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Stanbic IBTC Bank
A member of Standard Bank Group

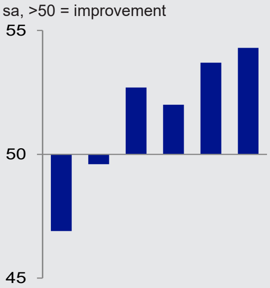
# Stanbic IBTC Bank Nigeria PMI®

## Sharpest rise in new orders in 14 months

54.3

NIGERIA PMI
MAR '25

PMI
Oct '24 - Mar '25
sa, >50 = improvement




### Marked increases in output and new orders

### Weakest rise in input costs since May 2023

### Business confidence eases

The recovery in the Nigerian private sector gathered strength in March, with output, new orders and employment all increasing to greater degrees than in February. Firms were helped to some extent by softening inflationary pressures, with input costs increasing at the slowest pace since May 2023.

The headline figure derived from the survey is the Purchasing Managers' Index™ (PMI®). Readings above 50.0 signal an improvement in business conditions on the previous month, while readings below 50.0 show a deterioration.

The headline PMI posted 54.3 in March, up from 53.7 in February and above the 50.0 no-change mark for the fourth consecutive month. Moreover, the latest improvement in business conditions in the private sector was solid and the most marked since the start of 2024.

Central to the latest strengthening in the health of the private sector was an improving demand climate. This helped lead to a fifth successive monthly expansion of new orders in March. Moreover, the pace of increase was sharp and the fastest in 14 months.

In turn, the pace of output growth also quickened at the end of the opening quarter. Here too, the latest rise was the sharpest since January 2024. Output expanded across all four sectors covered by the report.

Increases in new orders and output requirements encouraged companies to expand their staffing levels and purchasing activity accordingly. A modest rise in employment was nonetheless the most marked in seven months, while input buying was up sharply.

Higher purchasing activity fed through to rising stocks of inputs, with companies looking to build inventories in line with current and future business needs. Some firms also took advantage of softer price inflation to stockpile inputs.

Stanbic IBTC Bank Nigeria PMI
sa, >50 = improvement since previous month


PMI® by S&P Global

NATIONAL BUREAU OF STATISTICS

The Nigeria PMI is endorsed and adopted by NBS.

# Contents



Although overall input costs continued to rise sharply, the pace of inflation eased for the fifth month running and was the slowest since May 2023. Both purchase prices and staff costs increased at slower rates at the end of the opening quarter of the year.

In turn, companies also posted a softer increase in selling prices in March. Here too the pace of inflation was the least marked since May 2023.

Meanwhile, suppliers' delivery times continued to shorten, with improved vendor performance linked to prompt payments and good road conditions. Lead times shortened solidly, albeit to a lesser extent than seen in February.

Although rates of expansion in output and new orders quickened in March, companies were less optimistic regarding the 12-month outlook for business activity. Confidence was at a three-month low and weaker than the series average. Those firms that predicted a rise in output linked this to planned advertising, as well as business investment and the opening of new branches.

## Comment

Muyiwa Oni, Head of Equity Research West Africa at Stanbic IBTC Bank commented:

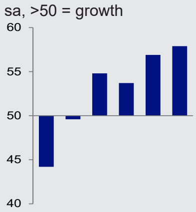
*"Softening inflationary pressures are helping to improve domestic demand conditions, in turn, supporting an overall improvement in private sector activity in Nigeria. Consequently, private sector activity strengthened for the fourth consecutive month, with the headline PMI settling higher at 54.3 points in March from 53.7 points in February – its highest print since January 2024 (54.5 points). Central to this improvement is an increase in customer requests, which ensured the rate of growth in new orders in March quickened to their fastest pace in 14 months. In addition, the employment level increased for the fourth month running in March although some firms reported hiring staff on a contract basis.*

*Meanwhile, the pace of increase input costs for the Nigerian companies moderated sharply in March, with the latest rise being the slowest since May 2023, albeit still marked. In line with this, the pace of output price inflation softened further - easing for the third successive month to the weakest since May 2023. Nonetheless, staff costs continued to rise at a solid pace and companies generally linked the efforts to increase staff pay to helping workers deal with higher living costs.*

