NESG Business Confidence Monitor

Strong Business Expansion Coincided With Elevated Cost Pressures

THE NIGERIAN ECONOMIC SUMMIT GROUP

August 2026

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Executive Summary

The Business Confidence Monitor (BCM) is a survey-based report that presents qualitative information on current business sentiment in the Nigerian economy and gauges expectations for short-term economic activity. 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 (July 2026):

- Nigeria's business environment recorded stronger expansion in July 2026.
- The overall Current Business Performance Index stood at 108.6 points, up from 104.6 and 105.4 points in June 2026 and July 2025, respectively. This was driven by broad-based expansion across subsectors led by Non-Manufacturing.
- Key constraints persisted, especially limited access to finance, energy shortages, high rental costs, insecurity, and infrastructural challenges, during the month.

Future Expectations (Next One to Three months):

- The Future Business Expectations Index stood at 128.3 points in July 2026, declining marginally from 128.4 in the previous month. This reflects sustained but cautious optimism about short-term business conditions.

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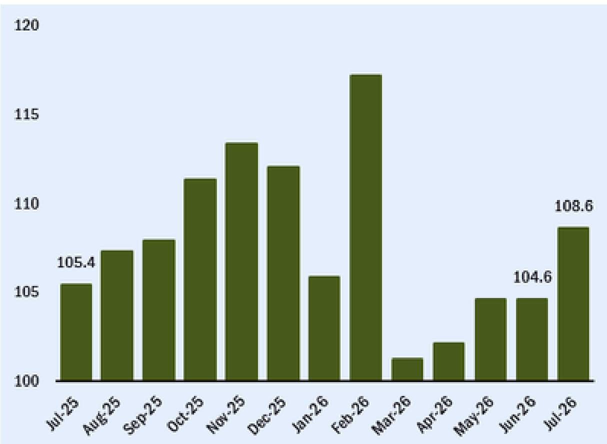
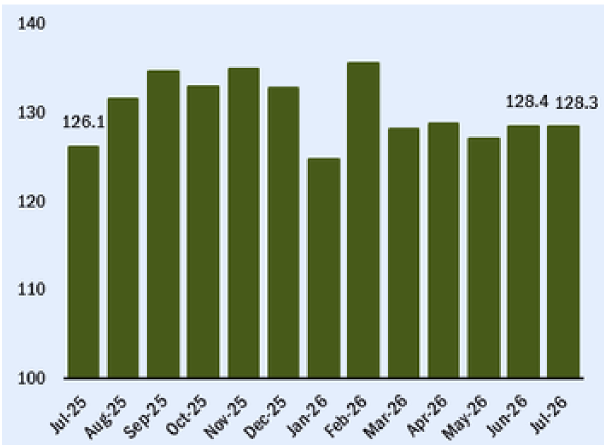
- Sentiment was uneven across sectors, with Trade and Manufacturing recording the strongest optimism during the month.
- The cautious outlook reflects renewed cost pressures that could result from elevated energy prices in the coming months.

