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THE CHARTERED INSTITUTE OF BANKERS OF NIGERIA



CIBN

MACROECONOMIC

Report



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Executive Summary



Global growth is slowing to 2.8% in 2025 from 3.3% in 2024. This is primarily due to rising U.S. tariffs and subsequent trade tensions. On the other hand, inflation is easing to 4.3% in 2025 from 6.5% in 2024 due to stable energy and food prices.

In Africa, East Africa is leading growth, while Southern Africa holds the highest GDP per capita.

Nigeria's Real GDP is rising modestly, but unemployment remains high. Market capitalization hit approximately ₦76 trillion in June, representing approximately 17% in gains so far this year. These gains are driven by strong earnings and FX stability.

Oil prices are up due to Israel-Iran tensions, which has resulted in a slightly stronger Naira. Despite positive market signs, global risks remain.

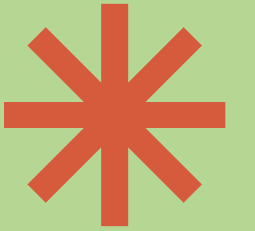


GLOBAL INSIGHTS



REPORT





Global Gross Domestic Product



Slow Growth

Emerging markets and developing economies are expected to experience slower growth, from 4.3% in 2024 to 3.7% in 2025 and 3.9% in 2026, largely due to rising trade tensions and U.S. tariffs.

Fiscal constraints and reduced development aid are also increasing pressure on low-income countries.



Global GDP Forecast 2025

01

3.3%

World Output

This growth is powered by emerging Asian Countries and Countries in Sub-Saharan Africa, such as Rwanda and Ghana.

02

0.8%

Euro Area

Frontrunners are Spain and France projected to grow at 2.5% and 0.6%, respectively.

03

3.1%

Emerging Countries & Developing Asia

Frontrunners are China and India, projected to grow at 4% and 6.2% respectively in 2025

Sub-Saharan Africa

4.2%

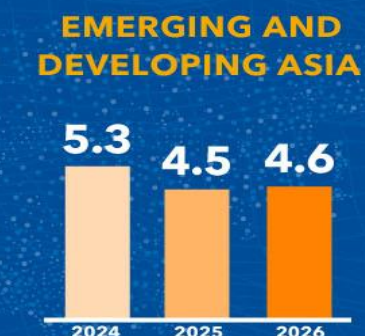
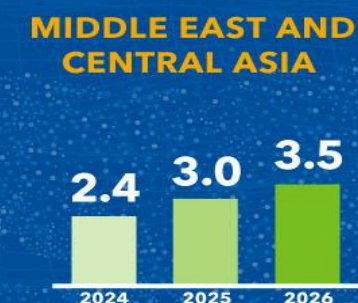
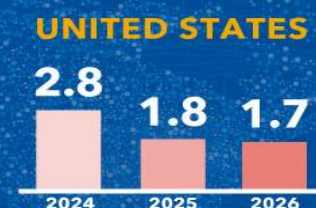
Growth is powered by countries including Ethiopia, Niger, Rwanda, and Senegal. These countries could potentially reach the 7% threshold required for poverty reduction and inclusive growth.

Global GDP Projections 2026



WORLD ECONOMIC OUTLOOK APRIL 2025 GROWTH PROJECTIONS BY REGION

(REAL GDP GROWTH, PERCENT CHANGE)



IMF.org/pubs

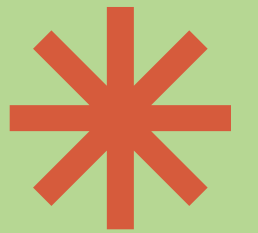
Source: IMF, *World Economic Outlook*, April 2025.

Note: Order of bars for each group indicates (left to right): 2024, 2025 projections, and 2026 projections.

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Source: IMF, *World Economic Outlook*, April 2025.

Emerging Growth



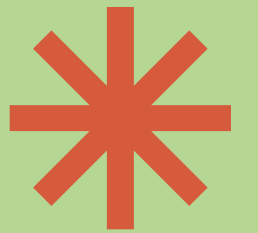
Asian Continent

5.8%

Emerging Asia Growth Rate

Emerging & Developing economies in Asia (India, Vietnam, and the Philippines), are experiencing robust growth driven by strong domestic demand and public investment

