



NESG

Business Confidence Monitor

Rising Input Costs Amid Weak Investment Softened Business Performance



April 2026



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Business Confidence Monitor

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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

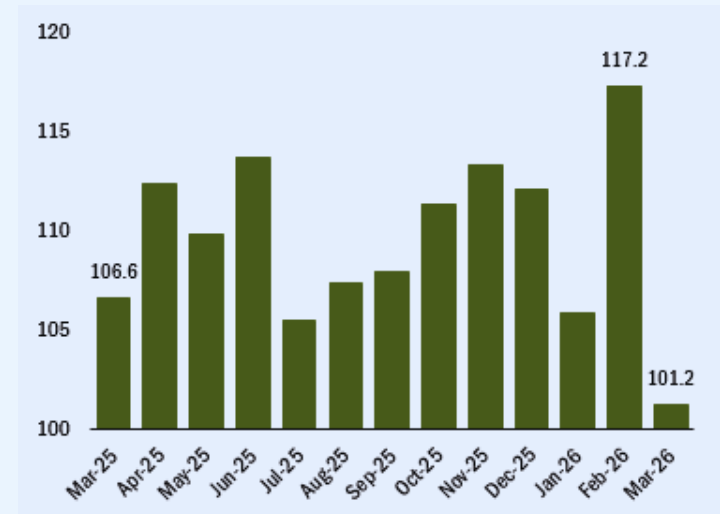
Current Business Performance (March 2026):

- Nigeria's business environment remained in the expansion territory, exhibiting weaker performance compared to February 2026.
- The Current Business Performance Index stood at 101.2 points, down from 117.2 points in February 2026 and 106.6 points in March 2025. This was largely driven by a contraction in the Agriculture and Non-Manufacturing sectors during the month.
- The weak performance reflects persistent constraints, including limited access to finance, frequent power outages, insecurity, and high rental costs.

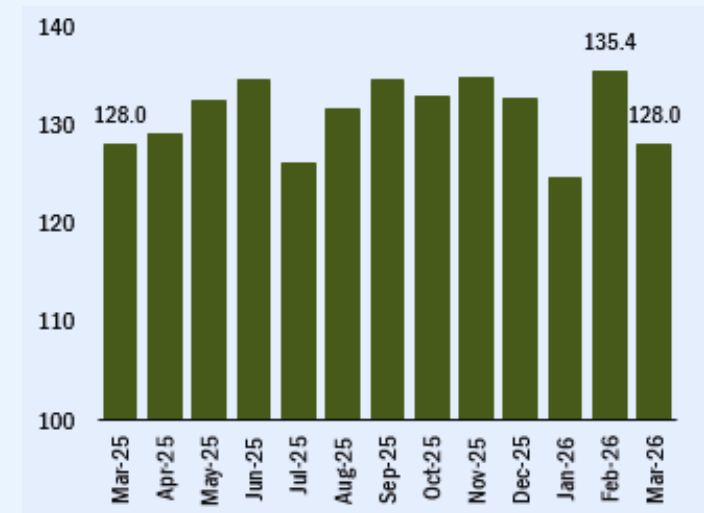
Future Expectations (Next One to Three months):

- The Future Business Expectations Index stood at 128.0 points, down from 135.4 points in February 2026, reflecting cautious optimism about the short-term business conditions.
- During the month, Trade and Manufacturing recorded the strongest levels of optimism, whereas other sectors recorded relatively weaker optimism. This cautious outlook reflects emerging energy-related cost pressures linked to rising geopolitical tensions in the Gulf region.