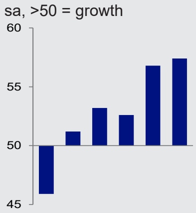
*Private sector activity in Q1:25 was at a much better position compared to the preceding quarter and this is consistent with a likely 3.9% y/y growth in the non-oil sector in Q1:25, signifying a further improvement in business conditions. For the full year 2025, the non-oil sector is poised to improve further compared to 2024 as the lingering FX stability and improved FX liquidity conditions bode well for the real sector activities, including manufacturing, trade and real estate. This, in addition to the anticipated reduction in borrowing costs, should further support the growth of the non-oil sector in 2025. Accordingly, we project the non-oil sector to grow by 3.4% y/y in 2025. Therefore, we still expect the Nigerian economy to grow by 3.5% y/y in real terms in 2025 with the Q1:25 growth print forecasted to settle at 3.7% y/y."*

# Output and demand

Output
Index
Oct '24 - Mar '25
sa, >50 = growth




New Orders
Index
Oct '24 - Mar '25
sa, >50 = growth




## Output

Business activity continued to rise in Nigeria's private sector during March, thereby extending the current sequence of growth to four months. Moreover, the rate of expansion was sharp and the most pronounced since January 2024. Panellists reported higher new orders and stronger customer demand. All four monitored sectors posted increases in business activity at the end of the opening quarter.

## New orders

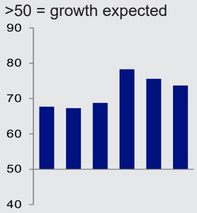
In line with the picture for output, the rate of growth in new orders quickened in March and was the fastest in 14 months. Increasing customer requests were central to the rise in new business, according to respondents. New orders have expanded in each month since November last year.

Output Index
sa, >50 = growth since previous month


New Orders Index
sa, >50 = growth since previous month


# Business expectations

Future
Output Index
Oct '24 - Mar '25
>50 = growth expected

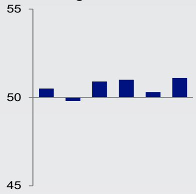



Marketing activity, plus plans to invest in operations and open new branches were among the factors supporting optimism in the 12-month outlook for business activity in March. That said, sentiment dipped for the second month running and was well below the series average.

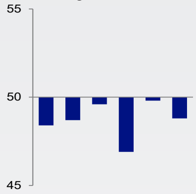
Future Output Index
>50 = growth expected over next 12 months

# Employment and capacity

Employment Index
Oct '24 - Mar '25
sa, >50 = growth



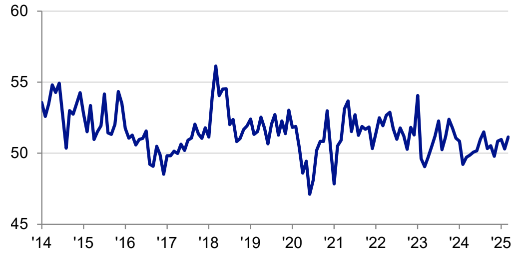

Backlogs of Work Index
Oct '24 - Mar '25
sa, >50 = growth




## Employment

Nigerian companies increased employment again in March, the fourth month running in which this has been the case. Although slight, the pace of job creation quickened to the fastest since August 2024. A number of firms reported hiring staff on a contract basis. All four monitored sectors saw employment rise, with manufacturing seeing the sharpest expansion.

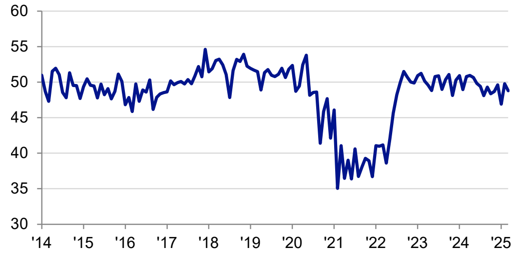
Employment Index
sa, >50 = growth since previous month