NESG's Current Business Performance Index

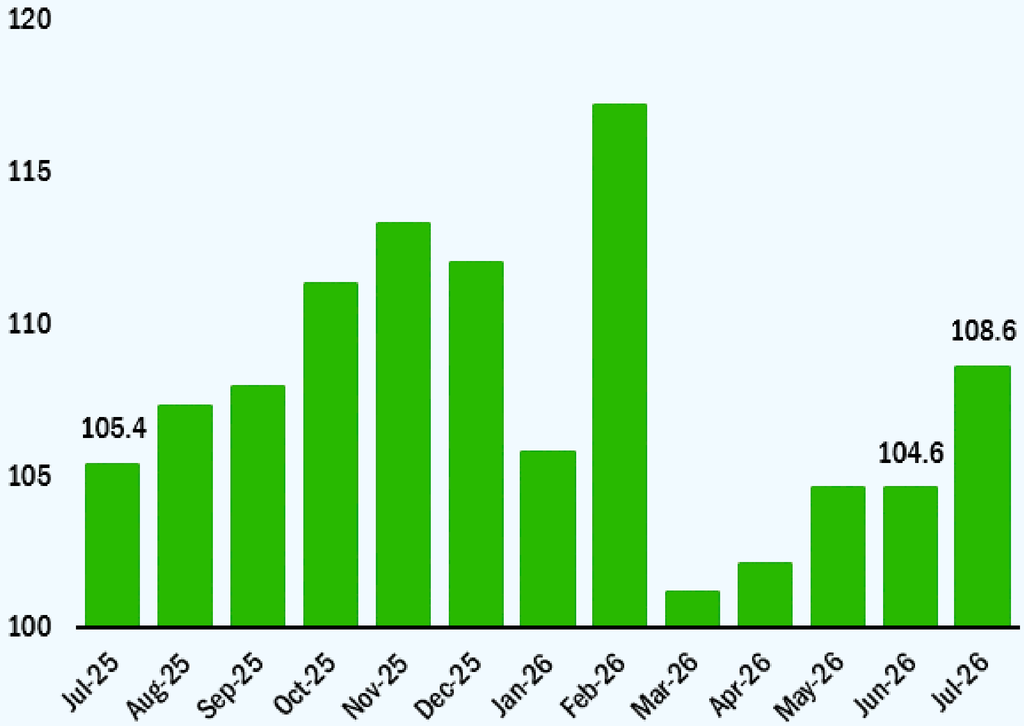


NESG's Future Business Expectation Index



Nigeria's Business Conditions in July 2026

NESG's Current Business Performance Index



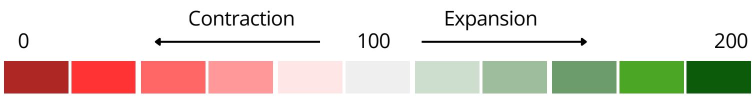
In July 2026, Nigeria's business environment recorded stronger expansion, as the overall Current Business Performance Index accelerated to 108.6 points from 104.6 points in June 2026. It also represents an uptick from 105.4 points in July 2025.

Further breakdown indicates broad-based expansion across sectors in July 2026, as they performed better compared with the previous month. All sectors except Services remained in the expansion territory. Remarkably, Services moved into the expansion region during the month.

Key BCM sub-indices, including general business situation, production, demand conditions, operating profit, financial results, supply order, access to credit, cash flow, and employment, remained in the expansion territory. These sub-indices, except access to credit, registered stronger performance relative to June 2026.

Conversely, the access-to-credit index recorded only a marginal decline. Notably, sub-indices including export and trade stockpiling expanded during the month, whereas investment remained in the contraction territory.

		Jul. 2025	Aug. 2025	Sept. 2025	Oct. 2025	Nov. 2025	Dec. 2025	Jan. 2026	Feb. 2026	Mar. 2026	Apr. 2026	May 2026	Jun. 2026	Jul. 2026
Sectoral Business Condition Indices	Manufacturing	98.0	106.2	102.5	111.3	114.2	117.9	115.8	121.1	103.4	98.7	114.1	106.4	110.5
	Non-manufacturing	112.6	116.2	114.5	115.0	117.7	110.2	115.3	128.9	98.4	101.6	99.4	106.8	116.6
	Services	101.9	103.7	108.5	111.0	105.8	104.3	102.1	109.2	104.7	101.5	103.5	98.5	108.3
	Trade	103.2	114.1	107.6	115.4	136.8	123.8	92.7	108.7	103.8	102.7	105.5	102.0	102.8
	Agriculture	107.0	95.6	107.3	111.4	103.3	112.9	99.5	104.8	91.1	103.2	97.5	103.9	110.8
Business Condition Sub-Inex Pillars	General Business Situation	137.4	152.4	160.3	167.1	175.8	162.7	147.5	165.8	159.4	142.6	148.1	150.0	150.3
	Production	117.9	126.6	125.8	133.8	146.5	130.8	110.6	127.3	112.7	120.9	118.0	126.3	130.7
	Demand Condition	98.6	121.8	122.9	145.3	140.6	136.0	109.8	130.3	114.7	115.9	115.9	112.7	126.6
	Investment	79.3	61.4	76.1	84.2	105.3	99.6	63.0	84.9	66.6	73.5	78.1	78.9	71.8
	Export	98.9	98.1	95.8	105.5	103.5	103.9	97.5	105.1	95.2	96.0	97.5	94.8	100.2
	Cost of Doing Business	123.2	127.0	62.6	67.5	54.3	54.7	90.5	65.2	58.7	55.0	57.1	49.3	59.0
	Operating Profit	107.3	117.7	114.7	124.2	120.9	120.0	116.0	128.0	99.5	103.2	113.1	119.7	127.2
	Financial Results	117.6	141.7	132.2	143.8	148.3	143.6	120.2	156.2	130.0	117.4	128.7	124.0	124.5
	Supply Order	111.3	116.3	99.5	116.5	154.5	130.8	83.8	130.2	80.3	109.2	114.6	125.3	112.8
	Trade Stockpiling	98.0	175.0	157.5	157.5	182.5	175.0	85.5	111.6	150.0	97.2	105.5	85.3	103.9
	Access to Credit	123.6	115.5	122.9	138.7	143.6	127.5	122.8	137.7	119.5	122.3	114.1	116.3	116.1
	Cash Flow	115.2	118.8	128.7	121.7	134.2	127.6	119.3	121.7	110.1	112.1	109.1	110.6	113.4
	Prices	93.0	84.0	76.7	82.7	70.2	68.9	96.9	84.3	84.9	87.7	87.6	81.3	84.8
	Employment	111.9	114.9	114.9	129.1	134.9	124.3	113.6	122.2	111.0	117.6	137.6	109.9	112.5

