



NESG-Stanbic IBTC






Business Confidence Monitor

**Mixed Signals: Strong Sectoral Growth Versus
Structural Hurdles**

September 2025

Table of Contents:



-  Executive Summary
-  BCM Framework
-  Nigeria's Business Conditions in August 2025
-  **How the Sectors Fared in August 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 which 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 anchored on business managers' assessment of current performance and optimism on key leading economic and business indicators such as investment, prices, demand conditions, and employment, among others.

Key Findings

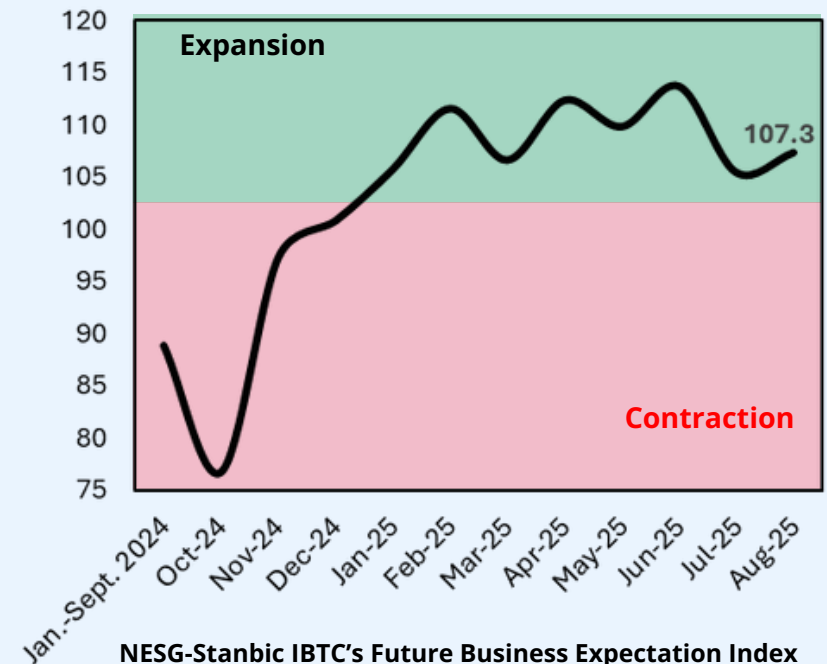
Current Business Performance (August 2025):

- In August 2025, businesses in Nigeria experienced a slight improvement in performance when compared with the previous month.
- The Current Business Performance Index for August 2025 stands at 107.3 points. This is about 1.9 index points higher than its July 2025 level.
- In the second consecutive month, limited access to financing was considered the most significant constraint on business growth. Other challenges in order of ranking are unclear economic policies, inadequate power supply, high commercial lease and property rental costs, and insecurity.

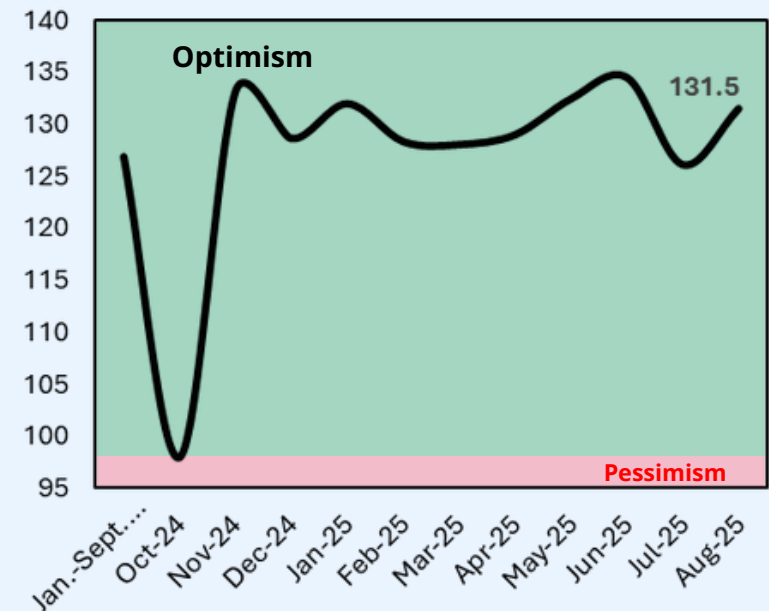
Future Expectations (Next One to Three months):

- The Future Business Expectation Index recorded an increase to 131.5 points in August 2025, from 126.1 points in July 2025, indicating an improved optimism about future business conditions.
- The improved outlook is driven by anticipated gains in the overall business environment, including expectations for an improved business situation, higher operating profits, a rise in production levels, increased cash flow, improved supply orders, and stronger demand conditions.
- Across sectors, the Trade sector reflects the highest level of optimism, while the Agriculture sector shows the lowest confidence in future performance.

