EXTERNAL TRADE

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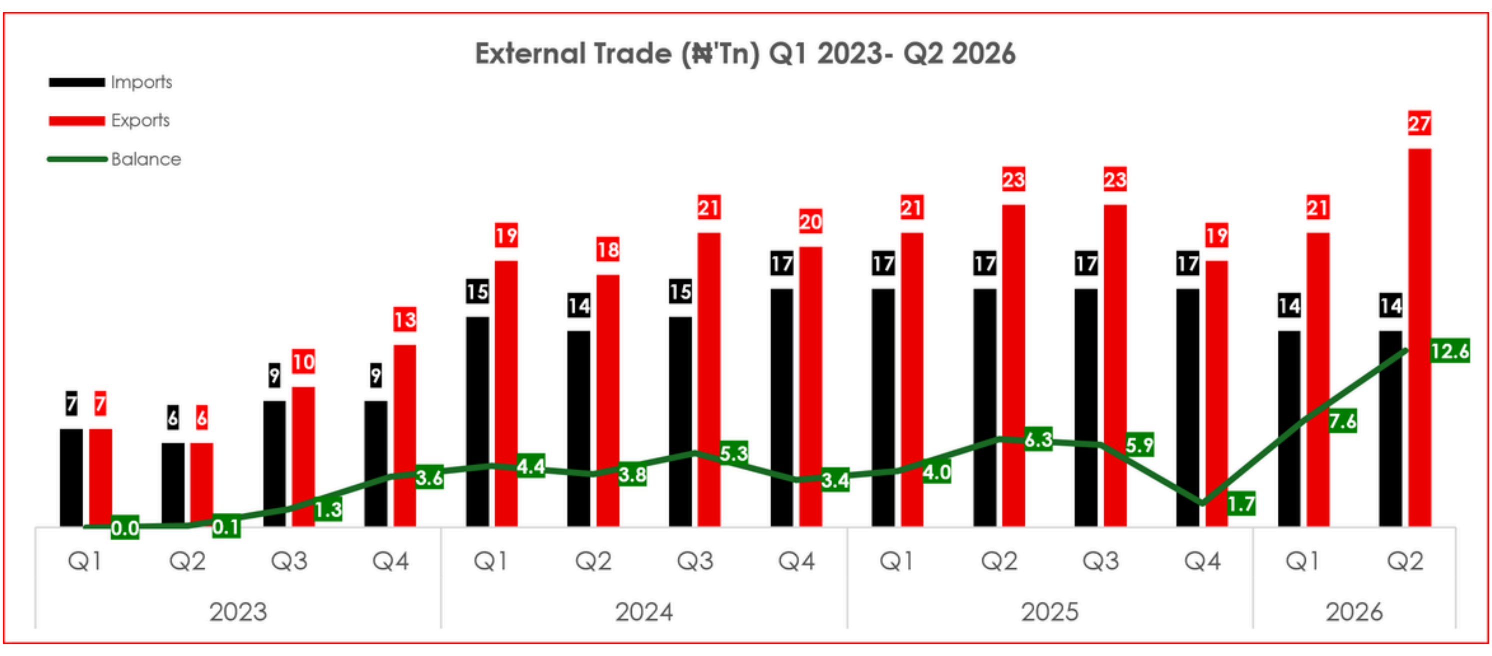
Strong Trade Surplus Supporting Currency Stability

Bottomline: Nigeria's trade surplus widened sharply in Q2 2026, driven by a robust rise in exports and a decline in imports on a year-on-year (YoY) basis. Total merchandise trade (sum of exports and imports) stood at ₦41.44tn, rising 5.61% YoY from ₦39.24tn in Q2 2025 and 19.13% quarter on quarter (QoQ) from ₦34.79tn in Q1 2026. Total exports climbed 18.77% YoY and 27.64% QoQ to ₦27.02tn, supported by strong crude oil receipts (₦12.91tn), higher Urea shipments and buoyant Non-crude oil exports (₦14.11tn). Imports moderated to ₦14.42tn, representing a 12.55% YoY decline (though a 5.91% QoQ uptick), reflecting the traction of local refining and import-substitution strategies. Consequently, exports accounted for 65.20% of total trade while imports settled at 34.80%, reinforcing Nigeria's standing as a net exporter. The trade surplus expanded to ₦12.60tn, more than double the ₦6.26tn recorded in Q2 2025 (+101.32% YoY) and ₦7.55tn in Q1 2026. This robust surplus is positive for FX liquidity, external sector resilience and Naira stability in the short-to-medium term.



Sources: National Bureau of Statistics and United Capital Research

Composition of Trade – Top Exports and Import Goods in Q2 2026

Our analysis of the leading exports and imports by goods in Q2 2026 shows that Petroleum Oil (Crude) led the exports table at 47.79% of total exports. It is followed by Kerosine Type Jet Fuel at 10.86% and Natural Gas at 10.43%. Urea (7.84%) and Other Petroleum Gases (6.99%) also featured strongly, underscoring the growing weight of fertiliser and gas-related exports in the trade mix. On the imports side, Motor Spirit led at 6.60% of total imports, followed by Petroleum Oil (Crude) at 5.45% and Durum Wheat at 2.81%. The moderation in refined petroleum imports reflects the continued operations of the Dangote Refinery and other domestic refineries. Dangote Refinery's operations continue to conserve foreign exchange, create jobs across the oil and gas value chain and stabilise the exchange rate. We expect these developments to deepen as refining capacity expands. Nigeria's import basket rebalances toward machinery, pharmaceuticals and industrial inputs, supporting a stable Naira in the short-to-medium term.