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

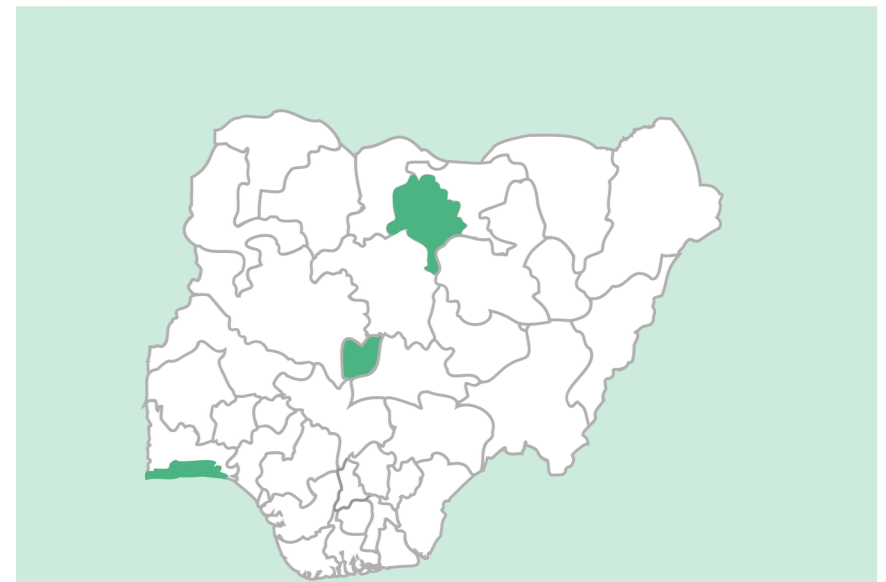
Trade: Wholesale Trade | Retail Trade

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

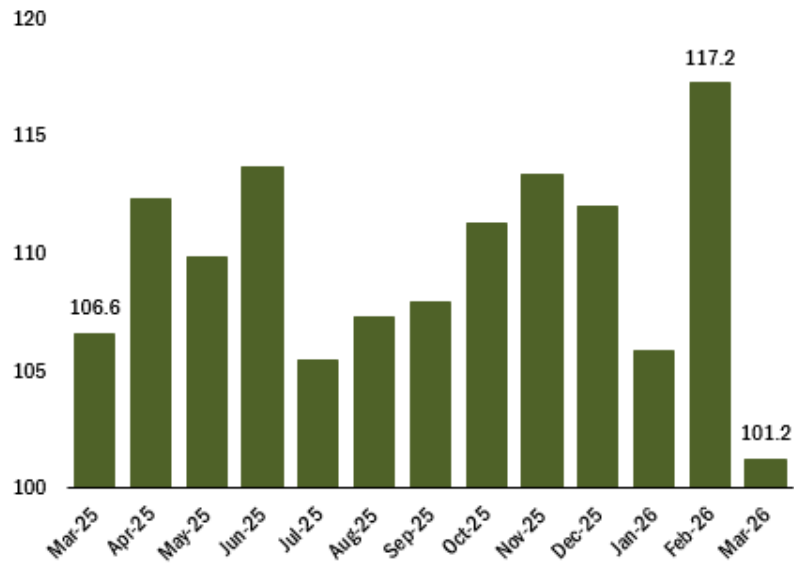
Agriculture: Crop Production | Livestock | Agro-Allied | Forestry | Fishing

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



Business Conditions in March 2026

NESG's Current Business Performance Index

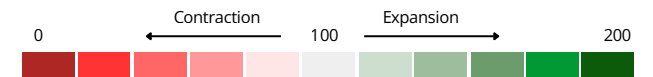


In March 2026, Nigeria's business environment stayed in the expansionary zone, showing a weaker performance. The NESG Business Confidence Monitor (BCM) Current Business Performance Index eased to 101.2 points from 117.2 and 106.6 points in February 2026 and March 2025, respectively.

Further breakdown indicates uneven performance across the five sectors in March 2026. Business activities slowed in Manufacturing (103.4 points from 121.1), Trade (103.8 points from 108.7), and Services (104.7 points from 109.2). However, index readings moved into the contraction region for Non-Manufacturing (98.4 points from 128.9) and Agriculture (91.1 points from 104.8) during the month.

Key BCM sub-indices, including general business situation, production, demand conditions, financial results, access to credit, cash flow, and employment, remained in the expansion territory, even though all, except trade stockpiling, were associated with weaker outcomes compared with February 2026. In contrast, export, operating profit, and supply orders sub-indices slipped into contraction in March 2026. While the overall cost of doing business eased slightly, input costs remained high.

