



Capital *Pulse*

*Q1 2025 GDP Growth,
Electricity Act Adoption,
1.5 Billion Creative Sector Fund.
Inflation Implication, Investor Forum.*

Edition: July 2025

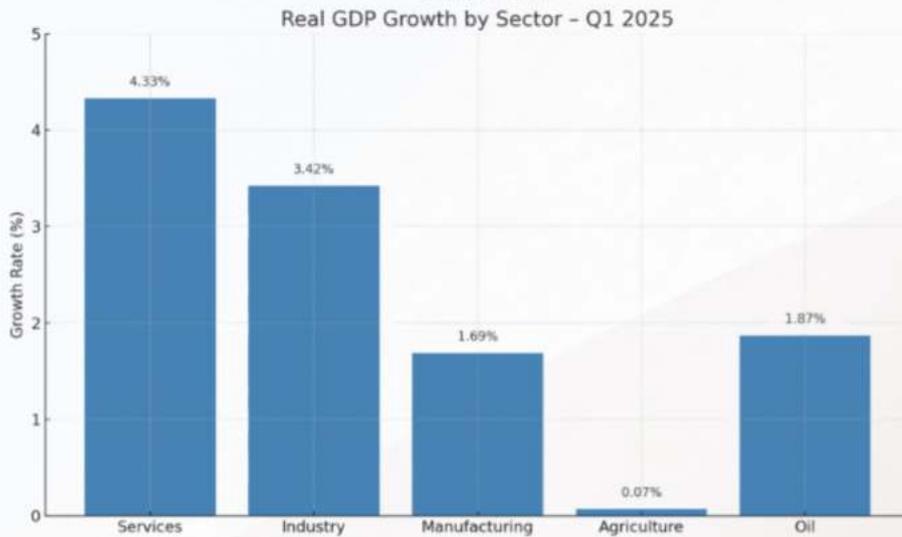
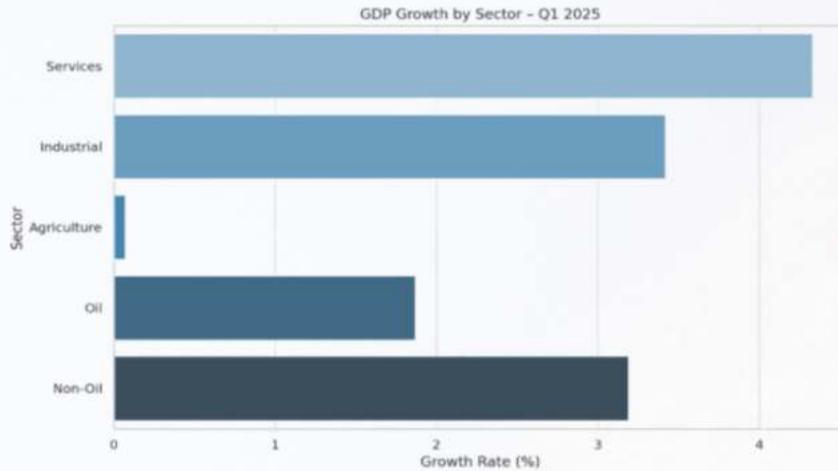
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Q1 2025 GDP Grew by 3.13%

Nigeria's economy expanded by 3.13% year-on-year in Q1 2025, signaling sustained but cautious optimism in the macroeconomic recovery effort. This growth was largely driven by the Services sector, which accounted for 57.5% of GDP and grew at a robust 4.33%. The Industrial sector also posted a commendable 3.42% growth, up from 2.35% in Q1 2024, reflecting renewed activity in construction and manufacturing. The Agricultural sector, while fragile, posted a marginal recovery at 0.07%, compared to a contraction of -1.79% in the same period last year.

The non-oil sector outperformed with 3.19% growth, while the oil sector slowed to 1.87%, pointing to lingering structural constraints. Meanwhile, Nigeria's informal sector grew to 42.5% of GDP, signaling entrepreneurship-driven growth in the absence of formal employment expansion.





In real terms, the non-oil sector contributed 96.03% to the nation’s GDP in the first quarter of 2025, higher than the share recorded in the first quarter of 2024, which was 95.98% and lower than the fourth quarter of 2024 recorded as 97.20%.

