

GDP Q3 2025

Nigeria's Growth Slows to 3.98% as Oil Output Weakens

Highlights

- Nigeria's growth slowed to 3.98% in Q3 2025 from 4.23% in Q2 2025 but remained higher than 3.86% in Q3 2024. The non-oil sector remained the primary engine of growth, contributing 3.78 percentage points to overall expansion. The oil sector added only 0.20 percentage point to overall growth given its smaller base and slower growth. With the new tax reforms scheduled to take effect in 2026, the sustained strength of the non-oil sector presents an opportunity to gradually improve nonoil revenue mobilisation, provided implementation is effective and the tax base broadens as planned
- The oil sector growth slowed to 5.84% in Q3 2025 compared to 20.46% in Q2 2025 but slightly higher than 5.66% in Q3 2024. This can be attributed to lower crude oil production, averaging 1.64mbpd in Q3 2025 compared to 1.68mbpd in Q2 2025. Oil's contribution to GDP also dropped to 3.44%, from 4.05% in Q2 2025.
- The non-oil sector's share of economic activity increased to 96.56% and growth improved to 27bps to 3.91% in Q3 2025 from 3.64% in Q2 2025 and 3.79% in Q3 2024, supported by stronger activity in Agriculture, Information & Communication, Real estate, financial institutions, trade and manufacturing.

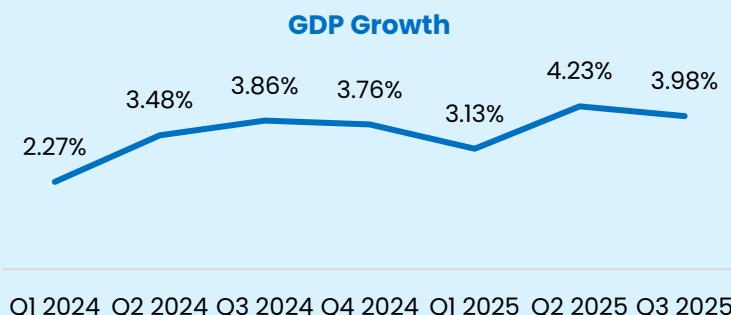
 **3.98%**
Q2 2025: 4.23% GDP Growth Rate (Q3 2025)

 **N113.59T**
Q2 2025: N102.45trn Nominal GDP (Q3 2025)

 **N57.03T**
Q2 2025: N51.82trn Real GDP (Q3 2025)

 **5.84%**
Q2 2025: 20.46% Oil Growth (Q3 2025)

 **3.91%**
Q2 2025: 3.64% Non-oil Growth (Q3 2025)



Nigeria's GDP growth of 3.98% is in line with our earlier projection of 3.90 - 4.10% given the lower oil production. If growth continues to ease in the fourth quarter, full year GDP is likely to settle close to the IMF's estimate of 3.9%.

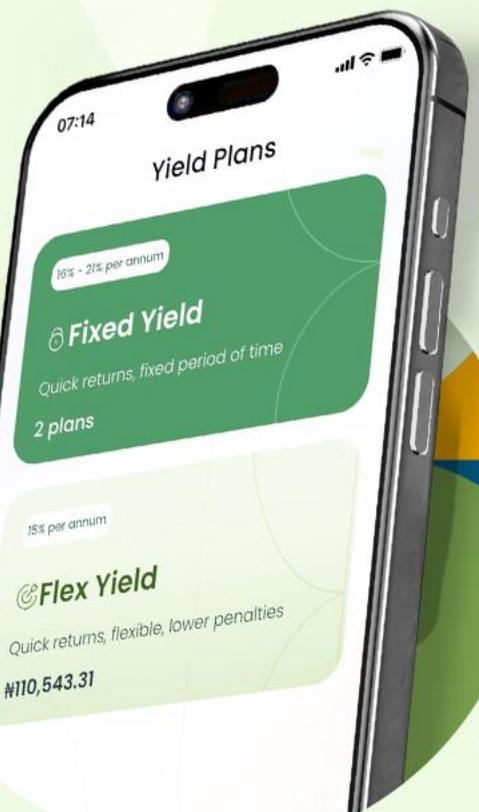
Source: Team Analysis, CBN, NBS
Date: 02/12/2025