Global



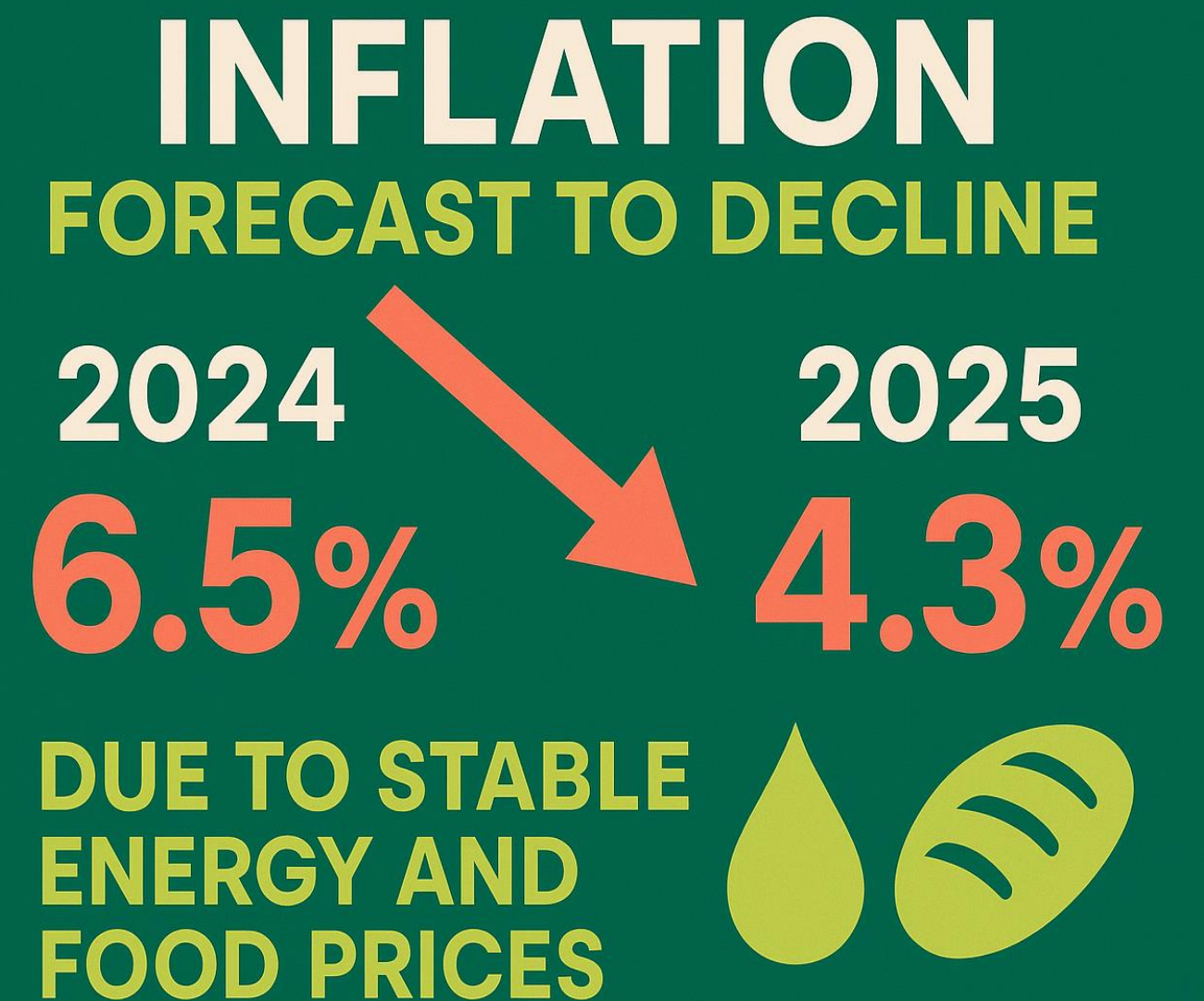
Inflation

Moderating Inflation

Global headline inflation is forecasted to decline to 4.3% in 2025, down from 6.5% in 2024, due to stable energy and food prices.

However, advanced economies like the U.S. and U.K. are seeing slight inflation increases (average of 0.4%) due to higher services inflation, rising core goods prices, and the impact of new tariffs.

Source: World Bank, June 2025



Equity Markets



GLOBAL EQUITY MARKETS – SIX MONTH PERFORMANCE

S&P 500
6,092.16
▲ 0,90%

NASDAQ Composite
19,973.55
▼ 0,23%

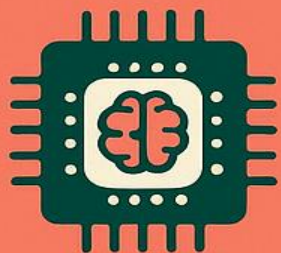
FTSE 100 **UK**
8,747,01 ▲ 7.33%

Euro Stoxx 50
5,240.51
▲ 6,97%

Nikkei 225 **Japan**
39,584,58 4,02%

SSE Composite Index
3,448,45 ▲ 1,48%

FACTORS INFLUENCING THE MARKETS



**Positive AI-Chip
Sales Outlook**



**Rate Cut Bets
in the US**



**Global Trade and
Tariff Headaches**



**Cheaper Money
in Europe**



**Monetary Policy
Reforms in Asia**







Key Insights

- 01. Positive AI-Chip Sales Outlook:** Positive AI-Chip Sales Outlook – Soaring demand for high-performance AI semiconductors is driving record chip revenues and a tech-led rally, giving global equity indices a strong tailwind
- 02. Rate-Cut Bets in the US:** Markets are pricing in two-to-three Fed cuts before year-end, and that prospect of cheaper credit is propping up valuations across sectors despite the central bank's cautious signals of stability.
- 03. Global Trade and Tariff Headaches:** Ongoing tariff disputes and the threat of fresh duties, especially between Washington and Beijing, are disrupting supply chains and injecting intermittent stress into equities
- 04. Cheaper Money in Europe:** The ECB's early-June rate cut to a 2 percent deposit rate has lowered funding costs and buoyed euro-area shares, offsetting sluggish growth worries.

Currency Performance



IN THE LAST 6 MONTHS:

	EURO	1.1346	+7.42% GAIN
	GBP	1.3538	+6.79% GAIN
	CHINESE RMB	0.1391	+0.78% GAIN
	AUSTRALIAN DOLLAR	0.6452	-0.68% LOSS
	SOUTH AFRICAN RAND	0.0558	+1.64% GAIN
	INDIAN RUPEE	0.0117	-1.15% LOSS