The Agriculture sector grew by 10.04% year-on-year in nominal terms in Q1 2025, showing an increase of 7.87% points from the same quarter of 2024. Looking at the preceding quarter’s growth rate of 8.82%, there was an increase of 1.22% points.

Real GDP growth in the manufacturing sector in the first quarter of 2025 was 1.69% (year-on-year), higher than the same quarter of 2024 and higher than the preceding quarter by 0.11% points and 0.41% points respectively.

The performance of the GDP in Q1 2025 was driven mainly by the Services sector, which recorded a growth of 4.33% and contributed 57.50% to the aggregate GDP.

The growth of the industry sector was 3.42%, from 2.35% recorded in the first quarter of 2024.

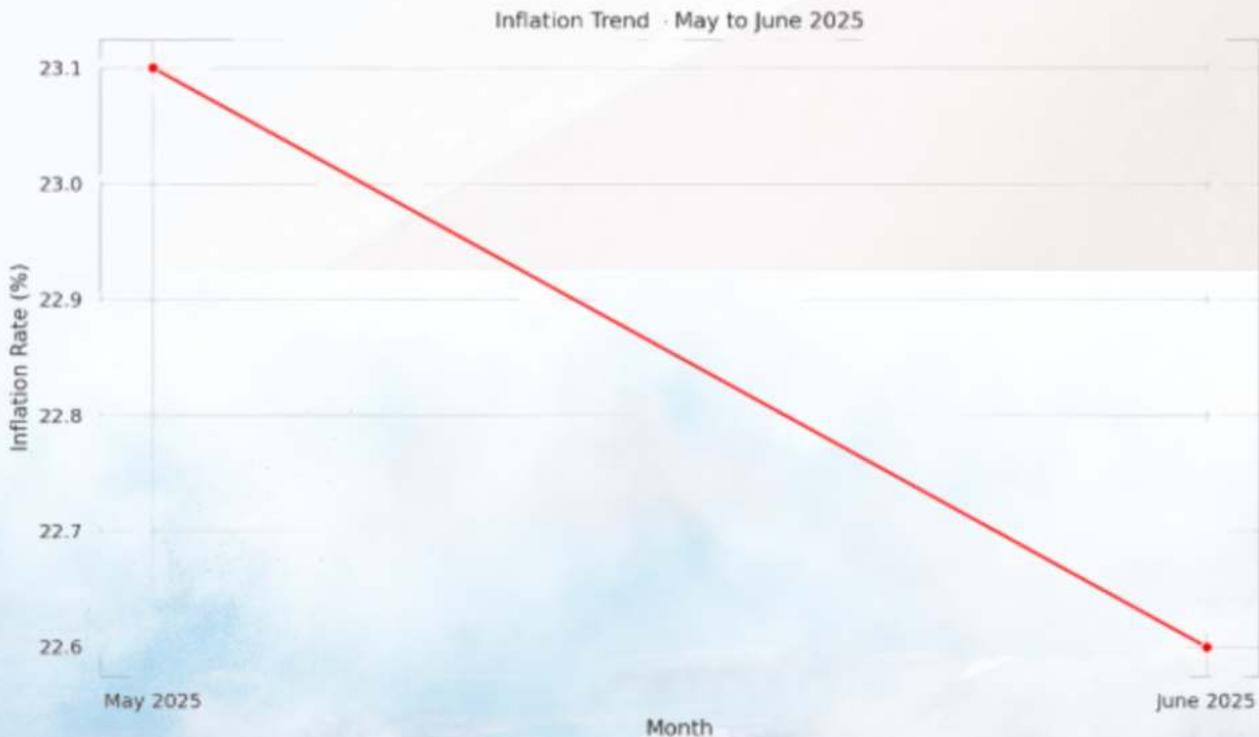
The real growth of the oil sector was 1.87% (year-on-year) in Q1 2025, indicating a decrease of 2.85% points relative to the rate recorded in the corresponding quarter of 2024 (4.71%). Growth decreased by 0.22% points when compared to Q4 2024, which was 2.08%.

June 2025 Inflation Update & Implications

Inflation remained elevated at 22.6% year-on-year in June 2025, though it moderated slightly from 23.1% in May. Core inflation remains sticky, while food inflation has slowed on the back of early harvests and modest improvements in logistics. However, price pressures persist due to FX volatility and subsidy rationalization.

Implications:

- Household purchasing power remains under pressure.
- Monetary tightening is likely to persist, affecting cost of credit.
- Investors are increasingly seeking inflation-hedged assets like real estate, infrastructure funds, and equities with strong dividend yields.



