



NESG-Stanbic IBTC

Business Confidence Monitor

Easing Macroeconomic Pressures and
Favourable Business Climate



July 2025

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Business Confidence Monitor

Easing Macroeconomic Pressures and Favourable Business Climate



Executive Summary

The Business Confidence Monitor (BCM) is the flagship survey-based report of the Nigerian Economic Summit Group (NESG), supported by Stanbic IBTC. The report obtains qualitative information on the current business performance within the Nigerian economy and gauges expectations about overall economic activities in the short term. It is anchored on business managers' optimism on key leading economic indicators such as investment, prices, demand conditions, employment, etc.

Key Findings

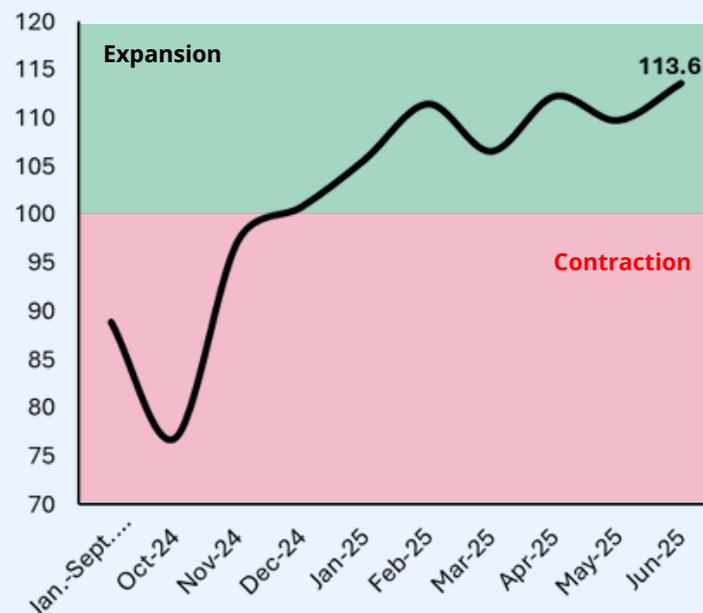
Current Business Performance (June 2025):

- Businesses in Nigeria maintained a positive performance streak for another month as the BCM index remained in the expansion region for the sixth consecutive month in 2025.
- The Current Business Performance Index for June 2025 stands at 113.6 points, signalling an improvement from 109.8 points recorded in May 2025.
- In the month, limited access to financing was considered the most significant constraint on business growth. Other challenges in order of ranking are inadequate power supply, foreign exchange issues, unclear economic policies, and high commercial lease and property rental costs.

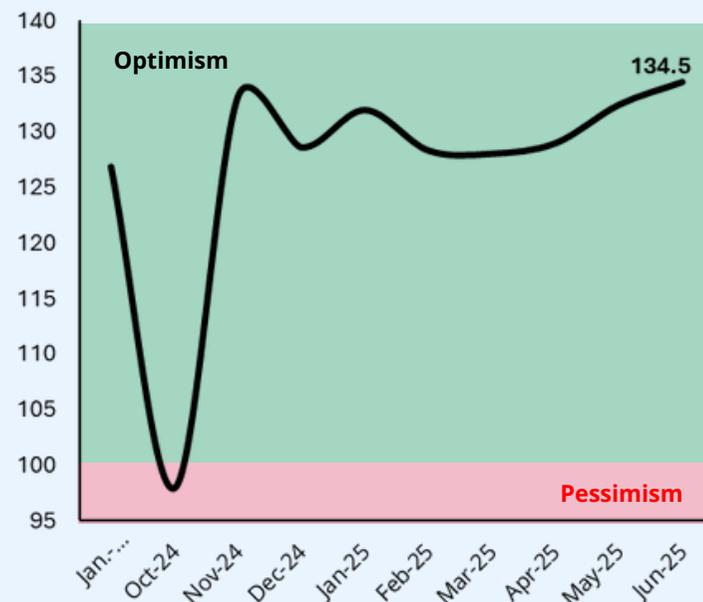
Future Expectations (Next One to Three months):

- The Business Confidence Measure (BCM) recorded its highest index of 134.5 points in June 2025, indicating high optimism about future business conditions.
- The improved outlook is driven by anticipated gains in the overall business environment, including expectations for an improved business situation, higher operating profits, a rise in production levels, increased cash flow, improved supply orders, and stronger demand conditions.
- Across sectors, the Manufacturing sector reflects the highest level of optimism, while the Services sector shows the lowest confidence in future performance.

NESG-Stanbic IBTC's Current Business Performance Index



NESG-Stanbic IBTC's Future Business Expectation Index



BCM Framework

The NESG-Stanbic IBTC BCM combines leading qualitative indicators on Production, Investment, Export, Demand Conditions, Prices, Employment, and the General Business Situation to gauge the overall business optimism of the Nigerian economy.

The target respondents for the Business Confidence Survey (BCS) are business establishments operating in Nigeria that have been engaged in economic activities since the beginning of 2023. The survey is administered to senior managers and business executives.

The Contextual Definition

For the report, we define business confidence as a pool of economic indicators that measure the current business condition and the extent of optimism or pessimism that business managers feel about the general state of the Nigerian economy as it affects key business decisions within three months.