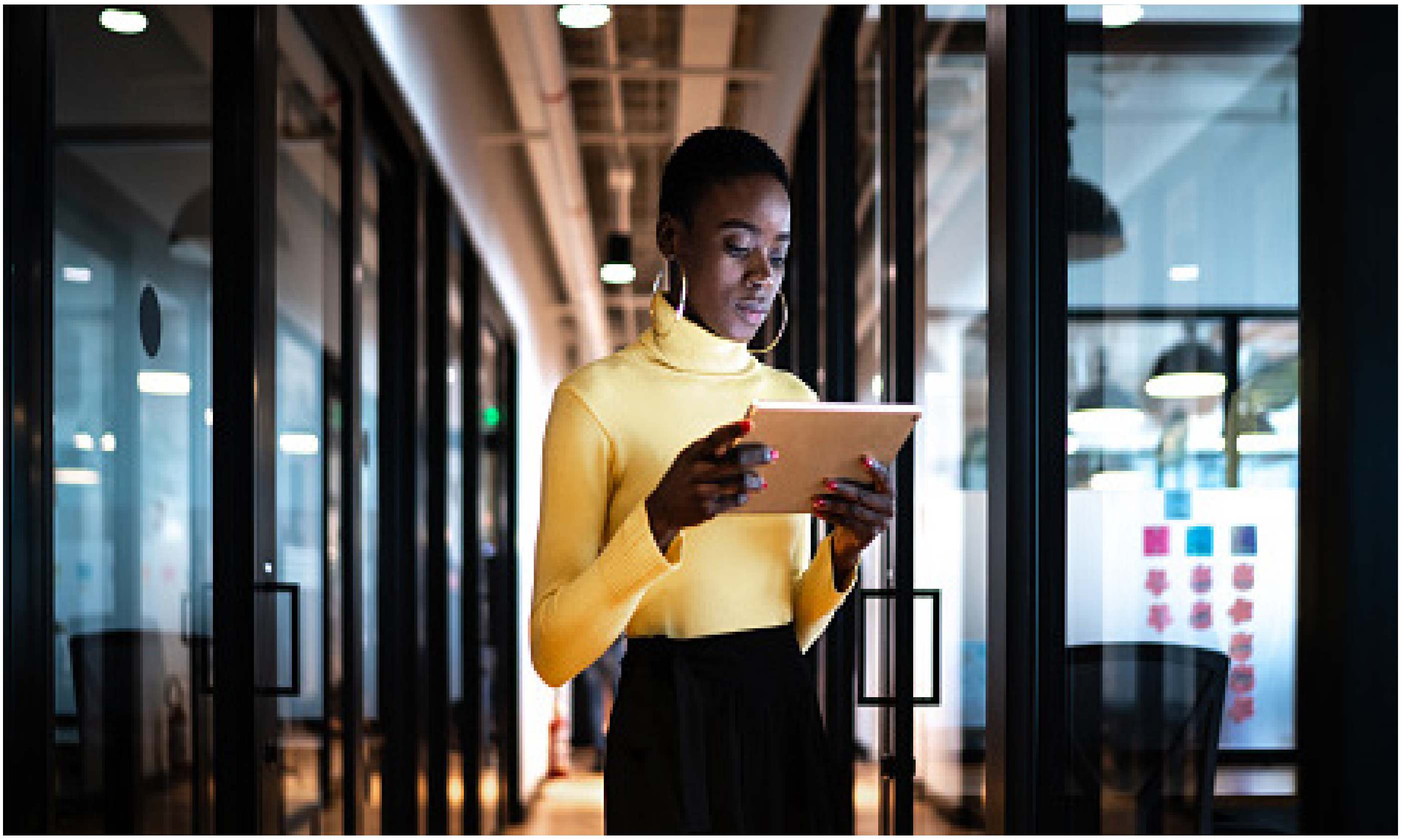



## Backlogs of work

Rising workforce numbers helped companies to deplete outstanding business in March despite a sharper rise in new orders. Backlogs of work have now decreased in ten consecutive months, with some firms reporting that all outstanding business had been completed.

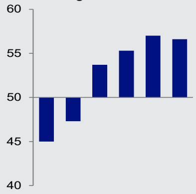
Backlogs of Work Index
sa, >50 = growth since previous month



# Purchasing and inventories

Quantity of Purchases Index
Oct '24 - Mar '25
sa, >50 = growth

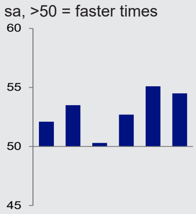



## Quantity of purchases

Rising customer demand encouraged companies in Nigeria to expand their purchasing activity during March. Input buying increased for the fourth consecutive month. The rate of expansion was sharp, albeit slightly softer than that seen in February.

Quantity of Purchases Index
sa, >50 = growth since previous month

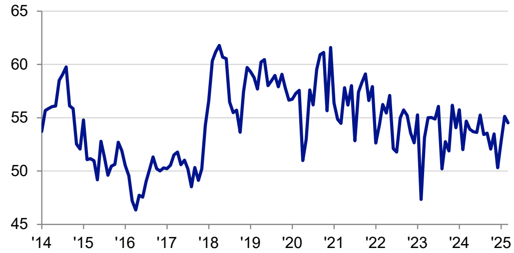

Suppliers' Delivery Times Index
Oct '24 - Mar '25
sa, >50 = faster times



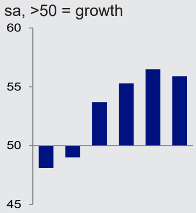

## Suppliers' delivery times

Suppliers' delivery times shortened again in March, continuing the trend seen since March 2023. The latest improvement in vendor performance was solid, but less pronounced than in the previous month. Respondents linked faster deliveries to timely payments and good road conditions.