NESG-Stanbic IBTC's Current Business Performance Index



NESG-Stanbic IBTC's Future Business Expectation Index



BCM Framework

The NESG-Stanbic IBTC 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-Stanbic IBTC's 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-Stanbic IBTC 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

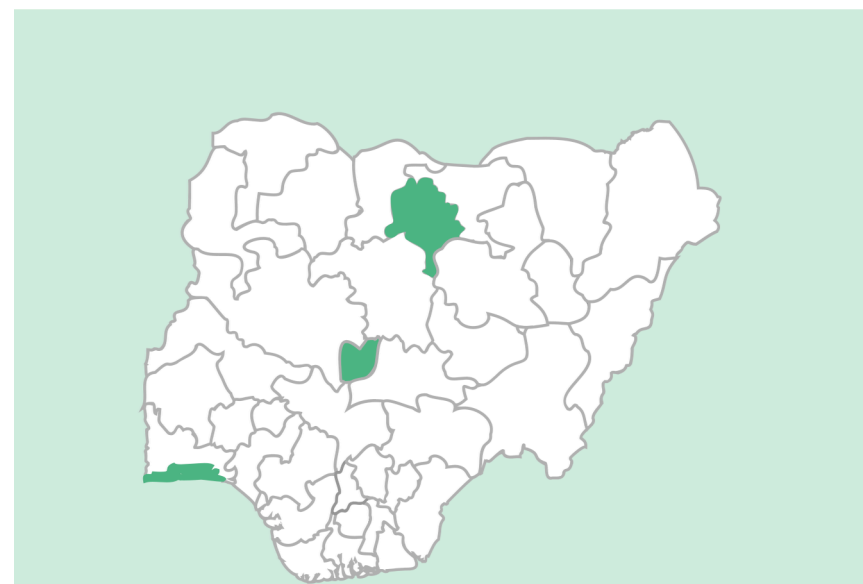
Trade: Wholesale Trade | Retail Trade

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

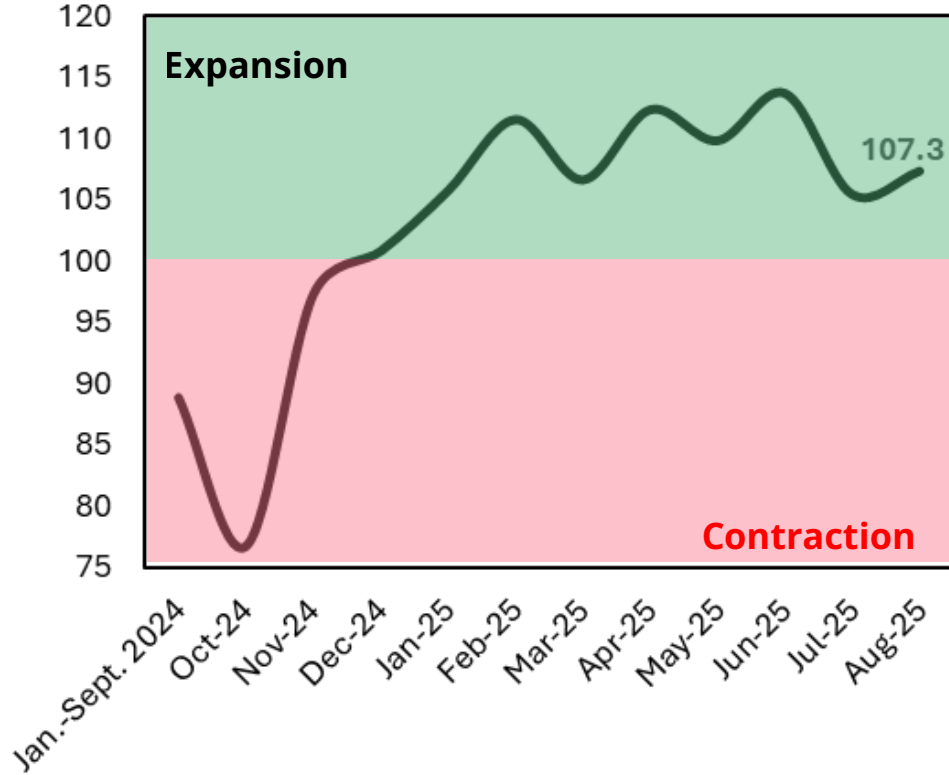
Agriculture: Crop Production | Livestock | Agro-Allied | Forestry | Fishing

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



Business Conditions in August 2025

NESG-Stanbic IBTC's Current Business Performance Index



In August 2025, businesses in Nigeria sustained a positive trajectory, with the index staying in the expansion zone since the start of the year. The NESG-Stanbic IBTC Business Confidence Monitor reported a slight rise in the Current Business Index to 107.3 points, up from 105.4 points in July 2025. This recovery was driven by stronger performance in technology, finance, manufacturing, energy, and logistics, supported by targeted investments and ongoing reforms. However, these gains were tempered by structural bottlenecks affecting operational efficiency and business profitability.

Apart from the contraction in Agriculture, the sectoral review showed improvements across industries and broader economic activities. Trade posted the strongest rebound after the previous month's decline. Meanwhile, Manufacturing (106.2), Non-manufacturing (116.2), Trade (114.1), and Services (103.7) all advanced in August compared to July 2025. Conversely, Agriculture slipped into contraction territory, recording 95.6 index points.

