



**Stanbic IBTC**  
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**NESG-Stanbic IBTC**

# Business Confidence Monitor

**Sustained Recovery Momentum Fuels Optimism for Strong Business Performance in 2025**



# Table of Contents:



 Executive Summary

 BCM Framework

 Nigeria's Business Conditions in February 2025

 How the Sectors Fared in February 2025

Agriculture Sector

Manufacturing Sector

Non-Manufacturing Industries

Services Sector

Trade Sector

 Future Business Expectations

**Business  
Confidence Monitor**

*Sustained Recovery Momentum Fuels Optimism for Strong Business  
Performance in 2025*

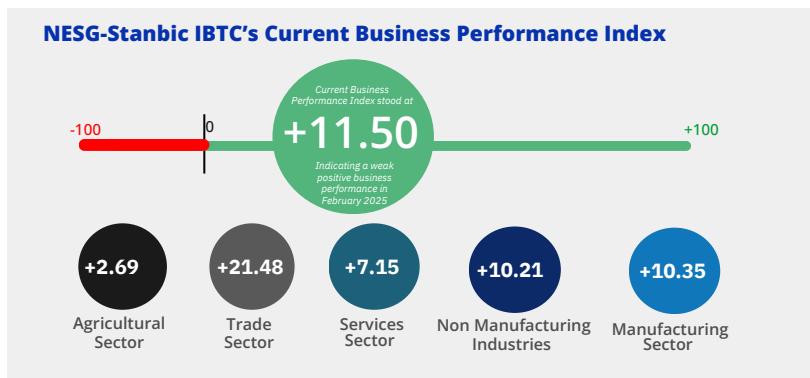
# Executive Summary

The NESG-Stanbic IBTC Business Confidence Monitor (BCM) is the flagship survey-based report of the Nigerian Economic Summit Group (NESG), supported by Stanbic IBTC. The report obtains qualitative information on the current state of business sentiment within the Nigerian economy and gauges expectations about overall economic activities in the short term. It is anchored on business managers' optimism on key leading economic indicators such as investment, prices, demand conditions, employment, etc.

## Key Findings

### Current Business Performance (February 2025):

- Businesses in Nigeria reported a sustained improvement in performance for the second consecutive month in 2025, signalling favourable business conditions in the year.
- As a result, the current Business Performance Index for February 2025 stands at +11.50, reflecting a rise in business activities and a moderate improvement compared to +5.69 points in January 2025.
- Businesses faced significant growth challenges this month, with foreign exchange constraints, inadequate power supply, unclear economic policies, and limited access to financing topping the list.

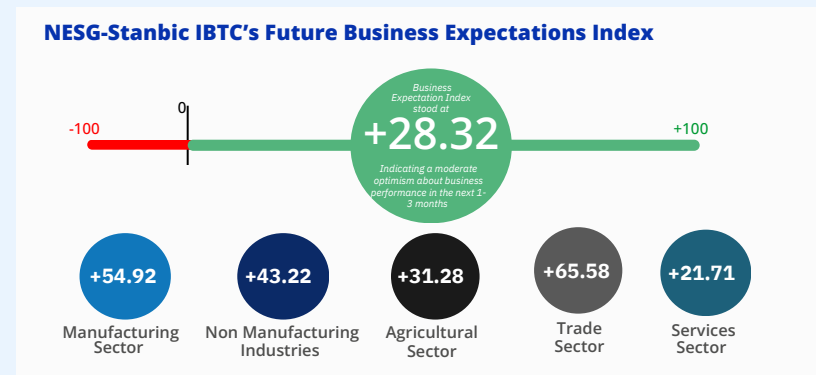


### Future Expectations (Next One to Three months):

- The Business Confidence Measure (BCM) recorded a positive index of +28.32, reflecting cautious, optimistic expectations about business improvement in the next one to three months. This level is slightly weaker when compared to figures for January 2025.
- Anticipated enhancements in the general business situation, cash flow, production levels, operating profits, and supply orders fueled this level of optimism.
- Among sectors, Trade exhibits the highest optimism with an index of +65.58, while Services, at +21.71, shows the least confidence in future performance.

### Sectoral Insights

- The overall outlook across the five economic sectors covered is optimistic, albeit to varying degrees. While the Trade sector exhibited strong optimism, Manufacturing and Non-manufacturing recorded moderate optimism, while others showed weaker confidence.
- The sector indices revealed the following: Trade (+65.58), Manufacturing (+54.92), Non-manufacturing (+43.22), and Agriculture (+31.28) demonstrated higher optimism. Conversely, the Services (+21.71) sector showed cautious optimism regarding business improvement.
- Businesses anticipate enhancements in general business situation, cash flow, production levels, operating profits, and supply orders. Demand conditions and exports are expected to improve and spur higher business activities in 2025.



# 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.

## 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

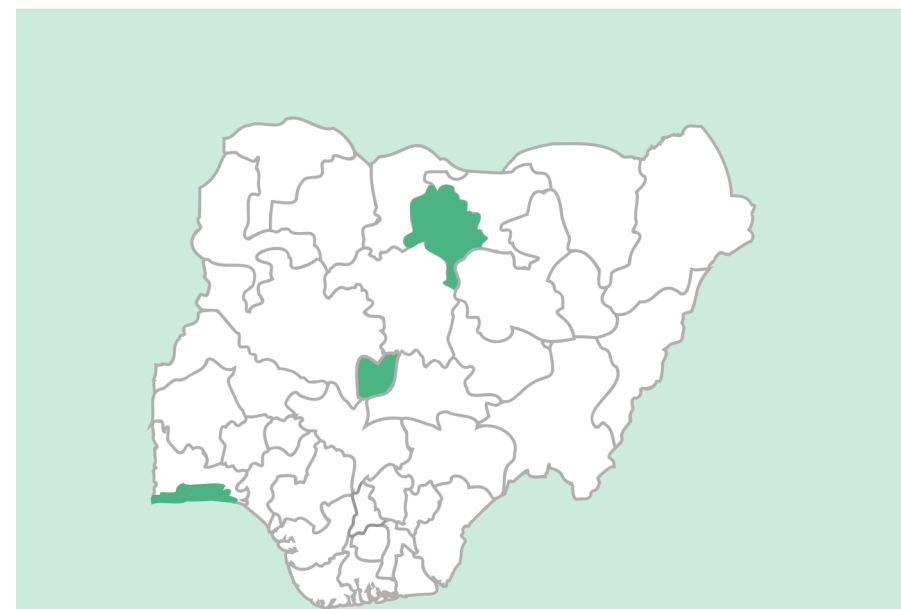
**Agriculture:** Crop Production | Livestock | Agro-Allied | Forestry | Fishing

