



NESG

Business Confidence Monitor

Rising Uncertainty Dampens Nigeria's Current
Business Conditions



January 2026

Table of Contents:



 Executive Summary

 BCM Framework

 Nigeria's Business Conditions in December 2025

 How the Sectors Fared in December 2025

- Agriculture Sector
- Manufacturing Sector
- Non-Manufacturing Industries
- Services Sector
- Trade Sector

 Future Business Expectations

Executive Summary

The Business Confidence Monitor (BCM) is a survey-based report that presents qualitative information on the current business sentiment within the Nigerian economy and gauges expectations about overall economic activities in the short term. All results are based on business managers' assessments of current performance and optimism regarding key leading economic and business indicators, such as investment, prices, demand conditions, and employment.

Key Findings

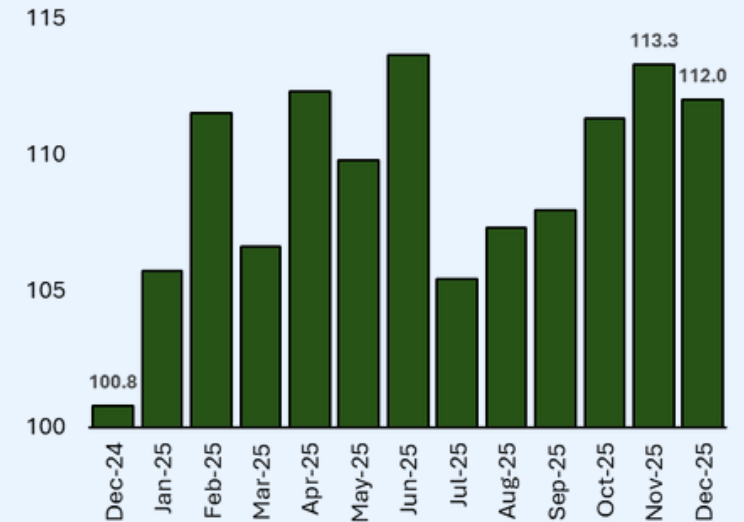
Current Business Performance (December 2025):

- Nigeria's business environment sustained its 12-month consecutive expansion streak, although the Current Business Performance Index moderated slightly in December 2025.
- The BCM index stood at 112.0 points in December 2025, down from 113.3 points in November 2025, and 11.2 index points above its December 2024 level.
- Despite the continued expansion, businesses faced several binding constraints during the month, including limited access to finance, inadequate power supply, policy uncertainty, high rental costs, and persistent exchange rate challenges.

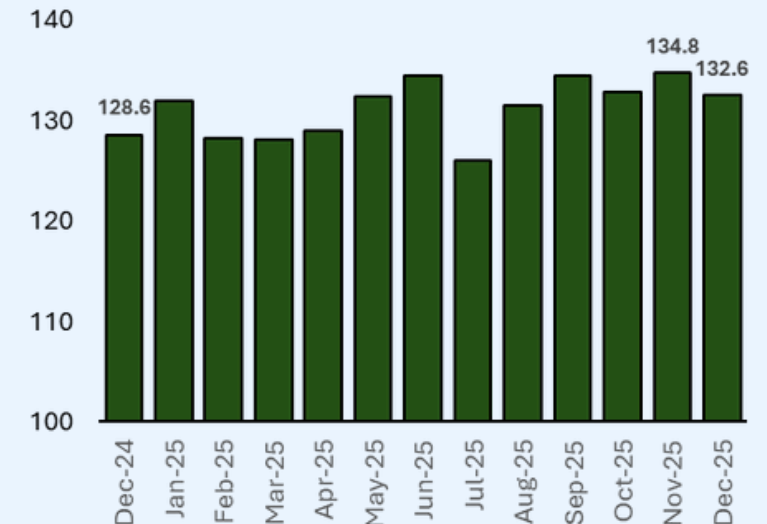
Future Expectations (Next One to Three months):

- The Future Business Expectation Index declined marginally to 132.6 points in December 2025, from 134.8 points in November 2025, but remained above its level of 128.6 points in December 2024, indicating sustained optimism about future business conditions.
- The positive, albeit weaker, outlook reflects uncertainty around anticipated policy reforms, a less supportive operating climate, and negative spillovers from electoral developments, partly offset by higher production levels, stronger cash flows, improved supply orders, and rising demand.
- Across sectors, the Trade sector recorded the highest level of optimism, while the Services sector exhibited the weakest confidence regarding future performance.

NESG's Current Business Performance Index



NESG's Future Business Expectation Index



BCM Framework

The NESG BCM combines leading qualitative indicators on Production, Investment, Export, Demand Conditions, Prices, Employment, and the General Business Situation to gauge the overall business optimism of the Nigerian economy.