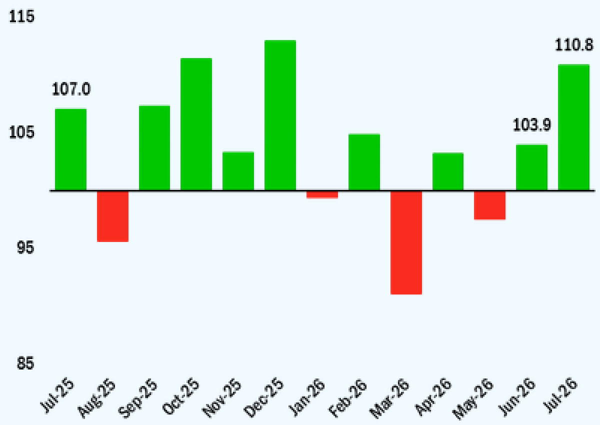


N:B Cost of doing business has an inverse interpretation to the index notations.

Meanwhile, the index readings for the cost of doing business and input costs rose compared with the previous month. Despite the significant improvement in business activity, many firms grappled with key constraints, including limited financing, inadequate power supply, high property rental costs, insecurity, and infrastructural bottlenecks. These challenges kept operating costs elevated and constrained new investments during the month.

Agriculture Sector

NESG's Agriculture Business Performance Index



Business activity in Agriculture sustained expansionary momentum, with the Current Business Performance Index for the sector jumping to 110.8 points in July 2026 from 103.9 points in the previous month. The index also represents an increase from 107.0 points in July 2025. This robust business growth could be attributed to broadly positive performance across the subsectors during the month.

Crop Production and Agro-Allied subsectors remained in expansion, performing better than in July 2025. Early harvests and favourable rainfall conditions supported improved crop output during the month. Conversely, business activity in Livestock and Forestry moved into the expansion territory, whereas it contracted in the Fishing subsector.

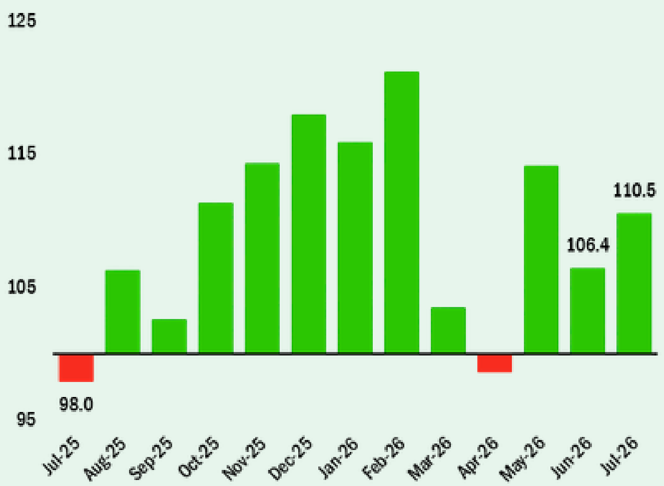
However, many Agricultural sector players continued to face challenges, including limited access to credit, persistent insecurity, energy shortages, and infrastructural deficits, which constrained new investments and heightened the cost of doing business during the month.