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

## Data Source

The data set for constructing NESG-Stanbic IBTC's BCM indices is generated from various qualitative responses reported in the Business Confidence Survey (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.



# Business Conditions in February 2025

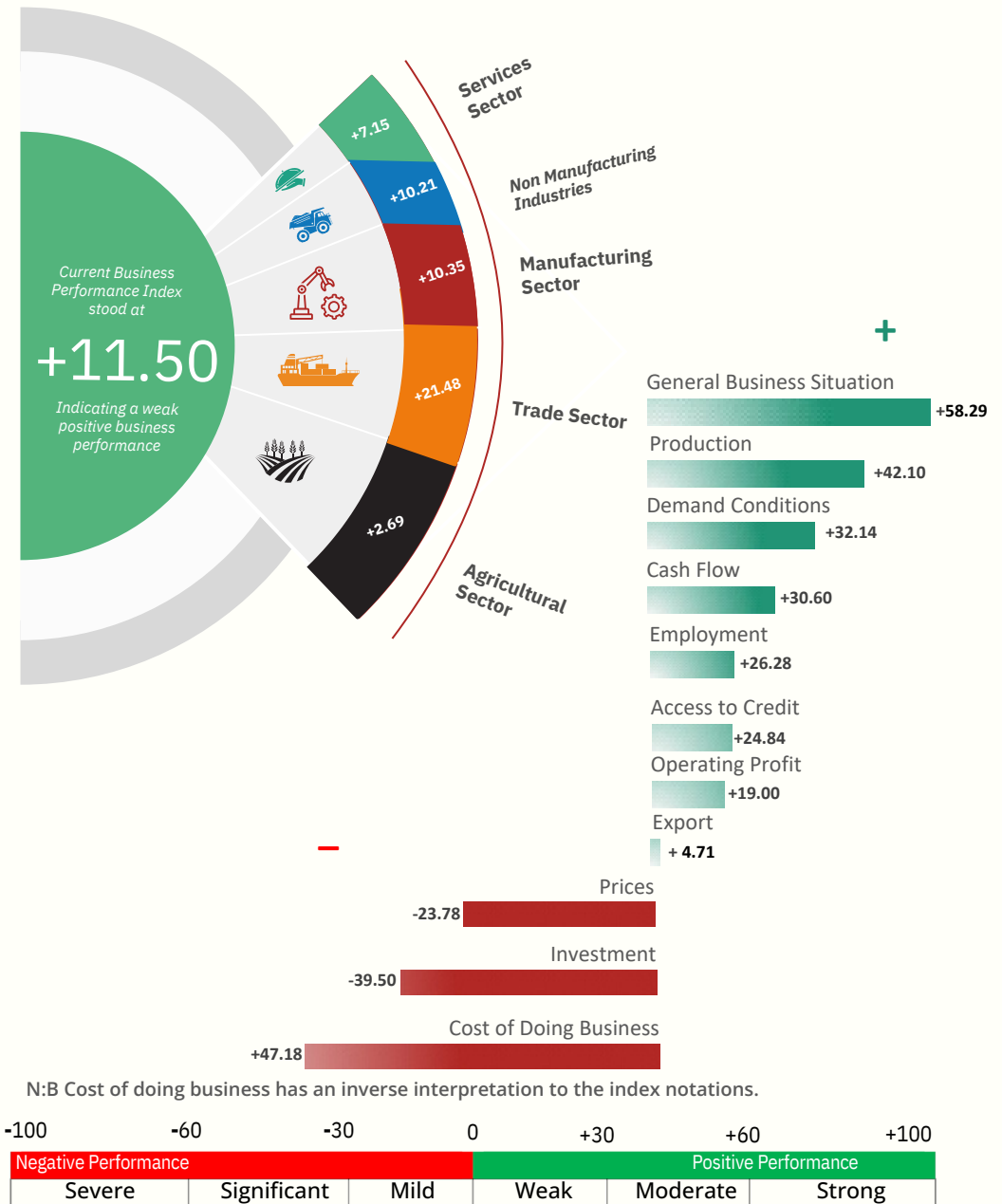
Maintaining the positive momentum from the start of the year, Nigeria's business environment showed stronger performance in February 2025. The NESG-Stanbic IBTC Business Confidence Monitor (BCM) recorded a rise in the Current Business Index to +11.50, up from +5.69 in January 2025, signalling a sustained improvement in business activities.

A sub-sectoral analysis revealed a generally weak business performance despite positive trends in Trade (+21.48), Manufacturing (+10.35), Non-Manufacturing (+10.21), Services (+7.15), and Agriculture (+2.69). However, most sectors experienced relative improvements compared to January, except Agriculture, which saw a slowdown.

Structural challenges in Nigeria's business environment eased slightly, supporting the observed improvements. The overall business climate strengthened, but a higher exchange rate remained a key driver of operational costs and consumer prices. The cost of doing business index remained elevated at +47.18, though slightly lower than in January 2025. Access to credit also deteriorated (+24.84) due to unfavourable macroeconomic conditions and reduced commercial activity. High financing costs continued to constrain both current business performance and future growth expectations.