The target respondents for the Business Confidence Survey (BCS) are business establishments operating in Nigeria that have been engaged in economic activities since the beginning of 2023. The survey is administered to senior managers and business executives.

The Contextual Definition

For the report, we define business confidence as a pool of economic indicators that measure the current business condition and the extent of optimism or pessimism that business managers feel about the general state of the Nigerian economy as it affects key business decisions within three months.

Data Source

The data set for constructing NESG BCM indices is generated from various qualitative responses reported in the BCS. The BCS, a monthly survey conducted

by NESG, gathers information on various variables across different economic activities from owners and managers of businesses operating in Nigeria.

The survey was conducted in Lagos, Kano, and Abuja to provide the key information that turns the NESG's BCM into a representative monthly measure of managers' confidence in the Nigerian business environment.

Rescaling of Results & Interpretation

The BCM results have been revised or updated to have an origin of 100 as cut-off points for distinguishing performance. For current business performance, index points below 100 are considered "Contraction", and above 100 are "Expansion". In the same vein, index points below 100 are considered "Pessimism", and above 100 are "Optimism" for the future business expectation.

Results from previous editions have been updated to ensure accuracy in tracking historical trends.

Economic Sectors Covered in the Report

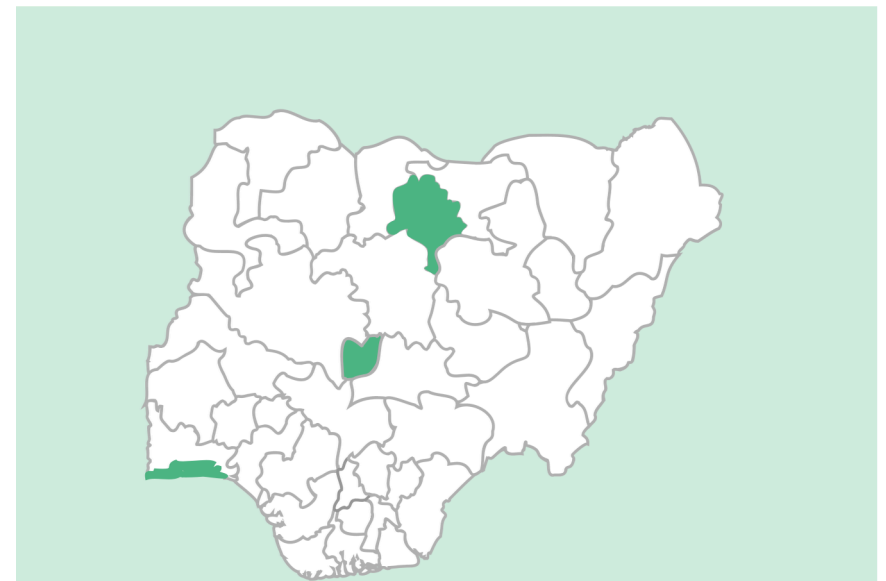
Trade: Wholesale Trade | Retail Trade

Manufacturing: Food, Beverage, and Tobacco | Textile, Apparel, and Footwear | Cement | Chemical and Pharmaceutical Products | Plastic and Rubber products | Wood and Wood Products | Pulp, Paper and Paper Products | Non-Metallic Products | Electrical and Electronics | Basic metal, Iron and Steel | Motor vehicles & assembly | Other Manufacturing

Non-Manufacturing Industries: Crude Petroleum | Natural Gas | Oil and Gas Services | Construction

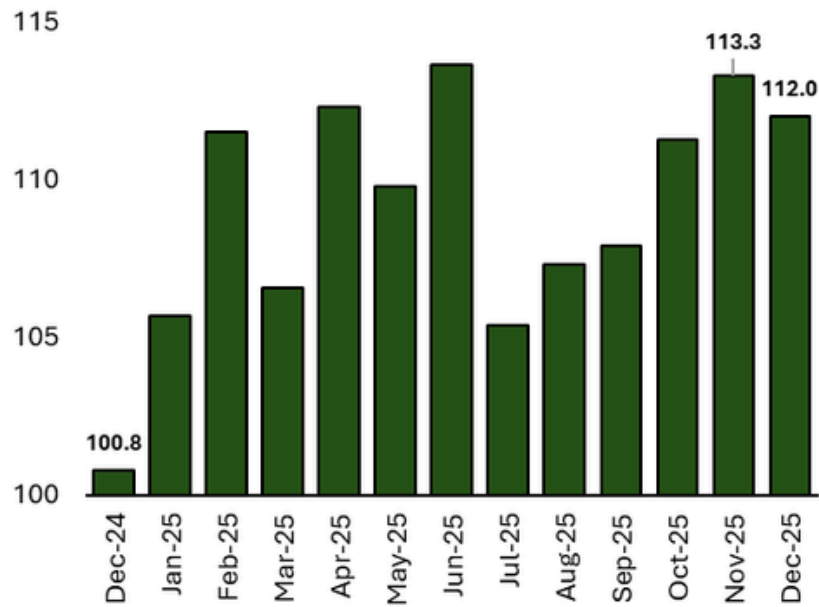
Agriculture: Crop Production | Livestock | Agro-Allied | Forestry | Fishing