	Mar. 2025	Apr. 2025	May 2025	Jun. 2025	Jul. 2025	Aug. 2025	Sept. 2025	Oct. 2025	Nov. 2025	Dec. 2025	Jan. 2026	Feb. 2026	Mar. 2026	
Sectoral Business Condition Indices	Manufacturing	108.3	108.8	114.4	123.6	98.0	106.2	102.5	111.3	114.2	117.9	115.8	121.1	103.4
	Non-manufacturing	119.2	123.6	122.2	120.7	112.6	116.2	114.5	115.0	117.7	110.2	115.3	128.9	98.4
	Services	105.5	106.5	104.5	106.3	101.9	103.7	108.5	111.0	105.8	104.3	102.1	109.2	104.7
	Trade	100.5	125.1	114.1	121.0	103.2	114.1	107.6	115.4	136.8	123.8	92.7	108.7	103.8
	Agriculture	97.6	107.0	98.2	108.9	107.0	95.6	107.3	111.4	103.3	112.9	99.5	104.8	91.1
Business Condition Sub-Index Pillars	General Business Situation	147.7	172.5	166.6	166.7	137.4	152.4	160.3	167.1	175.8	162.7	147.5	165.8	159.4
	Production	129.2	144.6	140.1	143.1	117.9	126.6	125.8	133.8	146.5	130.8	110.6	127.3	112.7
	Demand Condition	92.5	127.3	119.1	129.4	98.6	121.8	122.9	145.3	140.6	136.0	109.8	130.3	114.7
	Investment	86.7	85.0	74.4	56.3	79.3	61.4	76.1	84.2	105.3	99.6	63.0	84.9	66.6
	Export	97.6	106.2	103.1	102.3	98.9	98.1	95.8	105.5	103.5	103.9	97.5	105.1	95.2
	Cost of Doing Business	148.3	151.8	138.5	142.8	123.2	127.0	62.6	67.5	54.3	54.7	90.5	65.2	58.7
	Operating Profit	119.2	129.4	108.3	129.0	107.3	117.7	114.7	124.2	120.9	120.0	116.0	128.0	99.5
	Financial Results	72.9	155.4	136.4	141.4	117.6	141.7	132.2	143.8	148.3	143.6	120.2	156.2	130.0
	Supply Order	116.0	154.9	135.3	134.2	111.3	116.3	99.5	116.5	154.5	130.8	83.8	130.2	80.3
	Trade Stockpiling	113.2	132.5	133.0	175.0	98.0	175.0	157.5	157.5	182.5	175.0	85.5	111.6	150.0
	Access to Credit	118.3	124.0	125.0	128.8	123.6	115.5	122.9	138.7	143.6	127.5	122.8	137.7	119.5
	Cash Flow	120.8	130.5	126.0	126.2	115.2	118.8	128.7	121.7	134.2	127.6	119.3	121.7	110.1
	Prices	94.8	83.4	81.9	70.7	93.0	84.0	76.7	82.7	70.2	68.9	96.9	84.3	84.9
	Employment	117.9	137.6	130.9	127.2	111.9	114.9	114.9	129.1	134.9	124.3	113.6	122.2	111.0

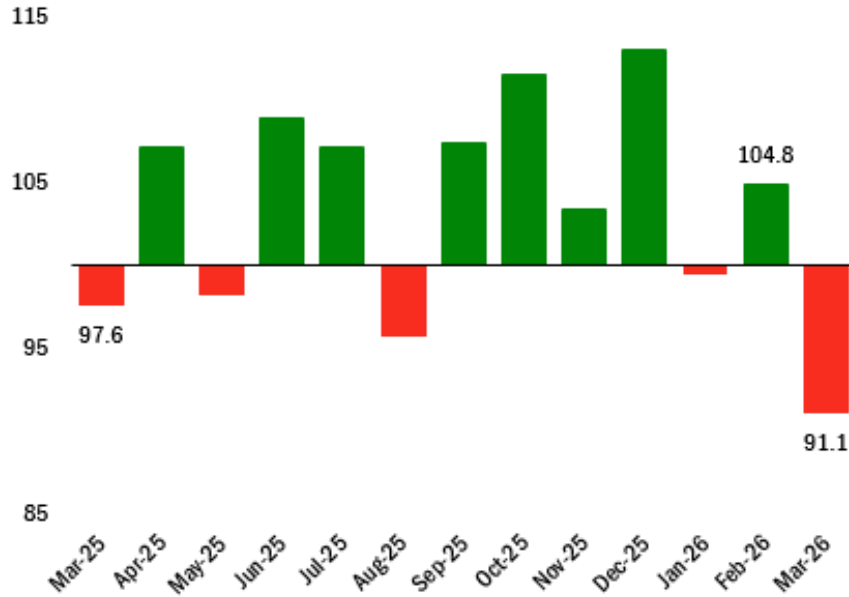


N:B Cost of doing business has an inverse interpretation to the index notations.