Data Source

The data set for constructing NESG-Stanbic IBTC's BCM indices is generated from various qualitative responses reported in the BCS. The BCS, a monthly survey conducted

by NESG, gathers information on various variables across different economic activities from owners and managers of businesses operating in Nigeria.

The survey was conducted in Lagos, Kano, and Abuja to provide the key information that turns the NESG-Stanbic IBTC BCM into a representative monthly measure of managers' confidence in the Nigerian business environment.

Rescaling of Results & Interpretation

The BCM results have been revised or updated to have an origin of 100 as cut-off points for distinguishing performance. For current business performance, index points below 100 are considered "Contraction", and above 100 are "Expansion". In the same vein, index points below 100 are considered "Pessimism", and above 100 are "Optimism" for the future business expectation.

Results from previous editions have been updated to ensure accuracy in tracking historical trends.

Economic Sectors Covered in the Report

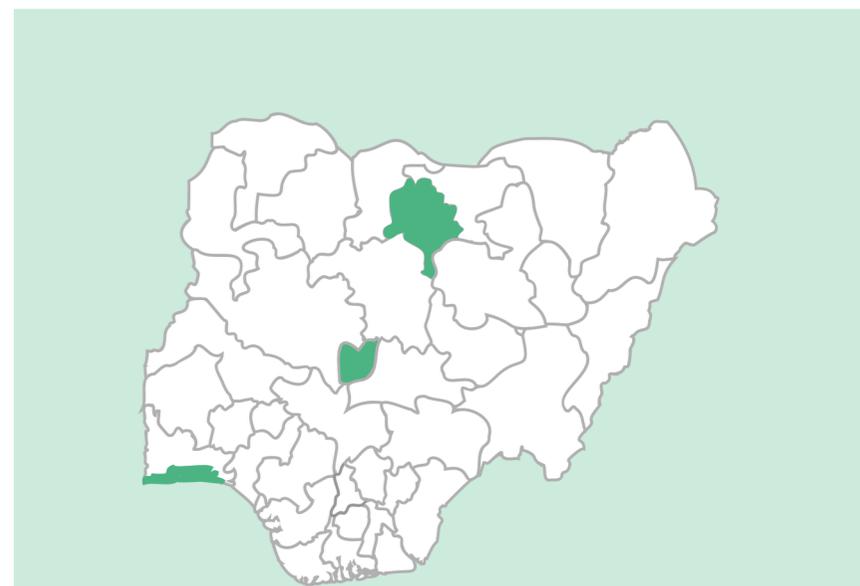
Trade: Wholesale Trade | Retail Trade

Manufacturing: Food, Beverage, and Tobacco | Textile, Apparel, and Footwear | Cement | Chemical and Pharmaceutical Products | Plastic and Rubber products | Wood and Wood Products | Pulp, Paper and Paper Products | Non-Metallic Products | Electrical and Electronics | Basic metal, Iron and Steel | Motor vehicles & assembly | Other Manufacturing

Non-Manufacturing Industries: Crude Petroleum | Natural Gas | Oil and Gas Services | Construction

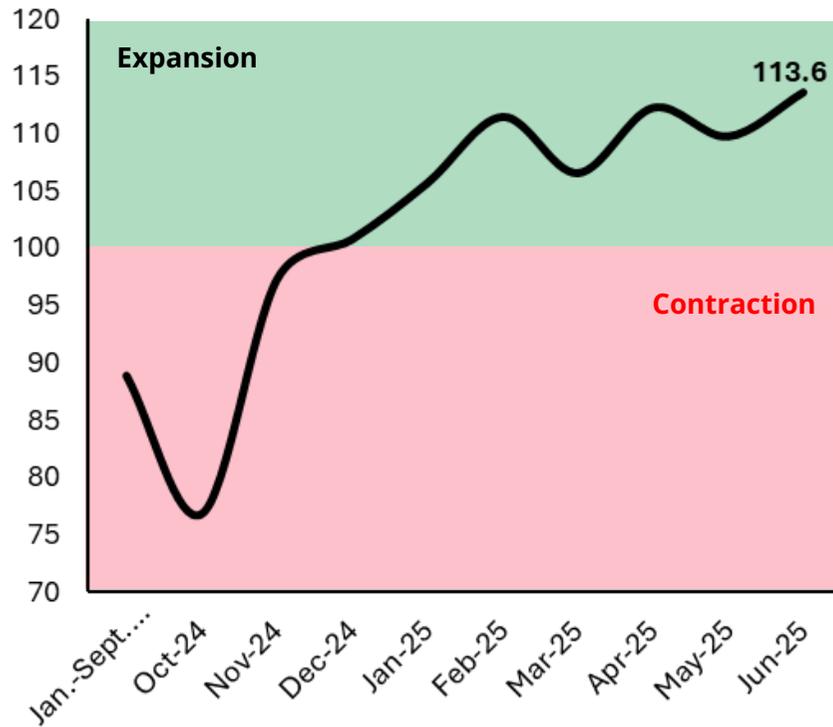
Agriculture: Crop Production | Livestock | Agro-Allied | Forestry | Fishing

Services: Telecomms & Information Services | Broadcasting | Financial Institutions | Real Estate | Professional, Scientific and Technical Services



Business Conditions in June 2025

NESG-Stanbic IBTC's Current Business Performance Index

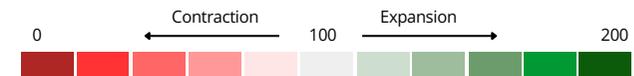


Businesses in Nigeria maintained a positive performance streak for another month, as the BCM Index stayed in the expansion region for the sixth consecutive month in 2025. According to the NESG–Stanbic IBTC Business Confidence Monitor (BCM), the Current Business Index rose to 113.6 points in June, up from 109.8 points in May 2025. This performance is attributed to several tailwinds, including easing inflationary pressures, improved investor confidence and climate, and stronger business resilience across key sectors.