	Jan.-Sept. 2024	Oct. 2024	Nov. 2024	Dec. 2024	Jan. 2025	Feb. 2025	Mar. 2025	Apr. 2025	May 2025	Jun. 2025	Jul. 2025	Aug. 2025
Sectoral Business Condition Indices												
Manufacturing	93.9	71.3	96.4	97.6	99.3	110.3	108.3	108.8	114.4	123.6	98.0	106.2
Non-manufacturing	94.8	71.8	96.4	105.8	95.4	110.2	119.2	123.6	122.2	120.7	112.6	116.2
Services	97.4	93.8	97.9	96.5	98.6	107.1	105.5	106.5	104.5	106.3	101.9	103.7
Trade	86.8	76.6	100.3	94.4	99.2	121.5	100.5	125.1	114.1	121.0	103.2	114.1
Agriculture	77.8	69.5	101.2	113.9	110.9	102.7	97.6	107.0	98.2	108.9	107.0	95.6
Business Condition Sub-Index Pillars												
General Business Situation	117.6	76.8	127.9	123.1	144.8	158.3	147.7	172.5	166.6	166.7	137.4	152.4
Production	85.3	78.7	110.2	117.8	123.7	142.1	129.2	144.6	140.1	143.1	117.9	126.6
Demand Condition	70.3	73.4	105.4	117.3	125.4	132.1	92.5	127.3	119.1	129.4	98.6	121.8
Investment	127.9	64.6	91.0	68.5	72.5	60.5	86.7	85.0	74.4	56.3	79.3	61.4
Export	86.7	87.4	95.5	106.7	102.1	104.7	97.6	106.2	103.1	102.3	98.9	98.1
Cost of Doing Business	147.6	175.2	151.5	150.3	147.6	147.2	148.3	151.8	138.5	142.8	123.2	127.0
Operating Profit	104.0	77.0	102.9	113.5	116.1	119.0	119.2	129.4	108.3	129.0	107.3	117.7
Financial Results	98.7	86.5	90.8	99.0	119.4	146.1	72.9	155.4	136.4	141.4	117.6	141.7
Supply Order	69.5	78.0	105.0	105.1	101.4	133.9	116.0	154.9	135.3	134.2	111.3	116.3
Trade Stockpiling	53.3	91.1	103.0	101.7	102.6	175.0	113.2	132.5	133.0	175.0	98.0	175.0
Access to Credit	78.9	62.0	100.8	108.2	132.0	124.8	118.3	124.0	125.0	128.8	123.6	115.5
Cash Flow	99.0	84.4	109.0	118.9	118.4	130.6	120.8	130.5	126.0	126.2	115.2	118.8
Prices	73.9	109.3	68.0	69.1	73.4	76.2	94.8	83.4	81.9	70.7	93.0	84.0
Employment	96.0	82.7	117.9	120.7	118.0	126.3	117.9	137.6	130.9	127.2	111.9	114.9

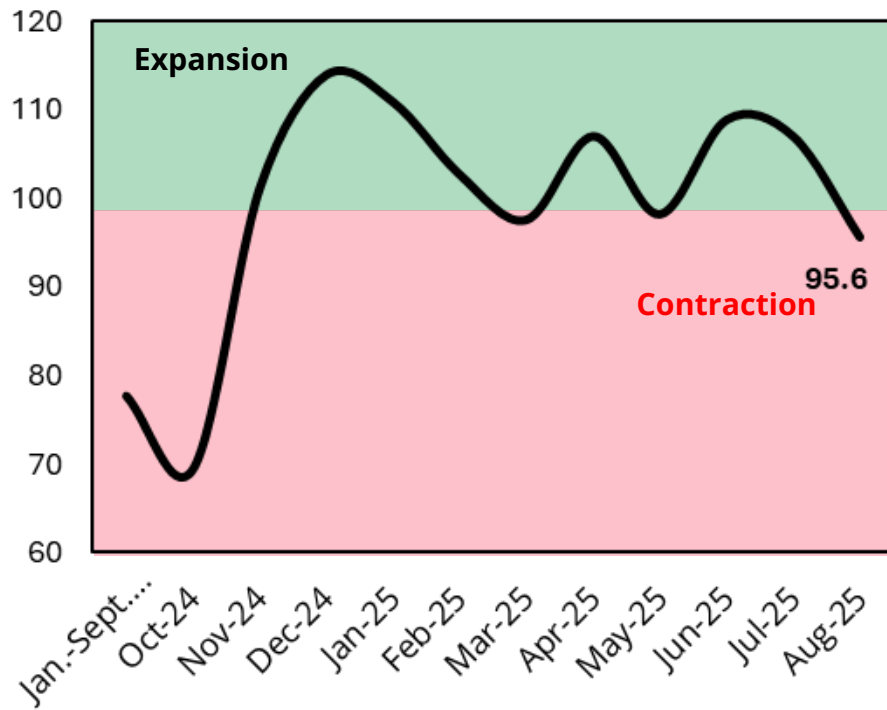


N:B Cost of doing business has an inverse interpretation to the index notations.

Key sub-indices of the BCM, including investment, exports, access to credit, and prices, registered lower values relative to July 2025. The cost of doing business also rose in August, reversing the marginal relief of the previous month. Additionally, input prices continued to worsen during the period. Major constraints restricting growth and performance in August 2025 were limited financing access, unclear economic policies, unreliable electricity supply, high lease and rental costs, and persistent insecurity.