Notably, the investment sub-index recorded a deeper contraction in March 2026, highlighting reduced commitment of resources due to high risk perception among businesses. During the month, business performance was weakened by growth-inhibiting constraints, including limited financing, power supply deficit, elevated rental costs, input shortages, and insecurity.

Agriculture

NESG's Agriculture Business Performance Index



Agriculture Sub-Sector Indices	Mar. 2025	Apr. 2025	May 2025	Jun. 2025	Jul. 2025	Aug. 2025	Sept. 2025	Oct. 2025	Nov. 2025	Dec. 2025	Jan. 2026	Feb. 2026	Mar. 2026
	Crop Production	97.9	107.6	95.1	109.6	109.6	93.6	107.9	113.8	106.2	115.0	100.0	105.6
Livestock	117.4	99.6	107.8	105.2	99.6	100.5	112.5	104.5	93.2	105.2	97.9	104.6	82.3
Agro-Allied	89.7	107.2	106.3	108.2	100.5	100.8	103.3	106.2	95.2	108.2	97.9	102.0	105.4
Forestry	101.1	102.1	104.6	100.0	107.5	98.9	101.1	100.0	111.7	100.0	100.0	95.0	100.0
Fishing	98.9	110.8	100.0	99.0	97.9	104.0	107.5	97.3	105.0	105.0	103.2	103.2	115.0



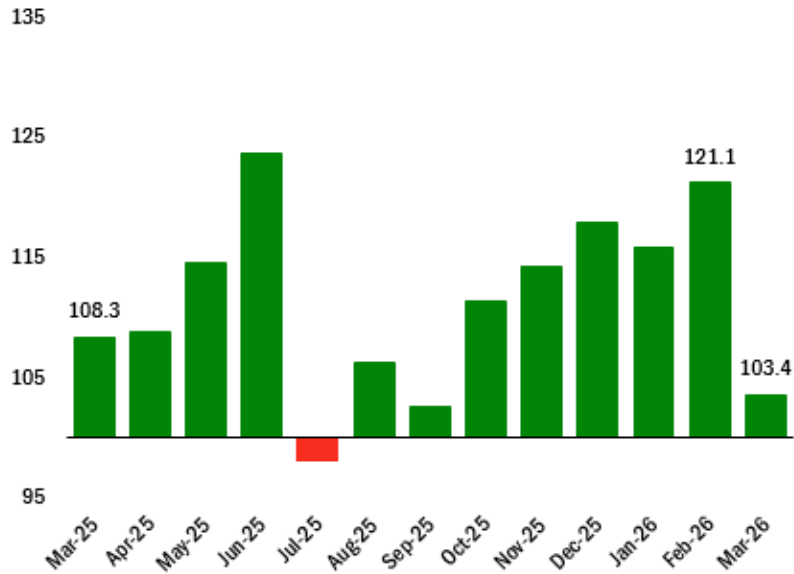
The NESG Business Confidence Monitor (BCM) Index for the Agriculture sector exited the expansion territory, dropping to 91.1 points in March 2026 from 104.8 points in the previous month. It also represents a deeper contraction compared with March 2025 (97.6 points).

Performance was mixed across the five subsectors during the month. Business activities in two sub-sectors (Crop Production and Livestock) moved into the contraction region in March 2026. Forestry held steady at the neutral threshold of 100 points, whereas Agro-Allied and Fishing sustained their expansionary momentum, posting a stronger performance than in the previous month.

During the month, industry players grappled with elevated insecurity, constrained financing, power supply disruptions, and infrastructural challenges, which contributed to high input costs, production disruptions, and limited capacity of businesses to commit resources into new investment opportunities within the Agricultural sector.