The most significant negative impacts were reduced investment (-39.50) and declining price levels (-23.78), severely dampening business activity and demand. Limited foreign exchange availability, persistent power shortages, unclear economic policies, restricted access to finance, and high commercial lease costs emerged as the most pressing challenges in February, hindering business expansion.

A primary concern remains the elevated exchange rate of the local currency against major trading currencies, which, alongside rising import costs, continues to erode profitability and disrupt pricing strategies. Limited financing access persisted as a structural barrier, further restricting business growth throughout the month.

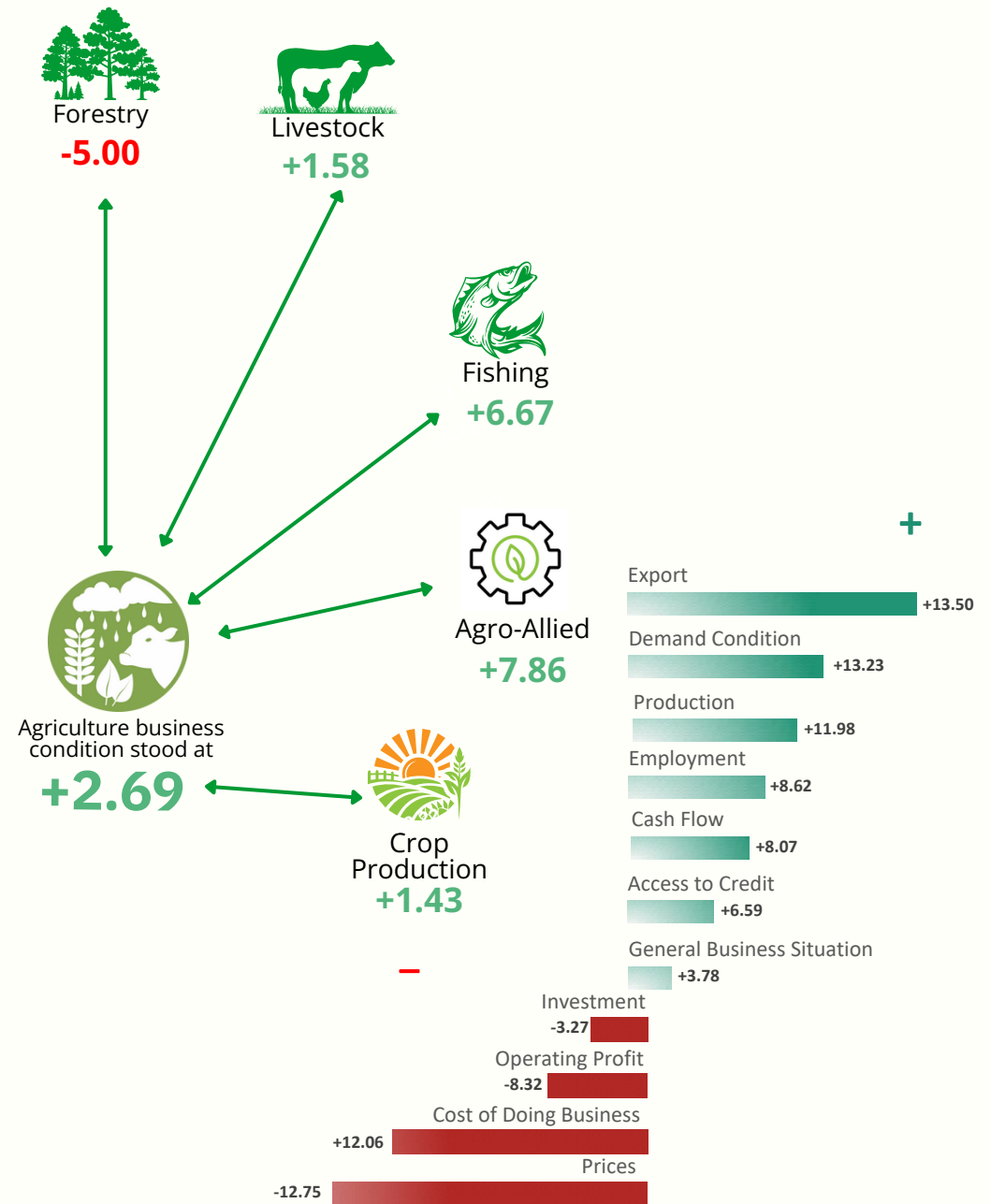
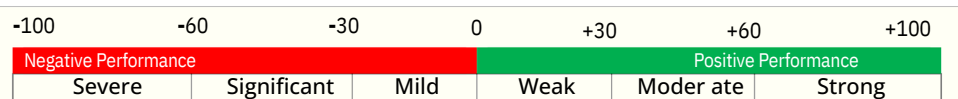


# AGRICULTURE

The agriculture sector sustained positive business performance in February 2025, albeit slower, as the NESG-Stanbic IBTC BCM Index declined to 2.69 points from 10.85 points in January 2025. This moderation was driven by mixed performances across sub-sectors, where weak growth in four out of five sub-sectors - Crop Production, Livestock, agro-allied, and Fishing -were offset by persistent challenges in Forestry. Nonetheless, the agricultural sector maintained its positive business condition, supported by the bumper harvest season and improved security in key food-producing regions.

Performance across the five agricultural sub-sectors reflected both opportunities and constraints. Fishing (+6.67), Agro-Allied (+7.86), Livestock (+1.58), and Crop Production (+1.43) recorded weak but positive growth, benefiting from seasonal activities and improved access to inputs. In contrast, Forestry (-5.00) faced declines due to reduced processing activity and weaker demand, which negatively impacted businesses in the sub-sector.

