



THE NIGERIAN ECONOMIC REVIEW AND RECOMMENDATIONS FOR 2026

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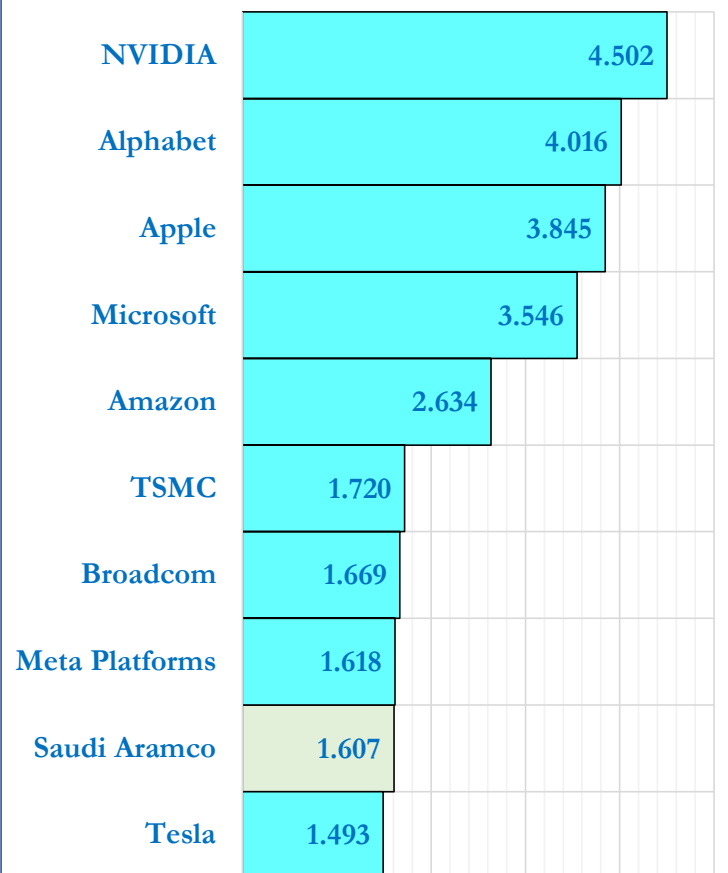
Global Overview in 2025

Economic swings are a peculiar phenomenon resulting from severe levels of shocks and distortion factors. In the global economy over the past year, the key concern centered on the highest levels of uncertainty stemming from a combination of factors, notably distortionary policies emanating from the world's largest economy, the US.

What this implies for markets and investors is that globally, levels of risk were at their peak as safe-haven demand recorded all-time highs, aligning with elevated fixed-income asset yields. Concurrently, global demand and investment continued to be a boon for technology-related stocks amid global uncertainties.

Global Overview in 2025

Top 10 Global Companies by Market Capitalization (\$'trn)



Today, 9 of the world's 10 largest companies are technology-based, all with market values exceeding \$1 trillion. Four of these companies are already valued at over \$4 trillion, with NVIDIA valued at over \$5 trillion. This clearly offers deeper insight as to where the money lies in today's transitioning world and the future.

National Economy and Market Overview in 2025

For Nigeria, the focus centered on what the reform Agenda could do for the economy and the markets. Nigeria has navigated turbulent periods of economic instability, including a recession, as reform instruments have helped trigger a macroeconomic recovery in 2025.

Importantly, the government acknowledged that:

- *Short-term deterioration was inevitable*
- *The pain of 2023–2024 was the cost of long-term recovery*

Nigeria's Economy has Transitioned from 'Risk Watch to Recovery'

Recession
(2023-2024)



Reforms



Recovery
(2025)

National Economy and Market Overview in 2025

Recession: By 2023, Nigeria had clearly entered recession following an unsustained post-COVID recovery.

