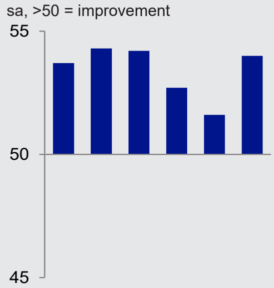
Stanbic IBTC Bank Nigeria PMI®

Employment growth at 21-month high amid sharp expansion of new orders

54.0

NIGERIA PMI
JUL '25

PMI
Feb - Jul '25
sa, >50 = improvement



Faster increases in output and new orders

Modest rise in staffing levels

Selling price inflation eases to weakest since May 2023

The start of the third quarter saw a pick-up in growth momentum in the Nigerian private sector. Rates of expansion in output and new orders accelerated, leading to a sharp rise in purchasing activity and the fastest increase in employment since October 2023.

Firms were helped to some degree in their efforts to secure new business by a further softening inflationary pressures. Output prices increased at the slowest pace in more than two years.

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 a three-month high of 54.0 in July, up from 51.6 in June. The reading signalled a solid monthly improvement in the health of the private sector, extending the current sequence of expansion to eight months.

Sharp and accelerated expansions in output and new orders were recorded in July. In both cases, the increases were the fastest in three months. Panellists reported improving customer demand, in some cases due to softening inflationary pressures. The launch of new products was also a factor supporting growth.

Rising new orders and efforts to speed up the completion of projects encouraged firms to take on extra staff at the fastest pace since October 2023. Extra workforce capacity meant that companies were able to keep backlogs of work broadly stable, following increases in each of the prior three months.

Companies also increased their purchasing activity sharply in response to higher new orders, feeding through to a marked accumulation of inventories. A renewed shortening of suppliers'

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

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delivery times also helped with stock building.

The pace of purchase price inflation eased for the third consecutive month in July and was the weakest since April 2020. Costs for purchases continued to rise sharply, however, linked to currency weakness and higher raw material prices.

In contrast to the picture for purchase prices, the rate of staff cost inflation quickened and hit a five-month high. The latest rise in part reflected increased employment, but also efforts to help staff with higher costs, in particular those related to transportation fares.

In line with the picture for purchase costs, the pace of output price inflation eased for the third consecutive month and was the weakest since May 2023. Some firms reportedly took advantage of softer purchase cost pressures to offer discounts in a bid to secure new business.

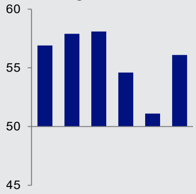
Companies remained optimistic that output will rise over the coming year, but sentiment eased from the near three-year high posted in June. Those firms that predicted an increase in output linked this to plans to raise capital for business expansions and advertising.

Output and demand

Output
Index

Feb - Jul '25

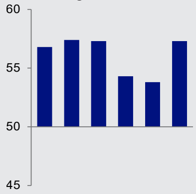
sa, >50 = growth



New Orders
Index

Feb - Jul '25

sa, >50 = growth



Output

The rate of expansion in business activity in Nigeria's private sector accelerated sharply during July and was the highest in three months. Output has risen in each month since last December. Respondents linked the latest increase to higher new orders amid a greater willingness on the part of customers to commit to new projects. This was partly due to softer inflationary pressures. The launch of new products was also mentioned as a factor boosting activity.

Output Index

sa, >50 = growth since previous month

New orders

In line with the picture for output, the rate of growth in new orders quickened to a three-month high in July as client demand strengthened. New business has now increased in each of the past nine months. The latest rise was broad based across the four monitored sectors, with services posting the fastest expansion.

New Orders Index

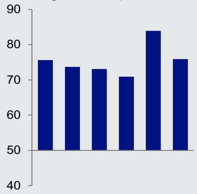
sa, >50 = growth since previous month

Business expectations

Future
Output Index

Feb - Jul '25

>50 = growth expected



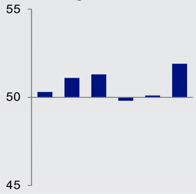
Business confidence eased from June's near three-year high and was below the series average. That said, firms remained optimistic that output will increase over the next 12 months, with just over half of panellists predicting growth. Plans to raise capital to help expand businesses and new marketing strategies were among the factors supporting the positive outlook.

