

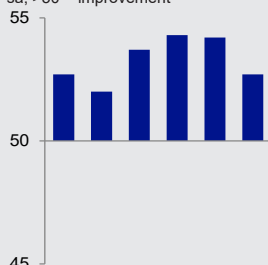
# Stanbic IBTC Bank Nigeria PMI®

## Business activity continues to rise, but growth eases to four-month low

# 52.7

NIGERIA PMI  
MAY '25

PMI  
Dec '24 - May '25  
sa, >50 = improvement



Weaker increases in output and new orders

Inflationary pressures remain elevated

Employment falls for first time in six months

Although the Nigerian private sector remained in growth territory midway through the second quarter of the year, there were signs of a slowdown in the latest survey period as inflationary pressures remained elevated. Rates of expansion in output and new orders eased in May, while employment dipped for the first time in six months.

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 registered 52.7 in May, remaining above the 50.0 no-change mark for the sixth successive month and signalling a solid strengthening of business conditions over the month. That said, the latest reading was down from 54.2 in April and pointed to the least marked improvement in the health of the private

sector since January.

The slowdown in overall growth was seen across both output and new orders, which each increased at the slowest rates in four months. Where expansions were recorded, panellists linked this to customer demand improvements, higher client numbers and new product launches.

Output increased across all four broad sectors covered by the report, with growth sharpest in wholesale & retail and manufacturing.

Inflationary pressures remained elevated in May, despite easing slightly from April. Purchase costs rose rapidly amid higher raw material prices, currency weakness and increased transportation costs.

Staff costs were also up, but at the slowest pace since March 2023 as a reduction in employment acted to limit the rise in wage bills. Workforce numbers decreased for the first time

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



# Contents

- Overview and comment
- Output and demand
- Business expectations
- Employment and capacity
- Purchasing and inventories
- Prices
- International PMI
- Survey methodology
- Further information

in six months as some firms reported that difficulties paying staff had led to resignations.

Shortages of staff contributed to a second successive rise in backlogs of work, but respondents indicated that the main factor holding up the completion of projects was delays in payments from customers. The latest rise in outstanding business was the sharpest since February 2023.

While employment decreased, companies continued to expand their purchasing activity at a rapid pace. Respondents mentioned the need to satisfy both current and future

client requirements. In turn, stocks of purchases also rose, and at the fastest pace in three months.

Competition among suppliers and prompt payments resulted in a further shortening of suppliers' delivery times, albeit one that was the least marked in 2025 so far.

Business confidence waned for the fourth consecutive month and was among the lowest on record. That said, companies remained optimistic that output will expand over the coming year, with positive sentiment linked to business expansion plans, marketing and restocking.

## Comment

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

*"Business conditions remain in the expansionary territory for the sixth consecutive month in May amid continued improvement in customer demand which is also ensuring businesses launch new products. However, the pace of improvement in business conditions slowed relative to April, pointing to the least marked improvement since January. While new orders have now increased in each month since November 2024, some firms implied that market conditions are softening. Hence, the pace of improvement in new orders during May eased to the weakest level in four months. Nonetheless, rising sales and higher customer numbers supported a pronounced output growth across the wholesale & retail and manufacturing sectors.*

*Given the rising sales and higher customer numbers, companies increased their quantity of purchases for the sixth consecutive month while the rate of inventories accumulation quickened to a three-month high. However,*

*input costs remain high in May, albeit slightly softer than April inflation, with the pace of price increase remaining well above the series average. As a result, output prices remained sharp as companies passed on the rising purchase costs to customers. Where companies charged lower prices, they indicated that it was due to the need to attract customers. This partly supported the easing of the pace of output price inflation to a two-year low in May.*