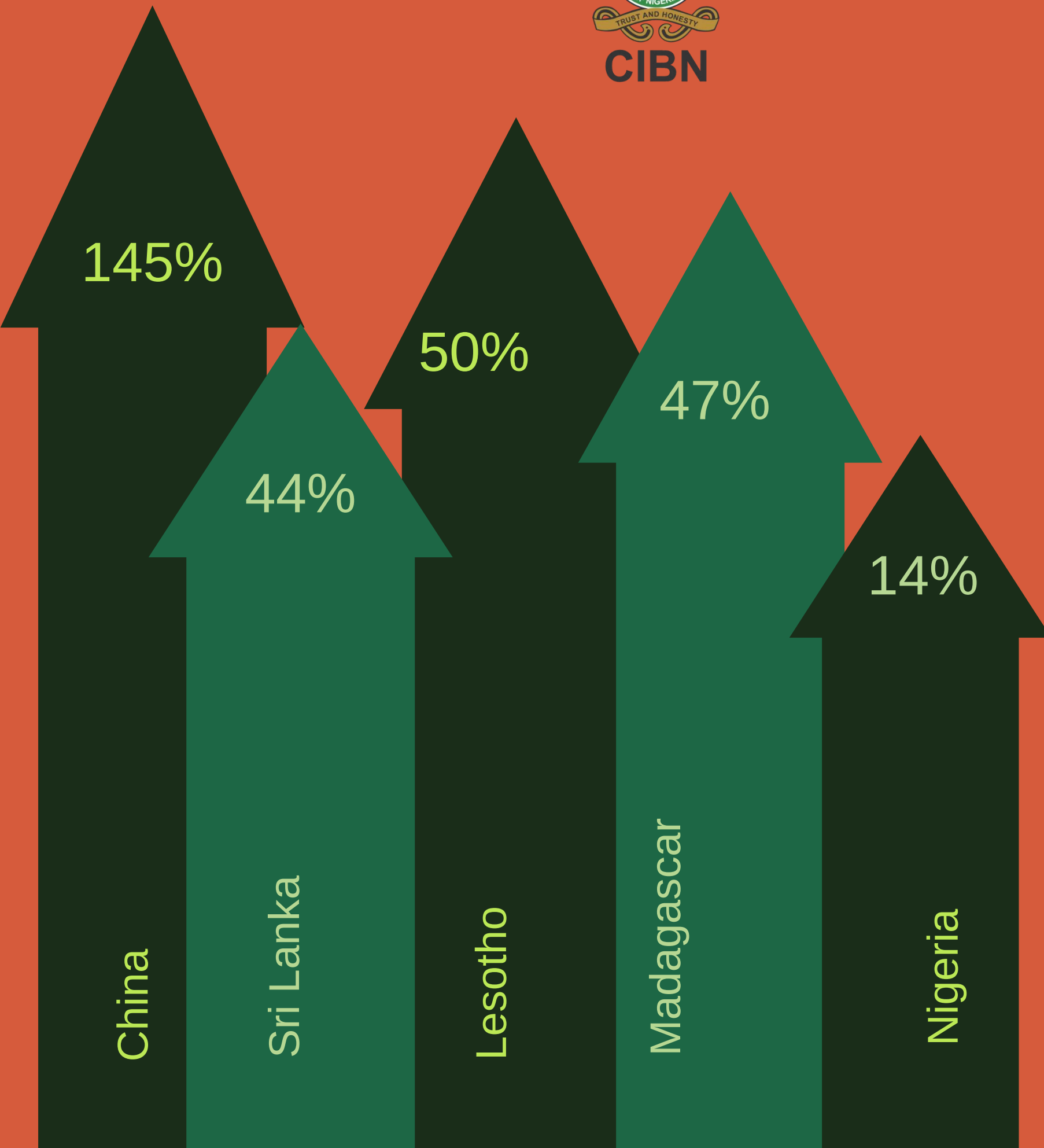
Performance Against the USD

7.42% (Euro Gain against the Dollar)

Despite the European Central Bank cutting interest rates by 25 basis points in March 2025, the deposit facility rate remains at 2.50%, which is still relatively high compared to the US where markets may be expecting faster rate cuts by the Fed due to weaker growth signals.

On the other hand, The Reserve Bank of Australia's rate cut on May 20, 2025, which lowered the cash rate to 3.85%, made Australian assets less attractive to investors compared to the US, leading to a 0.68% fall in the Australian dollar—a shift that aligns with the RBA's goal to stimulate domestic demand and cushion the economy against global uncertainties.

	INDIAN RUPEE	0.0117	-1.15% LOSS
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Highest Tariffs

Imposed by the US
April 2025



Nigeria



10% tariff rate

The US paused its reciprocal tariffs on Nigeria for 90 days (Starting in April 2025). The implication is a reduction in tariffs from 14% to 10%. The 90-day pause is expected to expire in July

China



30% tariff rate

Following trade negotiations between China and the US in May 2025, the US has agreed to reduce tariffs on Chinese imported goods down to 30% from the astronomical 145% earlier imposed

Lesotho

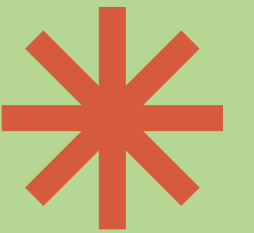


50% tariff rate

The country with the largest tariffs in Africa, Lesotho's was hit with a 50% tariff rate. The Trump Administration explained that this is in retaliation for a 99% tariff rate being imposed on imported goods from the US

Global Highlights

— Key Risks



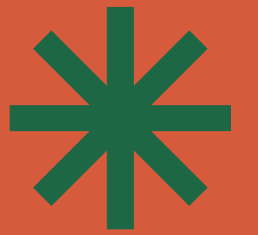
Trade War Escalation

What they are – A key component of the 'America First' policy, the tariffs—largely universal (except for China and Lesotho)—aim to prioritise U.S. industries, businesses, and workers by shielding them from foreign competition through tariffs and other trade barriers

Why You Should Care - The 14% tariff imposed by the U.S. on Nigerian exports is projected to result in a loss of between ~~₦~~1 trillion and ~~₦~~2 trillion annually from Nigeria's agricultural exports, according to the Manufacturers Association of Nigeria (MAN). The tariff could also hinder Nigeria's industrialization efforts and transition from exporting raw commodities to semi-processed and finished goods.



Global Highlights — Key Risks



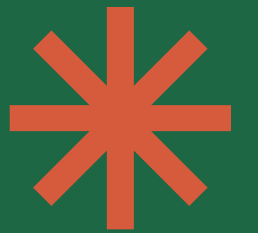
Geopolitical Tensions – Russia/Ukraine

What they are The war in Ukraine, which began in February 2022, is a result of escalating tensions between Russia and Ukraine, with significant geopolitical, economic, and security ramifications

Why You Should Care – the war has disrupted global oil supplies with Russia, a major oil exporter, facing sanctions that lead to higher global oil prices. As Nigeria heavily depends on oil exports, these price fluctuations directly impact its revenue and economy. Additionally, the war has caused food price increases due to supply chain disruptions of staples such as Wheat, Maize and Sunflower Oil, further driving inflation and the cost of living in Nigeria.