Future Output Index

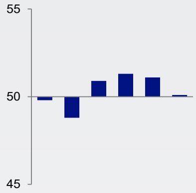
>50 = growth expected over next 12 months

Employment and capacity

Employment Index
Feb - Jul '25
sa, >50 = growth



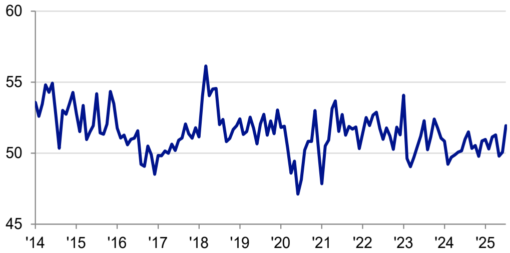
Backlogs of Work Index
Feb - Jul '25
sa, >50 = growth



Employment

Nigerian companies increased their staffing levels modestly in July, following little change in employment during May and June. In fact, the pace of job creation was the most pronounced since October 2023. Higher new orders and efforts to speed up the completion of projects were reportedly behind the rise in staffing levels. For the first time in three months, all four broad sectors posted an increase in employment.

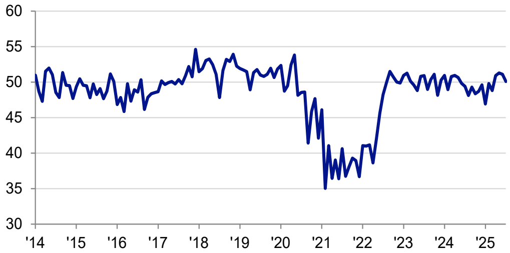
Employment Index
sa, >50 = growth since previous month

