WHISPERS

JULY 10, 2025 | VOLUME 15 ISSUE 17

WHEN WE SPEAK, THE WORLD UNDERSTANDS

FDC LIMITED

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The Whispers Overview

Rebasing to boost GDP, but little trickles down

Nigeria will likely regain its position as Africa's largest economy as the National Bureau of Statistics (NBS) releases rebased GDP figures tomorrow. Using 2024 as the new base year, the rebasing exercise, the first since 2014, incorporates updated methodologies aligned with international standards set by several global institutions. It also expands coverage to previously underrepresented sectors—most notably the informal economy, which accounts for approximately 58% of national output.

The new figures will reflect a broader and more dynamic economic structure, which may increase the nominal size of GDP and improve key fiscal indicators, such as the debt-to-GDP ratio. However, while the rebasing enhances statistical accuracy and investor perception, it does not alter the underlying structural challenges of the economy. This includes low productivity, weak revenue mobilization, and high unemployment. The real value lies in how policymakers translate these revised metrics into actionable reforms that foster inclusive growth, competitiveness, and long-term economic resilience.

The new economy (creative economy) is both a catalyst and a transformative agent

Nigeria's creative economy is emerging as a powerful engine for growth, driven by sectors such as Nollywood, Afrobeats, fashion, and digital content creation. Contributing 2.3% to GDP and employing over 4.2 million people, the industry is expected to generate $14.8 billion in revenue and create 2.7 million new jobs by 2025. However, its global impact remains limited; creative goods exports stood at just $200 thousand in 2023, compared to China's $229.6 billion and India's $20.6 billion.

China and India offer critical lessons: both countries have embedded the creative economy into their national development strategies, backed by strong policies, robust infrastructure, digital innovation, and diaspora engagement. Nigeria must do the same by investing in creative export hubs, reforming intellectual property laws, integrating creative skills into its education system, and developing market intelligence systems.

Nigeria is now the Gen Z capital of the world

With over 60% of the population under 25 and digital connectivity on the rise, Nigeria is uniquely positioned to unlock global value from its creative industries. To do so, it must transition from consuming and producing content locally to exporting culture, creativity, and innovation on a larger scale.

In this latest edition of Whispers, the FDC Think Tank takes a deep dive into recent economic developments bringing you timely insights into the forces driving the economy.

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The creative economy as a catalyst for economic development in Nigeria: Lessons from China and India

Tapping the creative economy for Nigeria's development

In the 21st century, the "Creative Economy"[1] has emerged as a powerful driver of growth, innovation, and cultural influence. According to Dubina and Campbell (2019), the creative economy encompasses a diverse array of sectors, from traditional crafts to digital media.[2] It includes heritage and cultural products, such as handicrafts, and it incorporates the software designers who fashion the digital economy and influence the future of the whole of society.[3] The creative economy is now recognized as a major contributor to GDP, employment, and exports. For Nigeria, unlocking the full potential of the creative industry offers a viable pathway to sustainable development through stronger IP protection, better access to finance, digital innovation, creative infrastructure, and global market access. With coordinated policies, talent development, and strategic investment, the sector can drive job creation, economic diversification, and enhance the country's international cultural influence. This industry has the potential to become one of Nigeria's leading non-oil foreign exchange earners. Drawing lessons from China and India, two global powerhouses in the creative space, Nigeria can chart a course toward a more diversified and resilient economy.

The creative economy in Nigeria, a sector on the rise

Nigeria's creative industry is one of the most vibrant in Africa. With core sub-sectors

1. United Nations Conference on Trade and Development. (2022). Creative Industry 4.0: Towards a new globalized creative economy (UNCTAD/DITC/TNCD/2021/3). https://unctad.org/system/files/official-document/ditctncd2021d3_en.pdf

2. Dubina I.N., & Campbell D.F.J. 2019. 'Creativity Economy Versus Creative Economy' In: Carayannis E. (eds) Encyclopedia of Creativity, Invention, Innovation and Entrepreneurship. Springer, New York.