Services: Telecomms & Information Services | Broadcasting | Financial Institutions | Real Estate | Professional, Scientific and Technical Services



Business Conditions in December 2025

NESG's Current Business Performance Index



Nigeria's business environment maintained its expansionary trajectory in December 2025, marking twelve consecutive months of improvement in business conditions. The NESG Business Confidence Monitor (BCM) Current Business Performance Index stood at 112.0 points in December 2025, down from 113.3 points in November 2025, but 11.2 index points higher than its level in December 2024. The moderation in the pace of expansion reflects a general softening in business activities across sectors, despite relatively strong performance in key segments and a notable surge in activity within the Agriculture sector.

A sectoral breakdown indicates that all five major economic activities remained in the expansionary zone during the month, although three sectors recorded declines relative to November 2025. The Agriculture sector posted the strongest improvement, rising by 9.6 points to 112.9 index points, while Manufacturing (117.9) also recorded a marginal increase. By contrast, Trade (123.8), Non-Manufacturing (101.8), and Services (104.3) declined compared to November 2025.

Key sub-indices tracked by the BCM—including the general business situation, production, financial conditions, supply orders, trade stockpiling, access to credit, and cash flow—recorded moderate declines relative to November 2025. This broad-based moderation points

	Dec. 2024	Jan. 2025	Feb. 2025	Mar. 2025	Apr. 2025	May 2025	Jun. 2025	Jul. 2025	Aug. 2025	Sept. 2025	Oct. 2025	Nov. 2025	Dec. 2025	
Sectoral Business Condition Indices	Manufacturing	97.6	99.3	110.3	108.3	108.8	114.4	123.6	98.0	106.2	102.5	111.3	114.2	117.9
	Non-manufacturing	105.8	95.4	110.2	119.2	123.6	122.2	120.7	112.6	116.2	114.5	115.0	117.7	110.2
	Services	96.5	98.6	107.1	105.5	106.5	104.5	106.3	101.9	103.7	108.5	111.0	105.8	104.3
	Trade	94.4	99.2	121.5	100.5	125.1	114.1	121.0	103.2	114.1	107.6	115.4	136.8	123.8
	Agriculture	113.9	110.9	102.7	97.6	107.0	98.2	108.9	107.0	95.6	107.3	111.4	103.3	112.9
Business Condition Sub-Index Pillars	General Business Situation	123.1	144.8	158.3	147.7	172.5	166.6	166.7	137.4	152.4	160.3	167.1	175.8	147.7
	Production	117.8	123.7	142.1	129.2	144.6	140.1	143.1	117.9	126.6	125.8	133.8	146.5	123.5
	Demand Condition	117.3	125.4	132.1	92.5	127.3	119.1	129.4	98.6	121.8	122.9	145.3	140.6	131.4
	Investment	68.5	72.5	60.5	86.7	85.0	74.4	56.3	79.3	61.4	76.1	84.2	105.3	98.1
	Export	106.7	102.1	104.7	97.6	106.2	103.1	102.3	98.9	98.1	95.8	105.5	103.5	101.5
	Cost of Doing Business	150.3	147.6	147.2	148.3	151.8	138.5	142.8	123.2	127.0	62.6	67.5	54.3	61.6
	Operating Profit	113.5	116.1	119.0	119.2	129.4	108.3	129.0	107.3	117.7	114.7	124.2	120.9	115.0
	Financial Results	99.0	119.4	146.1	72.9	155.4	136.4	141.4	117.6	141.7	132.2	143.8	148.3	143.6
	Supply Order	105.1	101.4	133.9	116.0	154.9	135.3	134.2	111.3	116.3	99.5	116.5	154.5	130.8
	Trade Stockpiling	101.7	102.6	175.0	113.2	132.5	133.0	175.0	98.0	175.0	157.5	157.5	182.5	175.0
	Access to Credit	108.2	132.0	124.8	118.3	124.0	125.0	128.8	123.6	115.5	122.9	138.7	143.6	119.6
	Cash Flow	118.9	118.4	130.6	120.8	130.5	126.0	126.2	115.2	118.8	128.7	121.7	134.2	123.4
	Prices	69.1	73.4	76.2	94.8	83.4	81.9	70.7	93.0	84.0	76.7	82.7	70.2	72.3
	Employment	120.7	118.0	126.3	117.9	137.6	130.9	127.2	111.9	114.9	114.9	129.1	134.9	119.8