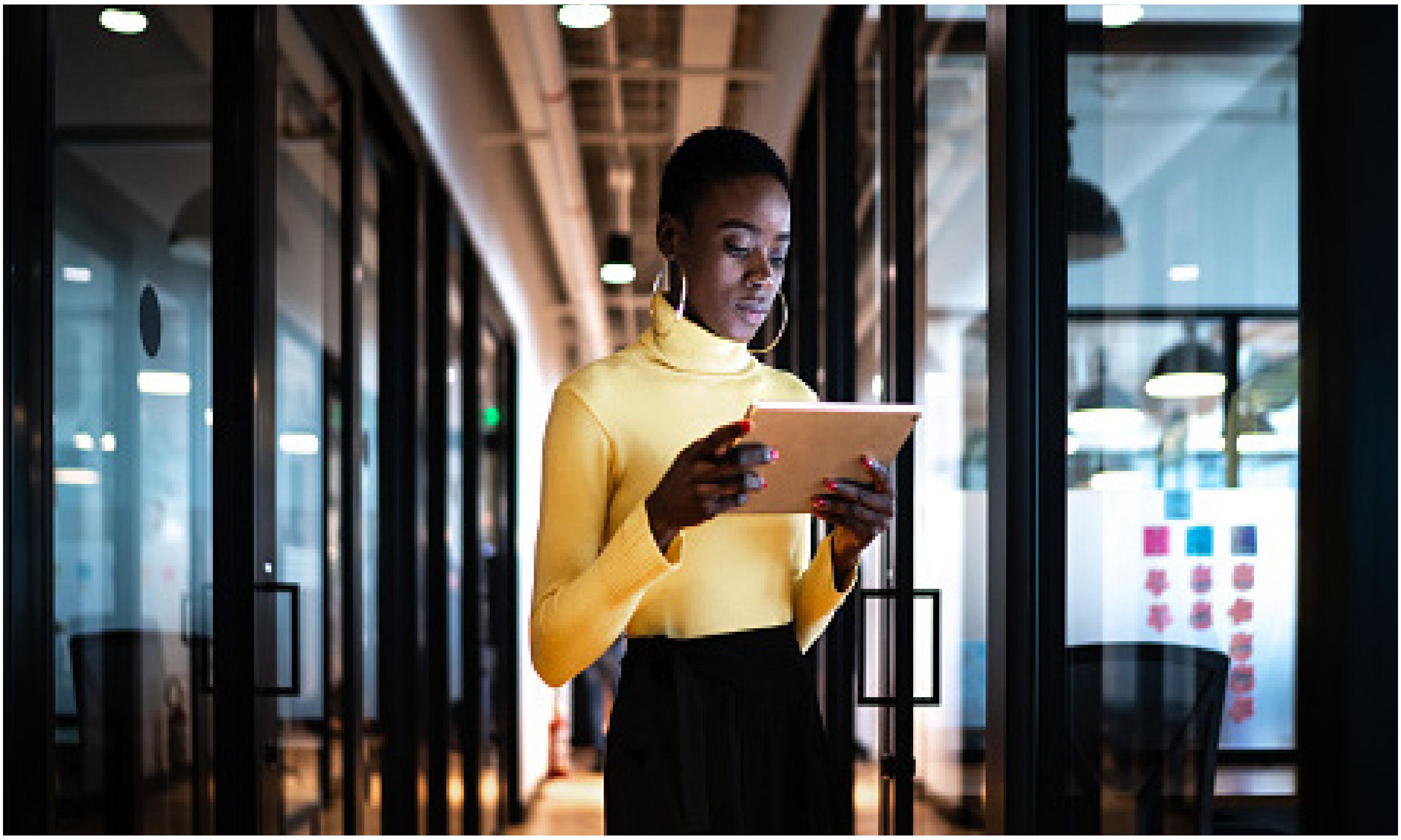


Backlogs of work

Expanded workforce numbers helped companies to limit backlogs of work in July. Outstanding business was broadly unchanged, following modest increases in each of the preceding three months. Where backlogs rose, respondents noted material shortages and client payment delays.

Backlogs of Work Index
sa, >50 = growth since previous month

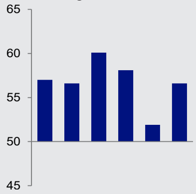




Quantity of Purchases Index

Feb - Jul '25

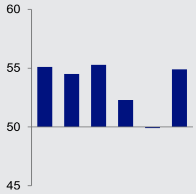
sa, >50 = growth



Suppliers' Delivery Times Index

Feb - Jul '25

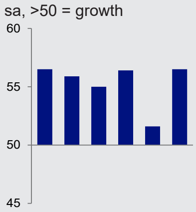
sa, >50 = faster times



Stocks of Purchases Index

Feb - Jul '25

sa, >50 = growth



Purchasing and inventories

Quantity of purchases

Improving customer demand encouraged companies to expand their purchasing activity at the start of the third quarter. Input buying has now risen in each of the past eight months. The latest expansion was marked and much faster than that seen in June.

Quantity of Purchases Index

sa, >50 = growth since previous month

Suppliers' delivery times

After having deteriorated fractionally in June, vendor performance saw a renewed improvement during July. Suppliers' delivery times shortened markedly, and to the largest extent in three months. Quicker deliveries were attributed to prompt payments for materials and competition among suppliers.

Suppliers' Delivery Times Index

sa, >50 = faster times since previous month

Stocks of purchases

A marked increase in purchasing activity and quicker deliveries from suppliers meant that companies were able to accumulate inventories in July. Firms were keen to build stocks of purchases in line with improving customer demand and expected increases in new orders in the months ahead. The pace of accumulation was sharp and the joint-fastest in just over two years.

Stocks of Purchases Index

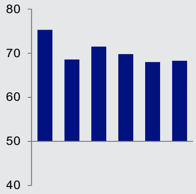
sa, >50 = growth since previous month

Prices

Input Prices Index

Feb - Jul '25

sa, >50 = inflation



Input prices

Although overall input prices continued to increase sharply during July, the pace of inflation was only slightly sharper than the 25-month low seen in the previous survey period. Manufacturing posted the sharpest rise in input costs over the four monitored sectors, with services registering the softest pace of inflation.

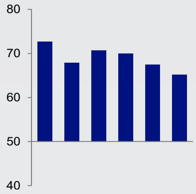
Input Prices Index

sa, >50 = inflation since previous month

Purchase Prices Index

Feb - Jul '25

sa, >50 = inflation



Purchase prices

July data pointed to a further slowdown in the pace of purchase cost inflation. The rate of increase eased for the third month running and was the slowest since April 2020. Purchase prices still rose rapidly, however, and at a pace that was faster than the series average. Currency weakness and higher raw material costs were reported by panellists.