Rebased GDP: Implications for Nigeria and Foreign Investors

The recent rebasing covered the period between 2019 and 2023, using 2019 as the new base year due to the relative stability of the domestic economy. The Supply and Use Table (SUT) was constructed to contain detailed industry and product breakdowns to provide the new benchmark for the rebasing.

It comprises 46 industries and 217 products; and the components of the GDP for the production, expenditure and income approaches. Moreover, international standard manuals were used for compilation such as System of National Accounts (2008), International Standard Industrial Classification of Economic Activities (Rev. 4.0), Central Product Classification (Rev. 2.0), Balance of Payment Manual (version 6), and Government Finance Statistics Manual (2014).

Nominal GDP much higher than previously estimated:

The rebased estimates with the new base year of 2019 indicate that the nominal GDP for Nigeria is much larger than previously estimated. In 2019, the rebased nominal GDP at market prices stood at N205.09 trillion, N213.64 trillion in 2020, N243.30 trillion in 2021, N274.23 trillion in 2022, N314.02 trillion in 2023, and N372.82 trillion in 2024.

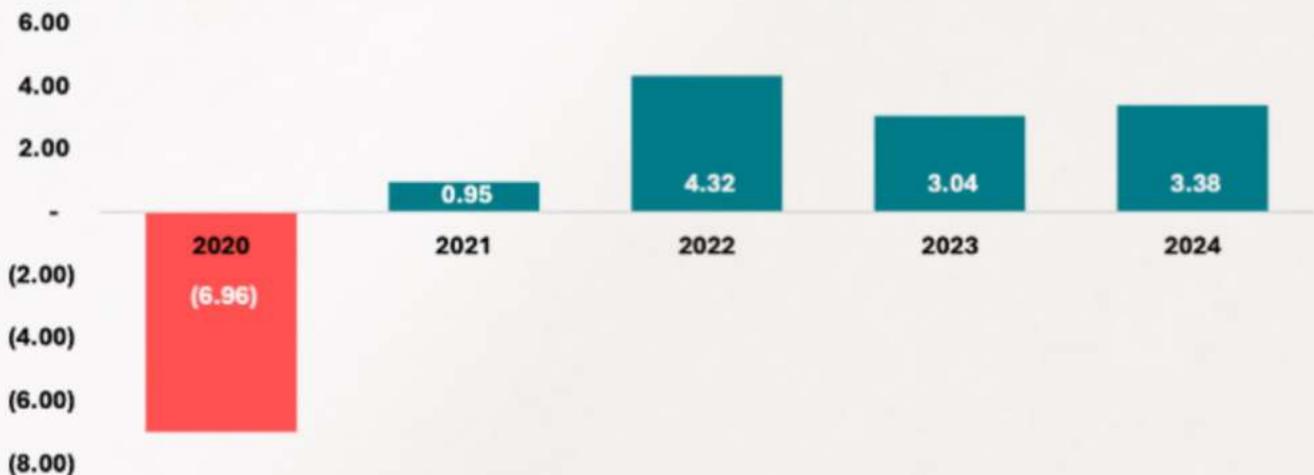
GDP values in Trillion Naira



41.7% increase in 2019 Nominal GDP:

In 2019, the rebased nominal GDP at basic prices represented an increase of 41.7% over the nominal GDP of 2019 of the old base year (2010), 39.0% in 2020, 38.7% in 2021, 36.1% in 2022, 34.6% in 2023 and 35.4% in 2024. Real GDP growth estimated at -6.96% in 2020: Real GDP growth post-rebasing is estimated at -6.96% in 2020 during the covid pandemic, 0.95% in 2021, 4.32% in 2022, 3.04% in 2023 and 3.38% in 2024.