Agriculture

NESG-Stanbic IBTC's Agriculture Business Performance Index



Agriculture Sub-Sector Indices	Jan.-Sept. 2024	Oct. 2024	Nov. 2024	Dec. 2024	Jan. 2025	Feb. 2025	Mar. 2025	Apr. 2025	May 2025	Jun. 2025	Jul. 2025	Aug. 2025
	Crop Production	66.7	65.4	108.1	130.3	117.0	101.4	97.9	107.6	95.1	109.6	109.6
Livestocks	105.2	32.5	86.9	126.0	105.7	101.6	117.4	99.6	107.8	105.2	99.6	100.5
Agro-Allied	105.2	99.0	78.7	48.0	90.8	107.9	89.7	107.2	106.3	108.2	100.5	100.8
Forestry	128.6	68.2	103.3	92.5	98.9	95.0	101.1	102.1	104.6	100.0	107.5	98.9
Fishing	90.0	57.3	109.6	120.9	103.2	106.7	98.9	110.8	100.0	99.0	97.9	104.0

After recording its second consecutive slowdown, the NESG–Stanbic IBTC Business Confidence Monitor (BCM) Index for the Agriculture sector slipped into contraction in August 2025. The sector index fell to 95.6 points from 107.0 in July. This decline was mainly driven by contractions in Crop Production and Forestry sub-sectors.

The sector's contraction is linked to multiple factors, including climate variability caused by delayed rainfall and shorter wet seasons, insecurity, and disruptions to crop planting that extended into August 2025.

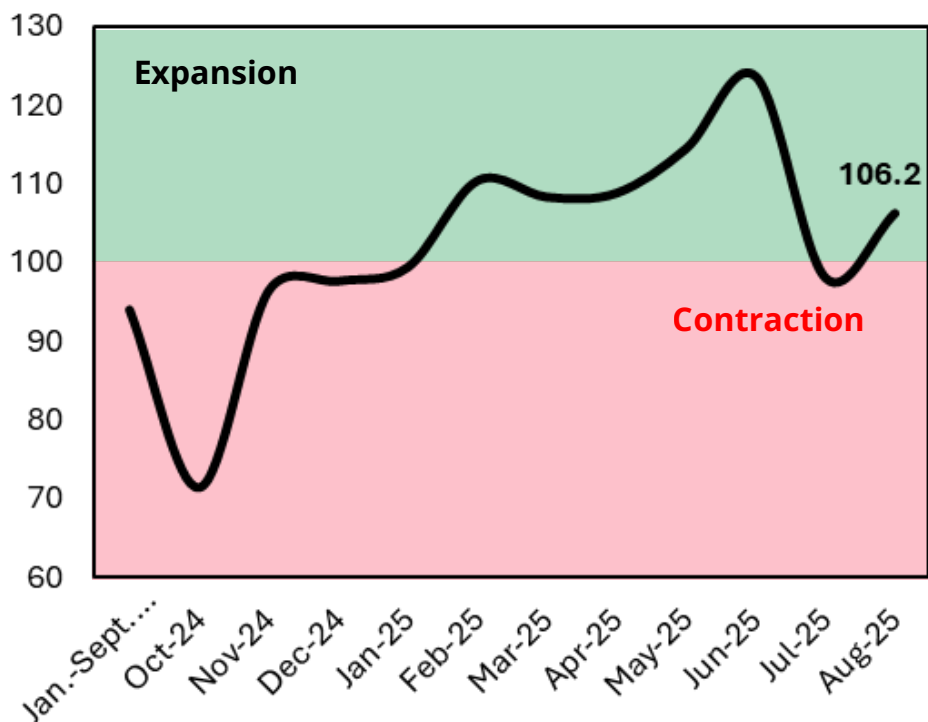
A breakdown of performance across the five agricultural sub-sectors revealed that two—Crop Production and Forestry—slipped into contraction, while Livestock and Fishing recovered from the weakness observed in July 2025. The three expanding sub-sectors—Livestock, Fishing, and Agro-Allied—recorded slight performance improvements compared to July 2025. Key business

challenges, such as rising costs of poultry feed, fertilisers, and other critical inputs, have made operations more difficult.

At a broader sectoral level, Agriculture faces multifaceted constraints. Rising production costs and declining consumer purchasing power are eroding margins. Price instability and volatile demand add further uncertainty. Consequently, many agribusinesses struggle to reinvest or expand operations, resulting in stagnation and, in some cases, outright closure.