Global Highlights

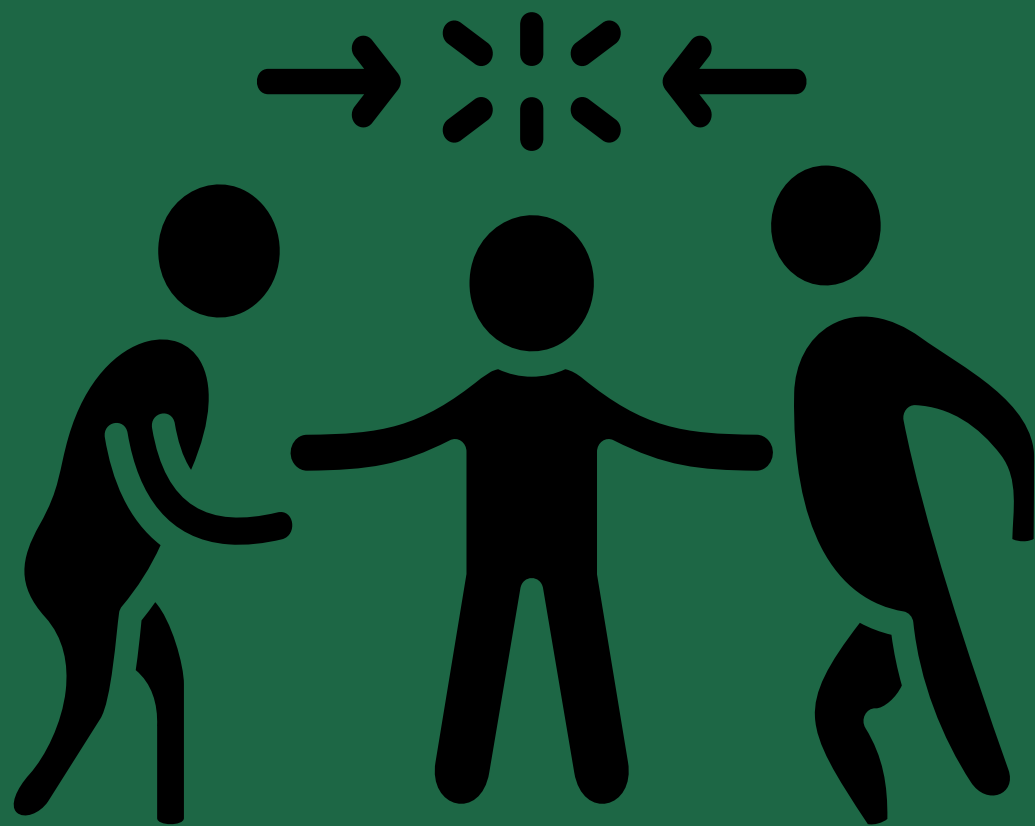


Key Risks

Geopolitical Tensions – Israel/US/Iran

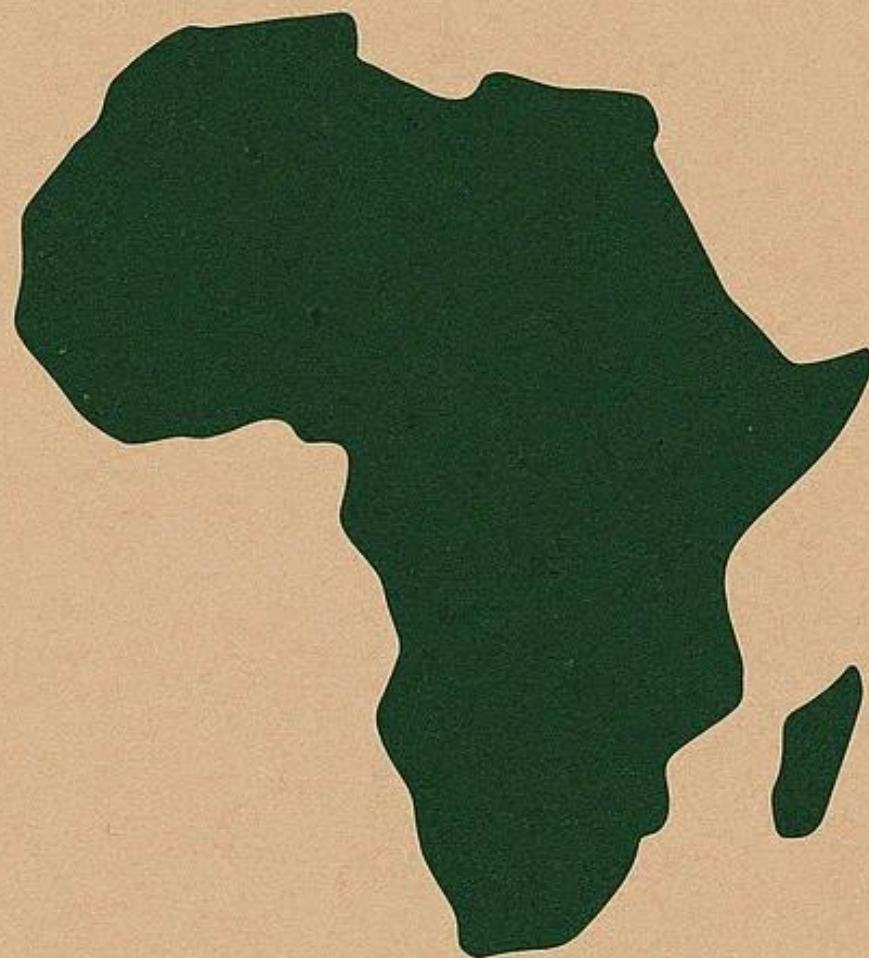
What they are – Tensions in the Middle East gained new ground as Israel deployed airstrikes on Iranian nuclear sites on June 13. The United States joined the fight on 22 June, when U.S. bombers also hit Iranian nuclear sites Fordow, Natanz and Isfahan. Iran answered with missile salvos against Israeli targets and a U.S. base in Qatar. Although Washington brokered a cease-fire on 24 June, the truce is fragile and nuclear diplomacy is stalled

Why You Should Care – Any renewed Israel-Iran-US flare-up could disrupt oil flows through the Strait of Hormuz, send global crude prices soaring and, in turn, push up Nigeria's petrol costs, inflation, budget shortfalls and naira volatility—all of which hit ordinary households directly.





AFRICAN INSIGHTS



REPORT



Top Performing



African Countries



Highlights

According to the African Economic Outlook Q2 Report for 2025, the continent's GDP is projected to increase from 3.3% growth in 2024 to 3.9% in 2025 and 4% in 2026.

This growth is powered by countries such as Ethiopia, Niger, Rwanda, and Senegal who could potentially reach the 7% threshold required for poverty reduction and inclusive growth.

Overall, 21 countries in Africa are expected to hit the 5% GDP growth rate in 2025. Regionally speaking, this growth is led by East Africa at 5.9% ,West Africa at 4.3% and North Africa at 3.6%.