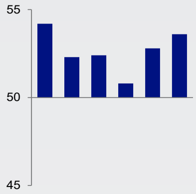
Purchase Prices Index

sa, >50 = inflation since previous month

Staff Costs Index

Feb - Jul '25

sa, >50 = inflation

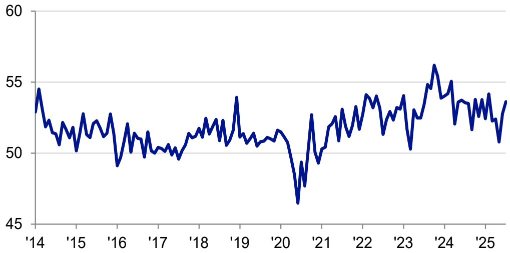


Staff costs

In contrast to the picture for purchase prices, the rate of staff cost inflation picked up in July and was the fastest since February. Higher workforce numbers, cost-of-living payments and efforts to help staff with increased transportation fares all contributed to the latest rise in staff costs.

Staff Costs Index

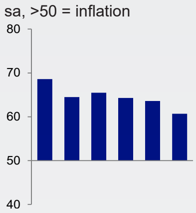
sa, >50 = inflation since previous month



Output Prices Index

Feb - Jul '25

sa, >50 = inflation



Output prices

While a number of Nigerian firms increased their selling prices in response to higher input costs, others took advantage of a softer pace of purchase price inflation to lower their charges and attempt to stimulate demand. As a result, the pace of output price inflation eased for the third month running and was the weakest since May 2023. The pace of increase slowed particularly sharply in the wholesale & retail category.

Output Prices Index

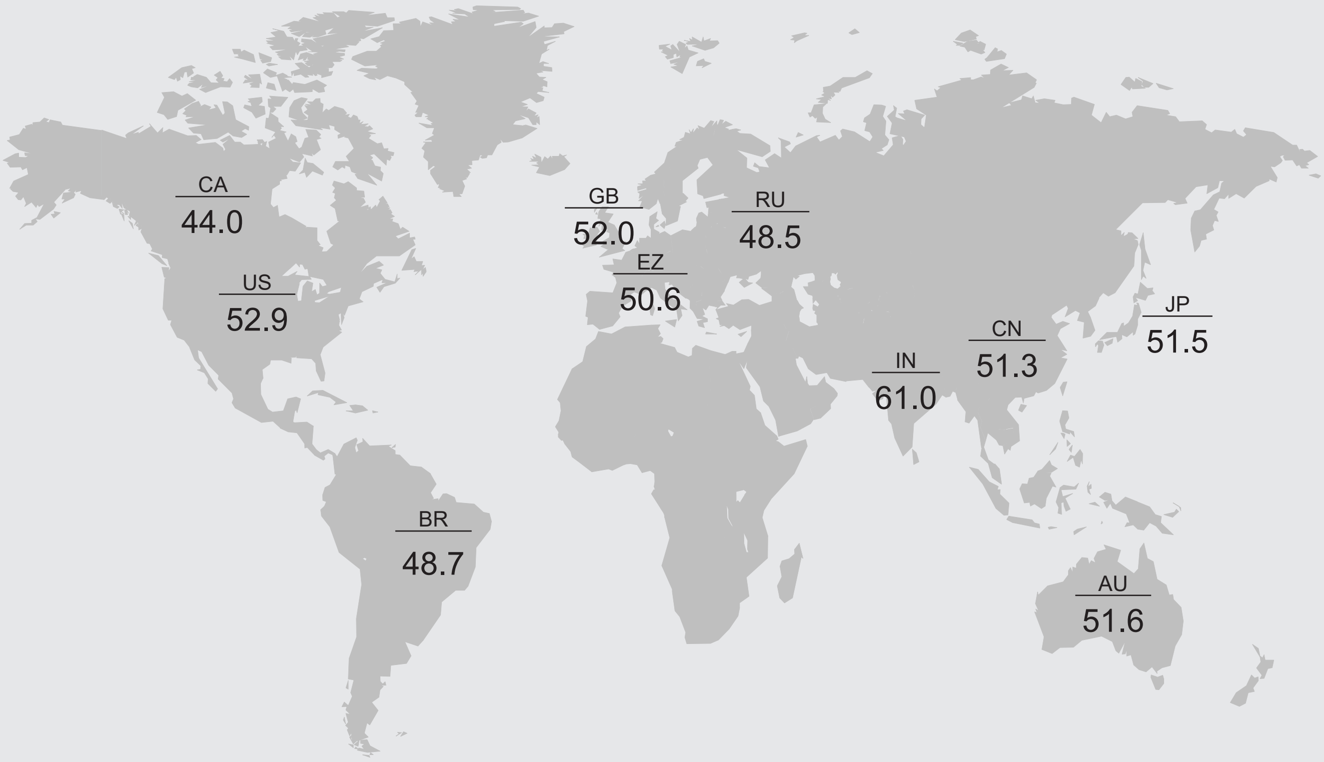
sa, >50 = inflation since previous month