3. Bakhshi, H., & McVittie, E. 2009. Creative supply-chain linkages and innovation: Do the creative industries stimulate business innovation in the wider economy? National Endowment for Science

such as film (Nollywood), music (Afrobeats), fashion, literature, and digital content creation, the industry contributes approximately 3.13% to Nigeria's GDP as of 2024 from 2.97% in 2019. At the current GDP contribution, the creative economy has outperformed trade, a key employer, which has seen its contribution decline from 16.01% in 2019 to 15.46% in 2024. It is projected to generate $14.8 billion in revenue by the end of 2025.[4] This is bigger than Nigeria's total projected trade balance of $7.34 billion for 2025, according to the Economist Intelligence Unit. The industry employs approximately 4.2 million people and is expected to add 2.7 million jobs by 2025, positioning it as Nigeria's second-largest employer.[5]

The growth is fuelled by a youthful population (more than 60% of Nigerians are under the age of 25) along with increased digital penetration and mobile broadband expansion. With internet advertising and streaming services among the fastest-growing segments of the entertainment and media (E&M) industry, Nigeria is forecasted to be the fastest-growing E&M market in Africa through 2028, with an annual compound growth rate of 8.6%. See Table 1.

Despite this progress, Nigeria's global creative export performance remains inconsequential. In 2023, the country's exports of creative goods were a meager $ 0.2 million, a stark contrast to China's $229.6 billion and India's $20.6 billion. Nigeria's share of global creative goods exports stands at almost 0%, indicating a significant underutilization of its cultural and creative assets on the international scene.

Table 1: Nigeria, entertainment and media spend by segment, 2019-28 ($ mn)

Nigeria continues to boast one of the fastest-growing E&M industries in the world

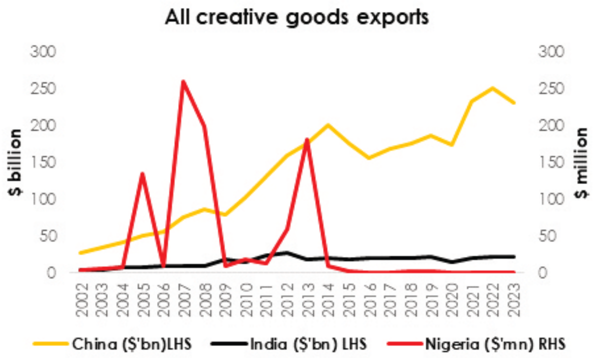
Item	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	23-28 CAGR%
Business-to-business	8	6	7	8	9	9	10	10	10	10	2.5%
Cinema	8	3	5	7	8	8	8	9	9	10	4.8%
Internet advertising	143	196	325	418	519	596	689	797	920	1,061	15.4%
Mobile and fixed services	4,526	5,185	5,774	6,379	7,246	8,024	8,770	9,454	10,100	10,727	8.2%
Music, radio and podcasts	56	59	79	101	124	147	167	182	194	200	10.0%
Newspapers, consumer magazines and books	124	113	119	120	121	122	123	124	125	127	1.0%
Out of home (OOH)	78	59	71	81	87	91	93	94	95	95	1.7%
Over -the-top streaming (OTT)	13	20	29	49	65	76	86	94	101	107	10.5%
Traditional TV	459	439	470	525	673	742	808	873	935	995	8.1%
Video games and exports	93	136	180	177	192	217	241	265	292	322	10.9%
Total	**5,495**	**6,198**	**7,032**	**7,828**	**9,001**	**9,982**	**10,935**	**11,836**	**12,707**	**13,568**	**8.6%**
Annual growth	-	12.8%	13.5%	11.3%	15.0%	10.9%	9.6%	8.2%	7.4%	6.8%	-

[6]

4. the africa report. 2021. Nigeria: Media and entertainment to hit $15bn by 2025.https://www.theafricareport.com/126644/nigeria-media-players-are-creative-and-cash-rich/

5. Jobberman & Mastercard Foundation. (2021, May 12). Creative industry, Nigeria second largest employer of labour – Report. Punch Newspapers. https://punchng.com/creative-industry-nigeria-second-largest-employer-of-labour-report/