Manufacturing

NESG-Stanbic IBTC's Manufacturing Business Performance Index



	Jan.-Sept. 2024	Oct. 2024	Nov. 2024	Dec. 2024	Jan. 2025	Feb. 2025	Mar. 2025	Apr. 2025	May 2025	Jun. 2025	Jul. 2025	Aug. 2025
Food, Beverage & Tobacco	87.4	60.5	92.1	108.1	108.7	119.8	115.0	111.5	124.3	125.7	93.2	104.4
Textile, Apparel & Footwear	97.1	85.8	98.3	72.5	72.3	97.3	96.9	105.9	100.3	129.4	95.8	109.4
Cement	100.0	100.0	120.0	90.0	102.9	98.4	100.0	102.1	100.0	111.8	111.1	101.8
Chemical & Pharm. Products	114.0	82.1	91.4	89.3	98.1	104.0	113.8	120.9	137.5	126.1	130.6	129.2
Plastic & Rubber products	98.0	85.0	121.2	104.4	89.6	113.0	111.2	116.4	119.3	128.0	119.3	124.8
Wood and Wood Products	106.9	47.9	64.2	89.4	116.0	101.0	109.1	103.6	96.5	126.1	94.9	101.8
Pulp, Paper & Paper Products	109.8	63.0	35.2	99.2	100.5	99.5	100.4	101.6	97.3	103.9	98.9	118.6
Non-Metallic Products	100.0	105.8	105.8	107.5	108.8	100.8	109.4	100.0	102.2	109.0	95.2	98.5
Electrical & Electronics	80.4	32.3	75.9	54.0	101.1	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Basic metals, Iron & Steel	105.8	78.1	85.7	103.6	106.4	112.1	90.7	91.7	105.6	103.6	97.9	99.1
Motor vehicles & Assembly	90.0	65.0	73.8	73.3	62.9	95.0	98.9	102.1	104.3	94.6	100.0	87.5
Other Manufacturing	120.2	97.1	97.5	110.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

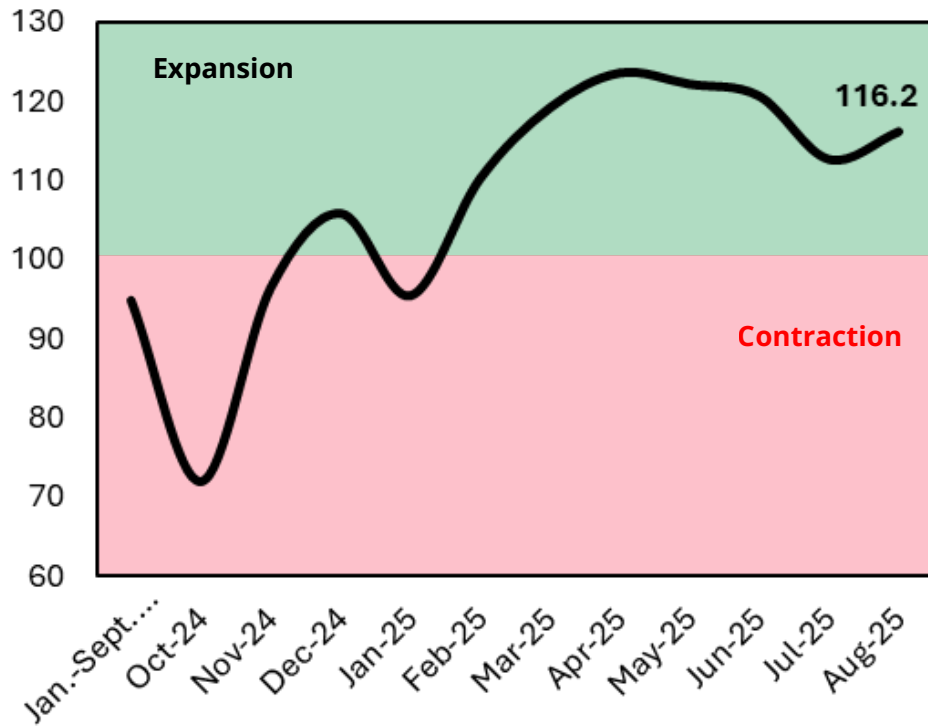
The NESG-Stanbic IBTC Business Confidence Monitor (BCM) Index for the Manufacturing sector in August 2025 signalled an exit from the contraction recorded in the previous month. The sector index climbed to 106.2 points in August from 98.0 points in July 2025. This sharp rebound was largely supported by improved performance in Food, Beverage and Tobacco; Textile, Apparel and Footwear; Wood and Wood Products; and Pulp, Paper and Paper Products sub-sectors.

Manufacturing firms reported a proactive pivot toward local sourcing of raw materials. For instance, several FMCG and Chemical and Pharmaceutical firms now obtain about 90% of their calcium carbonate domestically. Nonetheless, persistently elevated interest rates and soaring energy costs remain major obstacles to growth prospects.

At the sub-sectoral level, Food, Beverage and Tobacco; Textile, Apparel and Footwear; Wood and Wood Products; Pulp, Paper and Paper Products; Non-Metallic Products; and Basic Metal, Iron and Steel all rebounded and registered business expansion in August. Since these sub-sectors account for over 80 percent of Nigeria's manufacturing output, their strong performance in the period largely explains the sector's rebound. However, structural challenges—including erratic electricity supply, rising factory rental costs, logistics bottlenecks, and restricted access to financing—continue to constrain growth and undermine Nigeria's overall manufacturing performance.

Non-manufacturing

NESG-Stanbic IBTC's Non-manufacturing Business Performance Index



Non-manufacturing Sub-Sector Indices	Jan.-Sept. 2024	Oct. 2024	Nov. 2024	Dec. 2024	Jan. 2025	Feb. 2025	Mar. 2025	Apr. 2025	May 2025	Jun. 2025	Jul. 2025	Aug. 2025
	Construction	122.9	76.0	96.8	108.3	104.8	112.2	117.3	121.7	139.1	117.1	120.0
Crude Petroleum	105.0	91.3	78.2	95.6	100.0	102.1	125.7	100.0	115.0	100.0	100.0	100.0
Natural Gas	66.4	90.7	105.8	99.2	105.7	114.8	128.2	121.4	118.2	112.9	123.6	115.8
Oil & Gas Services	95.4	33.3	102.7	120.1	75.3	113.4	107.8	128.7	125.9	133.8	99.1	117.4
Others	104.2	56.6	111.5	113.0	92.7	104.1	97.8	111.2	106.0	98.4	101.1	97.3

contraction. Structural headwinds, including soaring rental costs, weak infrastructure, erratic power supply, and limited access to finance, continue to strain cash flow, limiting business expansion and pushing survival ahead of long-term growth.