Africa's Real GDP



PROJECTED REAL GDP GROWTH RATE FOR 2025

ETHIOPIA	8.0 %
RWANDA	7.8 %
KENYA	5.0 %
GHANA	4.5 %
MOROCCO	3.9 %
NIGERIA	3.2 %
TUNISIA	1.9 %
BOTSWANA	0.8 %
SOUTH AFRICA	0.8 %

Real GDP Per Region

5.9%	4.3%	3.6%
East Africa	West Africa	North Africa
3.2%	2.2%	
Central Africa	Southern Africa	



**East Africa is
driving Africa's
Growth in 2025**







KENYA
\$2,400

MOROCCO
\$4,400



NIGERIA
\$806.84



GHANA
\$2,520



RWANDA
\$1,040

GHANA
\$2,520

RWANDA
\$1,040

SOUTH AFRICA
\$6,400

TUNISIA
\$4,530



BOTSWANA
\$7,020



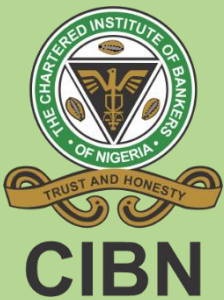
Southern Africans have retained the highest GDP Per Capita on the Continent with Botswanians earning the highest

Africa's GDP Per Capita

NIGERIA REPORT



Major Tax Reform

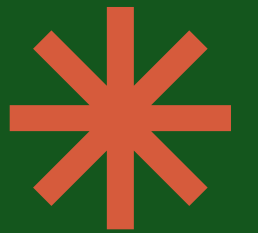


What they are

New Law	Core Purpose
Nigeria Tax Act 2024 (NTA)	Consolidates more than a dozen tax laws, collapsing 200+ federal, state and local taxes and levies to single-digit numbers
Tax Administration Act 2024 (TAA)	It spells out one clear set of taxpayer rights, speeds up how tax disputes get sorted, and puts the same firm deadline on every audit so they do not drag on.
Nigeria Revenue Service (Establishment) Act 2024 (NRS)	Transforms the Federal Inland Revenue Service (FIRS) into the Nigeria Revenue Service (NRS)—the sole collector of federally chargeable taxes and the hub for a nationwide taxpayer ID system
Joint Revenue Board Act (2024) (JRB)	It draws all states and the FCT into one coordination framework, harmonizing the tax base, rates, and digital systems nationwide.



Major Tax Reform



Why should you care?

New Law	Core Purpose
Nigeria Tax Act 2024 (NTA)	Rolls hundreds of overlapping taxes into a handful, so you meet fewer surprise levies. Also, food, medicines, rent and school fees stay VAT-free, limiting price shocks.
Tax Administration Act 2024 (TAA)	<i>Publishes</i> a single “taxpayer bill of rights,” so you know what officials can and cannot do. Standardized timelines mean disagreements are settled faster, sparing you long waits.
Nigeria Revenue Service (Establishment) Act 2024 (NRS)	<i>One-stop system:</i> a single national collector (NRS) replaces multiple agencies, reducing paperwork and queues.
Joint Revenue Board Act (2024) (JRB)	Nationwide <i>consistency:</i> states and the FCT align on what is taxed and at what rate, so moving or doing business across borders is easier.



How it Helps



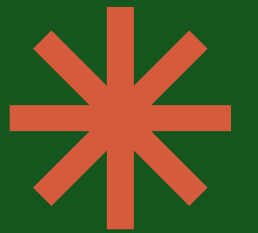
The Working Class



Reform Measure	What It Does	How It Helps the Working Class
Exemptions for Low-Income Earners via Pay As You Earn (PAYE)	Employees earning below ₦2.5 million no longer have PAYE deductions	Increasing take-home pay for low-income earners, easing cost-of-living pressures.
Company Income Tax (CIT) exemption for micro-businesses	Businesses with turnover under ₦25 million pay no CIT.	Allows small traders, artisans, and POS agents to keep more profit and reinvest in their business.
Simplified, digital tax filing	Introduces a unified online portal for tax filing and compliance.	Reduces compliance time and eliminates “facilitation” fees; eases burden on small operators.

Nigeria's

Macroeconomics



01

22.97%

Inflation (May 2025)

Monetary Policy efforts are yielding fruit as the Inflation rate fell by 1089 basis points from a peak of 34.60% in November 2024

02

27.5%

MPR

The CBN has paused since November 2024, suggesting a strategy to observe the effects of previous tightening measures and economic indicators like the rebased CPI

03

₦277.49 Trillion

Nominal GDP
(Annualized, 2024)

Nominal GDP continues to grow year on year. In the past 10 years, Nigeria's Nominal GDP has grown by over 190%

Real GDP

₦80.61 Trillion

(Annualized, 2024)

Likewise, Real GDP continues to grow year on year, albeit at a slower rate. Annualized figures show that Real GDP has grown by 15.52% over the last 10 years.



AVERAGE CONTRIBUTION TO GDP, 2023–2024



SERVICES



INDUSTRIES



AGRICULTURE

This indicates that the Nigerian economy is service-led.

However, Nigeria's industries remain underutilized.

To boost growth and jobs, there's a need to strengthen industrial capacity and modernize agriculture.

Nigeria's

Socioeconomics

01

41.3%

Urban Population

75.5%

Rural Population

Poverty Rates April 2025

02

118.72

Total Labour Force

The size of Nigeria's Labour Force indicates a massive reservoir of productive capacity which, if harnessed properly, could support industrial growth

03

4.84% (2025 Forecast)

Unemployment Rate

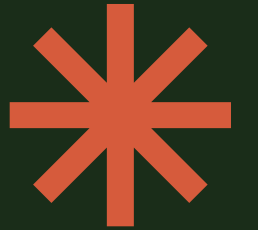
While these figures are relatively low, the low quality of jobs available and widespread underemployment are prevalent.

Financial Inclusion

74% (November 2024)

The formal financial inclusion rate has increased significantly from 57% from 2020 to 74% in 2024, surpassing the recommended National Financial Inclusion Strategy (NFIS) targets of 65% of adults formally included by 2024.

