News Release

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Stanbic IBTC Bank Nigeria PMI®

New order growth hits nine-month high in May

Key findings

Sharper rises in both new orders and output

Higher fuel costs cause sustained inflationary pressures

Firms ramp up purchasing and inventories

Growth momentum strengthened in the Nigerian private sector during May. Marked rises in output and new orders were recorded, with firms ramping up their purchasing accordingly. Expansions in employment remained muted, however. On the price front, higher fuel costs continued to cause sharp increases in input costs and output prices, but rates of inflation softened from April.

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 54.1 in May from 52.4 in April, signalling a solid monthly improvement in business conditions and one that was the most pronounced since August 2025. The health of the private sector has now strengthened in four consecutive months.

Central to the solid improvement in business conditions were marked and accelerated expansions in both output and new orders during May. Rates of growth hit seven- and nine-month highs respectively. Anecdotal evidence pointed to improving customer demand and the launch of new products.

Output growth was recorded across all four broad sectors covered by the survey.

Improving demand, and the prospect of further growth in the months ahead, led companies to expand their purchasing activity and inventories in May. Here too, rates of expansion quickened from April and were sharp.

Efforts to secure inputs were helped by an improvement in vendor performance, as prompt payments, goods arrangements with suppliers and better road conditions helped to speed up deliveries.

Employment continued to rise only slightly midway through the second quarter, although sustained job creation has now been recorded in each month for a year.

Meanwhile, backlogs of work increased for the fourth successive month amid customer payment delays, material

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sa, >50 = improvement since previous month

Sources: Stanbic IBTC Bank, S&P Global PMI.

Data were collected 12-27 May 2026.

Comment

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

"Private sector activity in Nigeria improved to its best level in nine months, with the headline PMI rising to an impressive 54.1 points in May from 52.4 points in April. This impressive business condition was primarily due to accelerated expansion in both output (56.6 vs April: 53.4) and new orders (57.0 vs May: 54.6) as evidence pointed to improving customer demand and the launch of new products. Input prices maintained an uptrend, but the pace of increase eased for the second consecutive month. This is also reflected in higher output prices with the steepest increase seen in the manufacturing and agriculture sectors.

According to the National Bureau of Statistics (NBS), the Nigerian economy grew by 3.89% y/y in Q1:26, slightly below our estimate of 3.99% y/y GDP growth rate for the quarter as implied by the Stanbic IBTC Bank PMI, with the deviation stemming from lower-than-expected non-oil sector's growth performance. The oil sector grew by a modest 2.57% y/y (vs Q4:25: 6.79% y/y) while the non-oil sector's growth also slowed to 3.94% y/y from 3.99% y/y in Q4:25. The breakdown of the 19 different sectors that make up the domestic economy shows the agriculture; manufacturing; construction; information & communication; trade; and finance & insurance as the biggest drivers of Nigeria's GDP growth in Q1:26. These sectors accounted for 82.4% of real GDP growth rate during the quarter.

Given the lower-than-projected real GDP growth in Q1:26, the economy may now well grow by 4.13% y/y in 2026 from our initial forecast of 4.22% y/y, and 3.87% y/y in 2025. Electioneering activity; continuous government investment attraction drive; and improved spending on infrastructure should continue to keep the non-oil sector active during the year. Meanwhile, we retain our expectation that crude oil production will likely average 1.7m bpd in 2026 from 1.64m bpd recorded in 2025 and we do not see production touching the 2.0m bpd psychological benchmark until at least 2030."

shortages and power failures.

Increasing fuel costs following the outbreak of war in the Middle East continued to drive up purchase prices in May. Purchase costs rose rapidly again, despite the rate of inflation easing to a three-month low.

Purchase prices increased at a much quicker pace than staff costs, which rose modestly again in May. Where companies increased staff pay, this was often to provide help with higher living costs, and those for transportation in particular.

In line with the picture for input costs, output prices continued to rise sharply in May. Here too, however, the rate of inflation eased to the lowest since February.

Plans to increase advertising and expand operations through the opening of new branches and introduction of new products were behind optimism in the year-ahead outlook for output. Sentiment dipped, however, and was the lowest for a year.

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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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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

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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.

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The Nigeria PMI is endorsed and adopted by NBS.