Suppliers' Delivery Times Index
sa, >50 = faster times since previous month



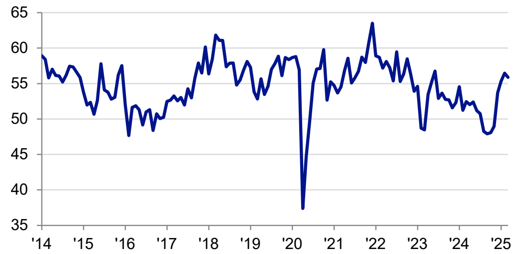

Stocks of Purchases Index
Oct '24 - Mar '25
sa, >50 = growth



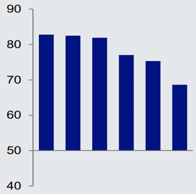

## Stocks of purchases

March data pointed to a marked increase in stocks of purchases at companies in Nigeria. Anecdotal evidence suggested that the rise reflected current and future business needs. Some firms indicated that they had stocked up on inputs amid a softening of inflationary pressures.

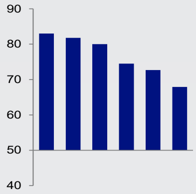
Stocks of Purchases Index
sa, >50 = growth since previous month



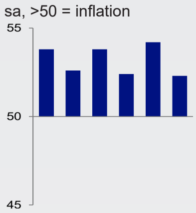

Input Prices Index
Oct '24 - Mar '25
sa, >50 = inflation



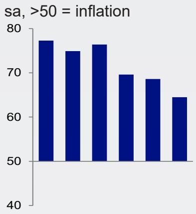

Purchase Prices Index
Oct '24 - Mar '25
sa, >50 = inflation




Staff Costs Index
Oct '24 - Mar '25
sa, >50 = inflation




Output Prices Index
Oct '24 - Mar '25
sa, >50 = inflation

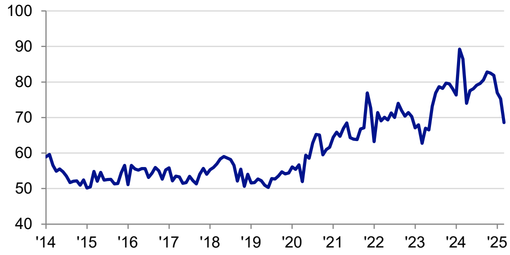



# Prices

## Input prices

Nigerian companies recorded a sharp slowdown in the pace of overall input cost inflation at the end of the opening quarter. The latest rise was the slowest since May 2023, albeit still marked. All four sectors covered by the report saw a weaker pace of cost inflation during the month.

Input Prices Index
sa, >50 = inflation since previous month




## Purchase prices

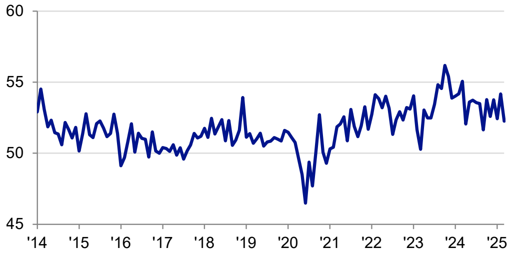
The rate of purchase cost inflation eased for the sixth successive month in March and was the weakest in just under two years. Panellists reported higher costs for raw materials, as well as general inflationary pressures which partly reflected currency weakness.

Purchase Prices Index
sa, >50 = inflation since previous month


## Staff costs

Staff costs continued to rise at a solid pace in March, although the rate of inflation softened and was the weakest since last September. Where staff pay increased, companies generally linked this to efforts to help workers deal with higher living costs.

Staff Costs Index
sa, >50 = inflation since previous month




## Output prices

In line with the trend in input costs, the pace of output price inflation continued to soften in March, easing for the third successive month to the weakest since May 2023. Close to 30% of respondents increased their charges at the end of the first quarter of the year, while 7% lowered selling prices.