Sectoral analysis showed expansion across all sectors and broader economic activities. Strong business growth was observed in Manufacturing (123.6), Non-manufacturing (120.7), and Trade (121.0) in June 2025. The Agriculture and Services sectors also expanded, though only slightly above the origin (100 index points), reaching 108.9 and 106.3 index points, respectively. However, Non-manufacturing’s performance declined when compared with its May 2025 level of 122.2. This decline is linked to factors such as credit squeeze, rising inventories due to weak demand, and high (weak) exchange rates, which fuel imported inflation and escalate production costs, especially as many companies in this sector depend on imported inputs.

	Jan.-Sept. 2024	Oct. 2024	Nov. 2024	Dec. 2024	Jan. 2025	Feb. 2025	Mar. 2025	Apr. 2025	May 2025	Jun. 2025
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Sectoral Business Condition Indices	Manufacturing	93.9	71.3	96.4	97.6	99.3	110.3	108.3	108.8	114.4	123.6
	Non-manufacturing	94.8	71.8	96.4	105.8	95.4	110.2	119.2	123.6	122.2	120.7
	Services	97.4	93.8	97.9	96.5	98.6	107.1	105.5	106.5	104.5	106.3
	Trade	86.8	76.6	100.3	94.4	99.2	121.5	100.5	125.1	114.1	121.0
	Agriculture	77.8	69.5	101.2	113.9	110.9	102.7	97.6	107.0	98.2	108.9
Business Condition Sub-Index Pillars	General Business Situation	117.6	76.8	127.9	123.1	144.8	158.3	147.7	172.5	166.6	166.7
	Production	85.3	78.7	110.2	117.8	123.7	142.1	129.2	144.6	140.1	143.1
	Demand Condition	70.3	73.4	105.4	117.3	125.4	132.1	92.5	127.3	119.1	129.4
	Investment	127.9	64.6	91.0	68.5	72.5	60.5	86.7	85.0	74.4	56.3
	Export	86.7	87.4	95.5	106.7	102.1	104.7	97.6	106.2	103.1	102.3
	Cost of Doing Business	147.6	175.2	151.5	150.3	147.6	147.2	148.3	151.8	138.5	142.8
	Operating Profit	104.0	77.0	102.9	113.5	116.1	119.0	119.2	129.4	108.3	129.0
	Financial Results	98.7	86.5	90.8	99.0	119.4	146.1	72.9	155.4	136.4	141.4
	Supply Order	69.5	78.0	105.0	105.1	101.4	133.9	116.0	154.9	135.3	134.2
	Trade Stockpiling	53.3	91.1	103.0	101.7	102.6	175.0	113.2	132.5	133.0	175.0
	Access to Credit	78.9	62.0	100.8	108.2	132.0	124.8	118.3	124.0	125.0	128.8
	Cash Flow	99.0	84.4	109.0	118.9	118.4	130.6	120.8	130.5	126.0	126.2
	Prices	73.9	109.3	68.0	69.1	73.4	76.2	94.8	83.4	81.9	70.7
	Employment	96.0	82.7	117.9	120.7	118.0	126.3	117.9	137.6	130.9	127.2