International PMI

Composite Output Index, Jun '25

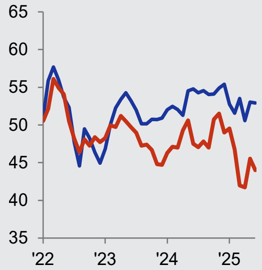
sa, >50 = growth since previous month

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

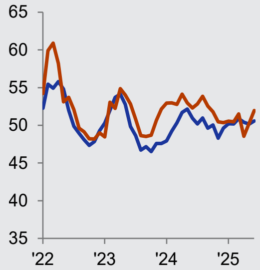


Composite Output Index

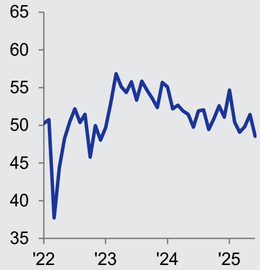
USA
Canada
sa, >50 = growth



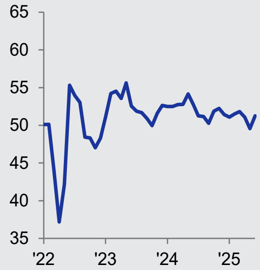
Eurozone
UK
sa, >50 = growth



Russia
sa, >50 = growth

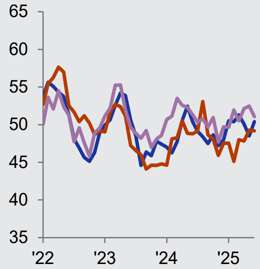


China
sa, >50 = growth

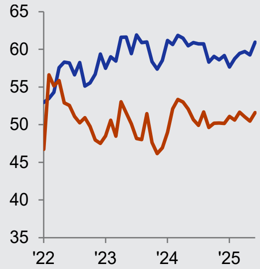


Brazil
sa, >50 = growth

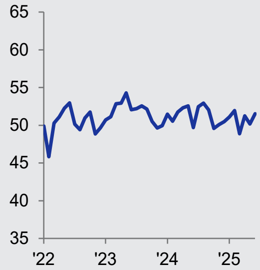
Germany
Italy
France
sa, >50 = growth



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.

Survey dates

Data were collected 10-29 July 2025.

Survey questions
Private sector

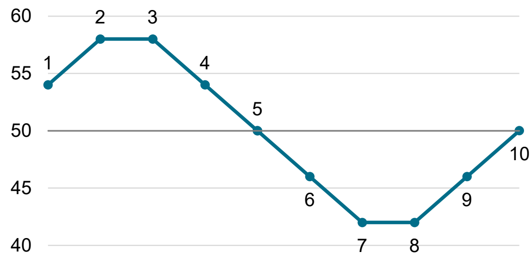
Output	Suppliers' Delivery Times
New Orders	Stocks Of Purchases
New Export Orders	Input Prices
Future Output	Purchase Prices
Employment	Staff Costs
Backlogs Of Work	Output Prices
Quantity Of Purchases	

Index calculation

% "Higher" + (% "No change")/2

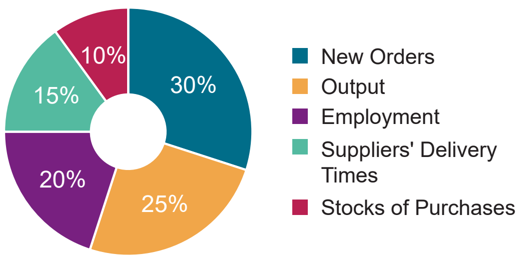
Index interpretation

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
B	Mining and Quarrying
C	Manufacturing
F	Construction
G	Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles
H	Transportation and Storage
I	Accommodation and Food Service Activities
J	Information and Communication
K	Financial and Insurance Activities
M	Professional, Scientific and Technical Activities
N	Administrative and Support Service Activities
P	Education*
Q	Human Health and Social Work Activities*
R	Arts, Entertainment and Recreation
S	Other Service Activities

*Private sector

PMI® by S&P Global

NATIONAL BUREAU OF STATISTICS

The Nigeria PMI is endorsed and adopted by NBS.

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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.
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