

3. Key socio-economic indicators

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3.1. Economic situation

Nigeria is facing the worst economic crisis in a generation, with high poverty and hardship levels due to - among other reasons - the slow growth of the economy, high inflation,[867] and the recent implementation of economic policies by the government.[868] For more information see 3.3. Poverty.

Nigeria is one of the largest market economies in Africa[869] and a major oil exporter.[870] The gross domestic product (GDP) growth for 2024 was 3.4 %.[871] In addition to crude oil, the country's main industries include coal, tin,[872] columbite, rubber, wood, textiles, food products, footwear, chemicals, fertilisers, and steel.[873] Its high dependency on crude oil, however, makes Nigeria vulnerable to fluctuations in oil prices and production.[874] Nigeria is also becoming a leading exporter in liquified gas.[875]

The financial sector and telecommunications are 'very dynamic', and the banking industry is one of the largest and most sophisticated in Africa.[876] Services such as finance, construction, entertainment, hospitality, and government are concentrated in urban areas.[877] The construction sector is growing rapidly due to rising demand for new infrastructure, including housing, commercial buildings, roads, airports, and railways.[878] The agricultural sector is vital for Nigeria's economy.[879] Nigeria is the world's largest producer of cassava and the third-largest of tomatoes and groundnuts.[880] The country relies heavily on imports to meet the needs of its rapidly growing population.[881]

Nigeria's economy declined between 2015 and 2022 due to policy missteps, distortion of the monetary and exchange policies, lack of confidence in the economy, lower oil production, the COVID-19 pandemic, high global food prices following Russia's invasion of Ukraine, and floods.[882] The administration of President Bola Ahmed Tinubu, who took office in May 2023, enacted several economic measures to bring price stability, including the elimination of a gasoline subsidy and the parallel exchange rate, and a tightening of monetary policy.[883] Sources indicated that the removal of the gasoline subsidy led to a significant increase in fuel prices, which in turn caused various other costs to rise as companies transferred the increased transportation and energy costs to the consumer.[884] Additionally, the elimination of the parallel exchange rate led to the depreciation of the Naira between 70 % and 100% against the US dollar and a sharp increase in the cost of imported goods.[885] In 2024, public debt increased by

34 % from 2023 due to the depreciation of the Naira and new borrowings, making the country vulnerable to fiscal constraints.886

The inflation rate has been increasing over the years, reaching 33.2 % in 2024.887 In 2024, the rise in inflation was driven by food (up by 43 %, due to rising transport costs, insecurity in food-producing regions, and dependency on imports), transportation (up by 35.3 %, due to high oil prices), and utilities (up by 31.6 %, due to 'seasonal factors' and increased energy and electricity costs).888 A survey by the Central Bank of Nigeria indicated that the major drivers of inflation for households in May 2025 were energy (e.g., fuel and electricity) (85.7 %), transportation (85 %), the exchange rate (82 %), and insecurity (80 %).889 In an effort to control rising inflation, the Central Bank of Nigeria increased the interest rate from 15.5 % in October 2023 to 27.25 % in September 2024,890 and the government temporarily suspended tariffs on imported goods.891

The gross domestic product (GDP) for 2024 was 3.4 %, the highest since 2014.892 Economic growth was due in part to a continued recovery of the oil and gas sector and information technology,893 as well as the growth in the financial and insurance sectors.894 The agricultural sector, on the other hand, remained weak (1.2 % growth) due to high input costs and insecurity. 895 Additionally, there has been a lack of political commitment to implement plans for economic diversification and agricultural expansion.896 For the third quarter of 2024, the highest-contributing industries to the real GDP included crop production (26.51 %), trade (14.78 %), telecommunication and information services (13.94 %), oil and natural gas (5.57 %), and real estate (5.43 %).897 The annual GDP per capita has decreased since 2014, from 3 700 US dollars in 2014 to 824 US dollars in 2024.898

Obstacles to economic growth include insecurity, unreliable energy supply, deficient transportation infrastructure, high inflation, an inefficient judicial system, widespread corruption, 899 and lack of available foreign exchange, which makes it difficult for manufacturers to import required inputs for production.900 Foreign direct investment is weak,901 with less than 1 % of the GDP in 2024, and long term foreign investment continues to be affected by structural constraints of Nigerian economy.902

Lagos state is a main economic hub in Africa, largely driving economic activity in West Africa. 903 In 2024, Lagos had a GDP growth of 5.26 % and contributed with 22.36 % to Nigeria's national GDP. Lagos' size of the economy in 2025 is expected to be around 51 trillion Naira [28.1 billion Euros]. Lagos' key economic sectors are trade and information and communication technology.904 In 2024, the industrial and service sectors grew by 2.86 % and 5.19 %, respectively. The agricultural sector, however, experimented low growth (0.8 %) due to insecurity, floodings, and logistic issues.905 In an effort to address the impact of the 2024 economic reforms, the government of Lagos introduced several programs to ease the cost of living, including a 25 % discount on food staples and a 25 % fare reduction for public transportation.906

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