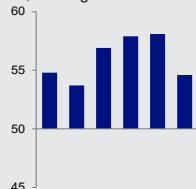
*Nigeria's business condition is on course to end Q2:25 on a positive momentum, albeit relatively weaker than witnessed in Q1:25. This is as currency weakness, higher raw material costs, and increased transport prices have been more pronounced than seen in Q1:25. However, as inflation is expected to remain softer compared to the 2024 average, interest rates are likely to be lower this year, thereby helping to support medium-term economic growth path. Therefore, we still maintain our expectation that the Nigerian economy is likely to grow by 3.5% y/y in real terms in 2025 relative to 3.4% y/y growth in 2024."*



## Output and demand

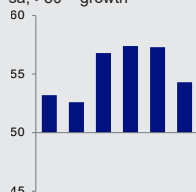
### Output Index

Dec '24 - May '25  
sa, >50 = growth



### New Orders Index

Dec '24 - May '25  
sa, >50 = growth



### Output

Business activity increased for the sixth successive month in May on the back of rising sales and higher customer numbers. The rate of expansion was marked, but eased to the weakest since January. Output rose across the four broad sectors covered by the survey, with growth most pronounced in wholesale & retail and manufacturing.

### New orders

In line with the picture for output, new orders increased at a solid but reduced pace in May. Those respondents that saw new business rise linked this to improving customer demand, boosted in some cases by new product launches. On the other hand, some firms signalled a softening of market conditions. New orders have now increased in each of the past seven months.

### Output Index

sa, >50 = growth since previous month



### New Orders Index

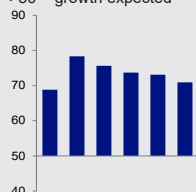
sa, >50 = growth since previous month



## Business expectations

### Future Output Index

Dec '24 - May '25  
>50 = growth expected



Business confidence dipped for the fourth consecutive month in May and was the lowest in 2025 so far. As such, the level of sentiment was one of the weakest on record. That said, companies remained optimistic overall that output will increase over the coming 12 months, with confidence linked to business expansion plans, marketing activity and restocking. Around 42% of panellists predicted that business activity will rise over the coming year.

### Future Output Index

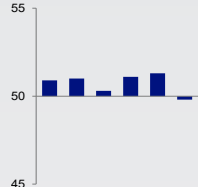
>50 = growth expected over next 12 months



## Employment and capacity

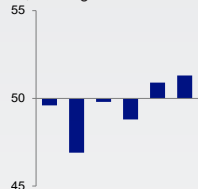
### Employment Index

Dec '24 - May '25  
sa, >50 = growth



### Backlogs of Work Index

Dec '24 - May '25  
sa, >50 = growth



### Employment

Staffing levels decreased for the first time in six months during May, albeit marginally. While some firms hired additional workers in response to greater new business, others reported that difficulties paying staff had led them to resign. Employment increased in manufacturing and services, but decreased in agriculture and wholesale & retail.

### Backlogs of work

Nigerian companies recorded a second successive increase in backlogs of work during May. A number of firms indicated that projects were on hold waiting for further payments from customers. Shortages of machinery, materials and staff also reportedly contributed to the accumulation of outstanding business, which was the most pronounced since February 2023.