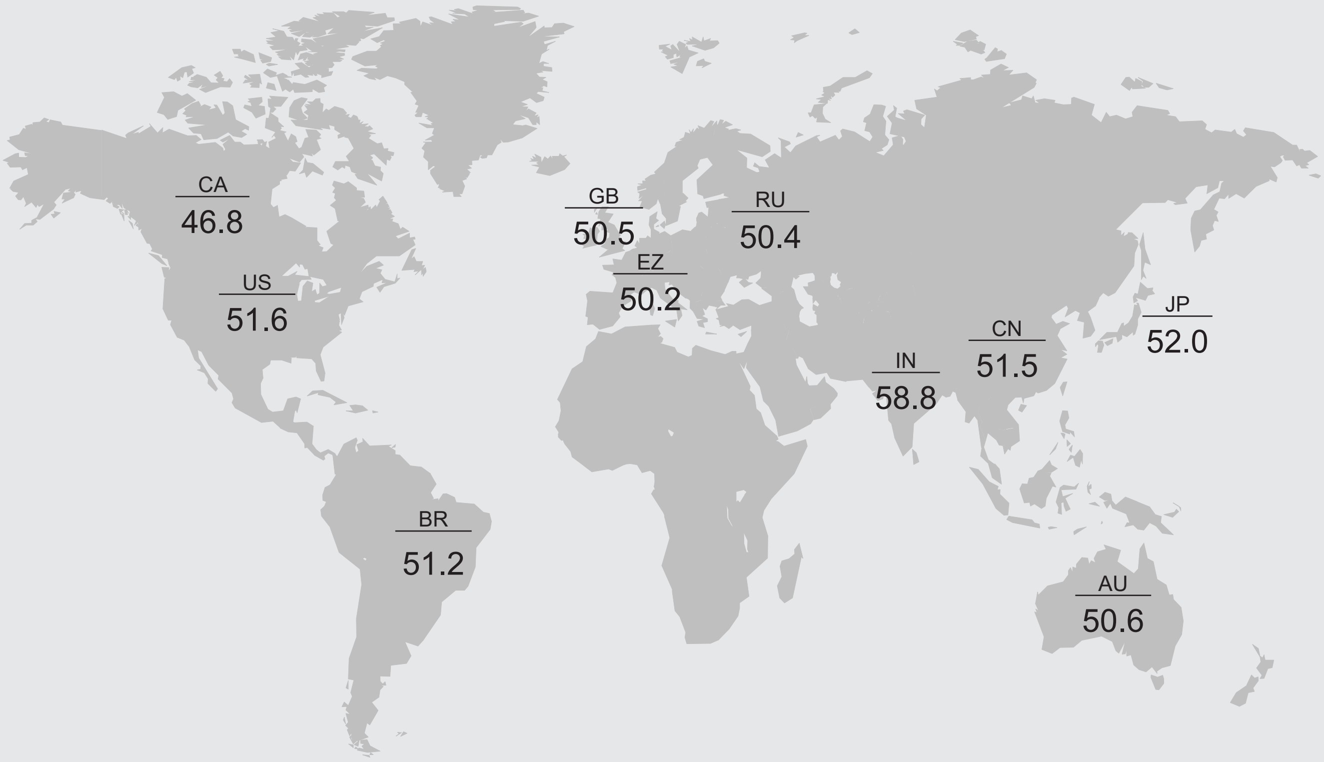
Output Prices Index
sa, >50 = inflation since previous month

# International PMI

Composite Output Index, Feb '25

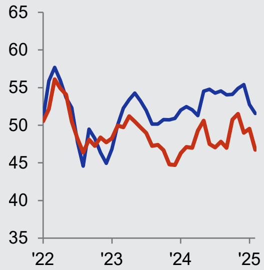
sa, >50 = growth since previous month

The Composite Output Index is a GDP-weighted average of the Manufacturing Output Index and the Services Business Activity Index.