6. Source: PwC, 2025. Africa Entertainment and Media Outlook 2024-2028, resilience and reinvention.



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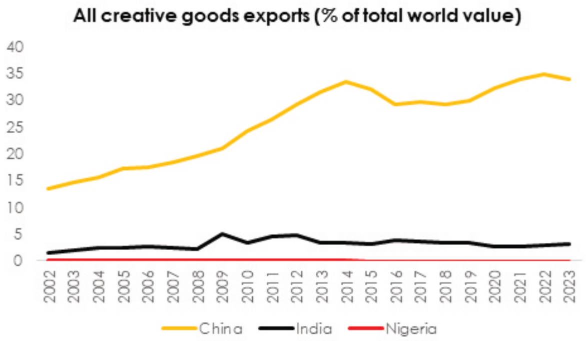

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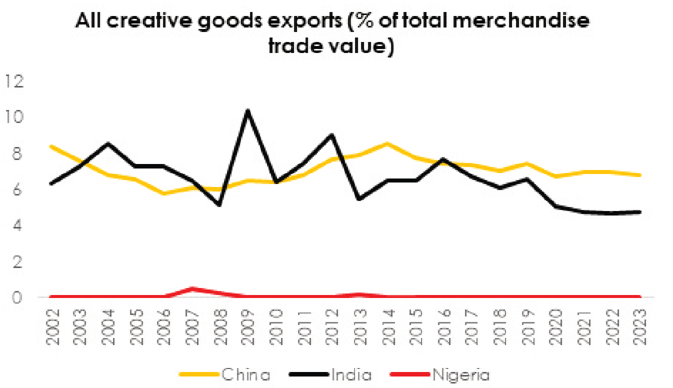
China: leading through policy, innovation, and scale

China's creative economy is a blueprint of strategic planning, massive investment, and global vision. As of 2021, the sector contributed over 4.5% to the country's GDP, driven by high-performance industries such as gaming, film, digital content, and fashion. The country's export of creative goods has consistently led global rankings, accounting for an average of 32% of the world's creative exports between 2013 and 2023.



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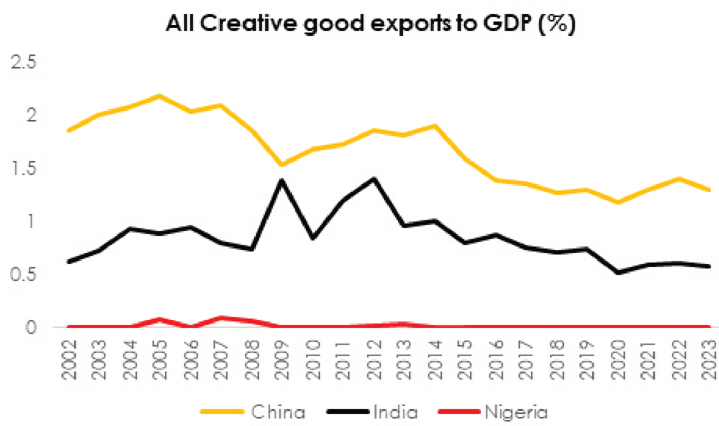
Key drivers of China's success include:

China's creative industries are thriving due to a combination of strategic government policies, technological innovation, and global integration. Initiatives such as "Made in China 2025" and the Belt and Road Initiative have incorporated the cultural sector into broader economic strategies, supported by development plans that offer funding, tax incentives, and infrastructure. At the same time, digital transformation is reshaping the creative landscape, with technologies like Artificial Intelligence (AI), Virtual Reality (VR), and Augmented Reality (AR) driving innovation in gaming, e-commerce, and digital storytelling. Urban centers such as Beijing, Shanghai, and Shenzhen have emerged as vibrant creative hubs, equipped with coworking spaces, innovative districts, and incubators. Furthermore, Chinese creatives are increasingly making their mark on the global stage, boosted by platforms like TikTok and the international success of Chinese films, music, and fashion.

