

ECONOMIC UPDATE

A Publication of United Capital Research

GDP

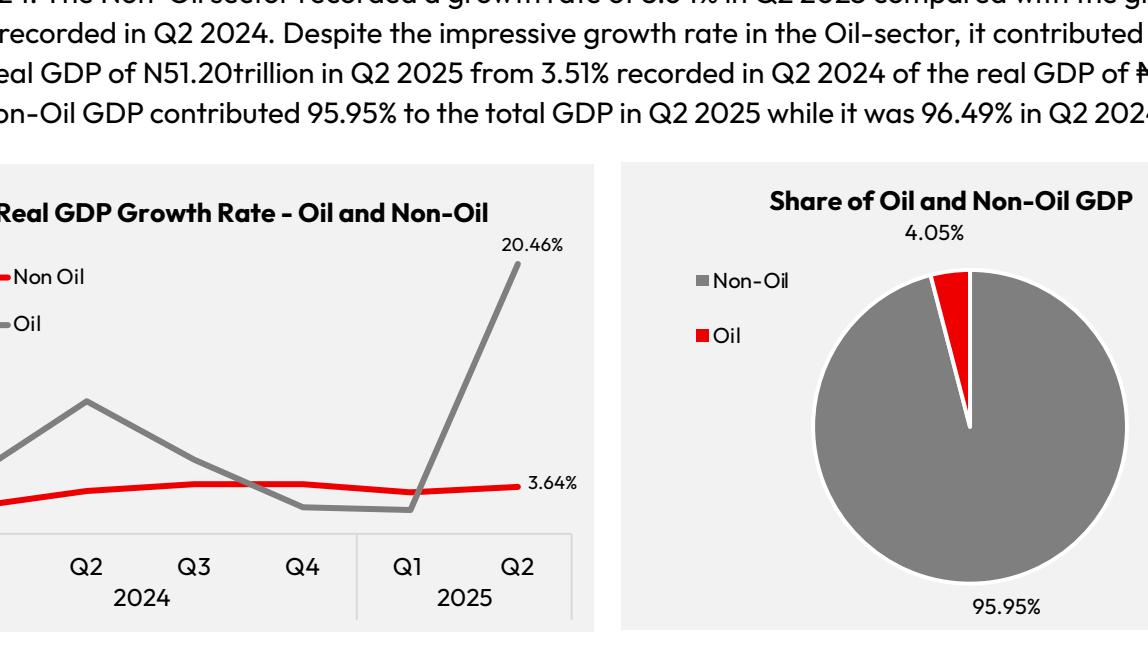
October 06, 2025

■ 4.23% GDP Growth – Solid Performance, Greater Potential Ahead

Strong GDP Growth Rate in Q2 2025:

Nigerian economy continues to respond positively to economic reforms of the current administration with a strong growth rate in the real Gross Domestic Products (GDP) of 4.23% in Q2 2025. This is higher than the GDP growth rate of 3.48% recorded in the corresponding period of Q2 2024. United Capital Research has revised the real GDP growth rate for Q3 2025, Q4 2025 and Full Year (FY) 2025 to 5.11%, 5.78% and 4.66% respectively. While these growth rates are good, the Nigerian economy has the potential to grow faster than these projections if additional measures are implemented in the growth enhancing sectors of the economy.

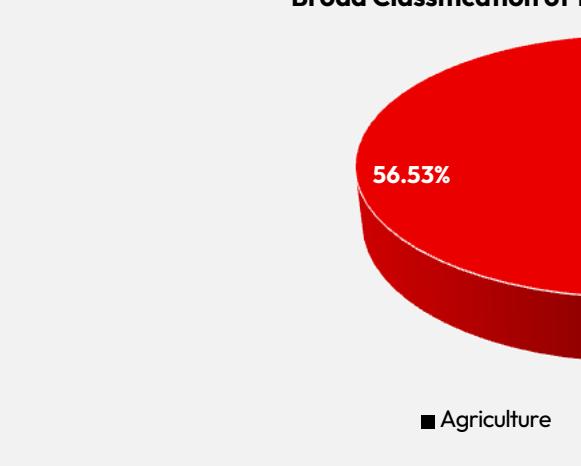
Real GDP Growth Rate -Actual Vs Forecast



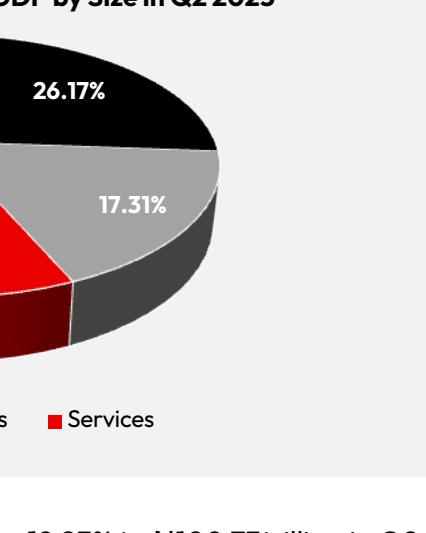
Oil GDP Leaped in Q2 2025:

The Oil sector grew by 20.48% in Q2 2025 year on year, compared with a growth rate of 10.08% recorded in Q2 2024. The Non-Oil sector recorded a growth rate of 3.64% in Q2 2025 compared with the growth rate of 3.26% recorded in Q2 2024. Despite the impressive growth rate in the Oil-sector, it contributed 4.05% to the total real GDP of N51.20trillion in Q2 2025 from 3.51% recorded in Q2 2024 of the real GDP of N49.12trillion. The Non-Oil GDP contributed 95.95% to the total GDP in Q2 2025 while it was 96.49% in Q2 2024.