*Recession was
defined by three
major weaknesses*

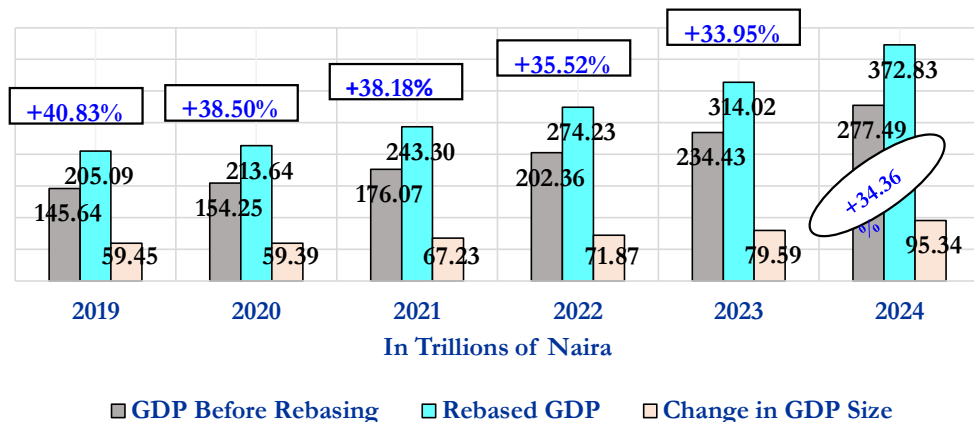
Severe liquidity constraints

Macroeconomic instability

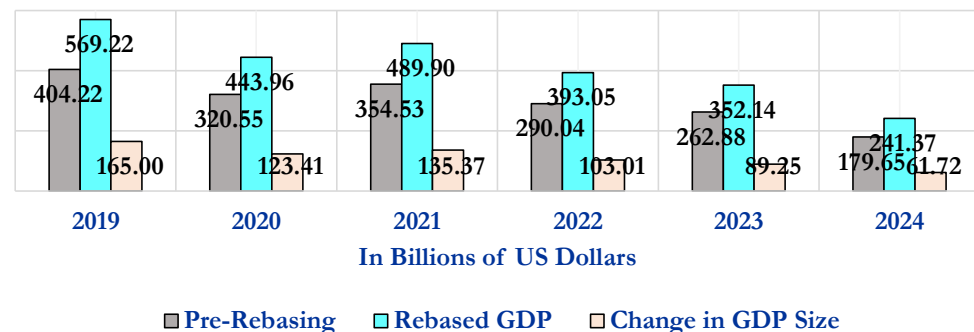
Slowing growth across sectors

National Economy and Market Overview in 2025

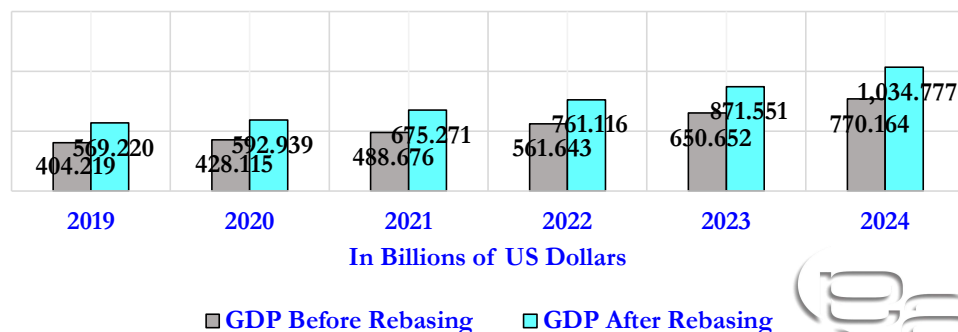
Nigeria's Total GDP Size Before and After Rebasing (N'trn)



Nigeria's Total GDP Size Before and After Rebasing at the 2019-2024 BDC rate (\$'bn)



Nigeria's Potential GDP Size at Constant 2019 BDC Rate of N360.3/US\$



- We define Recession to accommodate consecutive years of negative dollar GDP growth from 2020-2024.
- Nigeria's dollar GDP contracted from \$569bn in 2020 to \$241.37bn
- Nigeria may not have just a growth problem but an FX problem.
- Had Nigeria maintained the 2019 FX rate of N360.3/\$ till date, Nigeria's N372trn rebased GDP in 2024 would have been a trillion-dollar economy.
- Strengthening the FX rate may require aggressive investment stock inflows and building Nigeria's reserve walls as observed in economies like Saudi Arabia, Brazil, and India.
- Nigeria's journey to a trillion-dollar economy is not so much of a growth challenge as it is an exchange rate stability challenge.

National Economy and Market Overview in 2025

Reforms: The current administration introduced wide-ranging reforms to reverse the downturn.

*Key reform areas
included:*



Foreign exchange liberalisation

Price deregulation (fuel, electricity,
gas, telecoms)

Sectoral reforms across agriculture,
energy, transport etc.