Annual Growth Rate (%)

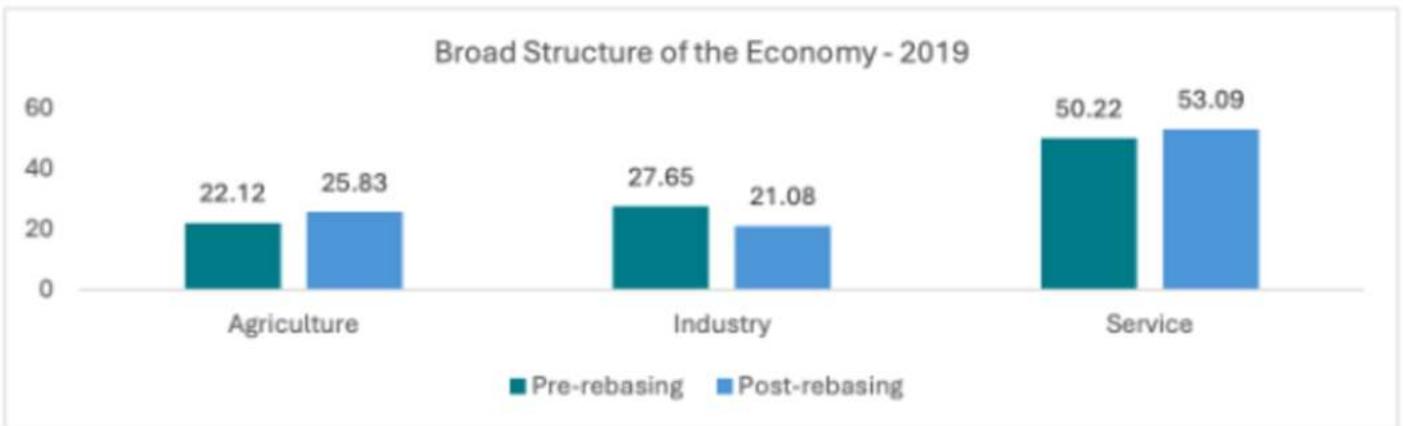


Broad Sectoral Growth

The Agriculture sector's growth (2.66%) was fastest in 2020, industries (-22.72%) and services (-5.37) sectors contracted, while growth of the services sector (4.43%) was higher in 2024, followed by Industries (2.80%) and agriculture (1.69%) sectors.

Change in the Broad Structure of the Nigerian economy:

The results show that the structure of the Nigerian economy has changed significantly with a rise in the share of agriculture and services sectors and a fall in the share of the industries sector in nominal terms, indicating a shift in the structure of the Nigerian economy than earlier reported. Analysing the 2010 base year nominal figures, in 2019 agriculture accounted for 22.12% of the GDP, while industry contributed 27.65% and services 50.22%. According to the rebased 2019 figures, the share of agriculture has risen to 25.83%, industry declined to 21.08%, while services increased to 53.09%.





Implications:

- Bigger Economy in Nominal Terms
- The rebased GDP shows a larger economy (#372.82 trillion in 2024), signalling more market potential to investors and improving Nigeria's global economic ranking.
- More Accurate & Transparent Data
- The rebasing used global standards, boosting investor confidence in Nigeria's data and making it easier to compare with other economies.
- Shift to Services & Agriculture
- The services sector now makes up over 53% of the economy, showing growth in finance, tech, and logistics. Agriculture also increased, while industry declined, signalling a need for improved infrastructure and power.
- Real Growth Still Modest
- Real GDP growth remains around 3–4%, showing slow recovery and macroeconomic risks like inflation and forex instability, which investors watch closely.
- Better Access to Capital
- With a higher GDP, Nigeria improves its debt-to-GDP ratio, attracting more interest from global investors, lenders, and rating agencies.

Electricity Act Adoption: New Path for Sector Funding

The Electricity Act, 2023, is now gaining full traction across states in 2025, with several sub-nationals (notably Lagos, Kaduna, Abia, and Edo) adopting frameworks to establish state electricity markets.

Funding Opportunities:

- Private-led mini-grid investments are rising, particularly in underserved regions.
- DFIs and blended finance vehicles are targeting clean energy expansion through state-private partnerships.
- States with regulatory readiness and bankable PPPs stand the best chance of attracting concessionary funding, especially in renewables and distribution infrastructure.



International Funding Landscape in Nigeria & Africa

The appetite for African investment is recovering in 2025, with a pivot toward:

- Climate finance and just energy transition (AfDB, Green Climate Fund).
- Digital infrastructure and payments (IFC, Proparco).
- Debt-for-nature swaps, sovereign sustainability bonds, and thematic funds.

Nigeria has recorded increased syndication activity highlighted by the recent Dangote syndicated facility of the restructuring of its Refinery.



Nigeria's Improving Macro Environment: Stability in Sight?