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GDP Q3 2025

Mining Remains the Dominant Growth Engine

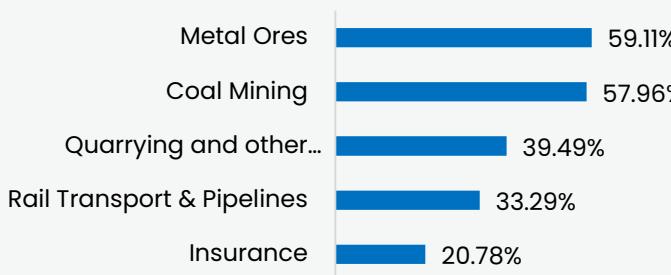
HIGHLIGHTS

- Nigeria's sector mix shifted sharply in Q3 2025. Services fell by 315bps to 53.02% and industry slipped 154bps to 15.77%, while agriculture jumped 504bps to 31.3%. The rebound in agriculture was driven by strong growth in forestry (4.69%) and livestock (3.49%), more than doubling their Q2 pace.
- In contrast, softer activity in ICT and transportation weighed on services. The shift highlights a temporary tilt toward agriculture amid lingering structural pressures in key service industries.
- Mining sector stood out in Q3 2025, with three of its subsectors ranking among the quarter's fastest-growing activities. The expansion reflects increased licensing activity, improved FX stability, and rising foreign involvement in extractive operations.
- Rail transport and pipelines remained among the top growth drivers, but growth moderated to 33.29% from 43.08% in Q2. The insurance sector posted a strong rebound, expanding by 20.78%, supported by ongoing industry recapitalization.
- On the contribution side, crop production overtook trade at 23.06% of GDP, reaffirming agriculture's dominant role, while real estate, telecommunications & information, and livestock maintained their relative positions from Q2.

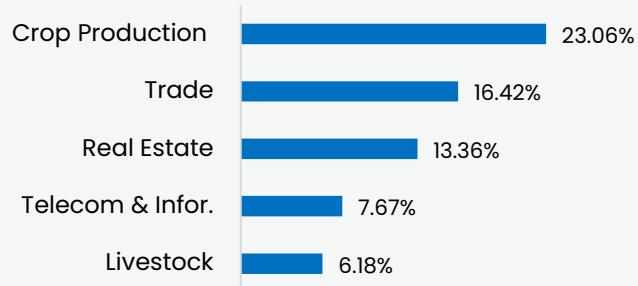
Broad Sectoral Composition



Top 5 Growth Drivers



Top 5 Sector by Contribution



Source: Team Analysis, CBN, NBS.

GDP Q3 2025

Mining Remains the Dominant Growth Engine

Contracting Sectors

Subsectors	Growth Rate
Textile Apparel and Footwear	-2.41%
Pulp, paper and paper products	-1.07%

- Only two subsectors recorded negative growth in the third quarter of 2025, compared to four in Q2 2025, namely: Textile, Apparel and Footwear, and Paper. The contraction in textiles deepened to minus 2.41 percent from minus 1.32 percent in the previous quarter, reflecting persistent structural challenges such as insecurity.
- The paper subsector slipped into negative territory after two consecutive quarters of growth in 2025. The contraction mirrors the pattern seen in Q3 2024 and is partly due to seasonal weakness in demand, since schools, which are among the largest users of paper, are usually on holiday during this period.

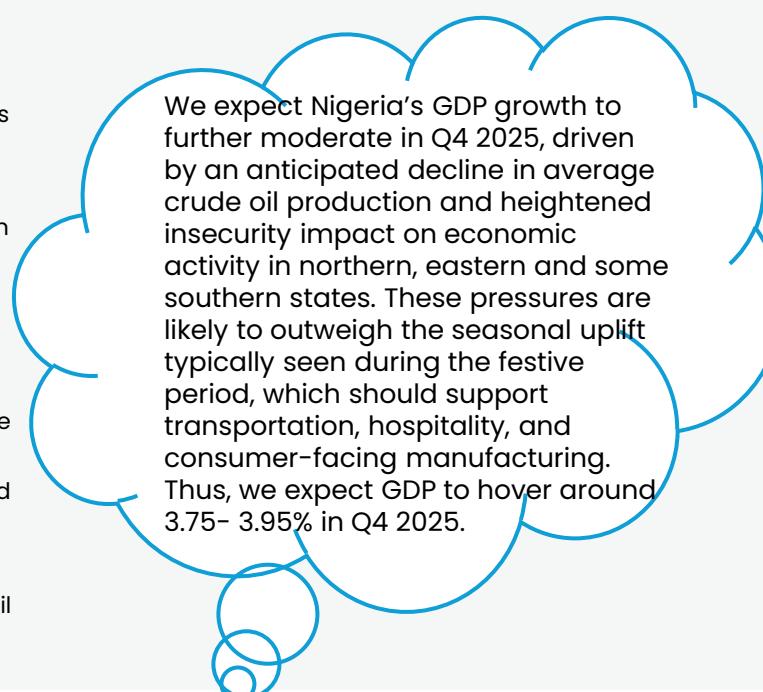
Outlooks

Headwinds

- Declining Oil prices can disrupt foreign earnings inflows
- Trade Tariff Negotiations
- Heightened Insecurity attacks can dissuade foreign investors
- Infrastructural deficit
- Increased fiscal debt pressures

Tailwinds

- Increasing external reserves ascertain exchange rate stability
- Declining inflation strengthens household purchasing power and demand
- CBN Monetary easing
- Sustained high Oil production as Vandalism and Oil Theft reduces
- Increasing trade surplus



We expect Nigeria's GDP growth to further moderate in Q4 2025, driven by an anticipated decline in average crude oil production and heightened insecurity impact on economic activity in northern, eastern and some southern states. These pressures are likely to outweigh the seasonal uplift typically seen during the festive period, which should support transportation, hospitality, and consumer-facing manufacturing. Thus, we expect GDP to hover around 3.75- 3.95% in Q4 2025.

Source: Team Analysis, CBN, NBS.