Manufacturing

NESG's Manufacturing Business Performance Index



	Mar. 2025	Apr. 2025	May 2025	Jun. 2025	Jul. 2025	Aug. 2025	Sept. 2025	Oct. 2025	Nov. 2025	Dec. 2025	Jan. 2026	Feb. 2026	Mar. 2026
Food, Beverage & Tobacco	115.0	111.5	124.3	125.7	93.2	104.4	99.8	121.6	109.2	119.9	114.8	118.5	109.6
Textile, Apparel & Footwear	96.9	105.9	100.3	129.4	95.8	109.4	118.1	106.7	132.8	128.4	136.6	118.5	100.3
Cement	100.0	102.1	100.0	111.8	111.1	101.8	79.3	102.7	99.5	94.5	100.6	95.5	96.3
Chemical & Pharm. Products	113.8	120.9	137.5	126.1	130.6	129.2	135.1	109.8	131.8	134.9	119.2	133.0	114.1
Plastic & Rubber products	111.2	116.4	119.3	128.0	119.3	124.8	105.4	106.5	121.7	130.3	102.4	99.0	77.1
Wood and Wood Products	109.1	103.6	96.5	126.1	94.9	101.8	97.5	90.9	110.2	96.8	91.6	86.8	90.0
Pulp, Paper & Paper Products	100.4	101.6	97.3	103.9	98.9	118.6	114.5	115.0	93.4	111.8	101.1	125.5	80.5
Non-Metallic Products	109.4	100.0	102.2	109.0	95.2	98.5	94.8	80.9	100.7	99.8	98.5	112.9	87.3
Electrical & Electronics	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	105.4	100.0	110.7	100.0
Basic metals, Iron & Steel	90.7	91.7	105.6	103.6	97.9	99.1	101.1	56.4	123.6	106.1	104.3	109.9	103.4
Motor vehicles & Assembly	98.9	102.1	104.3	94.6	100.0	87.5	100.0	100.0	100.0	100.0	100.0	100.0	100.0
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

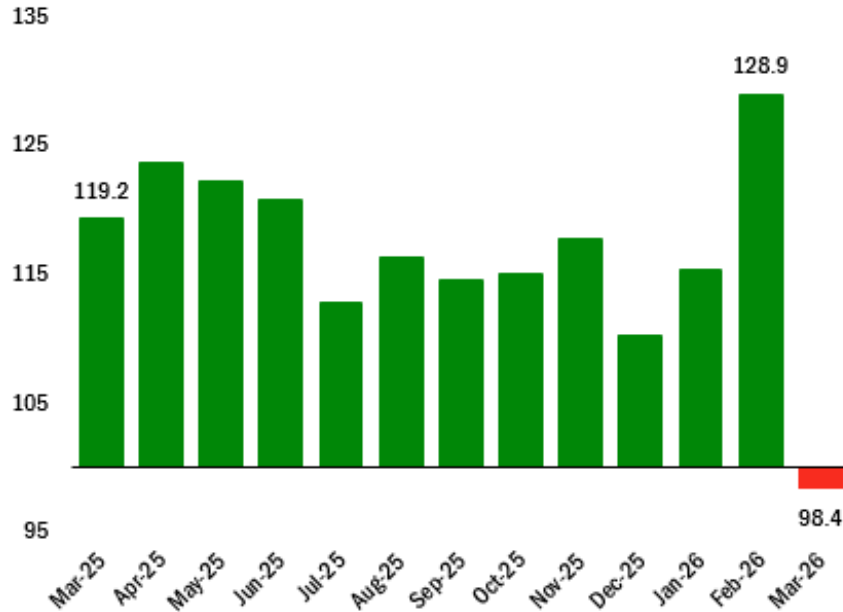
Business activity in the Manufacturing sector remained in expansion in March 2026, with the NESG Business Confidence Monitor (BCM) Index at 103.4 points. However, this marks a slowdown from 121.1 points in February 2026 and 108.3 points in March 2025, reflecting subdued performance across key sub-sectors.

Key constraints that contributed to the slowdown in manufacturing activities include limited access to credit, irregular power supply, infrastructure bottlenecks, persistent insecurity, and raw material shortages. These challenges translated into elevated input costs, thin profit margins, and limited commitment to new investments.

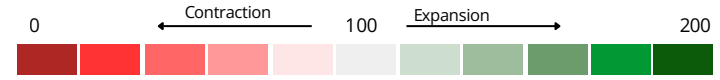
Of all sub-sectors, only Food, Beverage & Tobacco, Basic Metal, Iron & Steel, and Chemical & Pharmaceutical Products remained in the expansion region, but were associated with weaker performances. Business activity in five subsectors (Cement, Plastic & Rubber Products, Wood & Wood Products, Pulp, Paper & Paper Products, and Non-Metallic Products) slipped into contraction. In contrast, the index readings in other subsectors held steady around the 100-point threshold in March 2026.