Despite the overall slowdown in business performance, key indicators suggested a relatively stable and improving agribusiness environment. Gains were recorded in exports and operating cash flow, while general business conditions, production, demand, access to credit, and employment remained weakly positive, sustaining overall sector performance. A moderate increase in available financing also facilitated business expansion, improving employment levels, particularly in crop farming and livestock. Other sub-indices of the NESG-Stanbic IBTC BCM, including operating cash flow and export activities, showed slight improvements. However, structural challenges persisted, albeit with reduced intensity, continuing to constrain the sector.



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

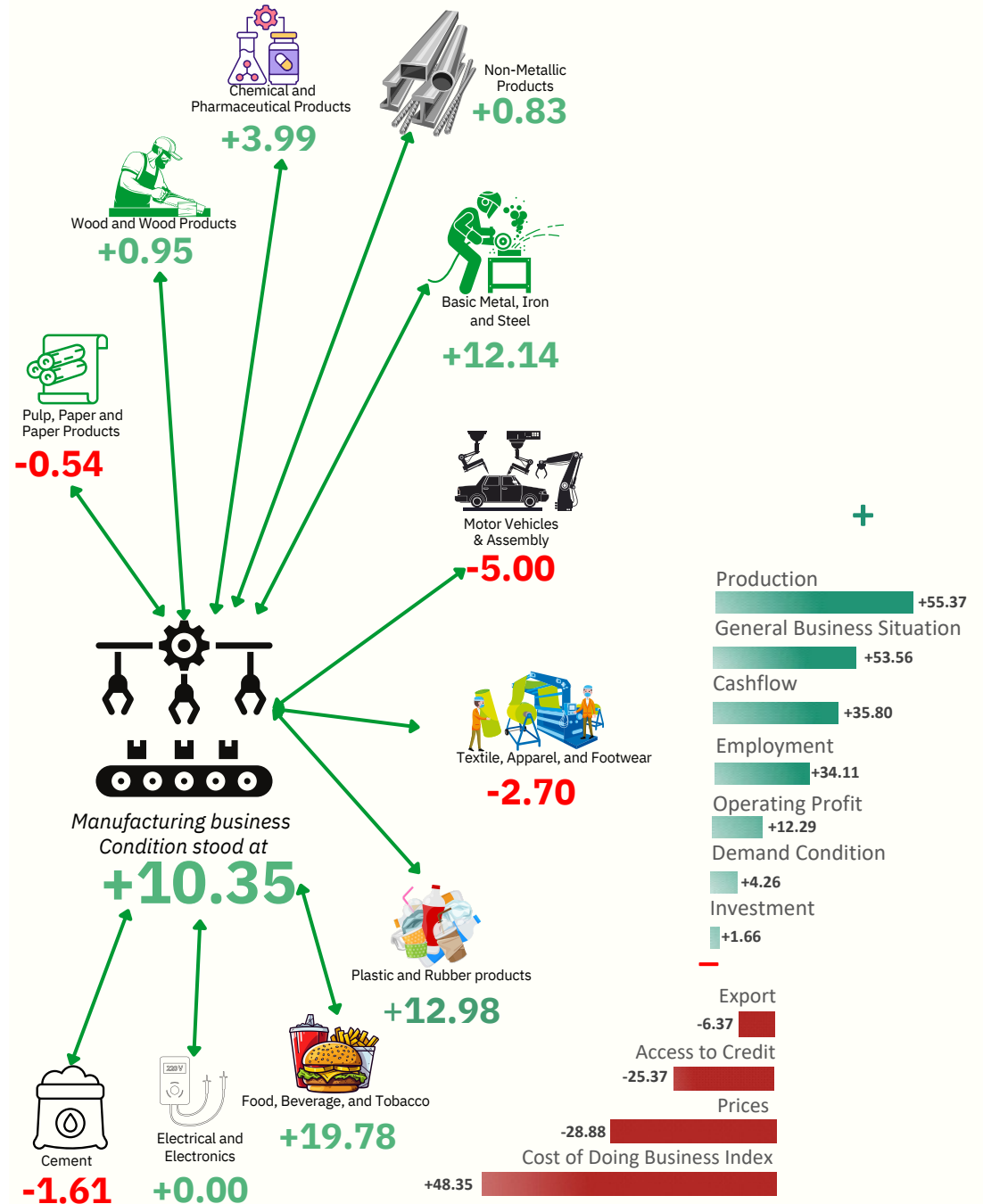
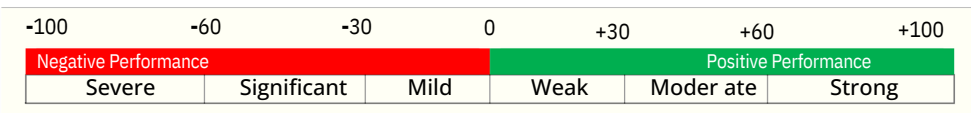
# MANUFACTURING

The NESG-Stanbic IBTC Manufacturing Business Confidence Monitor (BCM) Index recorded its first positive performance in February 2025, rising to +10.35 index points from -0.66 in January 2025. This reflects a sustained recovery and an improvement in business sentiment.

Among the twelve (12) manufacturing sub-sectors assessed, four experienced mildly adverse outcomes, while the Foods, Beverages, Tobacco, and Plastic and Rubber Products saw significant improvements. However, key underperforming sub-sectors—Textile, Apparel, and Footwear; Cement; and Pulp, Paper, and Paper Products—struggled with high production costs, weak demand, and supply chain disruptions. Non-Metallic Products, and Basic Metal, Iron, and Steel posted modest gains, supported by stable domestic demand and seasonal business activities.

The Manufacturing sector's key sub-indices showed mixed trends. The general business situation, production, demand conditions, and investment indices improved to +53.56, +55.37, +4.26, and +1.66, respectively, in February 2025. However, exports (-6.37) and access to credit (-25.37) declined, with the latter falling sharply from +24.44 in December. The investment index also dropped to -5.77 from +20.79. Meanwhile, the Operating Cash Flow Index strengthened to +35.80 from +21.13, reflecting higher output and improved liquidity.