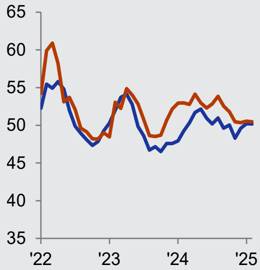



Composite Output Index

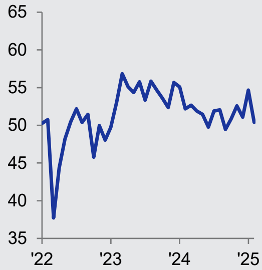
USA
Canada
sa, >50 = growth




Eurozone
UK
sa, >50 = growth

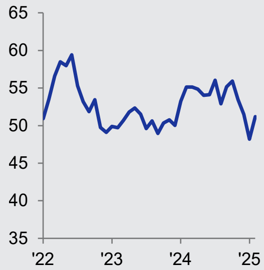



Russia
sa, >50 = growth

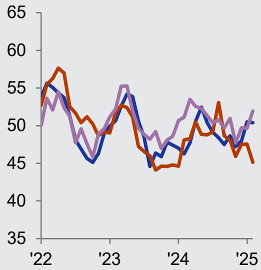



China
sa, >50 = growth

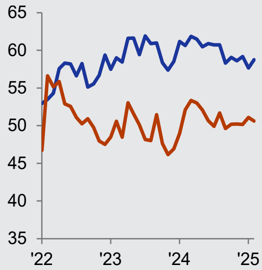

Brazil
sa, >50 = growth



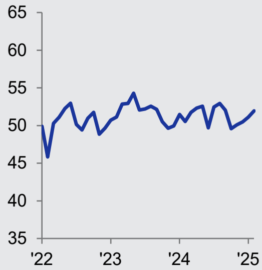

Germany
Italy
France
sa, >50 = growth




India
Australia
sa, >50 = growth




Japan
sa, >50 = growth



# Survey methodology

The Stanbic IBTC Bank Nigeria PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 private sector companies. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. The sectors covered by the survey include agriculture, mining, manufacturing, construction, wholesale, retail and services. Data were first collected January 2014.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

## Survey dates

Data were collected 12-27 March 2025.

### Survey questions

Private sector

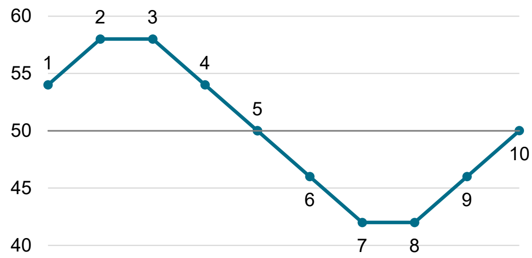
- Output
- New Orders
- New Export Orders
- Future Output
- Employment
- Backlogs Of Work
- Quantity Of Purchases
- Suppliers' Delivery Times
- Stocks Of Purchases
- Input Prices
- Purchase Prices
- Staff Costs
- Output Prices

### Index calculation

**% "Higher" + (% "No change")/2**

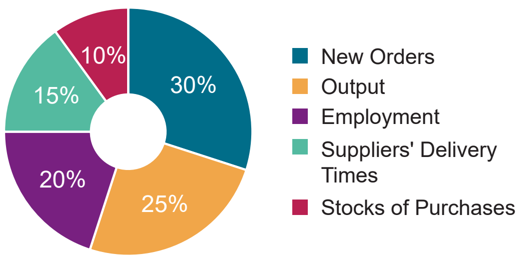
### Index interpretation

50.0 = no change since previous month




1 Growth
2 Growth, faster rate
3 Growth, same rate
4 Growth, slower rate
5 No change, from growth
6 Decline, from no change
7 Decline, faster rate
8 Decline, same rate
9 Decline, slower rate
10 No change, from decline

### PMI component weights




### Sector coverage

PMI data include responses from companies operating in sectors classified according to the following ISIC Rev.4 codes:

| | |
|---|---|
| A | Agriculture, Forestry and Fishing |
| B | Mining and Quarrying |
| C | Manufacturing |
| F | Construction |
| G | Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles |
| H | Transportation and Storage |
| I | Accommodation and Food Service Activities |
| J | Information and Communication |
| K | Financial and Insurance Activities |
| M | Professional, Scientific and Technical Activities |
| N | Administrative and Support Service Activities |
| P | Education* |
| Q | Human Health and Social Work Activities* |
| R | Arts, Entertainment and Recreation |
| S | Other Service Activities |

*Private sector

The Nigeria PMI is endorsed and adopted by NBS.

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**About Stanbic IBTC Bank**
Stanbic IBTC Bank is a subsidiary of Stanbic IBTC Holdings Plc, a full service financial services group with a clear focus on three main business pillars - Corporate and Investment Banking, Personal and Business Banking and Wealth Management. Standard Bank Group, to which Stanbic IBTC Holdings belongs, is rooted in Africa with strategic representation in 20 key sub-Saharan countries and other emerging markets; Standard Bank has been in operation for over 151 years and is focused on building first-class on-the-ground banks in chosen countries in Africa and connecting other selected emerging markets to Africa and to each other.

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We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today.
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**About PMI**
Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends.
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