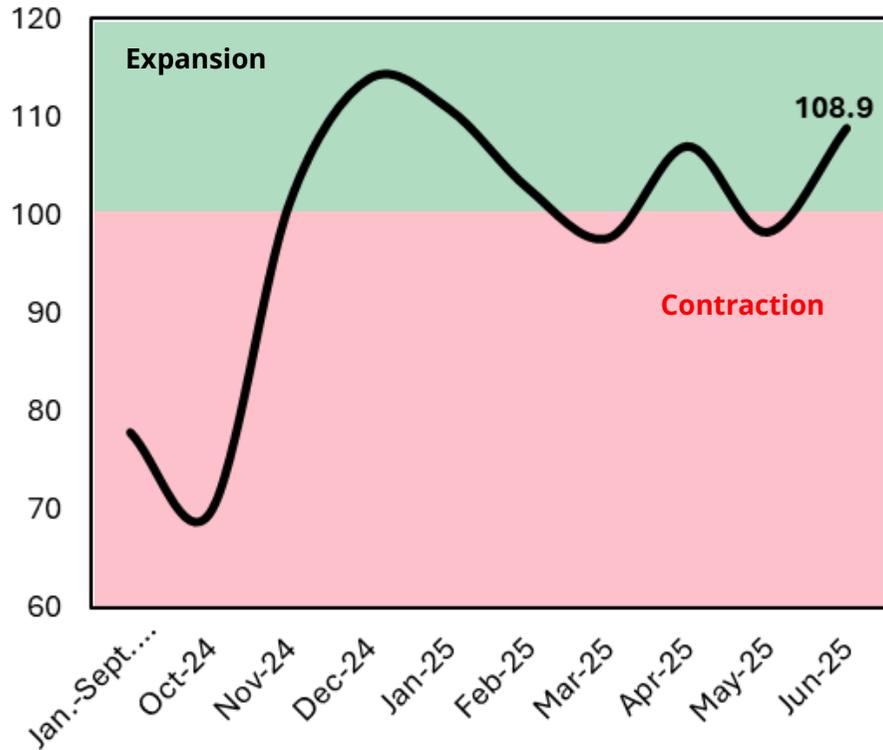


N:B Cost of doing business has an inverse interpretation to the index notations.

Despite the overall positive trend, structural challenges constrained broader business growth. Key BCM sub-indices—investment, export, supply order, prices, and employment—recorded lower values compared to the previous month. The cost of doing business also rose in June, reversing the slight relief observed in May 2025. Businesses identified major constraints such as limited access to financing, persistent electricity supply shortages, inconsistent economic policies, inadequate foreign exchange availability, and elevated commercial lease and rental costs.

Agriculture

NESG-Stanbic IBTC's Agriculture Business Performance Index



Agriculture Sub-Sector Indices	Jan.-Sept. 2024	Oct. 2024	Nov. 2024	Dec. 2024	Jan. 2025	Feb. 2025	Mar. 2025	Apr. 2025	May 2025	Jun. 2025
	Crop Production	66.7	65.4	108.1	130.3	117.0	101.4	97.9	107.6	95.1
Livestocks	105.2	32.5	86.9	126.0	105.7	101.6	117.4	99.6	107.8	105.2
Agro-Allied	105.2	99.0	78.7	48.0	90.8	107.9	89.7	107.2	106.3	108.2
Forestry	128.6	68.2	103.3	92.5	98.9	95.0	101.1	102.1	104.6	100.0
Fishing	90.0	57.3	109.6	120.9	103.2	106.7	98.9	110.8	100.0	99.0

In June 2025, the NESG–Stanbic IBTC Business Confidence Monitor (BCM) Index for the Agriculture sector rebounded from its temporary contraction in May 2025, returning to the expansion region. The sector index rose to 108.9 points in the month, up from 98.2 points in May. This recovery was primarily driven by a swift rebound in the Crop Production sub-sector, which contributed over 80% of total output.

The reversal of the May 2025 downturn is attributed to several favourable developments: the harvest period coinciding with the New Yam Festival celebrated nationwide, the commencement of wet-season planting, a boost in livestock activities following the inclusion of high-yield Danish dairy heifers, and the operationalisation of various agro-processing initiatives supported by multilateral development institutions.

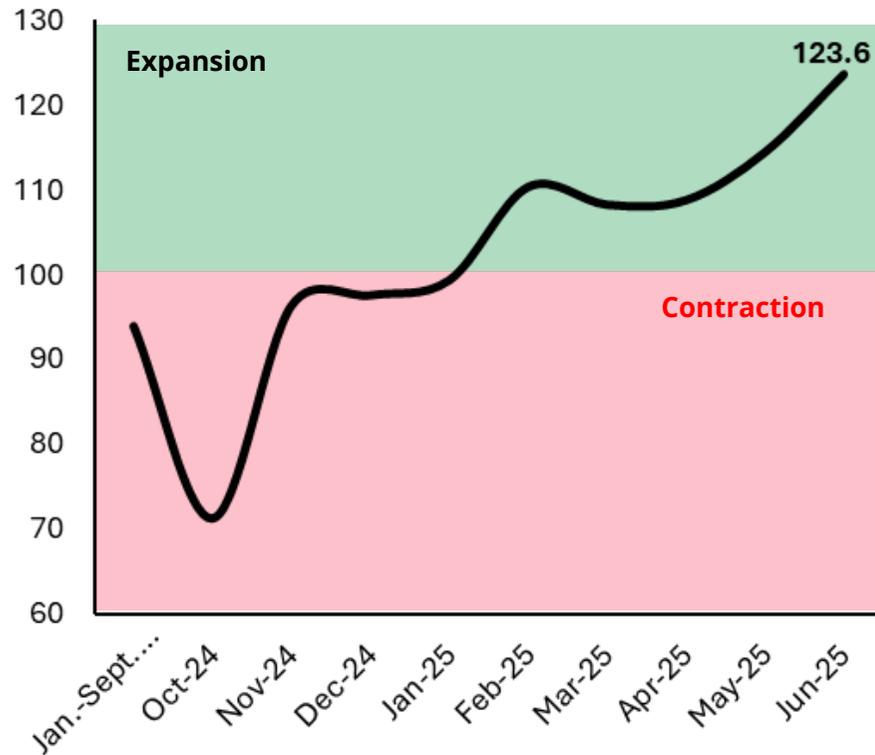
A breakdown of performance across the five agricultural sub-sectors shows that only Fishing recorded a contraction (below 100 points) in June 2025. Other sub-sectors experienced expansion in business activities, with significant growth in Crop Production (109.6, up from 95.1

in May 2025). Agro-Allied (108.2), Livestock (105.2), and Forestry (100.0) also remained in the expansion region.