Persistent challenges continued to weigh on the sector, as reflected in the Cost of Doing Business Index at +48.35 and the Price Index at -28.88, highlighting inflationary pressures and high interest rates. Despite the recovery in the general business situation, high financing costs and supply chain disruptions remain significant risks to business operations.



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

## NON-MANUFACTURING INDUSTRIES

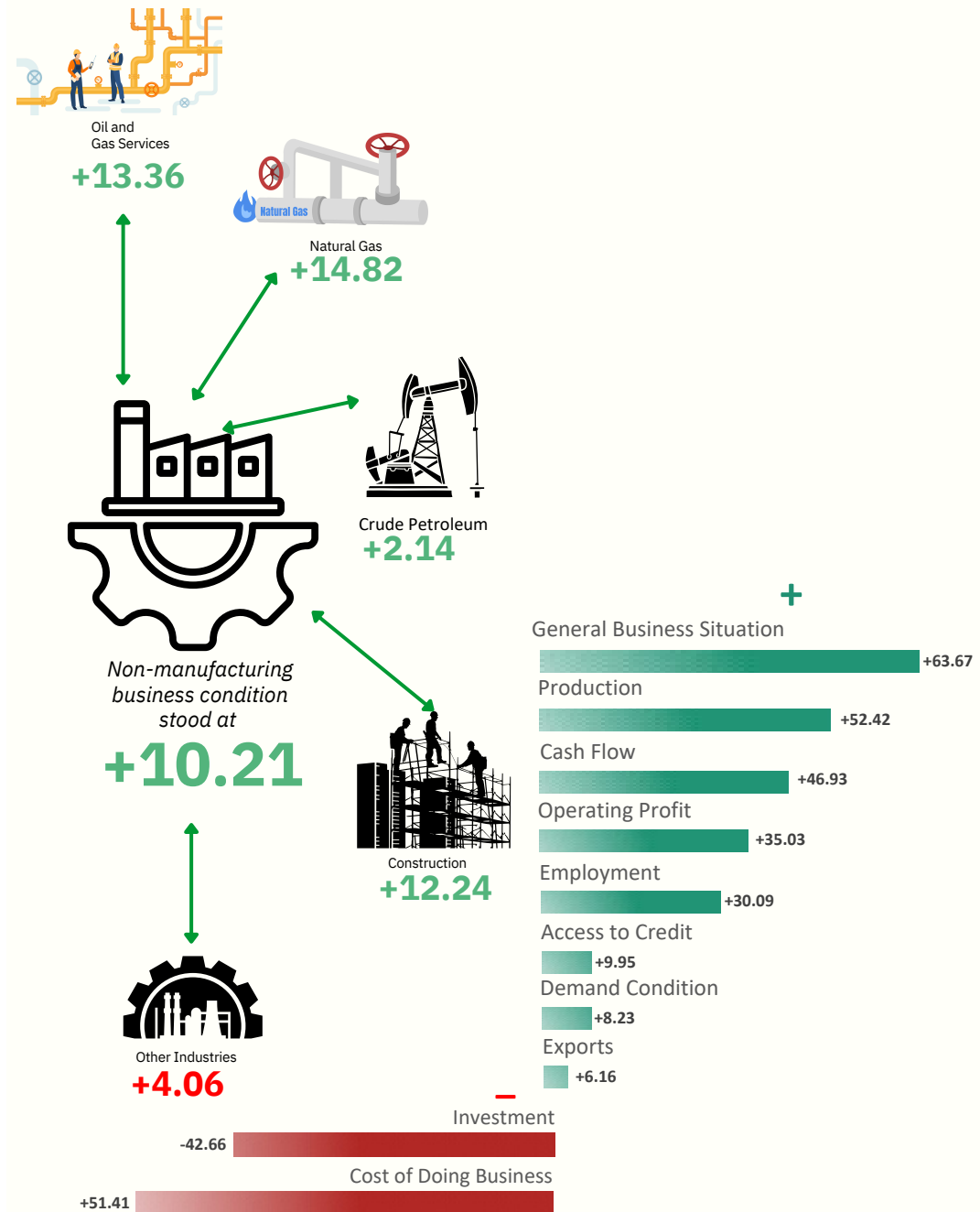
The NESG-Stanbic IBTC Business Confidence Monitor (BCM) index for Nigeria's non-manufacturing sector stood at +10.21, reflecting a modestly positive business performance. This marks a notable recovery from January 2025, when the sector faced a relatively negative outlook with an index of -4.64.

The overall positive performance in the non-manufacturing sector extended across various economic activities. Natural Gas, Oil & Gas Services, and Construction recorded positive growth, though still weak, with index points of +14.82, +13.36, and +12.24, respectively. Meanwhile, Crude Petroleum and other non-manufacturing industries posted modest gains, with index points of +2.14 and +4.06. These improvements were primarily driven by improvement in cash flow and an uptick in the general business situation in the sector.

The sector's recovery was primarily fueled by an improved general business environment, increased production, rising demand, stronger exports, and higher operating profits. This suggests that businesses are benefiting from improved conditions in the Nigerian Oil & Gas and Construction sectors.

However, challenges persist. The high cost of doing business (+51.41) and subdued investment (-42.66) constrained overall growth. Additionally, limited access to credit (+9.95) reflected broader financial constraints, exacerbated by high exchange rates, rising energy costs, and expensive logistics, all of which contributed to increased production expenses.

On a positive note, several sub-indices pointed to stability and expansion. The general business situation index reached +63.67, the highest in the sector, driven by improved fund deployment, strategic stockpiling of materials, and increased business activity. The higher cash flow index, at +46.93, signalled improved liquidity, facilitated by service payments and more substantial revenue generation—further supported by a positive operating profit index of +35.03.