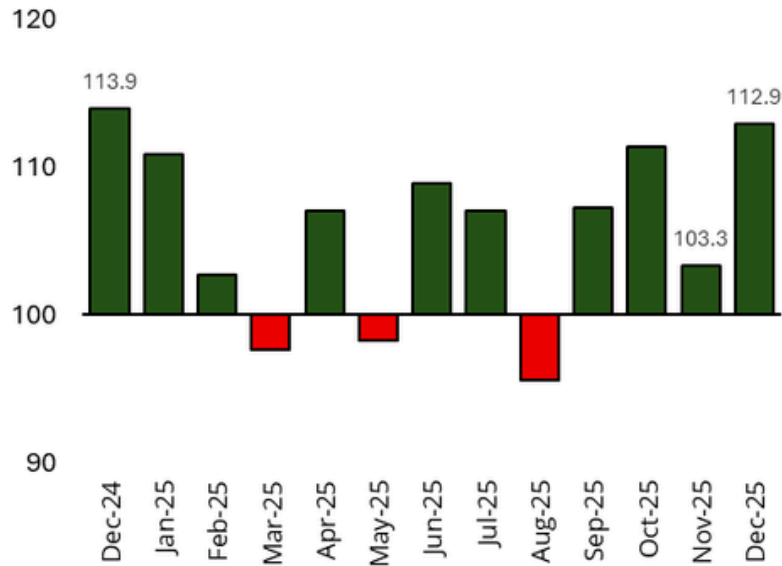
N:B Cost of doing business has an inverse interpretation to the index notations.

to a more cautious business stance and subdued consumer demand. During the month, the cost of doing business rose to 61.6 points from 54.3 points in November 2025, while input prices continued to increase, albeit at a slower pace. Together, these developments contributed to the relative slowdown in business performance in the month.

Nevertheless, persistent financing constraints, unreliable power supply, policy uncertainty, high commercial property costs, and elevated exchange rate pressures remained the most significant challenges, dampening business performance and confidence during the month.

Agriculture

NESG's Agriculture Business Performance Index



Agriculture Sub-Sector Indices	Dec. 2024	Jan. 2025	Feb. 2025	Mar. 2025	Apr. 2025	May 2025	Jun. 2025	Jul. 2025	Aug. 2025	Sept. 2025	Oct. 2025	Nov. 2025	Dec. 2025
	Crop Production	130.3	117.0	101.4	97.9	107.6	95.1	109.6	109.6	93.6	107.9	113.8	106.2
Livestocks	126.0	105.7	101.6	117.4	99.6	107.8	105.2	99.6	100.5	112.5	104.5	93.2	105.2
Agro-Allied	48.0	90.8	107.9	89.7	107.2	106.3	108.2	100.5	100.8	103.3	106.2	95.2	108.2
Forestry	92.5	98.9	95.0	101.1	102.1	104.6	100.0	107.5	98.9	101.1	100.0	111.7	100.0
Fishing	120.9	103.2	106.7	98.9	110.8	100.0	99.0	97.9	104.0	107.5	97.3	105.0	105.0

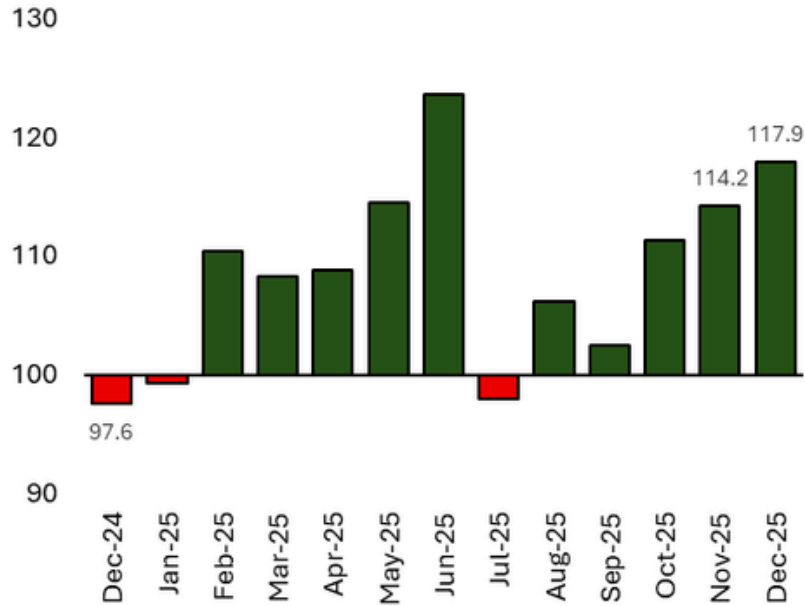
The NESG–Stanbic IBTC Business Confidence Monitor (BCM) Index for the Agriculture sector rose in December 2025 to 112.9 points from 103.3 in November. This recovery was primarily driven by notable expansion of business activities in Crop Production, Livestock, and Agro-Allied sub-sectors, due to higher seasonal sales activities in December of every year.