Despite these gains, many agribusiness owners pointed to several ongoing challenges affecting their operations, with limited access to finance being the most critical. Many reported difficulty securing loans, which limits their ability to procure essential inputs like feed, drugs, and agricultural equipment. Other challenges include infrastructure deficits—particularly unreliable power supply and weak transportation and logistics networks—rising input costs, high rental and operational expenses, growing insecurity, and regulatory burdens. Unstable power supply remains a major concern, especially for poultry and fish farmers who rely heavily on cold storage and water systems, thus increasing their energy costs. This situation contributed to a rise in the cost-of-doing-business index to 136.3 in June, from 120.2 in May 2025.

Manufacturing

NESG-Stanbic IBTC's Manufacturing Business Performance Index



	Jan.-Sept. 2024	Oct. 2024	Nov. 2024	Dec. 2024	Jan. 2025	Feb. 2025	Mar. 2025	Apr. 2025	May 2025	Jun. 2025
Food, Beverage & Tobacco	87.4	60.5	92.1	108.1	108.7	119.8	115.0	111.5	124.3	125.7
Textile, Apparel & Footwear	97.1	85.8	98.3	72.5	72.3	97.3	96.9	105.9	100.3	129.4
Cement	100.0	100.0	120.0	90.0	102.9	98.4	100.0	102.1	100.0	111.8
Chemical & Pharm. Products	114.0	82.1	91.4	89.3	98.1	104.0	113.8	120.9	137.5	126.1
Plastic & Rubber products	98.0	85.0	121.2	104.4	89.6	113.0	111.2	116.4	119.3	128.0
Wood and Wood Products	106.9	47.9	64.2	89.4	116.0	101.0	109.1	103.6	96.5	126.1
Pulp, Paper & Paper Products	109.8	63.0	35.2	99.2	100.5	99.5	100.4	101.6	97.3	103.9
Non-Metallic Products	100.0	105.8	105.8	107.5	108.8	100.8	109.4	100.0	102.2	109.0
Electrical & Electronics	80.4	32.3	75.9	54.0	101.1	100.0	100.0	100.0	100.0	100.0
Basic metals, Iron & Steel	105.8	78.1	85.7	103.6	106.4	112.1	90.7	91.7	105.6	103.6
Motor vehicles & Assembly	90.0	65.0	73.8	73.3	62.9	95.0	98.9	102.1	104.3	94.6
Other Manufacturing	120.2	97.1	97.5	110.0	100.0	100.0	100.0	100.0	100.0	100.0

NESG–Stanbic IBTC Business Confidence Monitor (BCM) Index for the manufacturing sector showed that businesses experienced expansion, recording an index of 123.6 points in June 2025. This marks a significant improvement from 114.4 points in May 2025.

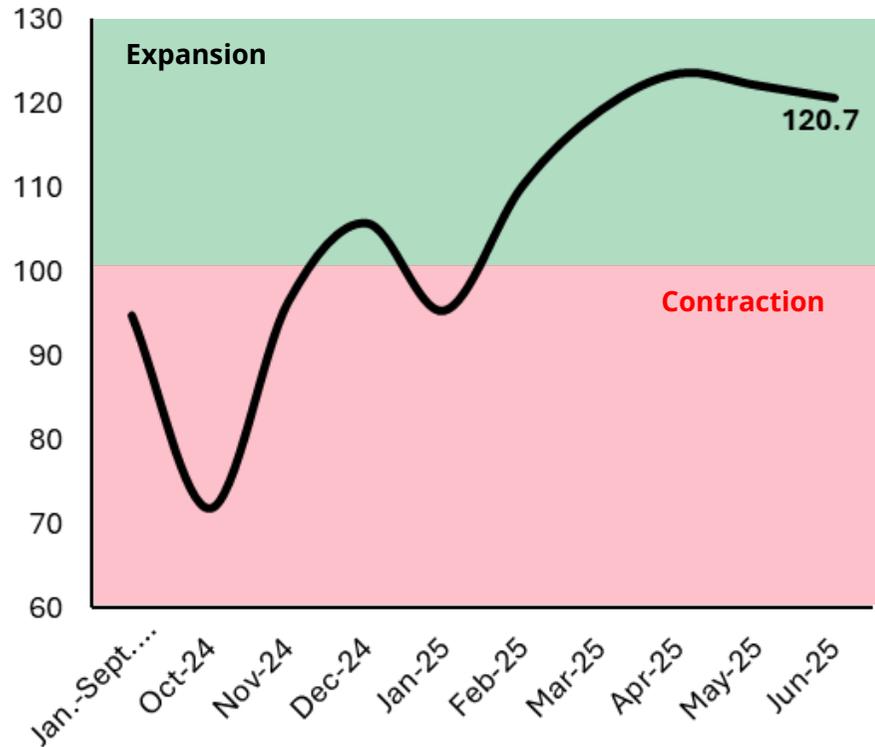
The uptick reflects stronger performance across key sub-sectors, boosting overall manufacturing output in Nigeria. Major contributors to this expansion include Textile, Apparel & Footwear; Cement; Plastic and Rubber Products; Wood and Wood Products; and Pulp, Paper and Paper Products.

