

NESG-Stanbic IBTC Business Confidence Monitor

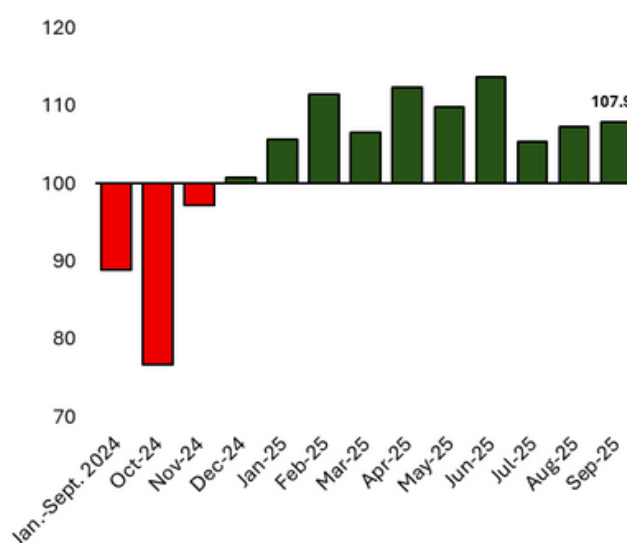
One Year On, Nigeria's Business Environment Shows Signs of Improvement

In September 2025, businesses in Nigeria sustained a positive trajectory, with the Current Business Performance remaining in the expansion region since December 2024. The NESG-Stanbic IBTC Business Confidence Monitor (BCM) reported a marginal rise to 107.9 points, up from 107.3 in August 2025. This improvement reflects a combination of sectoral dynamics, notably a rebound in Agriculture, supported by the harvest season, and steady activity in the Services sector.

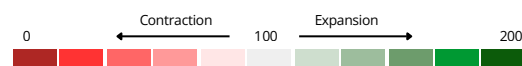
A sectoral review confirmed that all five broader economic activities stayed in the expansion zone. Agriculture posted the strongest recovery, rising sharply to 107.3 from a contractionary 95.6 in August, while Non-manufacturing (114.5), Trade (107.6), and Manufacturing (102.5) all expanded, albeit at a slower pace compared to August.

Key BCM sub-indices, such as investment, exports, access to credit, and prices, registered marginal gains relative to August 2025, pointing to improving sentiment in capital formation and external trade. Importantly, recent improvements in cost of doing business and input prices suggest a gradual moderation of inflationary pressures on firms. However, this positive trend remains fragile, as financing constraints, erratic electricity supply, high commercial property costs, unclear policy signals, and persistent insecurity continue to undermine business confidence and investment appetite.

NESG-Stanbic IBTC's Current Business Performance Index



	Jan.-Sept. 2024	Oct. 2024	Nov. 2024	Dec. 2024	Jan. 2025	Feb. 2025	Mar. 2025	Apr. 2025	May 2025	Jun. 2025	Jul. 2025	Aug. 2025	Sep. 2025
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	98.0	106.2
	Non-manufacturing	94.8	71.8	96.4	105.8	95.4	110.2	119.2	123.6	122.2	120.7	112.6	116.2
	Services	97.4	93.8	97.9	96.5	98.6	107.1	105.5	106.5	104.5	106.3	101.9	103.7
	Trade	86.8	76.6	100.3	94.4	99.2	121.5	100.5	125.1	114.1	121.0	103.2	114.1
	Agriculture	77.8	69.5	101.2	113.9	110.9	102.7	97.6	107.0	98.2	108.9	107.0	95.6
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	137.4	152.4
	Production	85.3	78.7	110.2	117.8	123.7	142.1	129.2	144.6	140.1	143.1	117.9	126.6
	Demand Condition	70.3	73.4	105.4	117.3	125.4	132.1	92.5	127.3	119.1	129.4	98.6	121.8
	Investment	127.9	64.6	91.0	68.5	72.5	60.5	86.7	85.0	74.4	56.3	79.3	61.4
	Export	86.7	87.4	95.5	106.7	102.1	104.7	97.6	106.2	103.1	102.3	98.9	98.1
	Cost of Doing Business	147.6	175.2	151.5	150.3	147.6	147.2	148.3	151.8	138.5	142.8	123.2	127.0
	Operating Profit	104.0	77.0	102.9	113.5	116.1	119.0	119.2	129.4	108.3	129.0	107.3	117.7
	Financial Results	98.7	86.5	90.8	99.0	119.4	146.1	72.9	155.4	136.4	141.4	117.6	141.7
	Supply Order	69.5	78.0	105.0	105.1	101.4	133.9	116.0	154.9	135.3	134.2	111.3	116.3
	Trade Stockpiling	53.3	91.1	103.0	101.7	102.6	175.0	113.2	132.5	133.0	175.0	98.0	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	123.6	115.5
	Cash Flow	99.0	84.4	109.0	118.9	118.4	130.6	120.8	130.5	126.0	126.2	115.2	118.8
	Prices	73.9	109.3	68.0	69.1	73.4	76.2	94.8	83.4	81.9	70.7	93.0	84.0
	Employment	96.0	82.7	117.9	120.7	118.0	126.3	117.9	137.6	130.9	127.2	111.9	114.9