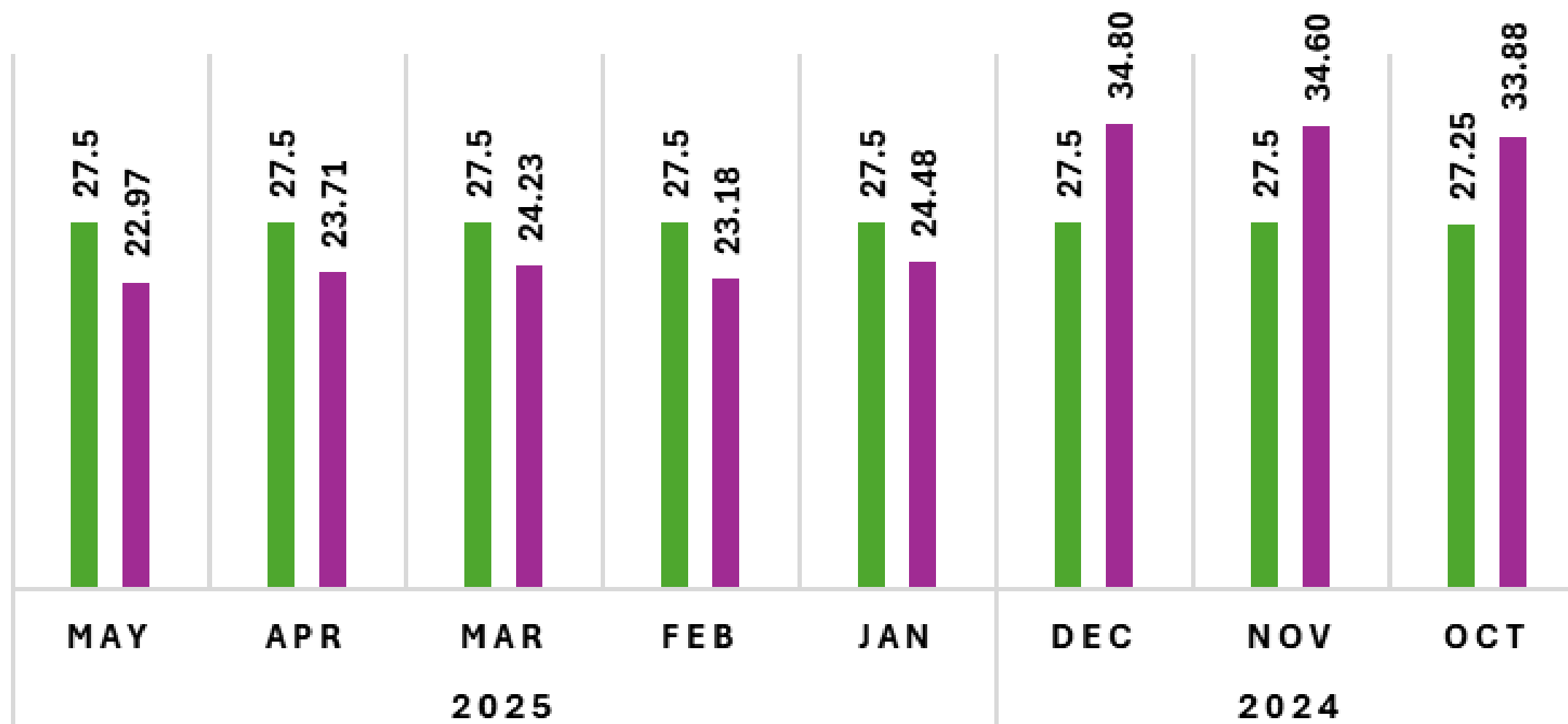
MPR vs



Inflation Rate

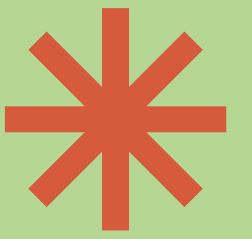
MPR VS INFLATION (%)

■ Monetary Policy Rate ■ Inflation



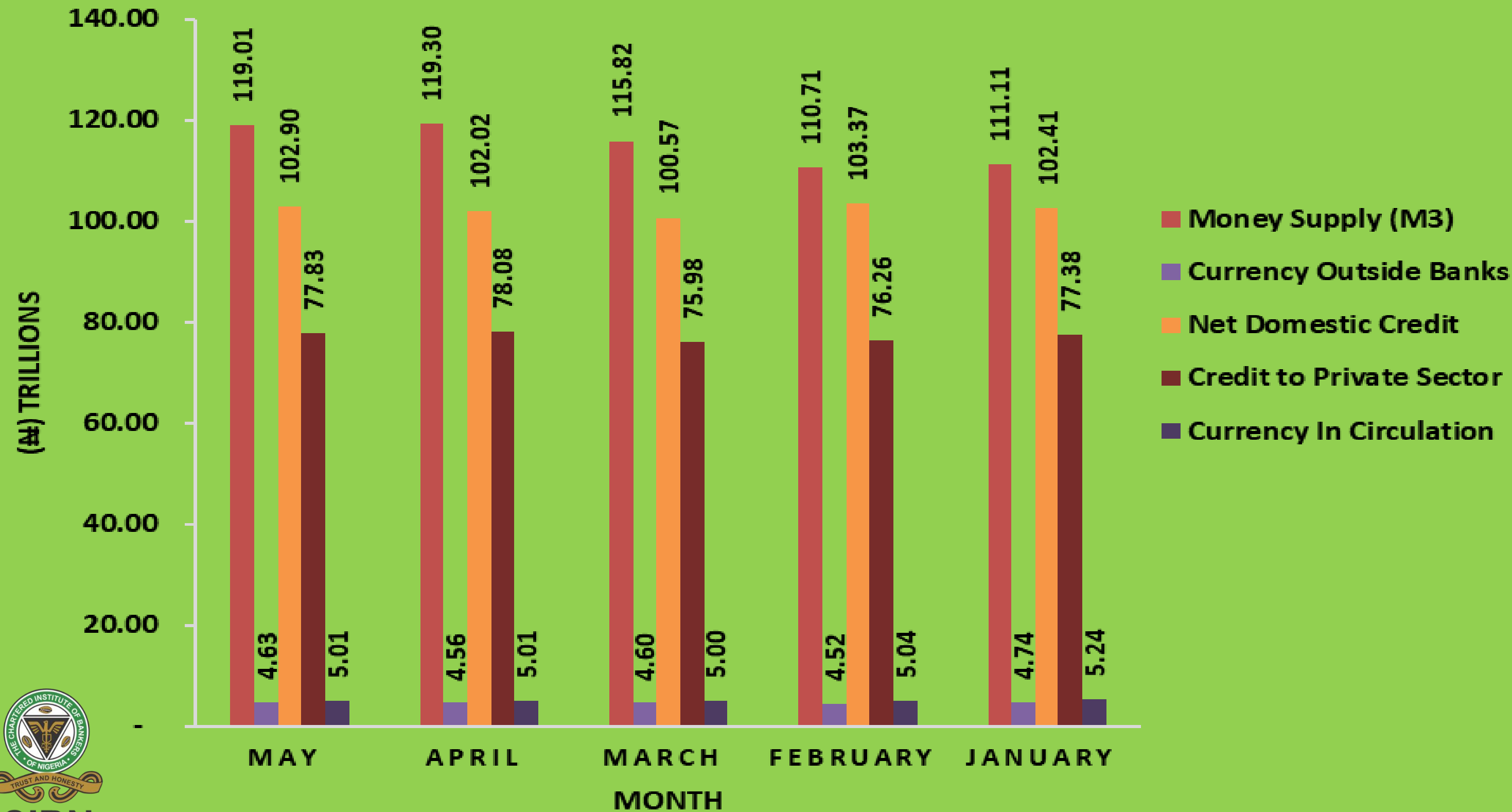
Insights

01. Nigeria's Monetary Policy Rate (MPR) remained steady at 27.5% from October 2024 to May 2025, while inflation rose modestly in December 2024, likely due to festive spending.
02. The drop in inflation rates is in part due to the rebasing of the Consumer Price Index in 2025
03. The static MPR rate indicates that the CBN has maintained its pre-emptive stance, maintaining MPR rates over the course of 2025 so far