Several indicators point to relative macro stabilization:

- FX reserves have rebounded slightly to \$40.2bn, aided by oil receipts and remittance flows.
- The naira has stabilized around ₦1,550/\$ in the NAFEM window, following CBN reforms.
- The trade balance has remained positive, buoyed by non-oil exports (solid minerals, processed agro-products).



Monetary Policy & Fiscal Landscape

MPC Decisions (July 2025):

- MPR retained at 26.75%, as the CBN maintains a hawkish stance to combat inflation.
- CRR and Liquidity Ratio were left unchanged, reinforcing credit control.
- The CBN reaffirmed its FX unification policy, with a focus on restoring market confidence.

Fiscal Position:

- The FGN has seen modest improvement in non-oil revenue collection, thanks to aggressive digital tax enforcement.
- However, debt service remains high (about 60% of revenue), underscoring the need for fiscal reform, subsidy rationalization, and domestic capital mobilization.
- Improved crude oil production has also improved the fiscal positioning of the country.

Capital Markets Update



Nigeria's capital markets have shown resilience amid global volatility. The NGX ASI gained 36% YTD and rallied by 17% in July 2025, driven by:

- Strong earnings from Tier-1 banks, Telcos, Agric and select fast-moving consumer goods companies.
- Renewed foreign interest in Eurobond ETFs and dollar-denominated instruments.

Earnings Season Highlights:

- Dangote Cement, MTN Nigeria, and Zenith Bank all posted double-digit profit growth.
- The banking sector benefitted from high interest rate margins, while telcos capitalized on growing data demand and the increased tariffs of telecommunications sector.
- Most oil-linked stocks remained subdued, pending clarity on upstream policy reforms.

The Future of Funding in Nigeria: Evolving Trajectory



The funding landscape is shifting toward:

- Blended finance and results-based financing, especially in infrastructure and health.
- Sub-national issuances are gaining momentum, with states exploring revenue-backed bonds and diaspora-linked instruments.
- Digital capital platforms are unlocking new channels for startup and SME capital.

Sub-National Spotlight: A Quiet Economic Renaissance

Several states are demonstrating fiscal and developmental leadership:

- Ogun, Kaduna, Edo and many states have improved IGR, credit ratings, and capital attraction.
- Lagos State launched its Green Bond Framework in Q2 2025, aiming to raise \$1 billion for climate-resilient infrastructure.
- Kano and Nasarawa are pushing ahead with SEZs and dry port infrastructure.

These developments enhance sub-national credibility and could unlock state-level DFIs engagement, PPP flows, and diaspora-linked financing.



Woodhall Capital in Spotlight – Driving Strategic Investments and Economic Inclusion

Woodhall Capital continues to make bold strides in strengthening Nigeria's investment landscape through innovative partnerships, capital mobilisation, and global outreach. In July, the firm has delivered on key initiatives that are shaping both Nigeria's creative and infrastructure economies:

Launch of the Creative Currency Podcast

In collaboration with the UK Government, Polaris Bank, and the Lagos State Government, Woodhall launched the Creative Currency Podcast, a platform spotlighting the intersection of finance, policy, and the creative economy.

The podcast aims to:

- Amplify the voices of creative entrepreneurs by providing them with insights on accessing funding, navigating business challenges, and scaling sustainably.
- Connect policymakers, financiers, and creatives, fostering dialogue on how to structure innovative financial products and supportive regulations for the creative sector.
- Highlight success stories and opportunities within Nigeria's booming creative industries, from film and music to fashion and digital content creation.

By bridging conversations between local and international experts, the Creative Currency Podcast is empowering Nigeria's creative ecosystem with knowledge and networks, driving investment into a sector that employs millions, promotes cultural exports, and contributes significantly to GDP.

Woodhall Capital's leadership in launching this initiative underscores its commitment to unlocking the economic potential of Nigeria's creative industries, positioning them as engines of inclusive growth and global competitiveness.

N1.5 Billion Creative Sector Fund Announced

A new fund, developed with Polaris Bank, aims to empower Nigeria's creative entrepreneurs with access to affordable capital, supporting jobs, innovation, and youth-led enterprise.

AriseTV Feature: Investment in Nigeria's Electricity Sector

Woodhall Capital continues to make bold strides in strengthening Nigeria's investment landscape through innovative partnerships, capital mobilisation, and global outreach. In July, the firm has delivered on key initiatives that are shaping both Nigeria's creative and infrastructure economies:



In a strategic feature on Arise News, the President of Woodhall Capital delivered powerful insights on unlocking investment in Nigeria's electricity sector, one of the most critical engines of national development.