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

Comment from Stanbic IBTC

The current business performance of Nigerian businesses improved slightly in September relative to August, buoyed by both the Agriculture sector and Services, both of which neutralised the modest activity softening in Manufacturing, Non-manufacturing, and Trade sectors. A breakdown of the components of the current business performance shows an improvement in the general business situation, a higher level of demand, improved employment conditions and greater access to credit relative to the prior month. Besides, the cost of doing business has declined for the third consecutive month, while the price index has remained below the 100 index points psychological threshold since November 2024, implying underlying price pressures as moderating. This is not surprising as fuel cost and exchange rate pressures, which negatively impacted prices in 2024, have seen limited price movements so far in 2025. Notably, the exchange rate appreciated by 5.5% year-to-date (as of 2nd October) relative to 40.9% depreciation in 2024 and fuel cost declined by 13.8% in 7m:25 relative to 77.0% price increase in 2024.

We estimate that the oil and non-oil sectors may have grown by 14.3% y/y and 4.4% y/y, respectively, translating into overall GDP growth of 4.5% y/y in Q3:25. We now lift our 2025 growth forecast to 4.0% y/y, from 3.5% y/y, after fully accounting for the impact of GDP rebasing, and after surprisingly good Q2:25 GDP growth. Going into 2026, the non-oil sector's growth should remain strong amid a likely reduction in interest rates and low inflation, both of which should support aggregate demand and private investment. Further, a likely less exchange rate volatility in 2025 and 2026 based on our current estimates should support growth across trade, manufacturing, real estate, and construction. Aside from that, the forward-linkage impact of Dangote Refinery should benefit manufacturing growth in the medium term. The IMF expects the Dangote Refinery to increase non-oil GDP growth by c.1.5% in 2026. Oil refining has already grown for a third consecutive quarter, to 15.78% y/y in Q2:25, from 11.51% y/y in Q1:25, although its contribution to the manufacturing sector remains insignificant, at 0.1%."

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Survey methodology

For the NESG-Stanbic IBTC BCM 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.

The Business Confidence Survey (BCS) questions are structured to elicit qualitative responses. The focus of the qualitative information is narrowed down to specific details that gauge production levels, changes in response to policy initiatives or market sentiments, and businesses' plans and expectations for the future.

A weighting system is applied to the BCS responses to have indices representing the Nigerian economy and signal the future direction of economic activities. The weighting system captures the differences in sectoral contribution to GDP, industry value-added, employment size, and sample representation.

About Business Confidence Monitor

The 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 process begins with administering the Business Confidence Survey (BCS), a prominent tool that provides a unique data set for the BCM Report. The survey gathers information on a range of variables that capture the directions of leading indicators across different economic sectors.

The data set for constructing the NESG-Stanbic IBTC BCM indices is generated from various qualitative responses reported in the Business Confidence Survey (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 target respondents for the 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.

About 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.

About Stanbic IBTC Bank

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.

Disclaimer

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