NIGERIA’S APRIL 2025

Inflation Report

Nigeria Inflation Rate – February 2025

In April 2025, Nigeria witnessed a modest decline in headline inflation, which eased to 23.71%, down from 24.23% in March. This marks a reduction of 0.52 percentage points, signaling a slowing in the rate of price increases.

In year-on-year terms, inflation has significantly moderated compared to April 2024, dropping by a substantial 9.99 percentage points from 33.69%. This deceleration is a positive sign, yet the underlying inflationary pressures remain pronounced, reflecting the complex challenges the Nigerian economy continues to face.

Headline Inflation	Core Inflation	Food Inflation
23.71% Vs 33.69% (Apr. '24)	23.39% Vs 26.84% (Apr. '24)	21.26% Vs 40.53% (Apr. '24)

However, the broader economic picture reveals that the cost of living remains elevated, particularly in essential categories such as food, transportation, housing, utilities, education, and healthcare.

These sectors continue to drive inflationary pressures, underscoring the ongoing strain on Nigerian households, especially in lower- and middle-income segments.

Key Price Drivers

Sector	Contribution (YoY)
Food & Non-alcoholic Beverages	9.49%
Restaurant & Accommodation Services	3.06%
Transport	2.53%
Housing, Water, Electricity & Other Fuels	2.00%
Education Services	1.47%
Health	1.44%
Clothing & Footwear	1.20%

Urban vs. Rural Inflation: Diverging Trends and Persistent Challenges

The decline in inflation, while notable, has not been evenly distributed across urban and rural areas. Urban inflation dropped to 24.29% year-on-year in April 2025, alongside a month-on-month decrease of 1.18%. However, the 12-month average in urban areas edged higher, rising to 30.41%, which highlights the persistent challenges faced by cities despite the overall slowdown.

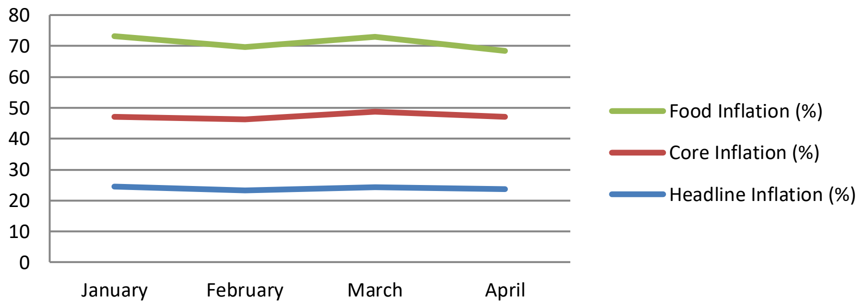
Rural inflation, on the other hand, stood at 22.83% annually and 3.56% on a monthly basis. The slight decline in the rural 12-month average to 26.29% signals some relief, yet the picture remains uneven. While rural areas are experiencing a reduction in inflation, the pace is slower compared to urban centers, indicating that inflationary pressures in these areas are more deeply entrenched.

These divergent inflationary trends between urban and rural areas reflect both structural and infrastructural disparities. Urban areas benefit from relatively stronger infrastructure, greater supply chain resilience, and more targeted policy interventions. These factors help cities absorb shocks more effectively and mitigate some of the price increases. In contrast, rural regions are more vulnerable to disruptions in food supply chains, energy distribution, and market access, contributing to the more persistent inflationary pressures in these areas.

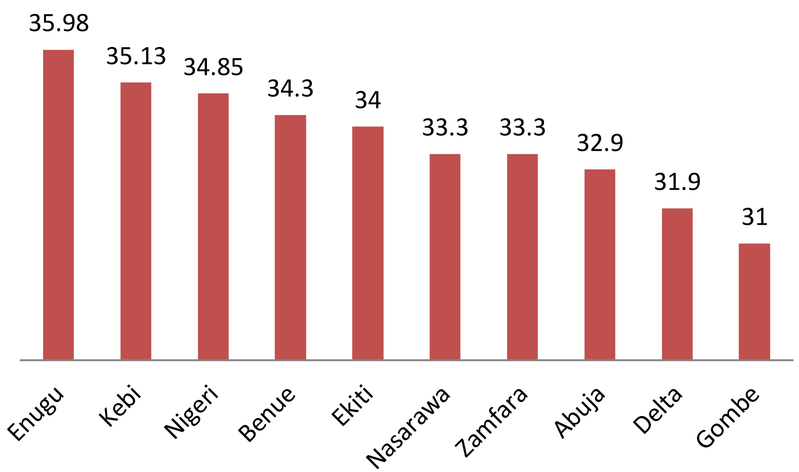
The Path Ahead: Uneven Relief and Targeted Interventions

While inflation is moderating, the relief is uneven. Urban areas are seeing faster improvements, likely due to better infrastructure, stronger policies, and greater access to global supply chains, which help buffer them from inflationary pressures. In contrast, rural areas continue to struggle with persistent inflation, particularly in food and energy costs. To address this, targeted interventions are needed, such as strengthening food supply chains to ease food price inflation, improving energy distribution to reduce costs in rural regions, and enhancing market access to help lower prices for remote communities. These measures are crucial to ensuring that inflation relief is sustained and benefits all segments of the population.

Nigeria's Inflation Trend - January to April '25



States with Highest Inflation in April 2025 (%)



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