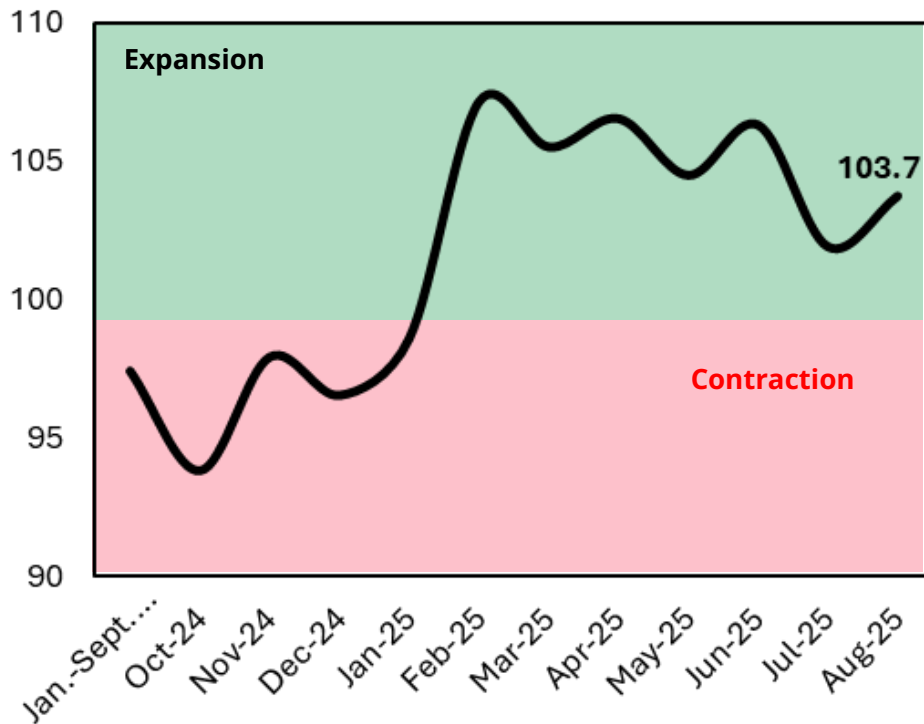
In line with the prevailing momentum of general business conditions in Nigeria, the Non-manufacturing sector recorded a stronger performance, with the BCM index rising to 116.2 from 112.6 in July 2025. This month's outcome halted a quarter (May–July 2025) of reduced business activity in the sector.

A mix of improved business environment, rising investments, and better security across industries spurred a rise in performance. Short-term reform gains and a friendlier regulatory climate equally created an atmosphere for this rebound.

Despite the notable recovery, sectoral performance varied across sub-sectors. Apart from Oil and Gas Services, which returned to the expansion region, other sub-sectors witnessed a decline in activity compared with July 2025, with some non-manufacturing slipping into

Services

NESG-Stanbic IBTC's Services Business Performance Index



	Jan.-Sept. 2024	Oct. 2024	Nov. 2024	Dec. 2024	Jan. 2025	Feb. 2025	Mar. 2025	Apr. 2025	May 2025	Jun. 2025	Jul. 2025	Aug. 2025
Broadcasting	60.4	65.7	90.8	80.0	69.7	127.9	124.5	123.6	109.6	126.1	103.2	104.3
Financial Institutions	149.7	93.4	97.3	104.0	137.8	129.1	120.5	121.9	139.5	121.5	120.2	133.5
Real Estate	106.7	70.1	79.7	75.1	118.7	123.6	124.5	135.8	107.6	124.4	108.6	118.2
Professional, Scientific & Technical Services	79.4	78.7	90.4	130.7	94.1	117.3	111.7	121.0	130.6	119.7	123.7	107.7
Telecomm. & Info. Services	80.9	91.3	95.9	99.1	106.1	111.5	60.5	118.8	102.8	99.3	69.5	130.2
Other Services	132.8	109.5	106.6	52.1	114.3	100.0	100.0	100.0	100.0	100.0	100.0	104.3