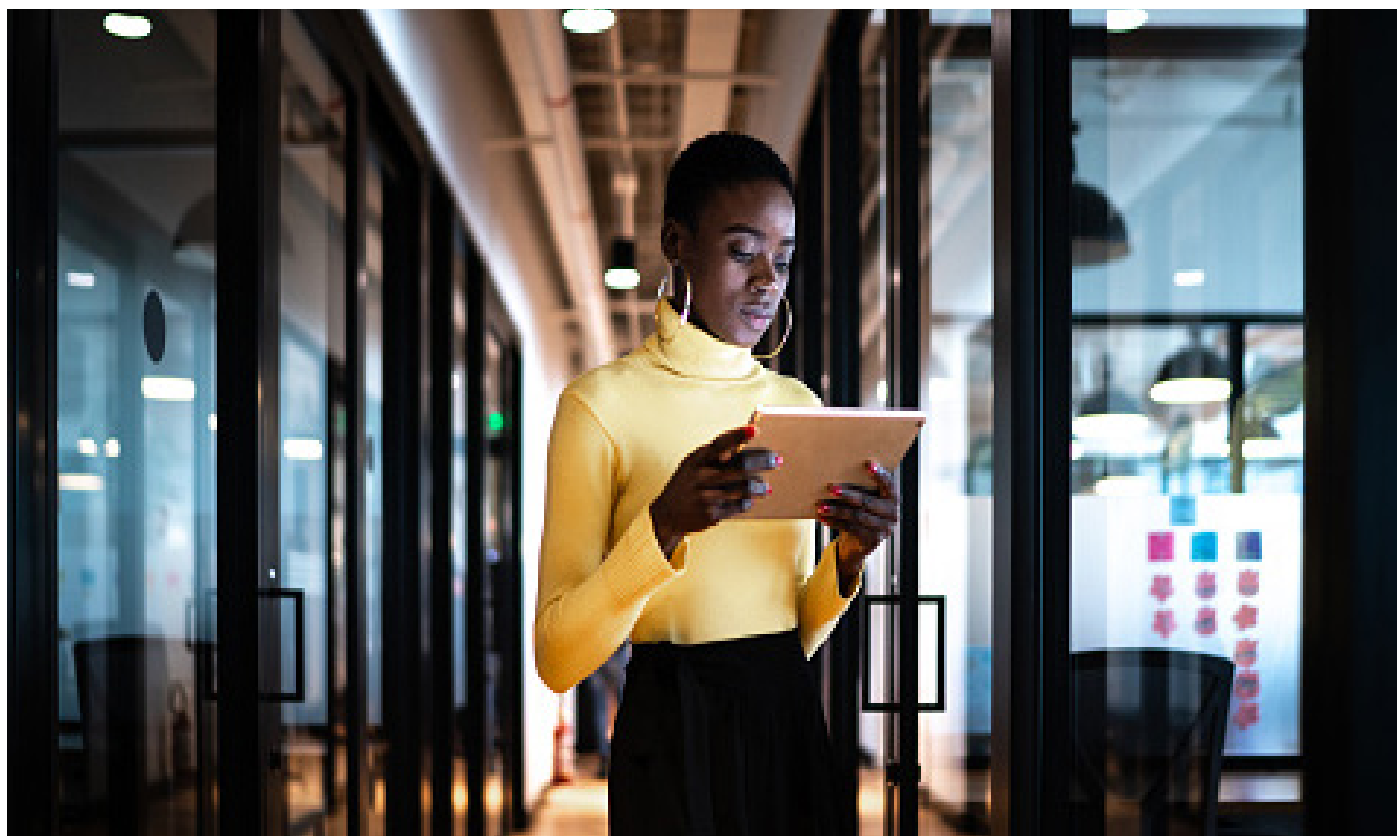
### Employment Index

sa, >50 = growth since previous month



### Backlogs of Work Index

sa, >50 = growth since previous month

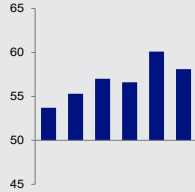




## Purchasing and inventories

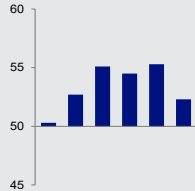
Quantity of Purchases Index

Dec '24 - May '25  
sa, >50 = growth



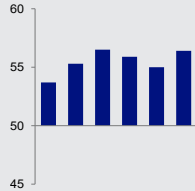
Suppliers' Delivery Times Index

Dec '24 - May '25  
sa, >50 = faster times



Stocks of Purchases Index

Dec '24 - May '25  
sa, >50 = growth



### Quantity of purchases

The need to respond to current and future requirements from customers meant that companies continued to expand their purchasing activity midway through the second quarter. Input buying increased for the sixth month running, and at a marked pace that was only slightly slower than that seen in April.