Despite this progress, manufacturers highlighted persistent structural constraints—raw material shortages, unreliable electricity, high import tariffs, inflation, and insecurity. Rising

production costs, high rents, imported machine parts, and diesel—worsened by weak domestic currency—continue to weigh on output and profits. Multiple taxes, weak demand, unstable policies, and poor access to finance further stifle growth and expansion. In addition, insecurity hampers the sourcing of raw materials, further disrupting production. While most sub-sectors recorded positive performance, some—particularly Motor Vehicle and Assembly—posted declines. Still, the strength of major sub-sectors outweighed these losses, driving the sector’s overall index improvement.

Non-manufacturing

NESG-Stanbic IBTC's Non-manufacturing Business Performance Index



Non-manufacturing Sub-Sector Indices	Jan.-Sept. 2024	Oct. 2024	Nov. 2024	Dec. 2024	Jan. 2025	Feb. 2025	Mar. 2025	Apr. 2025	May 2025	Jun. 2025
	Construction	122.9	76.0	96.8	108.3	104.8	112.2	117.3	121.7	139.1
Crude Petroleum	105.0	91.3	78.2	95.6	100.0	102.1	125.7	100.0	115.0	100.0
Natural Gas	66.4	90.7	105.8	99.2	105.7	114.8	128.2	121.4	118.2	112.9
Oil & Gas Services	95.4	33.3	102.7	120.1	75.3	113.4	107.8	128.7	125.9	133.8
Others	104.2	56.6	111.5	113.0	92.7	104.1	97.8	111.2	106.0	98.4

Business conditions in Nigeria's non-manufacturing sector posted a reading of +120.7 points in June 2025. This marks the second month in a row of declining business performance, highlighting growing concerns among businesses about the challenging economic environment.

While still within expansion territory, the index continues a downward trend from 123.6 points in April and 122.2 in May, reflecting growing strains on sector-wide business optimism.

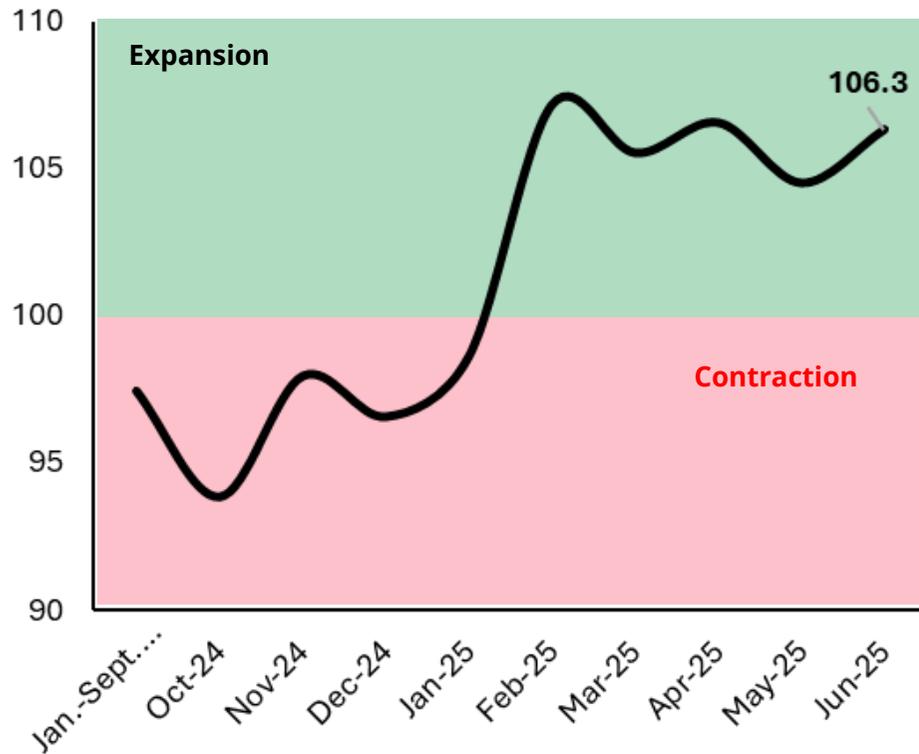
Many non-manufacturing industries attributed the weakening momentum to persistent structural and macroeconomic challenges. Poor power supply has increased reliance on costly diesel, while high rents, dilapidated roads, and other infrastructural deficits have

inflated production and transportation costs, eroding business efficiency.

Although the overall performance remained positive, the outlook varied across sub-sectors. Apart from Oil and Gas Services, which reported improved business activity, all other sub-sectors registered a decline compared to May, with "Other Non-Manufacturing" sliding into contraction at 98.4 points. Amplifying these pressures are rising exchange rates and restricted access to finance, which hinder procurement and planning. Meanwhile, mounting regulatory burdens and elevated inflation continue to compress productivity and profit margins. These worsening conditions have increased operational costs, curtailed expansion, and weakened investor confidence across the sector.