A review of activities across the five agricultural sub-sectors revealed that all segments, except Forestry, recorded expansion in business activities. Livestock and Agro-Allied activities exited the contraction region, registering 105.2 and 108.2 points, respectively. This indicates heightened business activities within key food-producing segments and underscores the high seasonal demand for agricultural output in this period of the year.

Combined with good weather and improved harvests, improved access to inputs, growth in agro-processing, supportive macroeconomic conditions, and increased mechanisation, strengthened overall business performance in the sector.

Manufacturing

NESG's Manufacturing Business Performance Index



	Dec. 2024	Jan. 2025	Feb. 2025	Mar. 2025	Apr. 2025	May 2025	Jun. 2025	Jul. 2025	Aug. 2025	Sept. 2025	Oct. 2025	Nov. 2025	Dec. 2025
Food, Beverage & Tobacco	108.1	108.7	119.8	115.0	111.5	124.3	125.7	93.2	104.4	99.8	121.6	109.2	119.9
Textile, Apparel & Footwear	72.5	72.3	97.3	96.9	105.9	100.3	129.4	95.8	109.4	118.1	106.7	132.8	128.4
Cement	90.0	102.9	98.4	100.0	102.1	100.0	111.8	111.1	101.8	79.3	102.7	99.5	94.5
Chemical & Pharm. Products	89.3	98.1	104.0	113.8	120.9	137.5	126.1	130.6	129.2	135.1	109.8	131.8	134.9
Plastic & Rubber products	104.4	89.6	113.0	111.2	116.4	119.3	128.0	119.3	124.8	105.4	106.5	121.7	130.3
Wood and Wood Products	89.4	116.0	101.0	109.1	103.6	96.5	126.1	94.9	101.8	97.5	90.9	110.2	96.8
Pulp, Paper & Paper Products	99.2	100.5	99.5	100.4	101.6	97.3	103.9	98.9	118.6	114.5	115.0	93.4	111.8
Non-Metallic Products	107.5	108.8	100.8	109.4	100.0	102.2	109.0	95.2	98.5	94.8	80.9	100.7	99.8
Electrical & Electronics	54.0	101.1	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	105.4
Basic metals, Iron & Steel	103.6	106.4	112.1	90.7	91.7	105.6	103.6	97.9	99.1	101.1	56.4	123.6	106.1
Motor vehicles & Assembly	73.3	62.9	95.0	98.9	102.1	104.3	94.6	100.0	87.5	100.0	100.0	100.0	100.0
Other Manufacturing	110.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

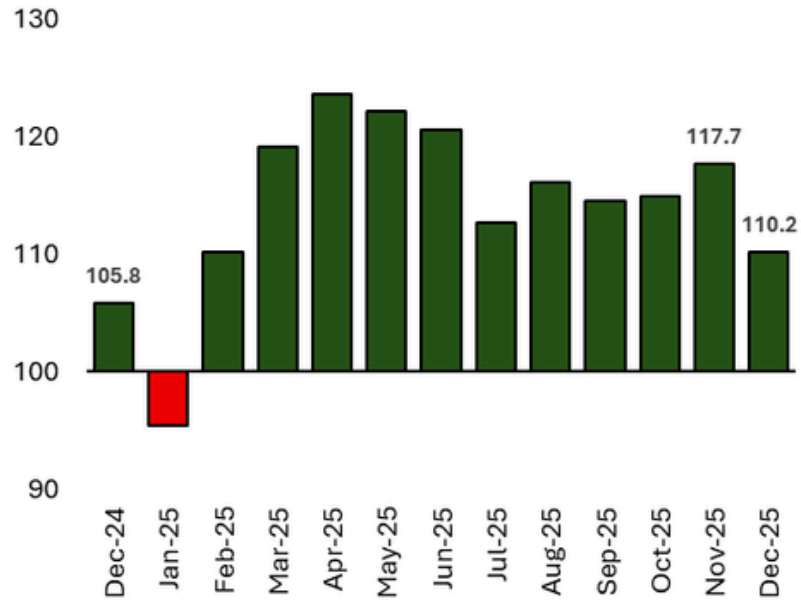
The NESG-Stanbic IBTC Business Confidence Monitor (BCM) Index for the Manufacturing sector improved in December 2025, rising to 117.9 points from 114.2 in November. This growth was driven by strong performance in key sub-sectors such as Food, Beverages, and Tobacco; Textile, Apparel, and Footwear; Plastic and Rubber Products; Pulp, Paper, and Paper Products; and Electrical and Electronics.