### Suppliers' delivery times

Although suppliers' delivery times continued to shorten during May, the latest improvement in vendor performance was the least pronounced in 2025 so far. Where lead times shortened, panellists reported competition among suppliers and prompt payments. On the other hand, some respondents noted delays caused by poor road conditions.

### Stocks of purchases

May data pointed to a further marked increase in stocks of purchases, with the rate of accumulation quickening to a three-month high. Inventories have risen in each month since December 2024. Panellists reported that stockbuilding was due both to current output requirements and to prepare for future customer requests.

Quantity of Purchases Index

sa, >50 = growth since previous month



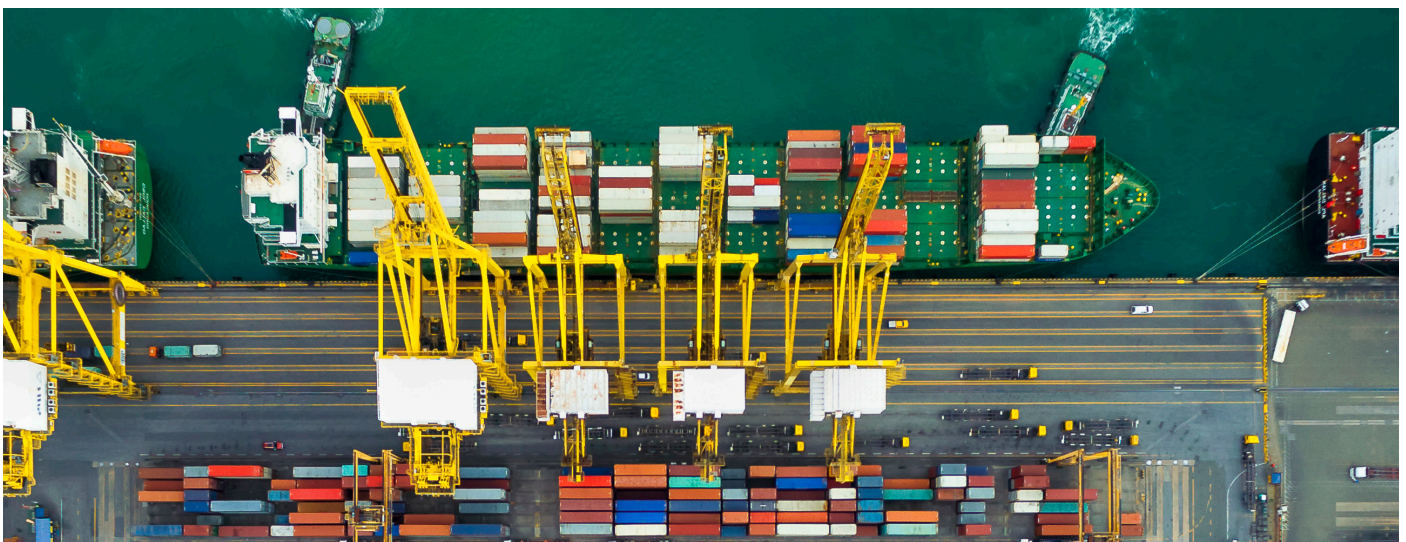
Suppliers' Delivery Times Index

sa, >50 = faster times since previous month



Stocks of Purchases Index

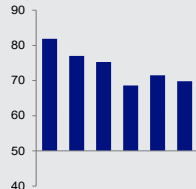
sa, >50 = growth since previous month



# Prices

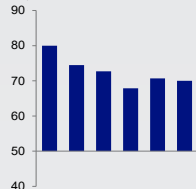
## Input Prices Index

Dec '24 - May '25  
sa, >50 = inflation



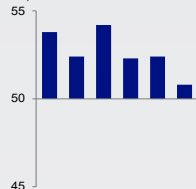
## Purchase Prices Index

Dec '24 - May '25  
sa, >50 = inflation



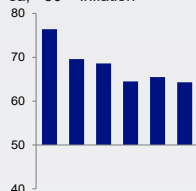
## Staff Costs Index

Dec '24 - May '25  
sa, >50 = inflation



## Output Prices Index

Dec '24 - May '25  
sa, >50 = inflation



## Input prices

Overall input costs continued to increase rapidly during May, with the pace of inflation remaining well above the series average. This was despite the latest rise being slightly weaker than that seen in April. Overall input prices increased sharply across all four monitored sectors, led by wholesale & retail.