Agriculture Sub-Sector Indices	Jul. 2025	Aug. 2025	Sept. 2025	Oct. 2025	Nov. 2025	Dec. 2025	Jan. 2026	Feb. 2026	Mar. 2026	Apr. 2026	May 2026	Jun. 2026	Jul. 2026
Crop Production	109.6	93.6	107.9	113.8	106.2	115.0	100.0	105.6	87.4	104.6	96.9	104.9	112.5
Livestock	99.6	100.5	112.5	104.5	93.2	105.2	97.9	104.6	82.3	101.5	106.6	99.7	103.3
Agro-Allied	100.5	100.8	103.3	106.2	95.2	108.2	97.9	102.0	105.4	98.8	96.9	101.5	108.5
Forestry	107.5	98.9	101.1	100.0	111.7	100.0	100.0	95.0	100.0	100.0	97.9	99.5	102.1
Fishing	97.9	104.0	107.5	97.3	105.0	105.0	103.2	103.2	115.0	102.5	100.0	107.5	99.5

0 ← Contraction 100 Expansion → 200

Manufacturing Sector

NESG's Manufacturing Business Performance Index



Business activity in Manufacturing remained in the expansion territory in July 2026, with the Current Business Performance Index for the sector rising to 110.5 points from 106.4 points in the previous month.

The index reading also marks a significant improvement compared with 98.0 points recorded in July 2025. This reflects strong performance in two of the three largest subsectors, including Cement and Textile, Apparel & Footwear. The third biggest subsector (Cement) recorded a weaker expansion level relative to the previous month.

Similarly, Chemical & Pharmaceutical Products remained in the expansion territory, while Basic Metal, Iron & Steel entered the expansion territory during the month. Conversely, Plastic & Rubber Products, Pulp, Paper & Paper Products, Non-Metallic Products, and Motor Vehicles & Assembly recorded a contraction in July 2026. However, the remaining three (3) subsectors held steady around the neutral 100-point threshold.

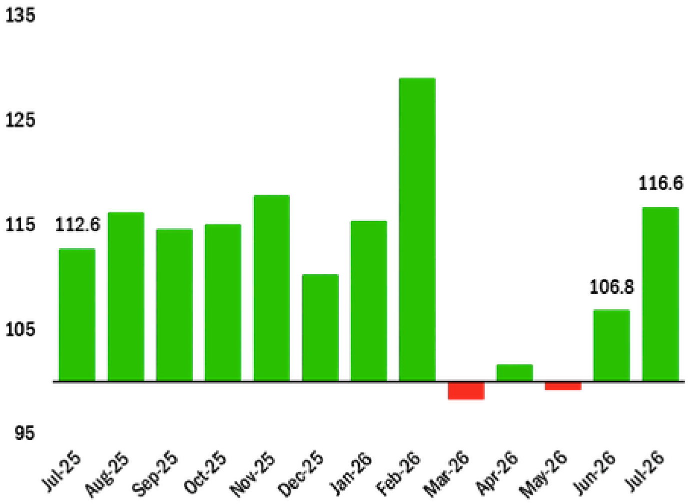
Moreover, many industry players were confronted with growth-inhibiting constraints, including credit squeeze, irregular electricity supply, shortage of raw materials, inadequate infrastructure, and high rental costs. These challenges constrained new investments and heightened the cost of doing business during the month.