At the sub-sector level, four activities — Wood and Wood Products, Non-Metallic Products, Cement, and Basic Metal, Iron, and Steel — slipped into contraction and recorded declines during the month. However, the expanding sub-sectors accounted for over 70 percent of Nigeria's manufacturing output, so their positive performance explains the sector's overall improvement.

Surveyed businesses noted that manufacturing activities remain constrained by inadequate electricity supply, persistent insecurity, shortages of raw materials, rising input prices, and weakening sales. These challenges disrupt production, erode profit margins, constrain investment, dampen customer demand, and ultimately hinder the sector's ability to sustain expansion.

Non-manufacturing

NESG's Non-manufacturing Business Performance Index



	Dec. 2024	Jan. 2025	Feb. 2025	Mar. 2025	Apr. 2025	May 2025	Jun. 2025	Jul. 2025	Aug. 2025	Sept. 2025	Oct. 2025	Nov. 2025	Dec. 2025
Construction	108.3	104.8	112.2	117.3	121.7	139.1	117.1	120.0	119.4	121.8	129.5	136.4	130.2
Crude Petroleum	95.6	100.0	102.1	125.7	100.0	115.0	100.0	100.0	100.0	100.0	100.0	120.0	100.0
Natural Gas	99.2	105.7	114.8	128.2	121.4	118.2	112.9	123.6	115.8	111.3	115.0	113.4	111.0
Oil & Gas Services	120.1	75.3	113.4	107.8	128.7	125.9	133.8	99.1	117.4	115.0	124.2	110.5	98.7
Others	113.0	92.7	104.1	97.8	111.2	106.0	98.4	101.1	97.3	104.4	96.0	106.7	104.6

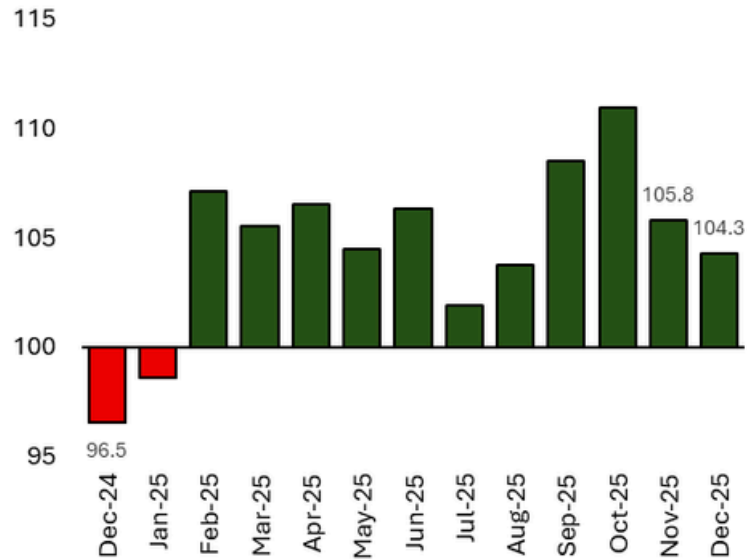
Riding on improved business conditions, the Non-manufacturing sector recorded a slight slowdown in December 2025, with the BCM index easing to 110.2 points from 117.7 in November, though still reflecting month-on-month galloping growth in business activities.

Except for Oil & Gas Services, all sub-sectors remained in expansion, but with a notable moderation in growth across the expanding segments.

The slowdown in business expansion in the sector had stemmed from persistent structural constraints - insecurity, inadequate infrastructure, high rental costs, limited access to finance, multiple taxation, and rising operating expenses - which continue to constrain expansion, profitability, and competitiveness.

Services

NESG's Services Business Performance Index



	Dec. 2024	Jan. 2025	Feb. 2025	Mar. 2025	Apr. 2025	May 2025	Jun. 2025	Jul. 2025	Aug. 2025	Sept. 2025	Oct. 2025	Nov. 2025	Dec. 2025
Broadcasting	80.0	69.7	127.9	124.5	123.6	109.6	126.1	103.2	104.3	131.1	137.9	109.3	99.3
Financial Institutions	104.0	137.8	129.1	120.5	121.9	139.5	121.5	120.2	133.5	139.8	160.5	145.4	152.8
Real Estate	75.1	118.7	123.6	124.5	135.8	107.6	124.4	108.6	118.2	130.2	124.9	138.5	127.7
Professional, Scientific & Technical Services	130.7	94.1	117.3	111.7	121.0	130.6	119.7	123.7	107.7	118.1	122.2	123.2	108.6
Telecomm. & Info. Services	99.1	106.1	111.5	60.5	118.8	102.8	99.3	69.5	130.2	106.5	131.2	112.9	111.1
Other Services	52.1	114.3	100.0	100.0	100.0	100.0	100.0	100.0	104.3	100.0	100.0	100.0	100.0