Subnational and regional interventions

Targeted support for vulnerable groups

National Economy and Market Overview in 2025

Recovery: Macroeconomic Recovery Outcomes

Indicator	Nov-24	Nov-25	Change	Impact
FX Rate (N/\$)	N1,671	N1,447	+17.5% appreciation	Improved FX rate convergence has reduced arbitrage opportunities, strengthened confidence, and lowered FX market volatility.
Net Foreign Reserves (\$'bn)	3.0	29.0	Significant Recovery	Stronger reserve adequacy has underpinned FX stability and enhanced external resilience.
Headline Inflation (%)	34.60%	14.45%	-20.15 pp	Easing price pressures and improving macroeconomic stability
All Share Index (ASI)	97,507	143,503	47.20%	Strong equity market performance signals rising investor confidence and positive real capital gains.
Market Capitalisation (N'trn)	N59.11trn	N91.29trn	54.40%	Deepening capital markets and increased access to long-term financing for corporates.
9M GDP Growth (%)	3.20	3.78	+0.58 pp	Broad-based growth acceleration, supported by price stability and improved liquidity conditions.

National Economy and Market Overview in 2025

Recovery: Sectoral Recovery Outcomes

Sector	Reform Type	Policy Action	Economic Impact
Energy	Cost-Reflective Reform	<ul style="list-style-type: none"> Petrol subsidy removal Oil and gas sector liberalisation 	Improved supply incentives
Telecommunications	Cost-Reflective Reform	<ul style="list-style-type: none"> Telco Tariff Adjustments 	Telecom sector returns to profits
Pharmaceuticals	FX Reform	<ul style="list-style-type: none"> FX market liberalisation 	Reversal of multi-billion-naira losses,
Manufacturing	FX Reform	<ul style="list-style-type: none"> FX market liberalisation 	gradual recovery in output.
Transportation	Interventions	<ul style="list-style-type: none"> CNG, Rail, Roads, and Inter-state bus terminals 	Lower fuel costs; improved logistics efficiency
Agriculture	Interventions	<ul style="list-style-type: none"> Federal and state interventions 150-day import duty-free window VAT removal on key inputs 	Input cost reduction, improved food supply.

National Economy and Market Overview in 2025

Recovery: Sectoral Recovery Outcomes

Intervention Category	Policy Action	Illustrative Examples
Regional Commissions	Creation of new regional development institutions	Establishment of five new development commissions across geopolitical zones
Place-Based Interventions	Infrastructure, transport	Enugu State: five ultramodern transport terminals; 100 CNG buses; 2,000 hybrid taxis; Enugu Air launch; proposed 135.5km rail link to Onne Port. Lagos State: major rail and bus infrastructure investments
People / Human Capital-Based Interventions	Wage reforms and skills development	Adoption of N70,000 minimum wage by most states; Lagos–World Bank Eko Secondary Education Project
Product and Service / Output-Based Interventions	State-led industrial and service-sector investments	Benue: cassava, beer, and juice factories; Niger State: Africa's largest shea nut processing plant
Portfolio / Assetisation-Based Interventions	Leveraging capital markets and asset monetisation	Lagos: N14.815bn Series 3 Green Bond and N230bn Series 4 Conventional Bond; Akwa Ibom & Ogun: state-backed airline services. Nasarawa: lithium projects; BPE: planned listing of 91 public assets

Areas of Concern and Risk to Recovery

Despite clear evidence of a macroeconomic recovery, questions remain about the extent of reform impact and the pace of recovery in critical areas. Notable areas of concern include:

**Government
Revenue**

**Capital project
funding**

**FDI Stock
inflows**

**Diplomatic
Backlash**

Outlook for 2026

We expect the recovery and associated positive outcomes to extend into 2026. Most Analysts are in consensus that stable conditions will prevail in 2026;

No.	Analyst Outlook	GDP Growth Rate	Inflation	Exchange Rate
1.	World Bank	4.30%	19.50%	-
2.	International Monetary Fund	4.20%	22%	-
3.	African Development Bank	3.10%	17.30%	-
4.	Central Bank of Nigeria	4.50%	12.94%	-
5.	CFG Advisory	8% - 10%	12% - 14%	N1,400/\$
6.	Economic Associates	4%	16%	-
7.	Zecrest	5%	11%	N1,300
8.	PwC	4.49%	12.94%	N1,440-N1500/\$
9.	Cardinal stone	4.20%	17%-18%	N1,475/\$
10.	Proshare Analyst (Q1 '26)	4.97%	18.68%	N1350/\$

What role will the Chartered Institute of Stockbrokers play in shaping the market and outlook for 2026?