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

| -100                 | -60         | -30  | 0                    | +30      | +60    | +100 |
|----------------------|-------------|------|----------------------|----------|--------|------|
| Negative Performance |             |      | Positive Performance |          |        |      |
| Severe               | Significant | Mild | Weak                 | Moderate | Strong |      |



# SERVICES

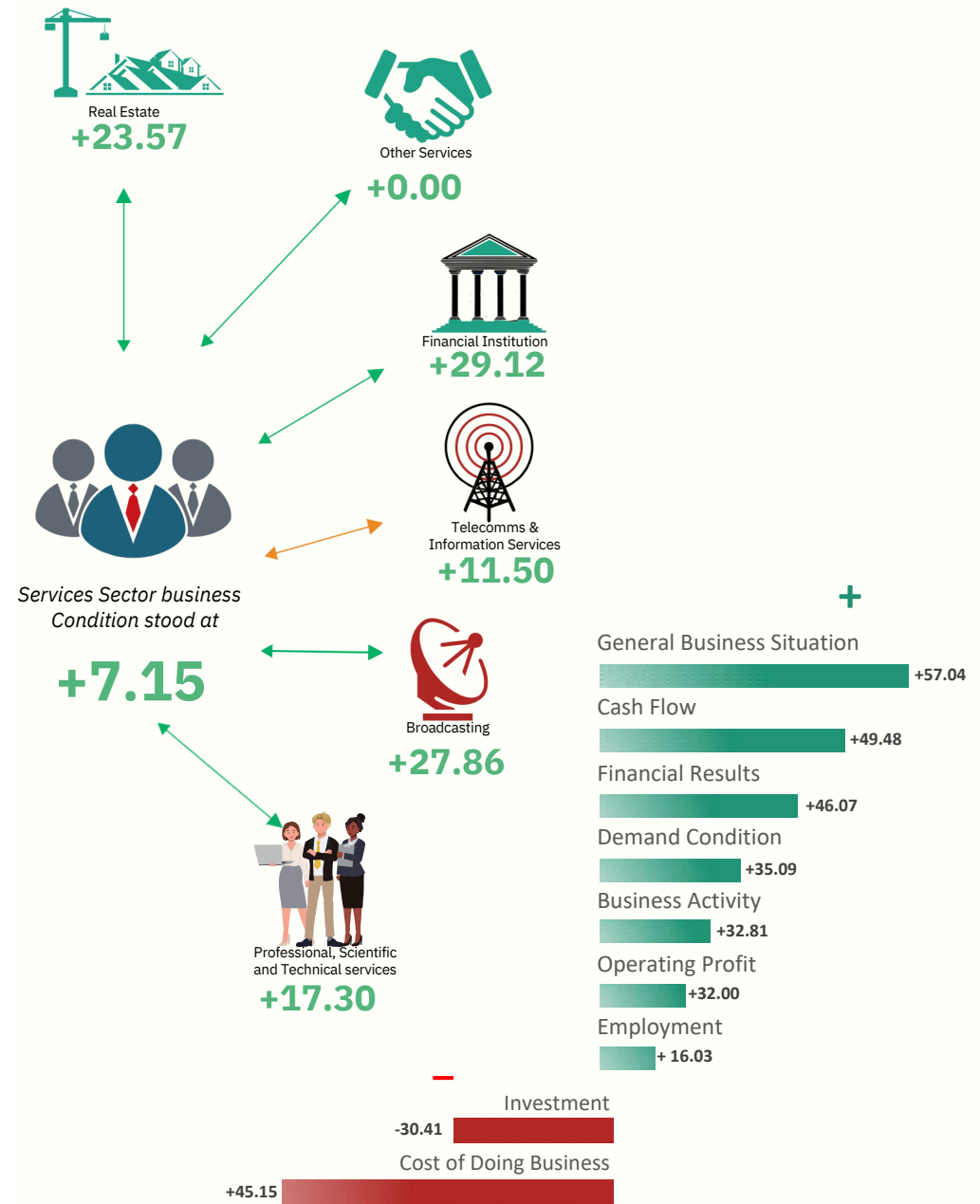
Nigeria's Services sector recorded its first positive business performance, as reflected in the Services Business Confidence Monitor (BCM) index, which rose to +7.15 points in February 2025. This marks a slight improvement from +1.40 points in January 2025, signalling a gradually improving business environment characterised by easing operational difficulties and reduced uncertainty. The return to positive business performance suggests that businesses have stabilised and expanded their activities.

Several key factors contributed to this sustained recovery, with improvements in the general business climate, cash flow, financial results, and client demand serving as primary drivers. However, the cost of doing business remained high at +45.15 index points, while investment remained subdued at -30.41 index points. Rising energy prices, high exchange rates, and increased logistics costs have placed significant pressure on businesses, eroding competitiveness and limiting their ability to withstand economic shocks. These challenges have further strained profitability, forcing many firms to adopt cost-cutting measures and reconsider expansion plans.

Performance across the sector's six major sub-sectors was positive, albeit at varying levels. Financial Institutions (+29.12), Broadcasting (+27.86), and Real Estate (+23.57) reported strong business performance driven by improved demand and financial outcomes. Meanwhile, Professional Services (+17.30) and Telecommunications & Information Services (+11.50) saw modest growth, reflecting the sector's usual seasonal uptick in activity.