The conversation was especially timely in the wake of the Electricity Act 2023, a landmark legislation that decentralizes electricity regulation by empowering states to generate, transmit, and distribute power independently. This act marks a bold shift toward a more liberalized and competitive power market, and has created renewed momentum around investment opportunities in the sector.

In the interview, Woodhall's President emphasized:

The importance of regulatory clarity and state-level readiness to attract capital under the new framework. The role of blended finance models—combining public, philanthropic, and private capital—as a key strategy to de-risk investments in transmission and distribution infrastructure.

The need for bankable projects and transparent procurement systems to inspire confidence from both local institutional investors and international development financiers.

Woodhall Capital's thought leadership in this space positions it as a trusted partner in structuring innovative finance solutions, fostering investor confidence, and supporting the Nigerian government's goal of achieving universal electricity access and energy transition targets.

This engagement underscores Woodhall's broader mission: catalyzing investment where it matters most for Nigeria's long-term economic transformation.





MOU with Nigerian Governors' Forum

Woodhall Capital recently formalized a high-impact partnership with the Nigerian Governors' Forum (NGF) through the signing of a Memorandum of Understanding (MOU), reinforcing its role as a trusted advisor and mobilizer of capital for Nigeria's subnational development.

At the heart of this partnership is the launch of the Subnational Investor Forum (SIF) a series of curated investor roadshows set to take place in London, Dubai, and Abu Dhabi.

At the heart of this partnership is the launch of the Subnational Investor Forum (SIF) a series of curated investor roadshows set to take place in London, Dubai, and Abu Dhabi. The forums will serve as global platforms to showcase bankable, state-led projects across sectors such as:

- Energy and infrastructure
- Healthcare and education
- Agribusiness and climate resilience
- Creative and digital industries

With Nigeria's 36 states increasingly seeking alternative financing mechanisms amid fiscal pressures, the SIF provides a unique opportunity to:

- Attract patient, long-term capital from sovereign wealth funds, institutional investors, and DFIs;
- Strengthen state capacity to structure and present viable projects;

Facilitate peer learning on subnational investment governance and reform.