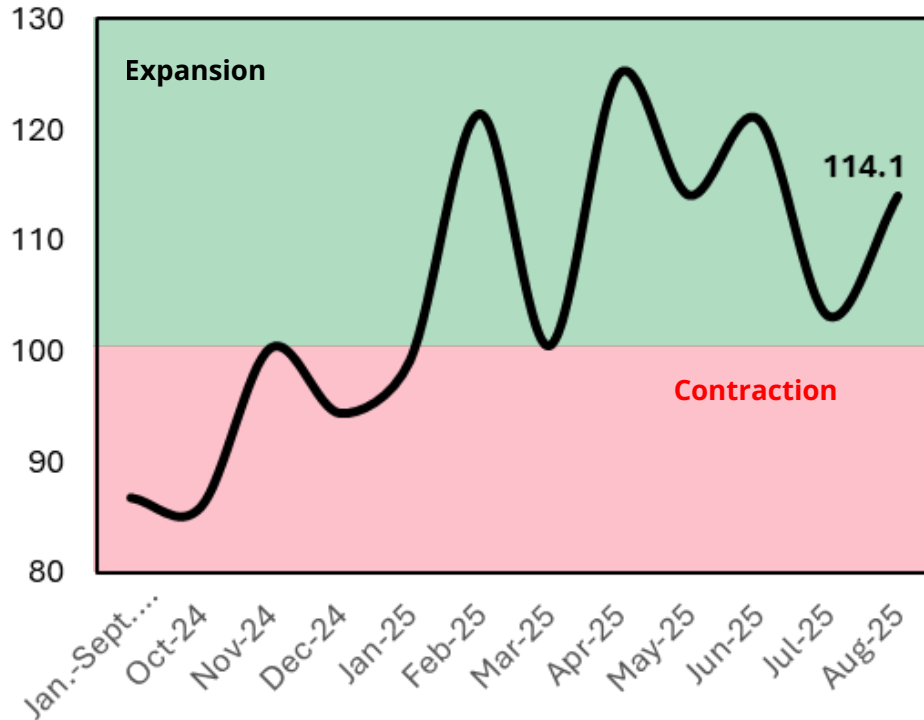
Nigeria's Services sector recorded improved business momentum in August 2025, despite persistent economic headwinds constraining business growth. The NESG-Stanbic IBTC Services Business Confidence Monitor (BCM) edged up to 103.7 index points from 101.9 in July 2025. This performance was largely sustained by relative stability in inflation, exchange rate, and the moderating influence of fiscal and monetary policy measures. These conditions, however, limited the extent of expansion achieved during the month.

Although all six sub-sectors stayed within the expansion region, only five recorded modest growth compared with July 2025. Telecommunications and Financial Institutions demonstrated resilience and gains, Real Estate and Broadcasting maintained steady performance, while Professional Services experienced short-term contractions due to price-sensitive demand.

With business conditions still fragile, there is an urgent need for policy measures that stabilise the economy, improve infrastructure, strengthen security, and ease financing access to reinforce the sector's resilience and contribution to national growth.

Trade

NESG-Stanbic IBTC's Trade Business Performance Index



Trade Sub-Sector Indices	Jan.-Sept. 2024	Oct. 2024	Nov. 2024	Dec. 2024	Jan. 2025	Feb. 2025	Mar. 2025	Apr. 2025	May 2025	Jun. 2025	Jul. 2025	Aug. 2025
Wholesale	94.8	78.8	105.0	90.0	97.1	123.9	100.5	118.9	139.1	130.3	105.2	118.8
Retail	78.7	93.0	95.7	98.8	101.2	119.1	100.6	131.3	89.2	111.7	101.3	109.3

0 ← Contraction 100 Expansion → 200

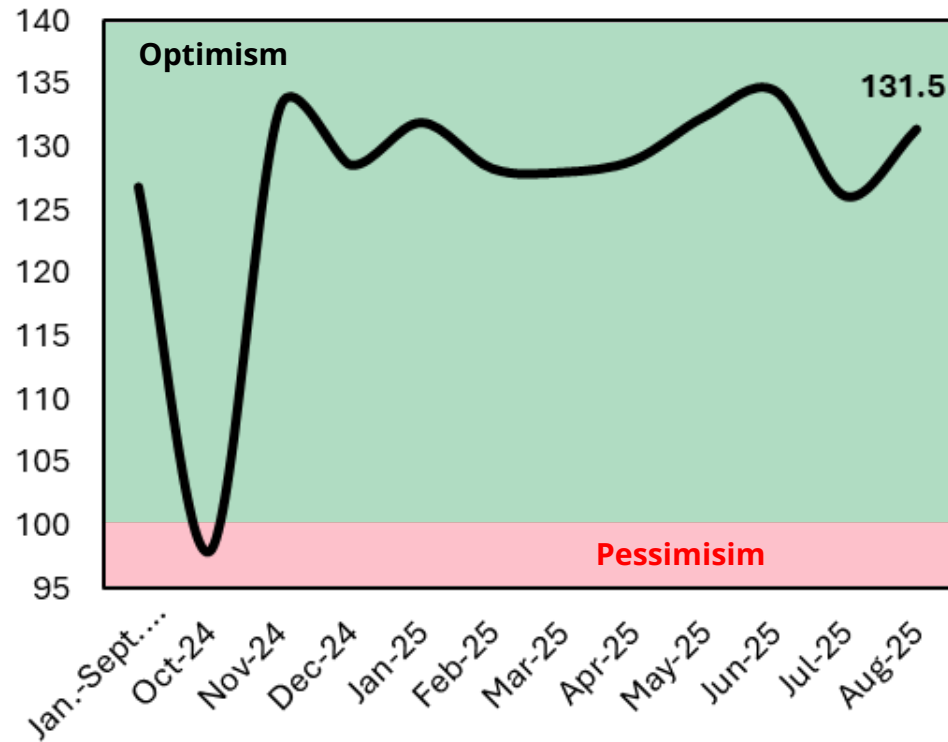
The NESG–Stanbic IBTC Trade Index indicated a rebound from its July 2025 performance, rising to 114.1 index points in August—an increase of 10.9 points from the prior month. However, the uncertainty of Nigeria’s economic environment, inadequate financing, unreliable power supply, insecurity, and over-taxation continue to weigh on business growth. Although the sector stayed within the expansion zone, many businesses function primarily to survive, with minimal room for growth.