Non-manufacturing

NESG's Non-manufacturing Business Performance Index



Non-manufacturing Sub-Sector Indices	Mar. 2025	Apr. 2025	May 2025	Jun. 2025	Jul. 2025	Aug. 2025	Sept. 2025	Oct. 2025	Nov. 2025	Dec. 2025	Jan. 2026	Feb. 2026	Mar. 2026
	Construction	117.3	121.7	139.1	117.1	120.0	119.4	121.8	129.5	136.4	130.2	119.4	131.1
Crude Petroleum	125.7	100.0	115.0	100.0	100.0	100.0	100.0	100.0	120.0	100.0	115.0	100.0	100.0
Natural Gas	128.2	121.4	118.2	112.9	123.6	115.8	111.3	115.0	113.4	111.0	102.4	113.2	104.6
Oil & Gas Services	107.8	128.7	125.9	133.8	99.1	117.4	115.0	124.2	110.5	98.7	127.5	145.2	80.4
Others	97.8	111.2	106.0	98.4	101.1	97.3	104.4	96.0	106.7	104.6	106.5	107.7	97.9



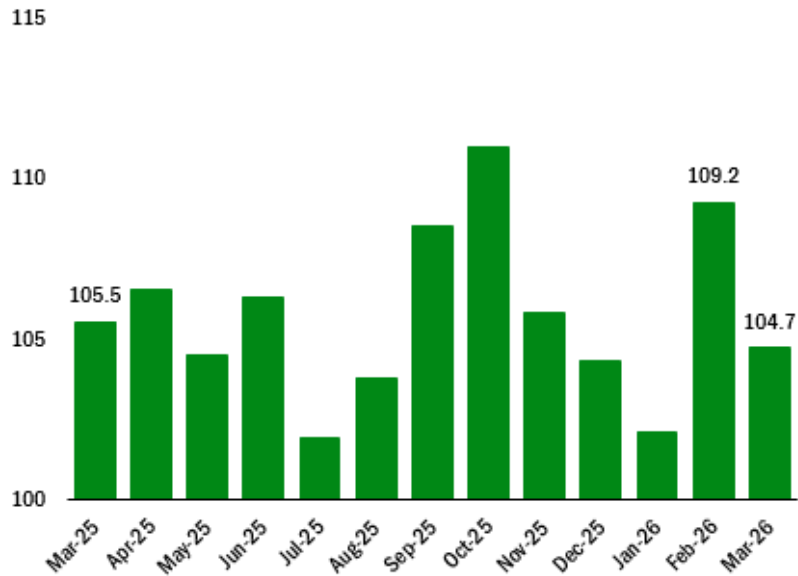
Business activity in the Non-manufacturing sector contracted in March 2026, with the NESG BCM Index reading of 98.4 points, down from 128.9 and 119.2 points in February 2026 and March 2025, respectively. The contraction reflects weaker performance across most sub-sectors.

Construction and Natural Gas remained in expansion, although both recorded softer activity compared to the previous month. In contrast, Oil & Gas Services slipped into contraction, while Crude Petroleum hovered around the neutral 100-point threshold.

Persistent challenges continued to weigh on the sector, including limited access to finance, high rental costs, frequent power outages, and insecurity. These factors increased the cost of doing business, disrupted operations, and reduced firms' willingness to commit to new investments, ultimately dragging overall performance.

Services

NESG's Services Business Performance Index



	Mar. 2025	Apr. 2025	May 2025	Jun. 2025	Jul. 2025	Aug. 2025	Sept. 2025	Oct. 2025	Nov. 2025	Dec. 2025	Jan. 2026	Feb. 2026	Mar. 2026
Broadcasting	124.5	123.6	109.6	126.1	103.2	104.3	131.1	137.9	109.3	99.3	100.4	129.6	115.7
Financial Institutions	120.5	121.9	139.5	121.5	120.2	133.5	139.8	160.5	145.4	152.8	126.1	160.2	129.2
Real Estate	124.5	135.8	107.6	124.4	108.6	118.2	130.2	124.9	138.5	127.7	106.4	116.7	108.5
Professional, Scientific & Technical Services	111.7	121.0	130.6	119.7	123.7	107.7	118.1	122.2	123.2	108.6	119.9	112.0	114.9
Telecomm. & Info. Services	60.5	118.8	102.8	99.3	69.5	130.2	106.5	131.2	112.9	111.1	106.2	124.1	106.2
Other Services	100.0	100.0	100.0	100.0	100.0	104.3	100.0	100.0	100.0	100.0	100.0	100.0	100.0