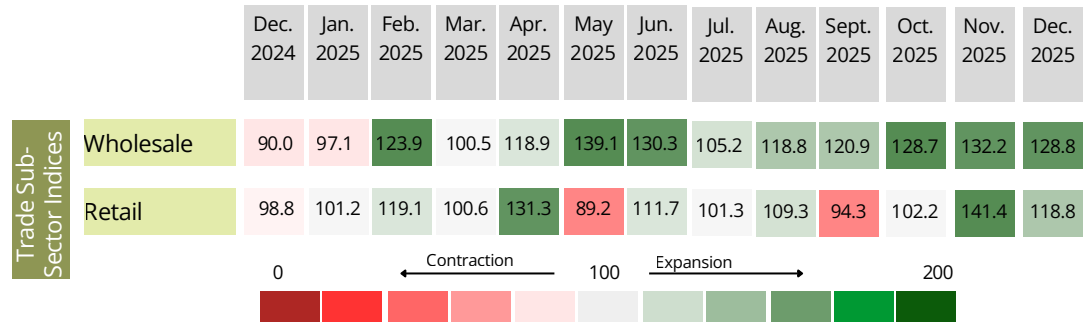
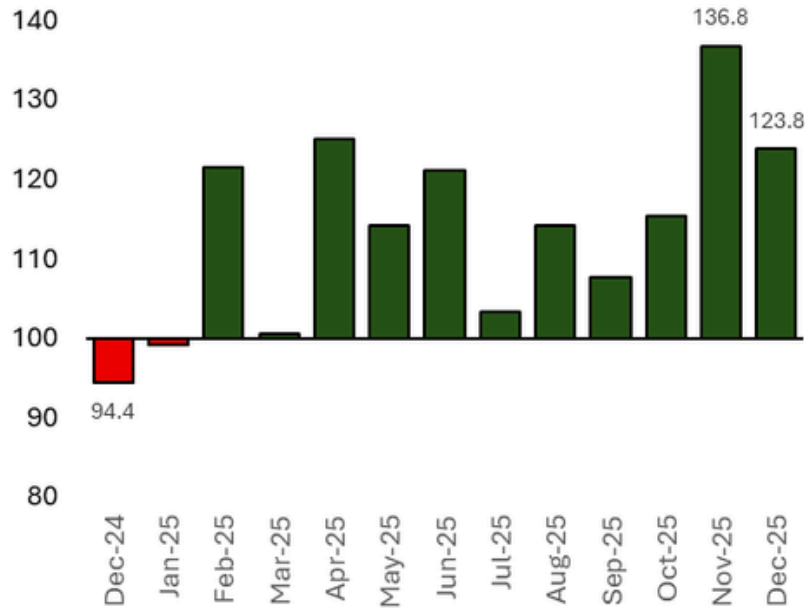
Nigeria's Services sector remained in expansion but saw its second consecutive monthly slowdown in business momentum in December 2025. The NESG–Stanbic IBTC Services BCM eased to 104.3 points from 105.8 in November, mainly due to weaker activity in Broadcasting, Real Estate, Professional Services, and Telecommunications & Information Services.

Except for Broadcasting, all sub-sectors stayed in expansion. Only Financial Institutions recorded modest growth over the prior month, reflecting gains from the improved macroeconomic environment.

Nonetheless, structural constraints, including inadequate energy supply, high operating costs, and weak digital infrastructure, continue to limit the sector's full potential. Tackling these bottlenecks through targeted reforms and investment in service-oriented industries will be key to enhancing resilience and achieving inclusive, sustainable national growth.

