consecutive month. The increase in business activity was driven by sharper increases in output and new orders. Notably, output (56.8 points vs July: 56.1 points) increased in line with customers’ willingness to commit to new projects, while the growth in new orders (58.3 points vs July: 57.3 points) quickened to a 19-month high amid reports of increasing customer demand. Given these higher new orders, firms expanded their staffing levels for the third consecutive month. The opening of new branches and marketing plans are also supporting firms’ optimism that output will increase over the coming year.*

*Elsewhere, input cost eased to its lowest level since March 2023 even as the latest increase is still above the series average. In line with this, the rate of increase in output prices moderated for the fourth consecutive month in August and the slowest since April 2020. The continued moderation of input and output prices still suggests that inflation is likely to remain soft in the near term, and may incentivize the MPC of the CBN to switch to an accommodative monetary policy by September from the current neutral stance. Indeed, we estimate headline inflation to moderate further in August to 21.45% y/y – 21.63% y/y, and possibly settle at 17.19% y/y – 17.92% y/y by November. Accordingly, we still expect up to 150 bps cumulative rate cut in 2025.*

*Nigeria’s rebased economy shows real GDP increasing by 3.13% y/y in Q1:25 - slower than the 3.76% y/y revised growth in Q4:24 – and also the lowest since Q1:24 when the economy grew by 2.27% y/y. At 78.6%, relative to 70.0% in Q4:24, services contributed the most to GDP growth in Q1:25, but agriculture shrank to 0.5% in Q1:25, from 19.7% in Q4:24. Industries in Q1:25 contributed an impressive 20.9%, from 10.4% in Q4:24, in line with our long-held view that industries should start contributing more to real GDP growth from 2025 amid the structural shift introduced into the sector by the operations of Dangote Refinery. Overall, the Nigerian economy is still on track to grow by 3.5% y/y in 2025 from 3.4% y/y growth seen in 2024 supported by softer inflation, improvement in FX liquidity conditions, and structural reforms.”*

reflected predictions of higher new orders, the opening of new branches and advertising activity. Sentiment eased for the second month running, however, and was relatively muted.

Inflationary pressures waned midway through the third quarter. The pace of increase in purchase prices slowed for the fourth consecutive month and was the weakest since March 2020.

Meanwhile, the pace of staff cost inflation eased to a three-month low. Where wages increased, panellists linked this to incentives for faster project delivery and cost-of-living payments.

In line with the picture for input costs, the pace of output price inflation also eased in August, slowing for the fourth month running to the weakest in almost five-and-a-half years. The latest rise was also softer than the series average, despite remaining marked as companies passed higher costs through to their customers.

#### Survey methodology

The Stanbic IBTC Bank Nigeria PMI<sup>®</sup> 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<sup>™</sup> (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](mailto:economics@spglobal.com).

#### About PMI

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