Manufacturing Sub-Sector Indices	Jul. 2025	Aug. 2025	Sept. 2025	Oct. 2025	Nov. 2025	Dec. 2025	Jan. 2026	Feb. 2026	Mar. 2026	Apr. 2026	May 2026	Jun. 2026	Jul. 2026
Food, Beverage & Tobacco	93.2	104.4	99.8	121.6	109.2	119.9	114.8	118.5	109.6	112.9	127.6	113.6	108.1
Textile, Apparel & Footwear	95.8	109.4	118.1	106.7	132.8	128.4	136.6	118.5	100.3	91.0	107.9	110.6	115.0
Cement	111.1	101.8	79.3	102.7	99.5	94.5	100.6	95.5	96.3	51.1	95.0	77.5	128.1
Chemical & Pharm. Products	130.6	129.2	135.1	109.8	131.8	134.9	119.2	133.0	114.1	93.9	97.4	105.3	112.9
Plastic & Rubber products	119.3	124.8	105.4	106.5	121.7	130.3	102.4	99.0	77.1	100.0	90.4	89.9	94.5
Wood and Wood Products	94.9	101.8	97.5	90.9	110.2	96.8	91.6	86.8	90.0	95.2	92.3	101.5	100.0
Pulp, Paper & Paper Products	98.9	118.6	114.5	115.0	93.4	111.8	101.1	125.5	80.5	80.7	104.3	101.8	95.4
Non-Metallic Products	95.2	98.5	94.8	80.9	100.7	99.8	98.5	112.9	87.3	82.0	77.8	100.4	97.5
Electrical & Electronics	100.0	100.0	100.0	100.0	100.0	105.4	100.0	110.7	100.0	100.0	100.0	100.0	100.0
Basic metals, Iron & Steel	97.9	99.1	101.1	56.4	123.6	106.1	104.3	109.9	103.4	112.1	107.7	98.2	109.6
Motor vehicles & Assembly	100.0	87.5	100.0	100.0	100.0	100.0	100.0	100.0	100.0	94.6	100.0	70.0	88.6
Other Manufacturing	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

0 ← Contraction 100 Expansion → 200

Non-manufacturing Industries

NESG's Non-manufacturing Business Performance Index



Business activity in the Non-manufacturing sector remained in the expansion territory in July 2026, with its Current Business Performance Index accelerating to 116.6 points from 106.8 points in June 2026 and 112.6 points in July 2025.

This strong performance could be attributed to broad-based expansion across the subsectors led by Oil & Gas Services and Crude Petroleum.

Crude Petroleum and Natural Gas registered stronger expansion than in the previous month. However, expansion was weaker in Construction and Other Non-Manufacturing activities. Notably, Oil & Gas Services entered the expansion territory during the month.

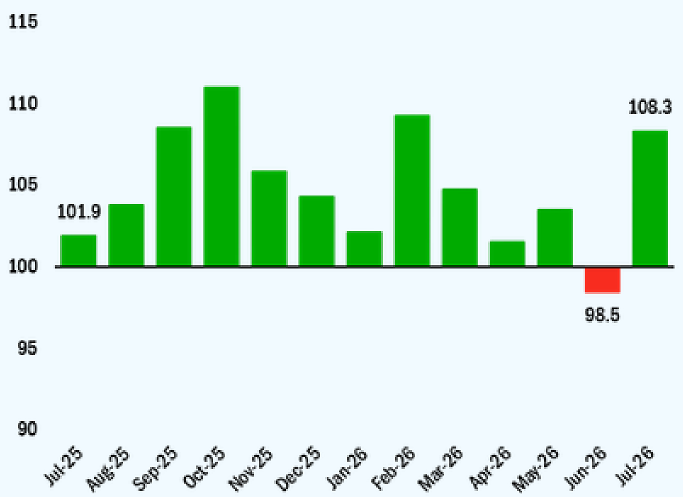
Despite the overall expansion, key constraints, including elevated rental costs, incessant power outages, and infrastructural challenges, amplified operating costs and disincentivised new investments during the month.

Non-manufacturing Sub-Sector Indices	Jul. 2025	Aug. 2025	Sept. 2025	Oct. 2025	Nov. 2025	Dec. 2025	Jan. 2026	Feb. 2026	Mar. 2026	Apr. 2026	May 2026	Jun. 2026	Jul. 2026
Construction	120.0	119.4	121.8	129.5	136.4	130.2	119.4	131.1	118.8	104.4	102.3	128.1	119.6
Crude Petroleum	100.0	100.0	100.0	100.0	120.0	100.0	115.0	100.0	100.0	115.0	105.8	110.0	120.0
Natural Gas	123.6	115.8	111.3	115.0	113.4	111.0	102.4	113.2	104.6	113.4	98.7	101.6	107.5
Oil & Gas Services	99.1	117.4	115.0	124.2	110.5	98.7	127.5	145.2	80.4	73.9	92.5	94.5	122.0
Others	101.1	97.3	104.4	96.0	106.7	104.6	106.5	107.7	97.9	107.0	94.7	120.1	106.9

0 ← Contraction 100 Expansion → 200

Services Sector

NESG's Services Business Performance Index



Business activity in Services moved into the expansion territory in July 2026, with the sector's Current Business Performance Index rising significantly to 108.3 points from 98.5 and 101.9 points in June 2026 and July 2025, respectively. The recovery in business activity was supported by strong performance across the majority of the subsectors.