Trade sub-sectors recorded notable expansion, with Wholesale advancing by 13.6 points and Retail by 8.0 points compared to July 2025 levels. Yet, businesses in the trade sector still grapple with serious obstacles limiting growth, profitability, and sustainability. Issues such as unstable electricity supply, deteriorating road infrastructure, multiple taxation, and weak institutional support consistently undermine

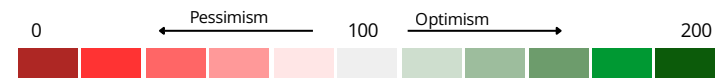
productivity and short-term expansion. Without bold policy interventions—particularly in financing, infrastructure, and security—the sustainability of small and medium enterprises (SMEs) within Nigeria’s trade sector will remain fragile, posing risks to wider economic resilience and employment creation.

Future Business Expectations

NESG-Stanbic IBTC's Future Business Expectation Index



Sectoral Business Condition Indices	Jan.-Sept. 2024	Oct. 2024	Nov. 2024	Dec. 2024	Jan. 2025	Feb. 2025	Mar. 2025	Apr. 2025	May 2025	Jun. 2025	Jul. 2025	Aug. 2025
	Manufacturing	121.3	117.8	138.0	123.2	157.3	154.9	155.1	137.3	156.4	160.4	155.4
Non-manufacturing	130.9	101.7	137.0	140.2	150.1	143.2	153.1	148.7	141.8	153.5	146.2	151.5
Services	102.5	99.8	102.4	102.8	114.4	121.7	120.5	119.6	118.6	122.3	122.4	115.7
Trade	124.5	86.5	111.1	108.1	134.3	165.6	121.4	169.6	163.9	158.0	130.5	168.9
Agriculture	123.9	105.5	150.3	135.6	135.9	131.3	120.6	124.3	131.4	132.2	113.3	107.2



The NESG-Stanbic IBTC Future Business Expectation Index offers valuable insight into how Nigerian businesses view their short-term prospects, reflecting prevailing optimism or pessimism over the next one to three months. In August 2025, the index was 131.5 points, reflecting a stronger outlook compared to 126.1 points in July 2025.

Across sectors, Trade registered the highest optimism at 168.9 points, followed by Manufacturing (161.9), Non-manufacturing (151.5), and Services (115.7). Agriculture, at 107.2 points, recorded the lowest expectation of improved conditions. Notably, sentiment moderated across all sectors relative to the prior month, underlining cautious optimism in the face of persistent macroeconomic headwinds.

Despite this softening, overall optimism remains anchored on factors such as seasonal economic activity, ongoing policy adjustments, relative exchange rate stability, infrastructure

spending, and the gradual rebound in consumer demand. These drivers continue to support measured confidence across major sectors, especially Agriculture, Retail Trade, Non-manufacturing, and Services. As these positive undercurrents strengthen, businesses are strategically positioned to exploit new opportunities and adapt to potentially more supportive market and policy conditions.

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.

📍 THE SUMMIT HOUSE

6, Oba Elegushi Street,
Off Oba Adeyinka Oyekan Avenue,
Ikoyi, Lagos.
P.M.B 71347, Victoria Island, Lagos

🌐 www.nesgroup.org
✉ info@nesgroup.org
☎ +234-01-295 2849

🐦     officialNESG

📍 ABUJA LIAISON OFFICE

4th Floor, Unity Bank Tower,
Beside Reinsurnace building
Plot 785, Herbert Macaulay Way,
Central Business District, Abuja

ABOUT STANBIC IBTC

Stanbic IBTC Bank, a member of the Standard Bank Group, is a leading financial services institution in Nigeria. Established in 1989, it provides a wide range of banking solutions including personal, business, and corporate banking services.

The bank is renowned for its innovative digital banking platforms, investment options, wealth management services, and corporate financing solutions.

Stanbic IBTC is also a significant player in Nigeria's capital markets, offering asset management and pension fund administration. With a strong commitment to customer satisfaction and financial inclusion, the bank continues to support the economic development of Nigeria and West Africa.

📍 HEADQUARTERS:

Stanbic IBTC Towers, Walter Carrington Crescent, Victoria Island,
Lagos State, Nigeria

🌐 <https://www.stanbicibtcbank.com>
✉ CustomerCareNigeria@stanbicibtcbank.com
☎ 0700 909 909 909

🐦     StanbicIBTC

For a deeper conversation, collaboration and additional information with respect to this Report, please contact the following:

DR. OLUSEGUN OMISAKIN

Chief Economist & Director of Research and
Development
olusegun.omisakin@nesgroup.org

MUYIWA ONI

Regional Head of Equity Research for West Africa at
Standard Bank Group
muyiwa.oni@stanbicibtcbank.com

DR. SHAKIRUDEEN TAIWO

Economist
shakirudeen.taiwo@nesgroup.org