



## ECONOMIC SPLASH

# APRIL INFLATION REPORT



**NIGERIA'S  
INFLATION SLIPS  
TO 23.71% IN  
APRIL**

# 2025

**May 16**

# Nigeria's inflation slips to 23.71% in April

The inflation report released by the NBS yesterday showed that headline inflation eased to 23.71% in April, down from 24.23%. All the sub-indices moved in the same trend. Particularly striking is the month-on-month inflation, which moderated sharply to 1.86% (24.32% annualized), down from 3.9% in March. The moderation was driven by a reduction in petrol prices, along with lower costs in restaurants, accommodation, and logistics services. Food inflation eased to 21.26%; nonetheless, anecdotal evidence suggests that commodity prices in April remained elevated compared to the same period in 2024. This was attributed to the reconstitution of the inflation basket—a recalibration that

has significantly reduced the weight of certain commodities compared to the previous year.

One interesting phenomenon is that food inflation was highest in the food-producing states of Benue, Ekiti, and Kebbi. Ironically, it remained relatively low in states that are net consumers of food. This raises eyebrows amongst some analysts about data validity. That notwithstanding, there seems to be a trend of inflation slowing in Q2'25.

Similarly, core inflation fell modestly to 23.39%, down from 24.43%. This suggests that underlying inflationary forces are finally softening, pointing to the early fruits of policy tightening

▼ **21.26%**

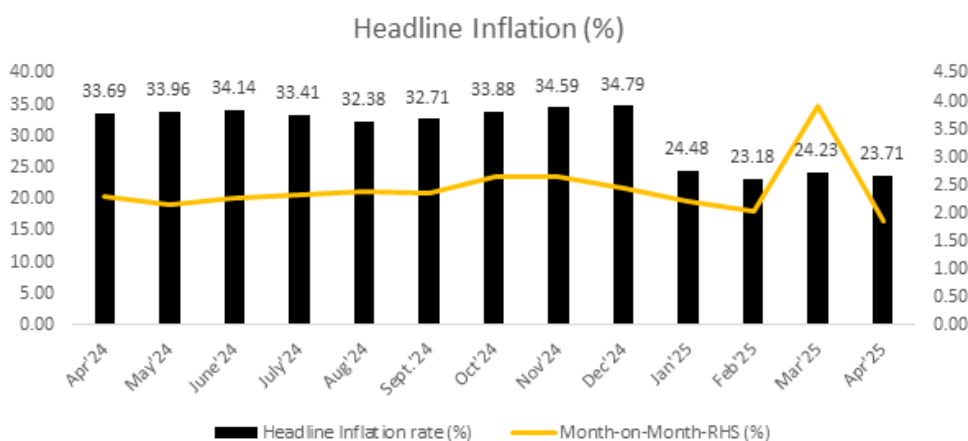
**Food inflation rate for Nigeria**

▼ **23.71%**

**Headline inflation rate for Nigeria**

▼ **23.39%**

**Core inflation rate for Nigeria**



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<sup>1</sup>NBS, FDC Think Tank

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## OUTLOOK

### Data breakdown

#### Month-on-month inflation decreased sharply to 1.86%

Monthly inflation is a more accurate measure of the current inflation trend than annual inflation, which declined by 2.04% to 1.86% (annualized at 24.32%). This implies that the magnitude of change in inflation is gradually declining.

#### Month-on-month food inflation fell to 2.06%

Monthly food inflation fell by 0.12% to 2.06%. The decrease can be attributed to the rate of decline in the average prices of rice, beans, yam flour, maize flour, wheat Grain, etc.

#### Month-on-month core inflation

Meanwhile, core inflation (inflation less seasonalities) decreased by 2.39% to 1.34%. This decrease is partly due to the impact of the fuel price cut and a decline in the cost of logistics.

### Rural & urban inflation

In April, Nigeria's inflation told a tale of two economies: urban inflation eased to 24.29% (from 26.12%), while rural inflation rose to 22.83% (from 20.89%). Month-on-month, urban prices dropped sharply by 2.78% to 1.18%, while rural inflation saw only a slight dip to 3.56%.

### State Inflation

Enugu recorded the highest headline inflation in April at 35.98%, while Ondo had the lowest at 13.42%. Month-on-month, Sokoto saw the highest inflation at 16.26%, and Oyo the lowest at -6.45%. Benue led in food inflation year-on-year at 51.76% and also topped month-on-month at 25.59%. Ebonyi posted the lowest food inflation both year-on-year (7.19%) and month-on-month (-14.43%).

### Outlook

The MPC, which last met 90 days ago, is scheduled to reconvene on May 19 and 20. Given the recent deceleration in inflation, the committee may seek to assess whether this decline is a sustainable trend or a one-off phenomenon. As a result, the MPC is likely to hold rates steady or implement a marginal reduction of 25bps.



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