## Purchase prices

The rate of purchase cost inflation ticked down in May, but remained elevated. Panellists reported higher raw material prices, often exacerbated by currency weakness, plus rising transportation costs. More than 37% of respondents signalled a rise in purchase prices, against 1% that posted a fall.

## Staff costs

Although staff costs continued to increase during May, the pace of inflation softened to a 26-month low and was only marginal. Where wages rose, panellists linked this to cost of living payments and efforts to motivate staff. That said, a drop in employment acted to limit the pace of staff cost inflation.

## Output prices

The pace of output price inflation eased to a two-year low in May, but remained sharp and above the series average. According to respondents, higher charges reflected the pass through of rising purchase costs to customers. That said, some firms indicated that they had lowered charges in order to attract customers.

## Input Prices Index

sa, >50 = inflation since previous month



## Purchase Prices Index

sa, >50 = inflation since previous month



## Staff Costs Index

sa, >50 = inflation since previous month



## Output Prices Index

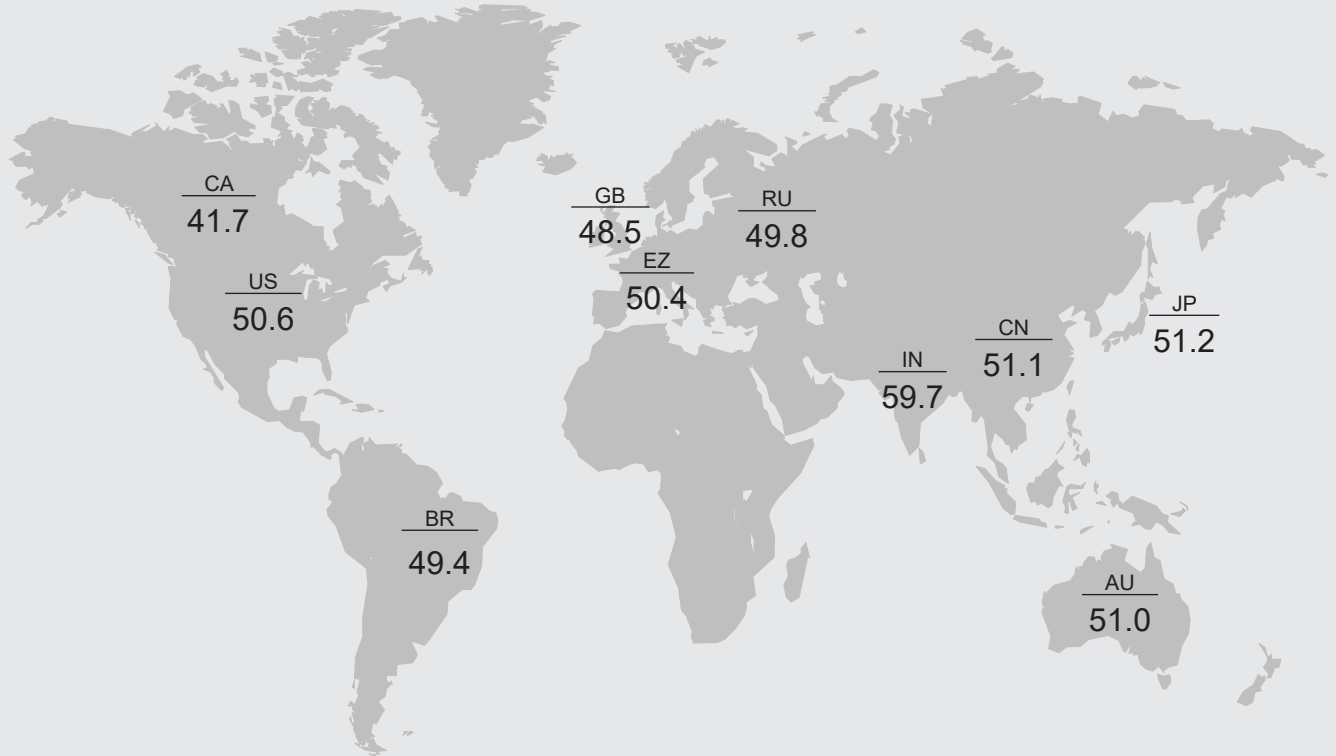
sa, >50 = inflation since previous month