Top Nigerian External Traded Products in Q2 2026

S/N	Exports	Share	Imports	Share
1	Petroleum Oil (Crude)	47.79%	Motor Spirit	6.60%
2	Kerosine Type Jet Fuel	10.86%	Petroleum Oil (Crude)	5.45%
3	Natural Gas	10.43%	Durum Wheat (Not in seeds)	2.81%
4	Urea	7.84%	Used Vehicles	2.42%
5	Other Petroleum Gases	6.99%	Motorcycles & Auxiliary Motor	1.49%
6	Gas Oil	4.89%	Photovoltaic Cells	1.48%
7	Motor Spirit Ordinary	2.02%	Machines	1.27%
8	Partially Refined Oil	1.89%	Vaccines for Human Medicine	1.24%
9	Cashew Nuts in Shell	0.99%	Other Additives for Lubricating Oils	1.23%
10	Standard Quality Cocoa Beans	0.57%	Machinery	1.11%

Sources: National Bureau of Statistics and United Capital Research

Trade Partners

India emerged as Nigeria's top export destination in Q2 2026 with 12.17% of total exports, Spain (7.34%), the Netherlands (7.05%), the United States (6.40%) and Togo (5.54%). Collectively, these five countries accounted for 38.51% of total exports. On the imports, China remained the largest source, contributing 41.02% of total imports, followed by the United States (6.97%), India (6.41%), the Netherlands (2.84%) and Germany (2.74%). The heavy concentration of imports from China reinforces the strategic importance of the existing Nigeria–China currency swap arrangement in easing pressure on the US Dollar. Strengthening such bilateral settlement mechanisms could help ease Dollar demand, and support Naira stability and appreciation. It also boosts investor confidence by 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	12.17%	China	41.02%
2	Spain	7.34%	United States	6.97%
3	Netherlands	7.05%	India	6.41%
4	United States	6.40%	Netherlands	2.84%
5	Togo	5.54%	Germany	2.74%

Sources: National Bureau of Statistics and United Capital Research

Regional Trade Analysis

Nigeria's regional trade structure in Q2 2026 reflects strengthening global integration and a widening competitive edge in energy exports. Exports were led by Asia (₦8.72tn; 32.29%) and Europe (₦8.07tn; 29.87%), followed by Africa (₦6.65tn; 24.62%) and America (₦3.11tn; 11.52%). On the import side, Asia dominated with ₦8.56tn (59.37%), followed by Europe (₦3.06tn; 21.25%) and America (₦1.59tn; 11.03%). Nigeria maintained a robust surplus with Africa — exporting ₦6.65tn against ₦1.10tn in imports — driven mainly by petroleum shipments to Togo, South Africa and Côte d'Ivoire. Within ECOWAS, Nigeria's exports of ₦3.75tn far exceeded imports of ₦269.06 bn, reinforcing its position as the region's leading energy supplier and key trade hub. Overall, Nigeria's regional footprint reinforces external sector strength while pointing to fresh opportunities for intra-African trade diversification.

Share of Exports and Imports by Region in Q2 2026

S/N	Region	Exports Value (N' Trn)	Share	Region	Imports Value (N'Trn)	Share
1	Asia	8.72	32.29%	Asia	8.56	59.37%
2	Europe	8.07	29.87%	Europe	3.06	21.25%
3	Africa	6.65	24.62%	America	1.59	11.03%
4	America	3.11	11.52%	Africa	1.10	7.65%
5	Oceania	0.46	1.70%	Oceania	0.10	0.70%

Sources: National Bureau of Statistics and United Capital Research

Exports Growth Initiatives and Macroeconomic Implications

Nigeria can further boost exports by deepening value addition in agriculture and solid mineral resources. It can also expand non-oil exports through improved trade infrastructure, port efficiency, and lower logistics costs. Leveraging the African Growth and Opportunity Act (AGOA) and African Continental Free Trade Area (AfCFTA) can enhance competitiveness and diversify export earnings. Improved product standards, export-oriented investments, and industrialisation would further strengthen Nigeria's export potential. The recent extension of AGOA to December 31, 2028, preserves duty-free access to the US market. This creates opportunities to expand non-oil exports, increase foreign exchange earnings, and support job creation in Nigeria. Higher export receipts and stronger Dollar inflows could bolster external reserves and improved FX liquidity which may help moderate pressure on the Naira over the medium term.

United Capital Research

CONTACT US

- **Research:** Research@unitedcapitalplcgroup.com
- **Securities Trading:** Securities@unitedcapitalplcgroup.com
- **Asset Management:** Assetmanagement@unitedcapitalplcgroup.com
- **Trustees:** Trustees@unitedcapitalplcgroup.com
- **Investment Banking:** InvestmentBanking@unitedcapitalplcgroup.com
- **Investors Relations:** InvestorRelations@unitedcapitalplcgroup.com