



## 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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