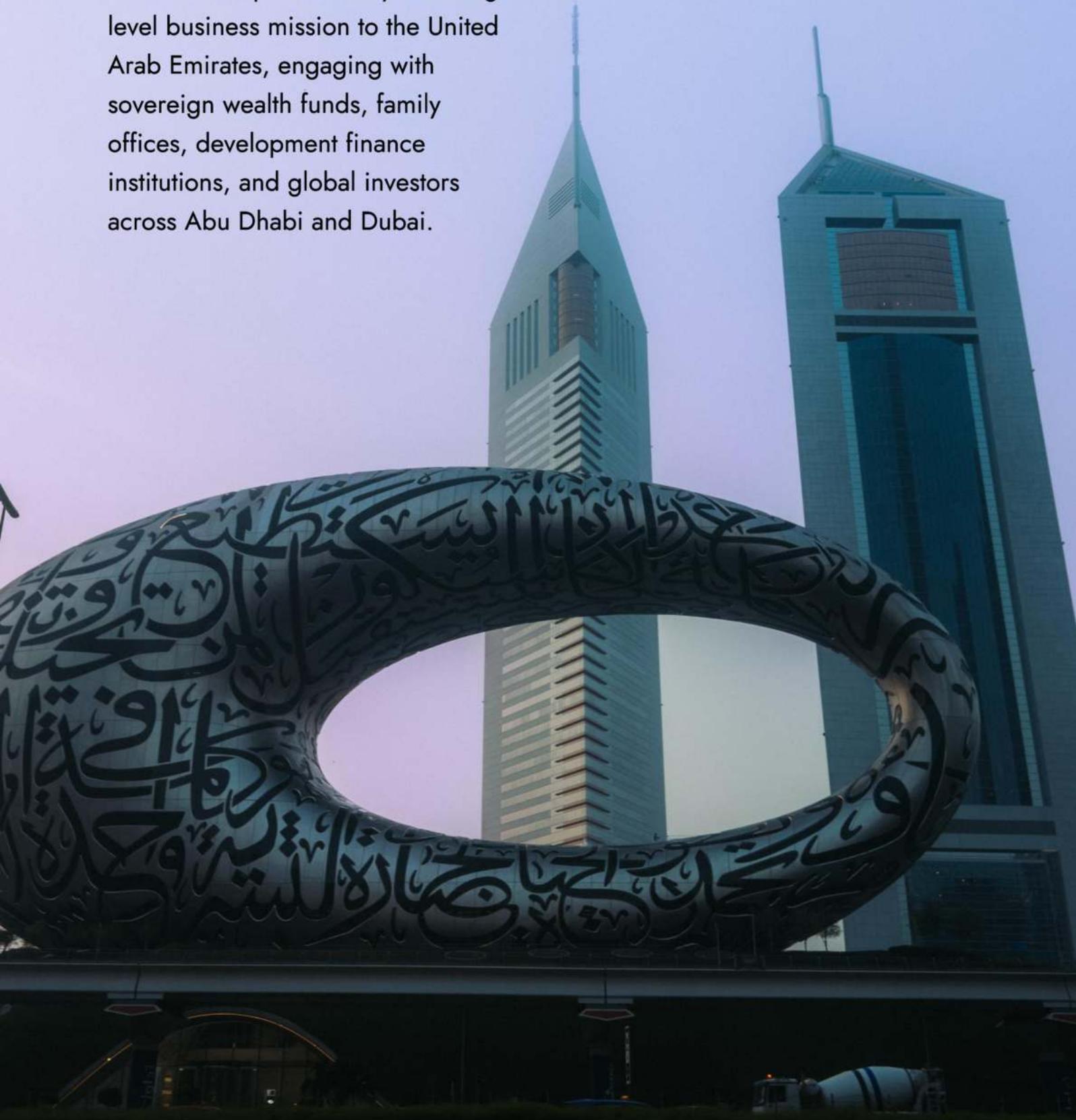
This MOU aligns with Woodhall's broader vision of strengthening Nigeria's federal system by empowering state governments to unlock new sources of development finance. By creating structured engagement between Nigerian subnationals and global capital markets, Woodhall is helping to build the foundation for inclusive, resilient, and regionally balanced growth.

This is more than a partnership—it is a milestone in Nigeria's journey toward sustainable development and global competitiveness.



UAE Business Mission

Woodhall Capital recently led a high-level business mission to the United Arab Emirates, engaging with sovereign wealth funds, family offices, development finance institutions, and global investors across Abu Dhabi and Dubai.



This mission comes at a critical time when global investors are actively reallocating capital towards emerging markets with long-term growth fundamentals, and it firmly positioned Nigeria as a compelling investment destination, especially in sectors like:

Key highlights of the visit included:

Private investor roundtables exploring blended finance structures for large-scale projects;

Closed-door strategy sessions with regional funders on risk mitigation and credit enhancement tools for Nigerian transactions; Deal pipeline presentations featuring curated subnational projects developed in partnership with state governments.

By bridging Nigerian opportunities with Middle Eastern capital, Woodhall is actively shaping a new frontier of South-South investment flows, supporting Nigeria's economic diversification agenda and boosting investor confidence.





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The UAE Business Mission underscores Woodhall Capital's commitment to delivering actionable outcomes, not just dialogue, and its strategic ability to position Nigeria within the corridors of international finance.

Through these strategic actions, Woodhall Capital is:

- Expanding access to finance for underserved sectors like the creative industry.
- Attracting foreign direct investment (FDI) into critical infrastructure.
- Strengthening subnational investment readiness.
- Promoting Nigeria's visibility across global capital hubs.



Staying the Course

As Nigeria enters H2 2025, the outlook is cautiously optimistic. The country must consolidate its gains by:

- Deepening macroeconomic reforms
- Strengthening institutions at federal and state levels
- Harnessing digital tools for inclusive growth
- Unlocking scalable capital for critical sectors like energy, transport, and healthcare

Investors, policymakers, and innovators must now work collaboratively to translate economic stabilization into broad-based prosperity.

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Woodhall Capital Research Team

For Strategic Partners, Clients
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Contact:

technical@woodhallcapital.com |  July 2025 Edition

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info@woodhallcap.com or tel: +23414549820, +2348106474017

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For further enquiries, please contact technical@woodhallcap.com

Woodhall Capital Limited, 22B Gerrard Road, Ikoyi, Lagos, Nigeria