## International PMI

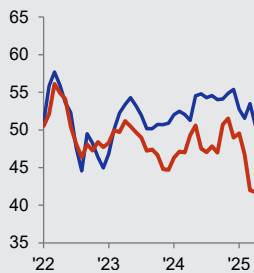
Composite Output Index, Apr '25  
sa, >50 = growth since previous month

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

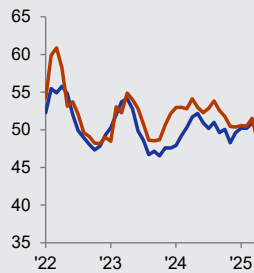


### Composite Output Index

■ USA  
■ Canada  
sa, >50 = growth



■ Eurozone  
■ UK  
sa, >50 = growth



■ Russia  
sa, >50 = growth



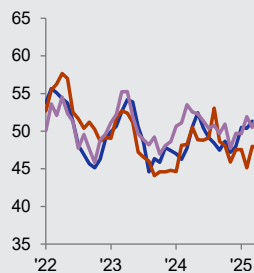
■ China  
sa, >50 = growth



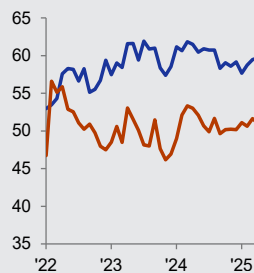
■ Brazil  
sa, >50 = growth



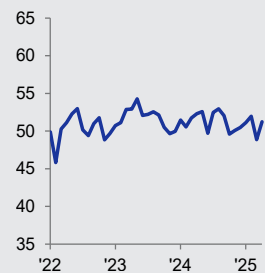
■ Germany ■ Italy  
■ France  
sa, >50 = growth



■ India  
■ Australia  
sa, >50 = growth



■ Japan  
sa, >50 = growth



## 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](mailto:economics@spglobal.com).

## Survey dates

Data were collected 12-28 May 2025.

### Survey questions

Private sector

Output  
New Orders  
New Export Orders  
Future Output  
Employment  
Backlogs Of Work  
Quantity Of Purchases

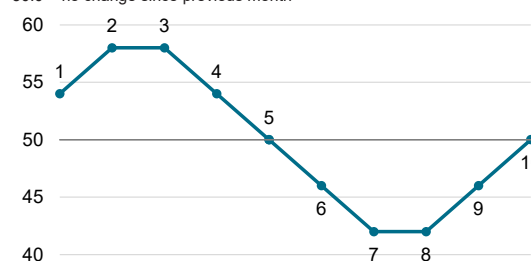
Suppliers' Delivery Times  
Stocks Of Purchases  
Input Prices  
Purchase Prices  
Staff Costs  
Output Prices