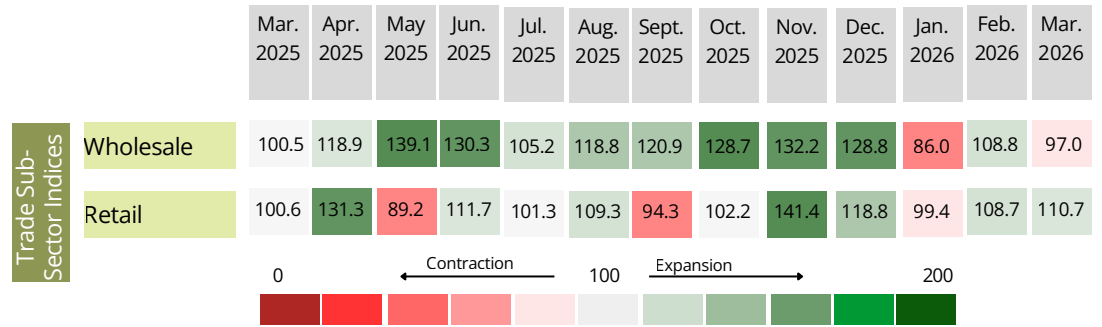
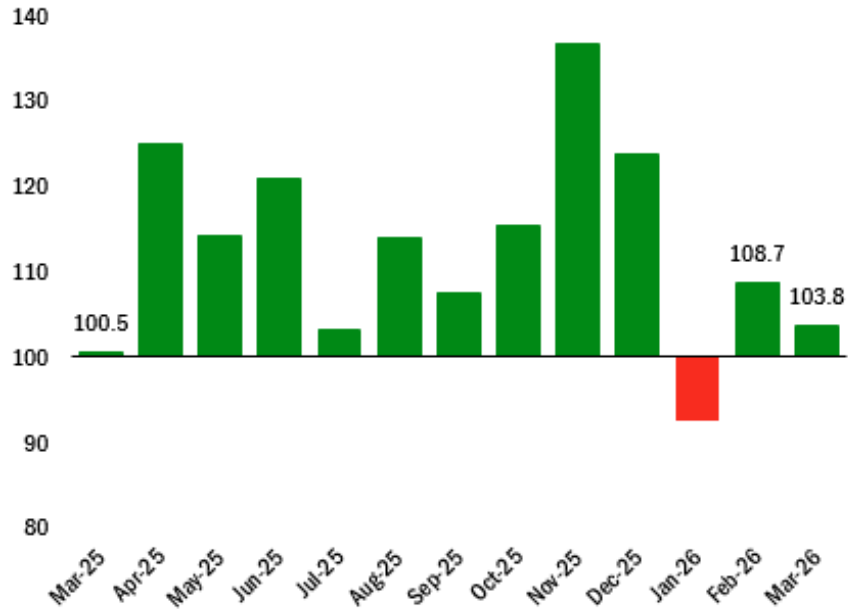
Business activity in the Services sector remained in expansion in March 2026, with the NESG Business Confidence Monitor (BCM) Index at 104.7 points. However, this reflects a slowdown from 109.2 points in February 2026 and 105.5 points in March 2025.

Across sub-sectors, performance was broadly positive but weakened. Other Services settled at the neutral 100-point mark, while Broadcasting, Financial Institutions, Real Estate, and Professional, Scientific & Technical Services all remained in expansion, albeit with softer readings compared to the previous month.

Broad-based business expansion across the Services sector was largely supported by robust demand conditions and stronger financial conditions (improved earnings, profit margins, and cash flows). However, rising operating costs and weak investment momentum persisted, reflecting ongoing constraints such as energy shortages, regulatory bottlenecks, and infrastructure gaps.