Trade

NESG's Trade Business Performance Index



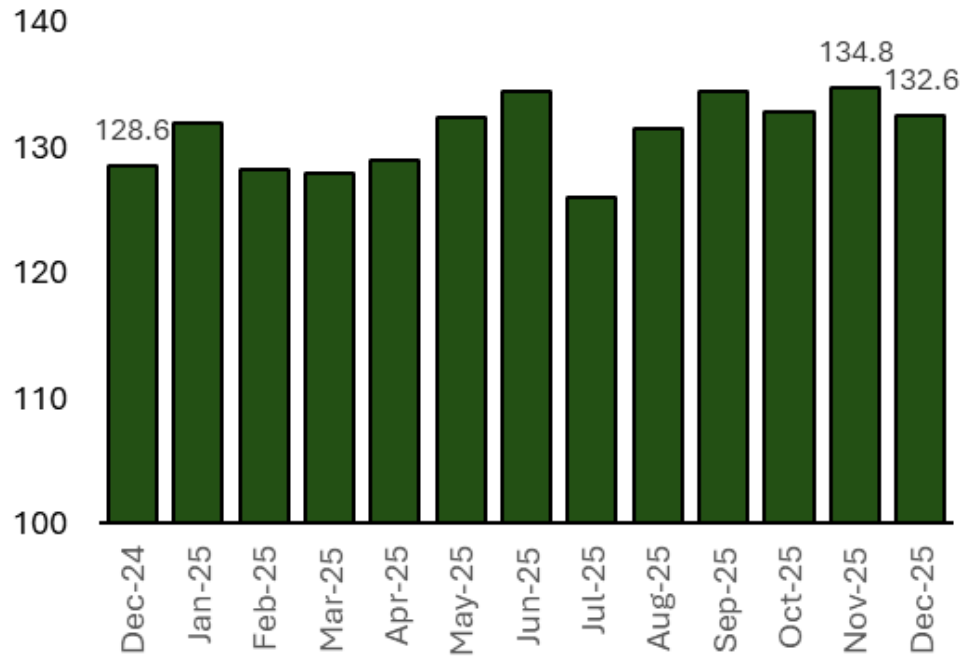
The NESG–Stanbic IBTC Trade Index showed continued expansion in business activities in December 2025, though at a slower pace. The Trade BCM Index eased to 123.8 points from 132.9 points in November. Despite a seasonal rise in sales, weak consumer demand and cautious spending dampened business performance during the month.

Despite this positive trend, structural challenges persisted, with recurring bottlenecks constraining growth. Insecurity in key markets, frequent supply chain disruptions, and enduring structural weaknesses continued to pose significant obstacles, weighing heavily on trade operations and moderating the sector’s overall momentum.

At the sub-sectoral level, both Wholesale and Retail trade maintained expansion, but at a reduced pace.

Future Business Expectations

NESG's Future Business Expectation Index



	Dec. 2024	Jan. 2025	Feb. 2025	Mar. 2025	Apr. 2025	May 2025	Jun. 2025	Jul. 2025	Aug. 2025	Sept. 2025	Oct. 2025	Nov. 2025	Dec. 2025
Manufacturing	123.2	157.3	154.9	155.1	137.3	156.4	160.4	155.4	161.9	158.4	146.7	156.5	158.3
Non-manufacturing	140.2	150.1	143.2	153.1	148.7	141.8	153.5	146.2	151.5	157.9	146.4	140.3	141.5
Services	102.8	114.4	121.7	120.5	119.6	118.6	122.3	122.4	115.7	120.5	120.1	117.8	114.9
Trade	108.1	134.3	165.6	121.4	169.6	163.9	158.0	130.5	168.9	162.7	170.1	186.5	162.9
Agriculture	135.6	135.9	131.3	120.6	124.3	131.4	132.2	113.3	107.2	126.9	131.7	127.5	135.5

To assess near-term performance expectations of Nigerian businesses, the NESG–Stanbic IBTC Future Business Expectation Index offers insights into prevailing optimism and pessimism over the next one to three months. In December 2025, the index stood at 132.6 points, reflecting a slightly weaker level of optimism compared with 134.8 points in November.

Across sectors, Trade recorded the highest optimism at 162.9 points, followed by Manufacturing (158.3 points), Non-Manufacturing (141.5 points), and Agriculture (135.5 points). Meanwhile, Services, at 114.9 points, reflected the weakest expectation of improved conditions. However, sentiment moderated across all sectors compared with the previous month, suggesting cautious optimism amid ongoing improvements in macroeconomic conditions.

Despite this moderation, overall optimism remains supported by factors such as seasonal economic activity, ongoing policy reforms, relative exchange rate stability, infrastructure investments, and a gradual recovery in consumer demand. These drivers continue to sustain measured confidence across key sectors, particularly Agriculture, Retail Trade, Non-Manufacturing, and Services. As these supportive factors strengthen, businesses remain strategically positioned to leverage emerging opportunities while adapting to evolving policy directions and market realities, thereby sustaining resilience and growth momentum in the months ahead.

ABOUT THE NESG

The NESG is an independent, non-partisan, non-sectarian organisation committed to fostering open and continuous dialogue on Nigeria's economic development. The NESG strives to forge a mutual understanding between leaders of thought to explore, discover and support initiatives to improve Nigeria's economic policies, institutions and management. Our views and positions on issues are disseminated through electronic and print media, seminars, public lectures, policy dialogues, workshops, specific high-level interactive public-private sessions and special presentations to the executive and legislative arms of government.

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