

Inflation stood at a 30-year high of 34.8% in December 2024

December Inflation rate

Headline Inflation(y-o-y)

34.8%

(November 34.6%)

Food Inflation (y-o-y)

39.8%

(November 39.9%)

Core Inflation (y-o-y)

29.3%

(November 28.8%)

Inflation rate in December (m-o-m)

2.7%

(November
2.9%)

2.4%

(November
2.6%)

2.2%

(November
1.8%)



Food Inflation



Headline Inflation



Core Inflation

Inflation Drivers: Headline inflation recorded its fourth consecutive increase, albeit slightly, in December 2024. This was driven primarily by rising food and non-alcoholic beverage costs associated with festive season-induced demand. The average headline inflation rate for 2024 stood at 33.2 percent, up from 24.7 percent recorded in 2023. The food inflation rate also rose slightly due to higher prices of some items, such as yams, other tubers, bread, and other cereals. Moreover, core inflation climbed due to escalating transportation and accommodation costs. On a month-on-month basis, only the core inflation recorded an increase in December 2024.

Outlook: Nigeria's inflation will remain elevated in the coming months, fueled by rising food and fuel costs and structural inefficiencies such as infrastructural deficits and logistics bottlenecks. The CBN's Monetary Policy Committee is expected to adopt a wait-and-see approach towards monetary tightening in 2025. This suggests that the committee is likely to maintain the status quo in most parts of the year to assess the impact of its past rate hikes on key economic indicators, including economic growth, exchange rate, and inflation.