Financial Institutions, Real Estate, and Professional, Scientific & Technical Services remained in expansion, performing better than in June 2026. Strong corporate earnings supported business growth in the Financial Institutions subsector.

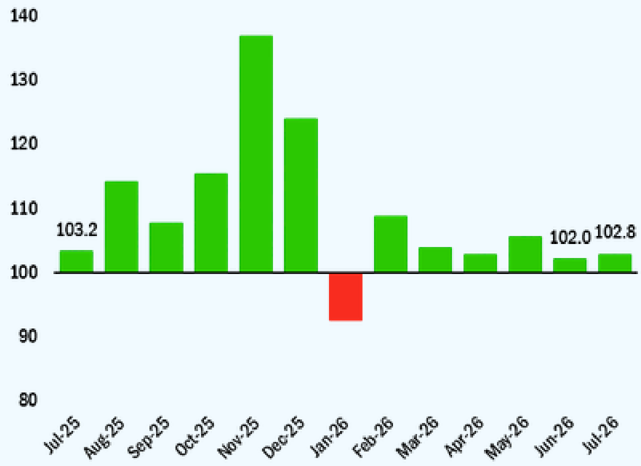
On the flip side, Broadcasting returned to the expansion territory after contracting in the previous month. By contrast, Telecoms and Information Services fell into contraction, whereas Other Services held steady around the neutral 100-point mark in July 2026.

Notwithstanding the overall improvement in business activity, the sector continued to face challenges, especially regular power cuts, limited access to credit, high property rental costs, and regulatory uncertainty, which discouraged new investment during the month.

Services Sub-Sector Indices	Jul. 2025	Aug. 2025	Sept. 2025	Oct. 2025	Nov. 2025	Dec. 2025	Jan. 2026	Feb. 2026	Mar. 2026	Apr. 2026	May 2026	Jun. 2026	Jul. 2026
Broadcasting	103.2	104.3	131.1	137.9	109.3	99.3	100.4	129.6	115.7	105.5	104.8	79.6	135.7
Financial Institutions	120.2	133.5	139.8	160.5	145.4	152.8	126.1	160.2	129.2	116.1	139.5	124.5	139.3
Real Estate	108.6	118.2	130.2	124.9	138.5	127.7	106.4	116.7	108.5	89.2	107.6	100.8	110.3
Prof., Sci. & Tech. Services	123.7	107.7	118.1	122.2	123.2	108.6	119.9	112.0	114.9	100.2	130.6	111.9	119.1
Telecoms & Info. Services	69.5	130.2	106.5	131.2	112.9	111.1	106.2	124.1	106.2	101.9	102.8	100.4	88.2
Other Services	100.0	104.3	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Trade Sector

NESG's Trade Business Performance Index



In July 2026, business activity in the Trade sector remained in expansion, with its Current Business Performance Index rising marginally to 102.8 points from 102.0 points in the previous month, albeit dropping from 103.2 points in July 2025.

This performance could be attributed to fragile business growth across the subsectors. Wholesale Trade recorded a weaker expansion level than in the previous month, whereas Retail Trade posted only a marginal expansion.