ABOUT DR. AYO TERIBA



Ayo is CEO of *Economic Associates (EA)* where he provides strategic direction for ongoing research and consulting on *Nigeria's Economic Outlook*, focusing on *global, continental, national, sub-national, sectoral, and corporate* issues. He is a *Visiting Faculty* at the *Nigerian University of Technology and Management (NUTM)* in Lagos where teaches *Economics of Globalization* on the post-graduate *Nigerian Scholars Programme (NSP)*. He is the *Vice-Chairman* of the *Technical Committee of the National Council on Privatization (TC-NCP)*, aligning privatization plans with the macroeconomy.

Ayo earned *B.Sc. Economics* from University of Ibadan with *Sir James Robertson Prize and Medal, UAC Prize in Economics*, and *Economics Departmental Prize* as *all-round best economics graduate* in 1988, *M.Sc. Economics* from Ibadan in 1990, *M. Phil. Economics of Developing Countries* as a *Cambridge-DfID Scholar* at University of Cambridge in 1992, and *Ph.D. in Applied Econometrics and Monetary Economics* from University of Durham in 2003. He is an *Alumnus* of Lagos Business School (*AMP 5*) and Henley Business School (*BDP*) Executive Programmes.

Ayo articulates his views on Nigeria's economic policy imperatives through articles, interviews, and comments in the mass media. He successfully spearheaded the advocacy for re-denomination of Naira notes and coins that led to the introduction of N100, N200, N500 and N1000 notes between December 1999 and October 2005. His current reform advocacy is on how Nigeria can change the economic narratives by leveraging on her vast stocks of under-utilized public wealth to unlock internal and external liquidity required to rejuvenate ebbing fiscal, financial, and forex flows.

Before becoming CEO of EA in 2004, Ayo was *Chief Economist* at ThisDay Newspaper (2001-2004), *Faculty Member* at Lagos Business School (1995-2001), *Head of Research* at Lagos Chamber of Commerce (1993-1995), and *Company Economist* at UAC of Nigeria (1992-1993). Ayo consults for many blue-chip companies, Federal and State ministries, departments, and agencies, DfID, GIZ, USAID, UNDP, UNIDO, World Bank, received grants from Ford Foundation and Rockefeller Foundation, and was a *Visiting Scholar* to the IMF Research Department in Washington DC.

ABOUT EA

WHAT WE DO

Incorporated in 2004, **Economic Associates (EA)** equips decision-makers with the information required for the creation or preservation of economic value in Nigeria. Our conferences, seminars, reports and advisory clients include decision makers and analysts from manufacturing, trading, banking, investment, stock broking, consulting, federal and state government ministries, departments and agencies, multinational corporations, embassies, and development agencies. Our service offerings currently revolve around five work areas:

- *Global-* How are trade flows, capital flows, technology, migration, and liquidity likely to unfold on the global scene?
- *Continental-* How could Africa realign with the realities of global trade and capital flows and their enablers?
- *National-* How could Nigeria realign with the realities of global trade and capital flows and their enablers?
- *Subnational-* How could the 36 States and FCT realign with the realities of global trade and capital flows?
- *Sectoral-* How could sectors, companies and/or individuals realign with the unfolding realities?

CONFERENCES AND SEMINARS

Our one-day Conferences offer *timely opportunities* to explore *key decision issues* across our work areas as relevant economic events unfold, with emphasis on *tacit* considerations about global and local *contexts, hindsight, insights, and foresight*, that will *guide decisions on which of the alternative strategic paths will deliver preferred outcomes*. Our two to five days Seminars are *capacity-building sessions* that *explore key strategic issues* across our work areas *in detail*, to *build the competences* needed to *organically analyze, articulate, implement, monitor, and evaluate strategy execution*.

REPORTS

Our reports distil the *codifiable* components of the facts and insights from our conferences and seminars for wider dissemination. This has included subscription reports on *Nigeria's 36 States* and, presentations on *Nigeria's Economic Outlook*.

ADVISORY

We work with clients to *explore, customize, and assimilate various issues of relevance* across our work areas *into their strategic aspirations* in three stages:

- *Concept Formation.* We hold conversations with decision makers to *explore strategic issues and deliverables*.
- *Strategy Formulation.* We hold *tacit intuitive interactions* with decision makers to *tease out customized solutions*.
- *Capacity Building.* We *foster in-house capacity* to *analyze, articulate, implement, monitor, and evaluate strategy execution*.