Money & Credit Statistics

₦ Trillions, 2025



Market Cap &



All Share Index Performance

Insights

01. Market cap pushes from roughly ₦65 trillion in January to almost ₦76 trillion by June, pausing only in March when the ASI's average weekly return drops to -0.5% . This represents a 17% growth this year so far
02. Each uptick in average monthly performance (blue line) is mirrored by a larger market cap (orange bars). This trend shows how fresh money crowds in when sentiment turns positive.
03. The All-Share gains jump from 1.12 % in May to 1.80 % in June, swelling the market cap. However, the speed of the rise leaves the rally vulnerable to any earnings stumble or macroeconomic shock.

Market Capitalization (N Trillions) vs NGX All Share Index Performance (%)

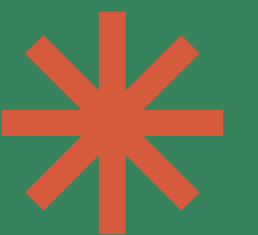


Year	Month	Crude Oil Price	Average Ex Rate (N)
2025	June	\$74.74	₦1,551.80
	May	\$65.90	₦1,595.10
	April	\$69.07	₦1,602.79
	March	\$74.44	₦1,533.00
	February	\$77.06	₦1,504.13
	January	\$80.71	₦1,536.45

Escalating tensions between Iran and Israel have pushed oil prices higher, helping the Naira rebound against the dollar in June