A closer analysis of key performance indicators (KPIs) provides more profound insights. The general business situation index (+57.04), demand conditions (+32.81), cash flow (+49.48), and operating profit index (+32.00) all improved, indicating moderate business performance across firms. However, investment declined to -14.65, reflecting limited capital commitments. The most pressing concern remains the cost of doing business, which surged to +45.15 from +37.68 in the previous month, underscoring the mounting financial pressures that continue to challenge service-oriented businesses.

|                      |             |      |                      |          |        |      |
|----------------------|-------------|------|----------------------|----------|--------|------|
| -100                 | -60         | -30  | 0                    | +30      | +60    | +100 |
| Negative Performance |             |      | Positive Performance |          |        |      |
| Severe               | Significant | Mild | Weak                 | Moderate | Strong |      |



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

## TRADE

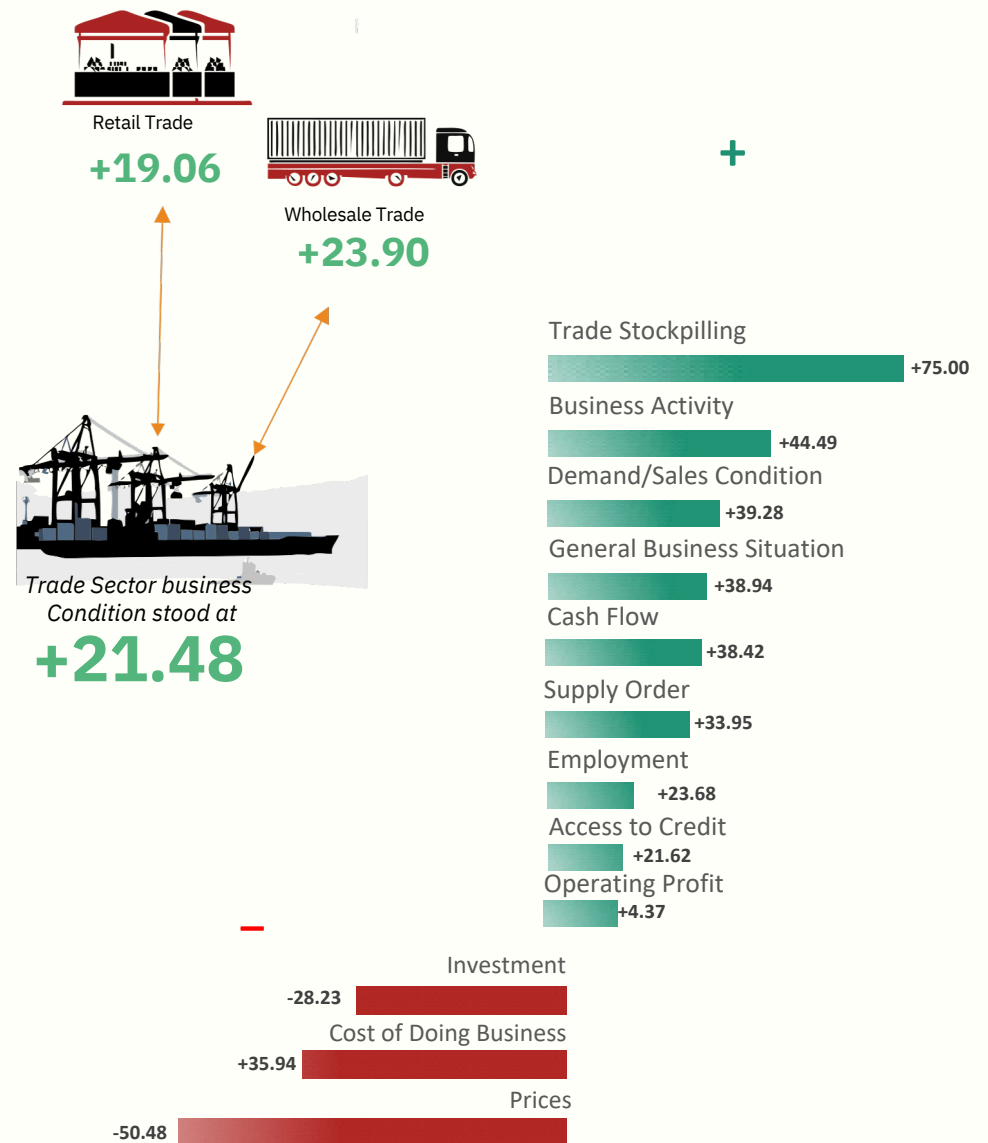
The NESG-Stanbic IBTC Trade Business Confidence Monitor (BCM) index surged in February 2025, rising to 21.48 from -0.84 in January 2024. All sub-sectors recorded positive growth, signalling a notable rebound in business confidence and modest gains for the Trade sector. This improvement was primarily driven by stronger sales performance and seasonal factors that supported business activities at the start of the year.

The Wholesale sub-sector experienced a significant recovery, with its index climbing to +23.90 in February from -2.87 in January 2025. Similarly, the Retail sub-sector maintained its positive trajectory, as its index increased to +19.06 from +1.20 in January 2025. The retail segment benefited from higher consumer spending and trade restocking, sustaining its relatively stable outlook.

Several key performance indicators reflected encouraging trends. While investment remained negative at -28.23, indicating constrained expansion and limited capital inflows, other indicators—such as business activity, demand/sales conditions, trade stockpiling, and supply orders—showed mild improvements. The business activity index recorded the most substantial positive outcome at +44.49, reflecting improved liquidity, rising demand, and a more favourable general business climate.

The sector remained a key employer, particularly within the informal segment, reinforcing its position as one of Nigeria’s most significant job providers. However, persistent challenges—including restricted access to credit, high borrowing costs, strained cash flows, and elevated prices—continued to limit more substantial growth. Wholesale businesses faced greater difficulties, while retailers demonstrated greater resilience due to their smaller operational scale and more adaptable business models.

| -100                 | -60         | -30  | 0                    | +30      | +60    | +100 |
|----------------------|-------------|------|----------------------|----------|--------|------|
| Negative Performance |             |      | Positive Performance |          |        |      |
| Severe               | Significant | Mild | Weak                 | Moderate | Strong |      |