### Index calculation

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

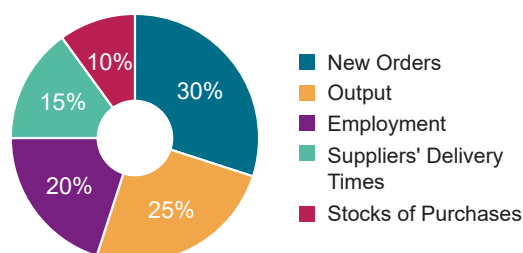
### Index interpretation

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



## Contact

Muyiwa Oni  
Head Equity Research, West Africa  
Stanbic IBTC Bank  
T: +234 (1) 422 8667  
[muyiwa.oni@stanbicibtc.com](mailto:muyiwa.oni@stanbicibtc.com)

Rita Akao  
Corporate Communications  
Stanbic IBTC Bank  
T: +234 806 8127 714  
[rita.akao@stanbicibtc.com](mailto:rita.akao@stanbicibtc.com)

Andrew Harker  
Economics Director  
S&P Global Market Intelligence  
T: +44 1491 461 016  
[andrew.harker@spglobal.com](mailto:andrew.harker@spglobal.com)

Kriti Khurana  
Corporate Communications  
S&P Global Market Intelligence  
T: +91 971 101 7186  
[kritikhurana@spglobal.com](mailto:kritikhurana@spglobal.com)  
[press.mi@spglobal.com](mailto:press.mi@spglobal.com)

### About Stanbic IBTC Bank

Stanbic IBTC Bank is a subsidiary of Stanbic IBTC Holdings Plc, a full service financial services group with a clear focus on three main business pillars - Corporate and Investment Banking, Personal and Business Banking and Wealth Management. Standard Bank Group, to which Stanbic IBTC Holdings belongs, is rooted in Africa with strategic representation in 20 key sub-Saharan countries and other emerging markets; Standard Bank has been in operation for over 151 years and is focused on building first-class on-the-ground banks in chosen countries in Africa and connecting other selected emerging markets to Africa and to each other.

### About S&P Global

S&P Global (NYSE: SPGI) S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today.  
[www.spglobal.com](http://www.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](http://www.spglobal.com/marketintelligence/en/mi/products/pmi)

### Disclaimer

Please note that the Stanbic IBTC Bank Nigeria PMI should not be taken as a substitute for official statistics, but may be used in conjunction with them.

Stanbic IBTC Bank Nigeria ("Stanbic IBTC") has issued and is responsible for production of this publication. This publication should be regarded as being for information only and should not be considered as an offer or solicitation to sell, buy or subscribe to any financial instruments, securities or any derivative instrument, or any other rights pertaining thereto (together, "investments"). Stanbic IBTC does not express any opinion as to the present or future value or price of any investments referred to in this publication. This publication may not be reproduced without the consent of Stanbic IBTC.

The information contained in this publication has been compiled from sources believed to be reliable, but, neither Stanbic IBTC, nor any of its directors, officers, or employees accepts liability for any loss arising from the use hereof or makes any representations as to its accuracy and completeness. The information contained in this publication is valid as at the date of this publication. This information is subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the matters discussed herein.

This publication does not constitute investment advice and has been prepared without regard to individual financial circumstances, objectives or particular needs of recipients. Readers should seek their own financial, tax, legal, regulatory and other advice regarding the appropriateness or otherwise of investing in any investments or pursuing any investment strategies. Investec operates exclusively on an execution only basis.

An investment in any of the investments discussed in this publication may result in some or all of the money invested being lost. Past performance is not a reliable guide to future performance. To the extent that this publication is deemed to contain any forecasts as to the performance of any investments, the reader is warned that forecasts are not a reliable indicator of future performance. The value of any investments can fall as well as rise. Foreign currency denominated investments are subject to fluctuations in exchange rates that may have a positive or adverse effect on the value, price or income of such investments. Certain transactions, including those involving futures, options and other derivative instruments, can give rise to substantial risk and are not suitable for all investors.

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("Data") contained herein, any errors, inaccuracies, omissions or delays in the Data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the Data. Purchasing Managers' Index™ and PMI® are either trade marks or registered trade marks of S&P Global Inc or licensed to S&P Global Inc and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.