Services

NESG-Stanbic IBTC's Services Business Performance Index



	Jan.-Sept. 2024	Oct. 2024	Nov. 2024	Dec. 2024	Jan. 2025	Feb. 2025	Mar. 2025	Apr. 2025	May 2025	Jun. 2025
Broadcasting	60.4	65.7	90.8	80.0	69.7	127.9	124.5	123.6	109.6	126.1
Financial Institutions	149.7	93.4	97.3	104.0	137.8	129.1	120.5	121.9	139.5	121.5
Real Estate	106.7	70.1	79.7	75.1	118.7	123.6	124.5	135.8	107.6	124.4
Professional, Scientific & Technical Services	79.4	78.7	90.4	130.7	94.1	117.3	111.7	121.0	130.6	119.7
Telecomm. & Info. Services	80.9	91.3	95.9	99.1	106.1	111.5	60.5	118.8	102.8	99.3
Other Services	132.8	109.5	106.6	52.1	114.3	100.0	100.0	100.0	100.0	100.0

Nigeria's Services sector sustained its business expansion momentum in June 2025, following a slight slowdown in the previous month (May 2025). The NESG-Stanbic IBTC Services Business Confidence Monitor (BCM) Index rose to 106.3 points from 104.5 in May 2025.

The improvement in business performance was driven by growth in the Broadcasting and Real Estate sub-sectors, supported by rising client/consumer demand and more stable operating conditions

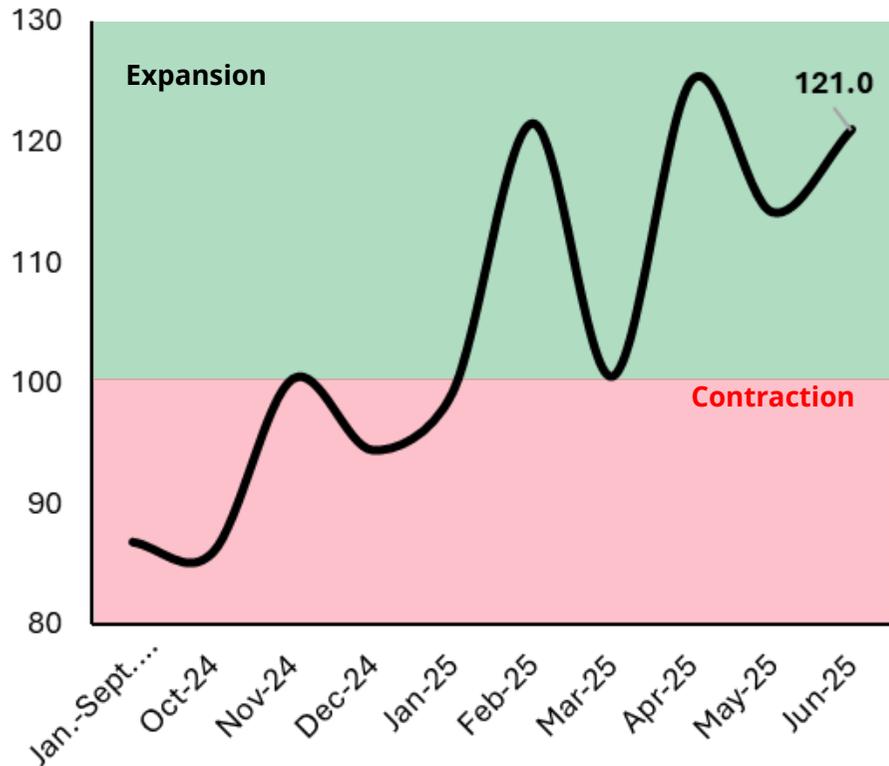
Five of the six major service sub-sectors recorded business expansion. However, the Telecommunications and Information Services sub-sector experienced a contraction due to structural challenges, including the rising cost of service delivery—primarily energy-related—

delayed tariff adjustments, high exchange rates, and soaring dollar-denominated expenses for tower leases, network equipment, and international connectivity.

Other Services sub-sectors reported weak expansion in June, as amplified business constraints—such as energy-related cost pressures, logistics bottlenecks, currency volatility, and persistent security issues, particularly in northern and rural areas—continued to hinder service growth and raise operating costs. These factors eroded competitiveness and dampened business activity during the period.

Trade

NESG-Stanbic IBTC's Trade Business Performance Index



Trade Sub-Sector	Jan.-Sept. 2024	Oct. 2024	Nov. 2024	Dec. 2024	Jan. 2025	Feb. 2025	Mar. 2025	Apr. 2025	May 2025	Jun. 2025
Wholesale	94.8	78.8	105.0	90.0	97.1	123.9	100.5	118.9	139.1	130.3
Retail	78.7	93.0	95.7	98.8	101.2	119.1	100.6	131.3	89.2	111.7

0 ← Contraction 100 Expansion → 200

The NESG–Stanbic IBTC Trade index recorded an expansion in June 2025, with the index rising to 121.0 points, up from 114.1 points in May 2025. The Retail sub-sector showed a notable rebound, shifting from the contraction zone of 89.2 points in May to 111.7 points in June 2025. In contrast, the Wholesale sub-sector experienced a slight decline but remained in the expansion zone, registering 130.3 points in June. This performance underscores the enduring structural and macroeconomic constraints that continue to weigh heavily on the trade sector.