Trade

NESG's Trade Business Performance Index



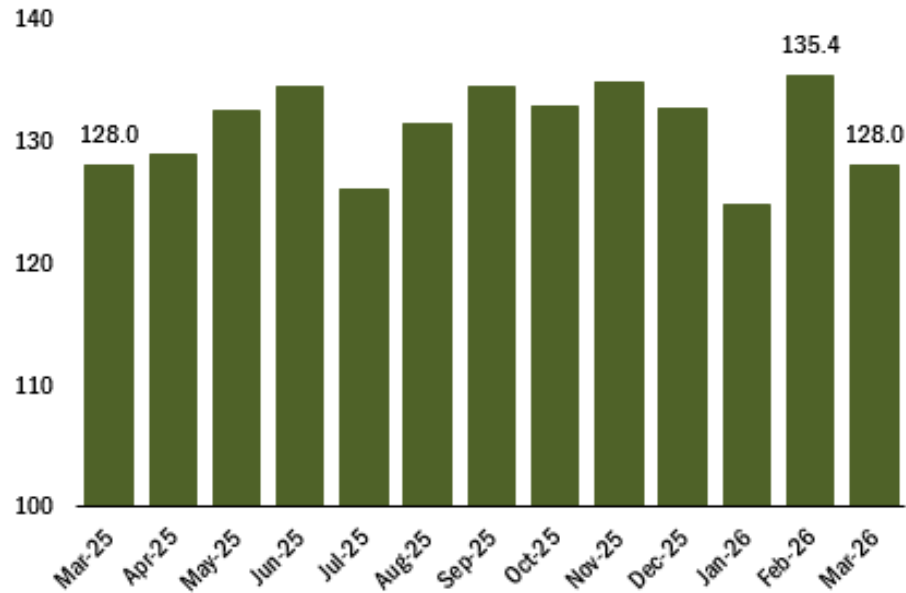
In March 2026, business activities in the Trade sector continued to expand, with the NESG Business Confidence Monitor (BCM) Index rising to 103.8 points, up from 100.5 points in March 2025. However, this marked a slowdown compared to February 2026, when the index stood at 108.7 points.

Performance across the two subsectors was mixed. Retail Trade remained firmly in expansion, recording stronger activity than in the previous month. In contrast, Wholesale Trade declined, slipping into the contraction territory.

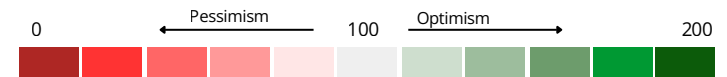
Overall, the Trade sector's continued expansion was driven by improved stockpiling and stronger cash flow conditions. However, businesses still faced significant challenges, including limited access to finance, insecurity, and unreliable power supply. These constraints disrupted supply chains and weakened firms' willingness to commit to new investments.

Future Business Expectations

NESG's Future Business Expectation Index



Sectoral Business Condition Indices	Mar. 2025	Apr. 2025	May 2025	Jun. 2025	Jul. 2025	Aug. 2025	Sept. 2025	Oct. 2025	Nov. 2025	Dec. 2025	Jan. 2026	Feb. 2026	Mar. 2026
	Manufacturing	155.1	137.3	156.4	160.4	155.4	161.9	158.4	146.7	156.5	158.3	155.0	164.3
Non-manufacturing	153.1	148.7	141.8	153.5	146.2	151.5	157.9	146.4	140.3	141.5	140.0	151.1	147.0
Services	120.5	119.6	118.6	122.3	122.4	115.7	120.5	120.1	117.8	114.9	131.2	117.1	116.0
Trade	121.4	169.6	163.9	158.0	130.5	168.9	162.7	170.1	186.5	162.9	137.9	163.1	160.5
Agriculture	120.6	124.3	131.4	132.2	113.3	107.2	126.9	131.7	127.5	135.5	110.2	137.2	120.8



The NESG Future Business Expectation Index gauges Nigerian businesses' near-term outlook (one to three months). In March 2026, the index stood at 128.0 points, down from 135.4 in February 2026, signalling cautious optimism about near-term business conditions.

Businesses' cautious outlook reflects emerging energy-related cost pressures linked to geopolitical tensions in the Gulf region, which have pushed global oil prices to record highs in recent times.

Industry players across sectors showed varying levels of optimism. Trade (160.5 points) and Manufacturing (155.3 points) recorded the strongest level of optimism, followed by Non-Manufacturing (147.0 points). However, Agriculture (120.8 points) and Services (116.0 points) exhibited the weakest level of optimism.

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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