

# EXTERNAL TRADE

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## Strong Trade Surplus Supporting Currency Stability

**Bottomline:** Nigeria’s trade surplus improved significantly in Q1 2026, driven by resilient exports and sharp drop in imports. Exports rose modestly by 2.77% to ₦21.17tn from ₦20.60tn. This is supported by crude oil receipts and stable demand. Imports however declined by 18.17% to ₦13.62tn in Q1 2026 from ₦20.60tn in Q1 2025 as local substitution strategies further gained traction. Exports accounted for 60.85% of total trade and reinforcing Nigeria’s position as a net exporter. Consequently, the trade surplus expanded to ₦7.55tn in Q1 2026 from ₦3.95tn in Q1 2025. Nigeria’s trade surplus maintained sustained growth path in the past three years. This is good for the stability and appreciation in the value of the Naira against the US Dollar in the short-to-medium term.



Sources: National Bureau of Statistics, United Capital Research

## Composition of External Trade – Top Exports and Imports Goods in Q1 2026

Our analysis of the leading exports and imports by goods in Q1 2026 shows that petroleum oil led the exports table at 52.92% of the total exports. This is followed by Natural Gas at 9.49% and Urea at 6.49%. Meanwhile, Petroleum Oil also led the imports table at 14% followed by Gas Oil at 2.68% and Durum Wheat at 2.50% of total. The operations of the Dangote Refinery have helped to reduce the importation of refined petroleum products. These have helped to conserve foreign exchange and created jobs within the oil and gas industry, and the associated value chain. We expect these developments to continue as Dangote Refinery and other refineries in the country expand refining capacities. Consequently, leading to stable exchange rate in the short-to-medium term.

Top Traded Products in the World in Q1 2026				
S/N	Exports	Share	Imports	Share
1	Petroleum Oil	52.92%	Petroleum Oil	14.00%
2	Natural Gas	9.49%	Gas Oil	2.68%
3	Urea	6.49%	Durum Wheat (Not in seeds)	2.50%
4	Other Petroleum Gases	6.33%	Machines	2.20%
5	Kerosine Type Jet Fuel	6.27%	Used Vehicles	2.09%
6	Gas Oil	2.95%	Motorcycles and Auxiliary Motor	1.02%
7	Cocoa Beans	2.82%	Other Seeders	1.01%
8	Partially Refined Oil	2.26%	Other Medicaments	0.91%
9	Motor Spirit	2.14%	Other Parts of Aeroplanes and Helicopters	0.83%
10	Other Light Oil	1.55%	Butanes	0.81%

Sources: National Bureau of Statistics, United Capital Research

## Trade by Partners

India emerged as Nigeria’s top exports destination with 13.09% of total exports, followed by France at 9.29% and Netherlands at 9.22%. On the imports side, China remained the largest source, contributing 37.42% of total imports, followed by United States at 20.60% and India at 7.29%. Strengthening and sustaining direct currency swap arrangements between Nigeria and China could help reduce demand pressure on the US Dollar. This, in turn, would support the stability and potential appreciation of the Naira against the US Dollar. A more stable exchange rate environment is also likely to boost investor confidence, encouraging both foreign and domestic investors to make long-term strategic investment decisions in Nigeria.

Top 5 Trading Partners				
S/N	Exports	Share	Imports	Share
1	India	13.09%	China	37.42%
2	France	9.29%	United States	20.60%
3	Netherlands	9.22%	India	7.29%
4	Spain	7.68%	Germany	2.87%
5	United States	5.50%	UAE	1.63%

Sources: National Bureau of Statistics, United Capital Research

## Regional Trade Analysis

Nigeria’s regional trade structure in Q1 2026 reflects strong global integration and clear competitive advantage in energy exports. Exports were led by Europe (₦7.93tn; 37.44%) and Asia (₦6.42tn; 30.31%), while imports were dominated by Asia (₦7.55tn; 55.45%) and America (₦3.24tn; 23.76%), highlighting efficient trade linkages. Nigeria maintained a robust trade surplus with Africa, exporting ₦4.06tn versus imports of ₦0.65tn, primarily driven by petroleum exports to Togo, South Africa and Côte d’Ivoire. Within the Economic Community of West African States (ECOWAS), exports of ₦2.27tn outweighed imports of ₦76.54bn, reinforcing Nigeria’s dominant role as a regional trade anchor and energy supplier. Overall, Nigeria’s trade position underscores a well-established global footprint and strong regional leadership, providing a solid foundation for sustained external sector strength and future diversification.

## Share of Exports and Imports by Region in Q1 2026

S/N	Region	Exports Value (N' Trn)	Share	Region	Imports Value (N' Trn)	Share
1	Europe	7.93	37.44%	Asia	7.55	55.45%
2	Asia	6.42	30.31%	America	3.24	23.76%
3	Africa	4.06	19.19%	Europe	2.1	15.39%
4	America	2.61	12.35%	Africa	0.65	4.81%
5	Oceania	0.15	0.70%	Oceania	0.08	0.59%

Sources: National Bureau of Statistics, United Capital Research

### Implications

Nigeria's Q1 2026 trade surplus supports strong growth prospect for Nigerian economy. Strong exports receipts are critical to enhancing foreign exchange liquidity, thereby supporting the stability and potential appreciation of the Naira. In addition, targeted fiscal and trade incentives are needed to stimulate non-crude oil exports and diversify Nigeria's export base. Ongoing port reforms and infrastructure upgrades are equally essential to improving the competitiveness of non-oil exports. Efficient port systems will not only facilitate trade but also position Nigerian ports as preferred import destination for goods entering the West African sub-region. This will generate additional revenue for the government. Furthermore, there is a need to promote intra-African trade, particularly through settlement mechanisms that minimise reliance on the US Dollar. This will help reduce demand pressure on the Dollar and contribute to greater exchange rate stability.

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