Real GDP Growth Rate - Oil and Non-Oil



Share of Oil and Non-Oil GDP



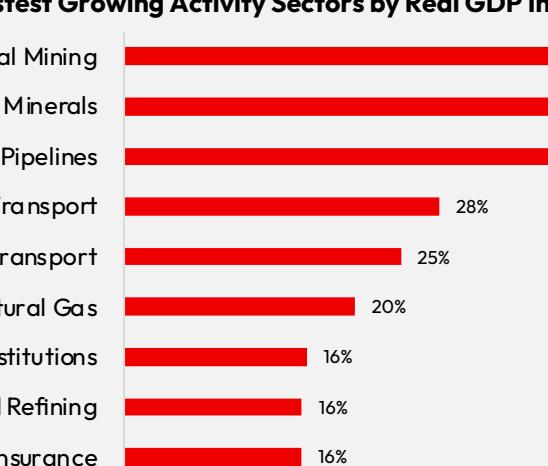
Oil Remains Dominant Foreign Exchange (FX) Earner for Nigeria:

The oil sector remains the main foreign exchange earner for the country as at Q2 2025 with oil exports' contribution of 86.61% to total exports. This is down from 88.92% recorded in the same period in Q2 2024. Therefore, the impact of the oil sector on the overall performance of the Nigerian economy is high. More measures should be put in place to protect and develop the assets in the sector. Government should also continue to implement deliberate policies to develop non-oil exports to grow sustainable strong foreign exchange earnings.

Services Sector Remains on Top:

Analysing the economy from the three broad classification shows that agriculture which contributed 26.17% to the GDP expanded by 2.82% in Q2 2025 up from 2.60% recorded in Q2 2024. The industries contributed 17.31% in Q2 2025 and grew by 7.45% from 3.72% in Q2 2024. Meanwhile, services sector contributed 56.53% in Q2 2025 and recorded a growth rate of 3.94% up from 3.83% recorded in Q2 2024.

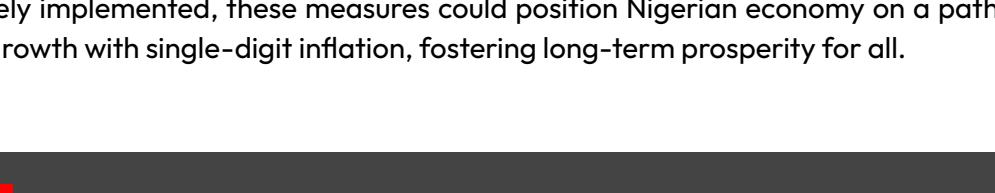
Broad Classification of the Real GDP by Size in Q2 2025



In nominal terms, the total GDP at basic prices increased by 19.23% to N100.73trillion in Q2 2025, compared with N84.48 trillion recorded in Q2 2024. The size of the Nigerian economy in nominal terms as at 1st Half Year 2025 stood at N194.78trillion from N164.99trillion recorded same period last year, representing a growth rate of 18.78% during the period. United Capital Research expects the nominal GDP at N440trillion in FY 2025.

The top 10 largest activity sector of the real GDP in Q2 2025 is shown on the chart below. Trade (18.28%), crop production (17.80%), real estate (12.80%), telecommunications and information services (9.20%) and Livestock (5.90%) led the charts and jointly contributed 63.97% of the total Real GDP. Any policy that can increase economic activity in these sectors will accelerate the growth of the economy.

10 Largest Activity Sectors of Real GDP in Q2 2025



Meanwhile, coal mining (57.53%), quarrying and other minerals (45.86%), rail transportation and pipelines (43.03%), water transport (27.90%) and road transport (24.50%) were the fastest growing sectors of the economy in Q2 2025 and they all recorded double digit growths. Unfortunately, none of these sectors were among the top 5 largest economic activity during the period. This requires policy realignments so that Nigeria can achieve inclusive growth.

10 Fastest Growing Activity Sectors by Real GDP In Q2 2025



Concluding Remark:

While the economy is trending positively, the road ahead requires balanced, inclusive growth strategies that protect fragile sectors, deepen diversification, and leverage the momentum in high-performing sectors.

Economic managers must continue to shape a more resilient and competitive economy. United Capital Research believes double-digit GDP growth rate is achievable in the short-term if key structural challenges are addressed. These include:

I. Resolving insecurity in major food-producing regions.

II. Continue to encourage linkage between agriculture and manufacturing sectors.

III. Reviving the electricity sector by tackling legacy debt issues.

IV. Develop efficient transport network across the country.

V. Sustaining ongoing reforms in the oil and gas sector.

If effectively implemented, these measures could position Nigerian economy on a path towards sustainable and inclusive growth with single-digit inflation, fostering long-term prosperity for all.

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