The modest improvement in some areas of sectoral performance was largely driven by increased consumer demand for essential goods, relative stability in the retail prices of fast-moving consumer goods (FMCGs), and improved conditions in supply chain logistics. Traders across key urban centres reported higher sales volumes in food items, personal care products, and household essentials—categories typically considered non-

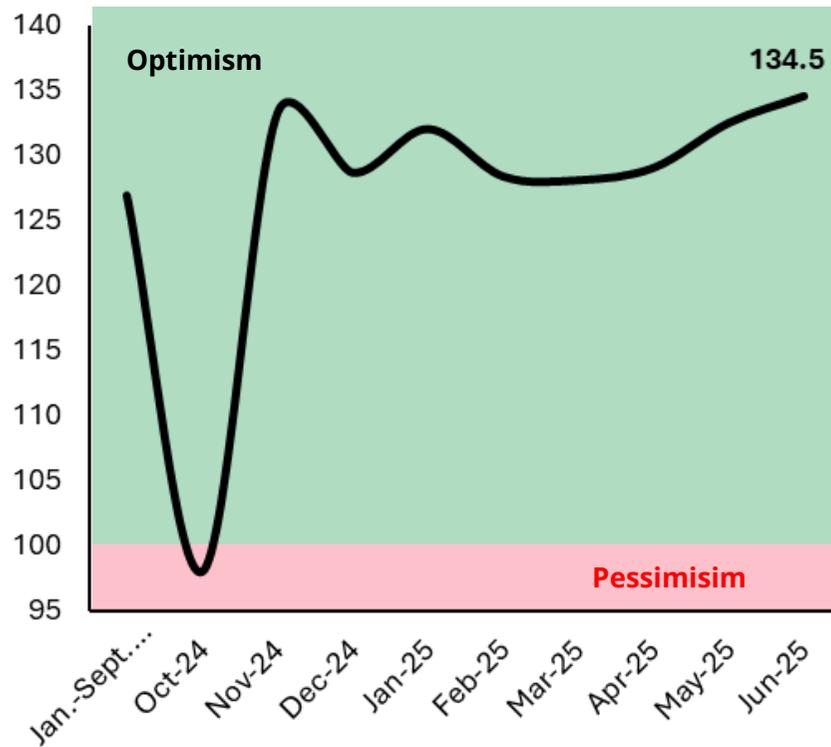
discretionary—partly due to heightened demand from festival-related activities nationwide.

Despite these gains, many trade businesses in Nigeria continue to struggle with a wide range of structural and operational challenges that impede their growth and profitability. Chief among these is the lack of capital, followed closely by market price volatility and logistics and transportation bottlenecks. These challenges discourage investment, reduce business competitiveness, and make it increasingly difficult for entrepreneurs to sustain operations.

Entrepreneurs frequently cite limited access to affordable financing and prohibitively high interest rates on loans as key constraints. These financial barriers hinder the ability to expand operations, replenish inventory, or invest in productivity-enhancing tools.

Future Business Expectations

NESG-Stanbic IBTC's Future Business Expectation Index



To capture the short-term outlook and performance expectations of business owners in the country, the NESG–Stanbic IBTC Future Business Expectation Index provides insights into the levels of optimism and pessimism among businesses for the next one to three months. For June 2025, the index stood at 134.5 points, reflecting a slight improvement from 132.4 points in May 2025.

Across the sectors, the Manufacturing sector recorded the highest optimism at 160.4 points, followed by Trade (158.0 points) and Non-manufacturing (153.5 points). Meanwhile, the Services sector, at 122.3 points, showed the lowest level of optimism regarding expected improvements in the business environment. Notably, sentiment improved in four sectors—Non-manufacturing, Manufacturing, Services, and Agriculture—compared to May 2025,



suggesting that despite higher index scores, businesses remain cautiously optimistic in their expectations due to ongoing macroeconomic uncertainties.

The generally optimistic outlook for Nigerian businesses is driven by a combination of seasonal economic activity, policy-driven interventions, relative exchange rate stability, ongoing infrastructure development, and a gradual recovery in consumer demand. These drivers continue to support cautious optimism across various sectors, particularly in Agriculture, Retail Trade, Non-manufacturing, and Services. As these positive trends continue to build momentum, many businesses are positioning themselves to take advantage of new opportunities and more favourable operating conditions.

ABOUT THE NESG

The NESG is an independent, non-partisan, non-sectarian organisation committed to fostering open and continuous dialogue on Nigeria's economic development. The NESG strives to forge a mutual understanding between leaders of thought to explore, discover and support initiatives to improve Nigeria's economic policies, institutions and management.

Our views and positions on issues are disseminated through electronic and print media, seminars, public lectures, policy dialogues, workshops, specific high-level interactive public-private sessions and special presentations to the executive and legislative arms of government.

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ABOUT STANBIC IBTC

Stanbic IBTC Bank, a member of the Standard Bank Group, is a leading financial services institution in Nigeria. Established in 1989, it provides a wide range of banking solutions including personal, business, and corporate banking services.

The bank is renowned for its innovative digital banking platforms, investment options, wealth management services, and corporate financing solutions.

Stanbic IBTC is also a significant player in Nigeria's capital markets, offering asset management and pension fund administration. With a strong commitment to customer satisfaction and financial inclusion, the bank continues to support the economic development of Nigeria and West Africa.

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