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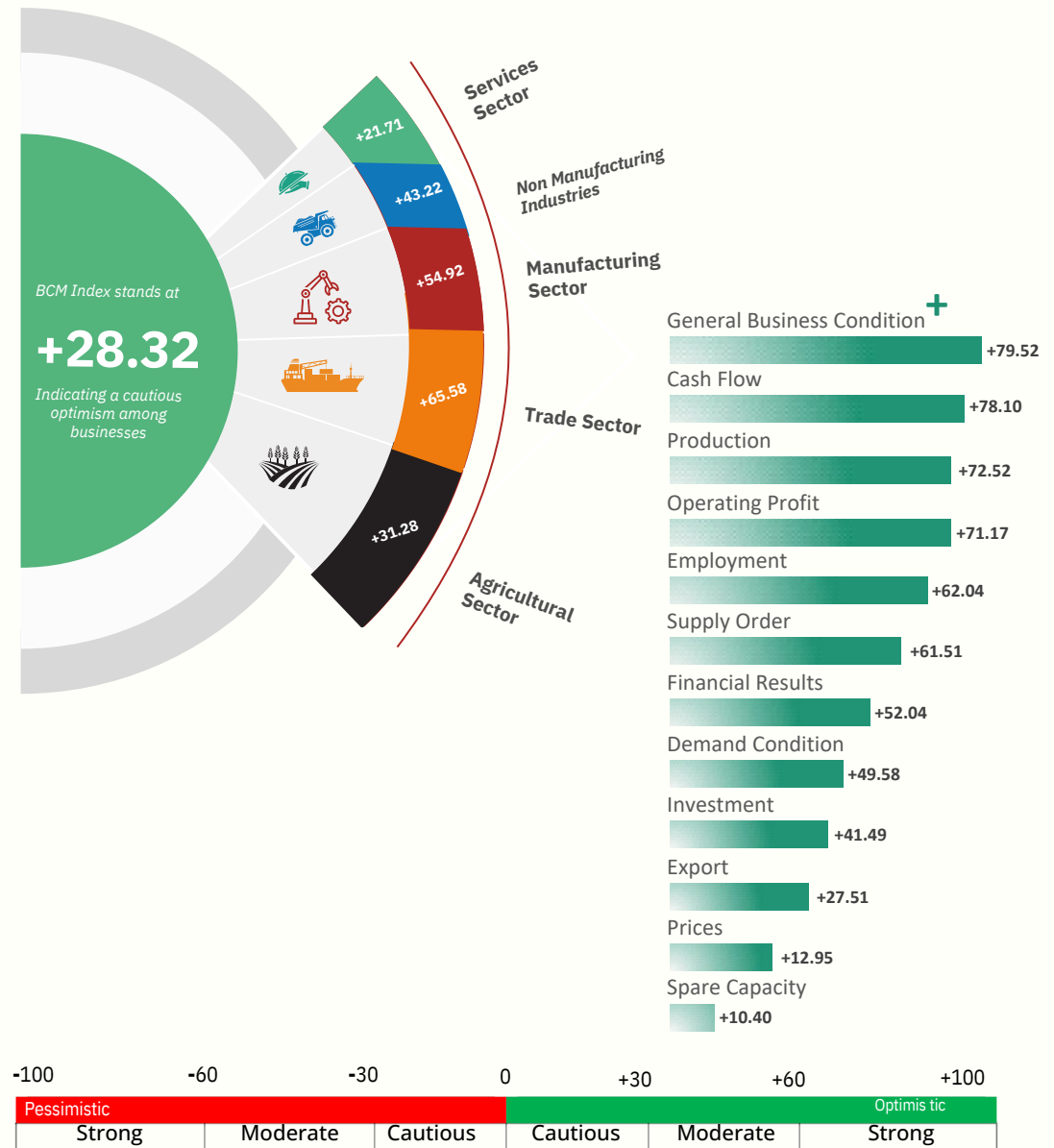
# Future Business Expectations

Looking ahead, the NESG-Stanbic IBTC Future Business Expectation Index stood at +28.32 in February 2025, reflecting cautious optimism across sectors about the future business environment. However, this marks a decline from January 2025, when the index was significantly higher at +31.96. The drop in optimism suggests tempered confidence in economic conditions and the persistence of macroeconomic challenges.

Despite this moderation, positive sentiment remained across all major sectors, albeit with varying degrees of confidence. The Services sector exhibited the lowest optimism at +21.71, reflecting cautious expectations amid ongoing structural constraints and cost pressures. Conversely, the Trade (+65.58), Manufacturing (+54.92), Non-manufacturing (+43.22), and Agriculture (+31.28) sectors displayed stronger confidence in near-term business performance. Encouragingly, sentiment improvements were broadly consistent across industries, mirroring trends observed in January 2025.

Several key indicators reinforced this positive outlook. The general business index rose to +79.52, signalling overall optimism for the next one to three months, albeit with some caution. Supporting indices included the demand condition index (+49.58), investment index (+41.49), spare capacity index (+10.40), financial results index (+52.04), supply order index (+61.51), and price expectations index (+12.95). Notably, the strongest drivers of optimism were the production index (+72.52), export index (+27.51), operating profit index (+71.17), cash flow index (+78.10), and employment index (+62.04), reflecting expectations of increased business activity and improved financial outcomes.

While businesses anticipate stronger performance in Q1 2025, concerns over high inflation, high interest rates, and weakened consumer purchasing power remain key risks, potentially limiting the pace of recovery throughout the year.



## 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](http://www.nesgroup.org)  
✉ [info@nesgroup.org](mailto:info@nesgroup.org)  
☎ +234-01-295 2849

🐦     officialNESG

### 📍 ABUJA LIAISON OFFICE

4<sup>th</sup> 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](mailto: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](mailto:olusegun.omisakin@nesgroup.org)

### MUYIWA ONI

Regional Head of Equity Research for West Africa at  
Standard Bank Group  
[muyiwa.oni@stanbicibtcbank.com](mailto:muyiwa.oni@stanbicibtcbank.com)

### DR. SHAKIRUDEEN TAIWO

Economist  
[shakirudeen.taiwo@nesgroup.org](mailto:shakirudeen.taiwo@nesgroup.org)