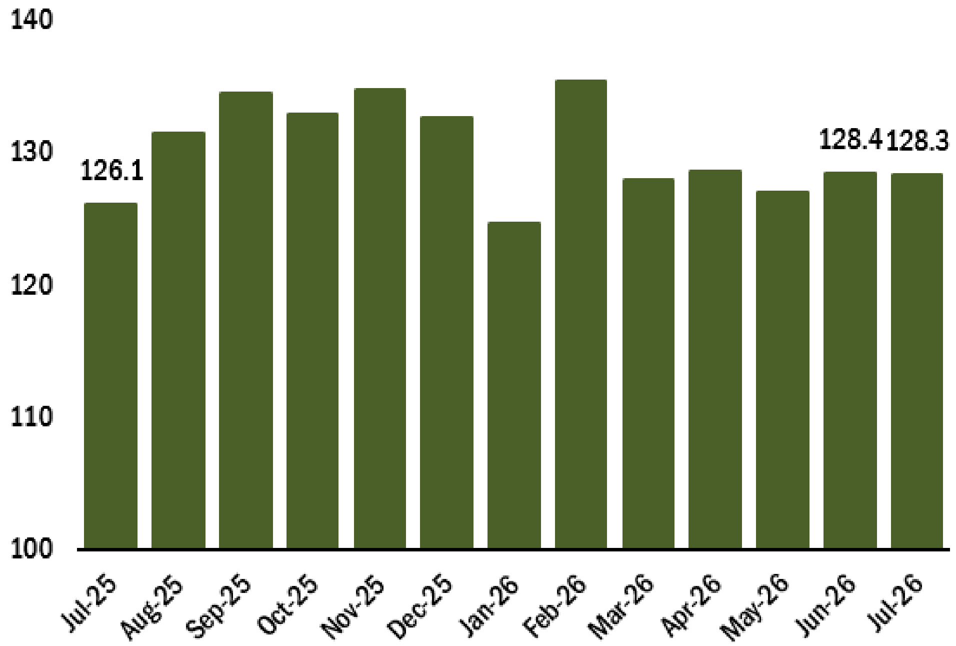
Moreover, the sector continued to face growth-inhibiting constraints, including limited access to credit, energy shortages, regulatory constraints, and infrastructure and logistics bottlenecks. These challenges constrained new investment, streamlined job creation, and heightened business operating costs within the sector during the month.

		Jul. 2025	Aug. 2025	Sept. 2025	Oct. 2025	Nov. 2025	Dec. 2025	Jan. 2026	Feb. 2026	Mar. 2026	Apr. 2026	May 2026	Jun. 2026	Jul. 2026
Trade Sub-Sector Indices	Wholesale	105.2	118.8	120.9	128.7	132.2	128.8	86.0	108.8	97.0	103.7	109.4	106.0	104.8
	Retail	101.3	109.3	94.3	102.2	141.4	118.8	99.4	108.7	110.7	101.8	101.7	98.1	100.8

0 ← Contraction 100 Expansion → 200

Future Business Expectations

NESG's Future Business Expectation Index



The NESG Future Business Expectation Index assesses Nigerian businesses' near-term outlook within the next one to three months. In July 2026, the index stood at 128.3 points, dropping marginally from 128.4 points in June 2026. This reflects sustained but cautious optimism about short-term business conditions.

Sentiment was uneven across sectors during the month. Trade (166.1 points) and Manufacturing (156.6 points) recorded the strongest optimism, followed by Non-Manufacturing (144.8 points). In contrast, Services (120.4 points) and Agriculture (112.9 points) exhibited the weakest level of optimism.

The cautious optimism signals firms' concerns over cost pressures that could emanate from the recent shift to dollar-denominated petrol pricing by the Dangote Refinery, which could keep energy prices elevated in the coming months.

Sectoral Business Condition Indices	Jul. 2025	Aug. 2025	Sept. 2025	Oct. 2025	Nov. 2025	Dec. 2025	Jan. 2026	Feb. 2026	Mar. 2026	Apr. 2026	May 2026	Jun. 2026	Jul. 2026
Manufacturing	155.4	161.9	158.4	146.7	156.5	158.3	155.0	164.3	155.3	152.1	160.4	166.0	156.6
Non-manufacturing	146.2	151.5	157.9	146.4	140.3	141.5	140.0	151.1	147.0	134.4	132.8	142.8	144.8
Services	122.4	115.7	120.5	120.1	117.8	114.9	131.2	117.1	116.0	114.1	111.8	112.7	120.4
Trade	130.5	168.9	162.7	170.1	186.5	162.9	137.9	163.1	160.5	159.8	140.8	174.6	166.1
Agriculture	113.3	107.2	126.9	131.7	127.5	135.5	110.2	137.2	120.8	119.8	137.7	127.4	112.9

0 ← Pessimism 100 Optimism → 200

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 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. Read More

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