Crude Oil vs Exchange Rate

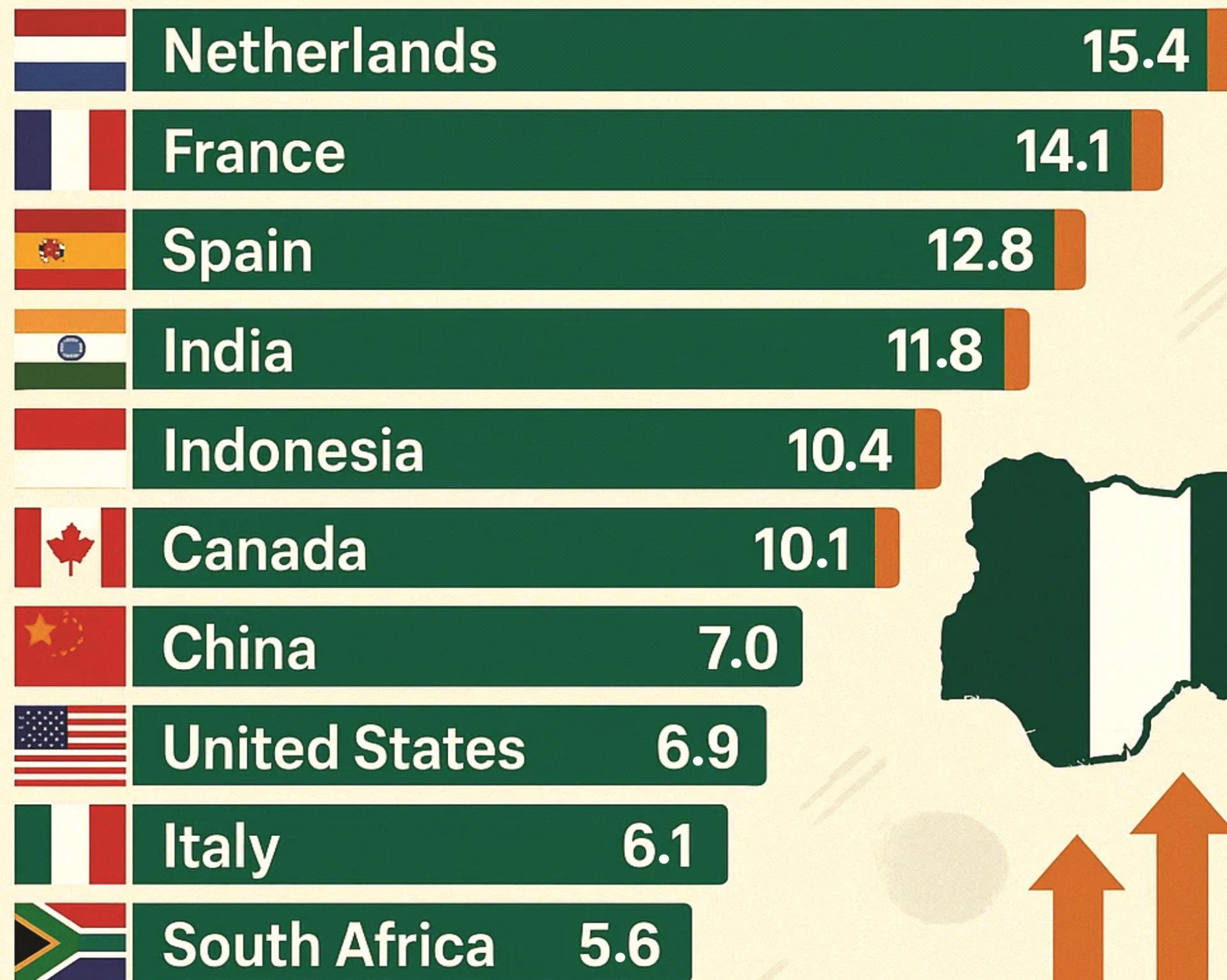




(%) NIGERIA'S EXPORT PARTNERS 2025



The US is
Nigeria's
8th Major
Export
Partner



Key



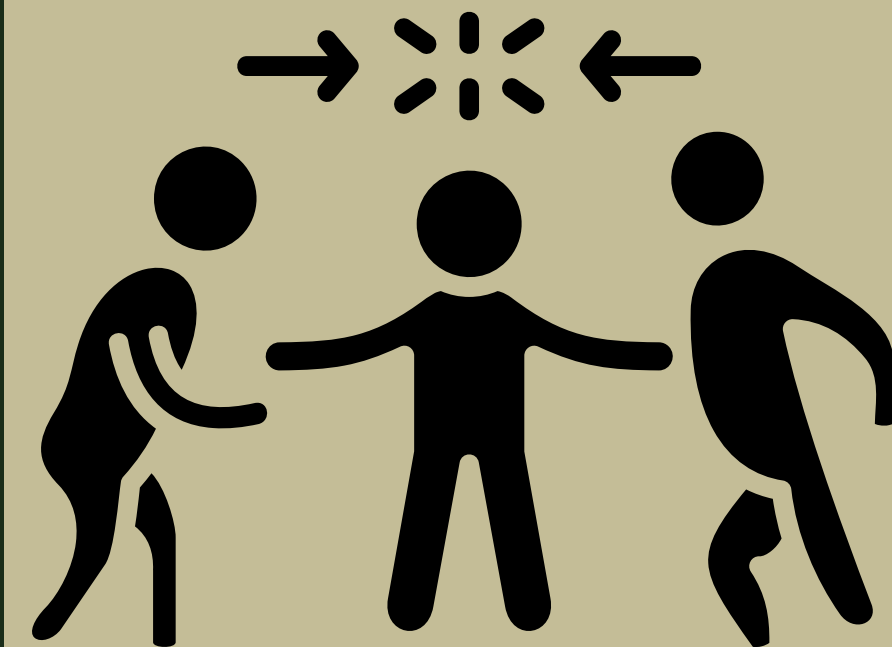
Takeaways



US/China trade tensions
have eased slightly



East Africa is Leading
Africa's Growth



Israel/Iran/US tensions
drive up oil prices and
Naira value

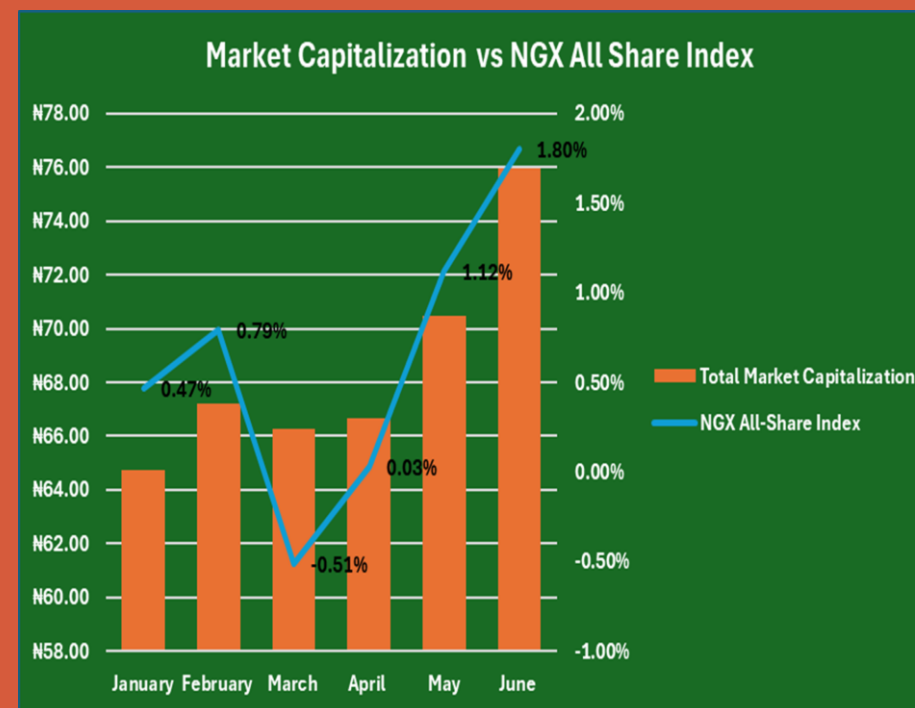
Key

Takeaways

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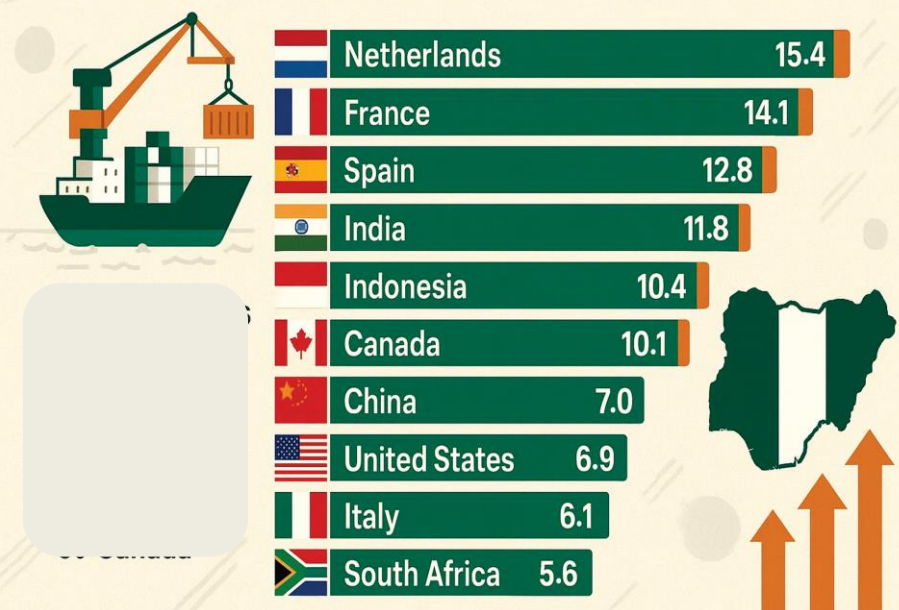


Major Tax Reforms set to propel Nigeria toward Trillion Naira economy



Despite a dip mid-way, Market Cap and the All-Share Index have risen in the first half of 2025

NIGERIA'S EXPORT PARTNERS 2025



Europe remains Nigeria's biggest trade partner

Data



References

No	Reference
1.	<i>International Monetary Fund</i>
2	<i>World Bank</i>
3	<i>African Development Bank</i>
4	<i>International Labour Organisation</i>
5	<i>Statista</i>
6	<i>National Bureau of Statistics</i>
7	<i>Central Bank of Nigeria</i>
8	<i>Bloomberg</i>
9	<i>Yahoo Finance</i>
10	<i>Reuters</i>
11	<i>Enhancing Financial Innovation and Access (EFInA)</i>
12	<i>Nigerian Stock Exchange</i>
13	<i>Debt Management Office</i>
14	<i>Budget Office of the Federation (Nigeria)</i>
15	<i>Office of the Presidency (Nigeria)</i>



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