India: cultural depth meets digital opportunity



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7. Source: UNCTADstat. https://unctadstat.unctad.org/datacentre
8. Source: UNCTADstat. https://unctadstat.unctad.org/datacentre
9. Source: UNCTADstat. https://unctadstat.unctad.org/datacentre
10. Source: UNCTADstat. https://unctadstat.unctad.org/datacentre

India, while not as dominant as China, has carved out a significant space in the global creative economy. With exports of creative goods worth over $20 billion in 2023, the country leverages its rich cultural heritage and a strong digital backbone. Bollywood, traditional crafts, design services, and software-based creative applications are key strengths of the company.

India's model rests on:

Cultural industries: Traditional sectors such as textiles, jewelry, and handicrafts receive both domestic and global demand.

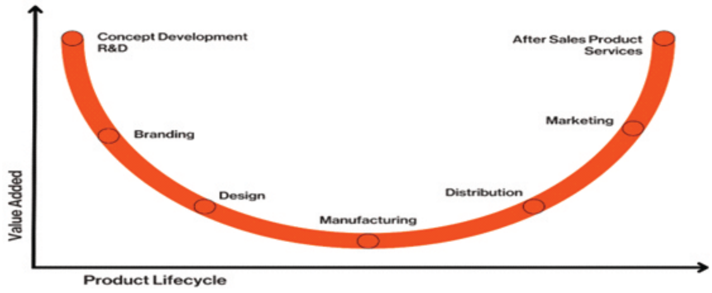
Digital empowerment: The Digital India initiative supports creative entrepreneurs through infrastructure, digital skills training, and market access.

Outsourcing and software: India exports creative software services globally, integrating its IT strengths with creative production.

Diaspora networks: A large and well-connected Indian diaspora serves as a conduit for internationalizing Indian creative content and talent.

Lessons for Nigeria – changing the position on the smile curve

Despite Nigeria's rich culture and vibrant youth-driven industries, the contrast with China and India is stark. Nigeria needs to reposition itself in the global value addition, from the consuming/manufacturing stage to an innovative (R&D and Design), marketing, and after-sales product services, based on the smile curve below.



[11]

Several lessons stand out:

1. Export orientation and trade infrastructure

Nigeria needs to transition from domestic consumption to an export-oriented production model. This requires building trade infrastructure for creative exports, including dedicated platforms, international partnerships, and government-backed promotional campaigns. The establishment of creative export hubs in Lagos, Abuja, and Port Harcourt could provide physical and virtual linkages to global markets.

2. Intellectual Property (IP) reform

Weak IP protection in Nigeria undermines investor confidence and reduces creative earnings. Strengthening IP frameworks, streamlining copyright registration, and enforcing digital rights management will incentivize content creation and commercialisation.

3. Creative clusters and innovation hubs

Developing special creative economic zones, similar to China's urban clusters, can spur industry growth. These hubs should offer access to financing, co-working spaces, legal and technical support, and digital tools.

11. https://d2u1z1lopyfwlx.cloudfront.net/thumbnails/b662a10b-188a-55b4-8d74-dfbd2aad9502/840aabe0-9771-5149-aca2-9532552f5004.jpg

4. Policy and regulatory support

Nigeria needs a national creative economy policy that aligns with broader economic development goals. Like India's Digital India or China's industrial plans, Nigeria's framework should incentivize investment, provide subsidies for export-oriented creatives, and promote the development of local content.

5. Skills development and education

Embedding creative arts, digital design, animation, and music production into school curricula can build a pipeline of talent. Partnering with global platforms for training, like YouTube, Meta, or TikTok, will enhance digital monetization skills among young Nigerians.

6. Diaspora engagement

Nigeria's global diaspora, particularly in the entertainment and tech sectors, presents untapped opportunities. Programs that link diaspora creatives with local startups, cultural events, and mentoring networks can accelerate global reach.

7. Data and market intelligence

China and India's creative economies thrive on data. Nigeria must invest in robust market intelligence systems to track creative performance, consumer trends, and international opportunities. This enables the development of targeted policies and effective investment.

Conclusion

Nigeria's creative economy holds enormous untapped potential. The sector's rapid domestic growth, youthful talent base, and global cultural appeal provide a solid foundation for its success. However, the absence of strategic export development, weak policy support, and limited infrastructure hinders its ability to become a global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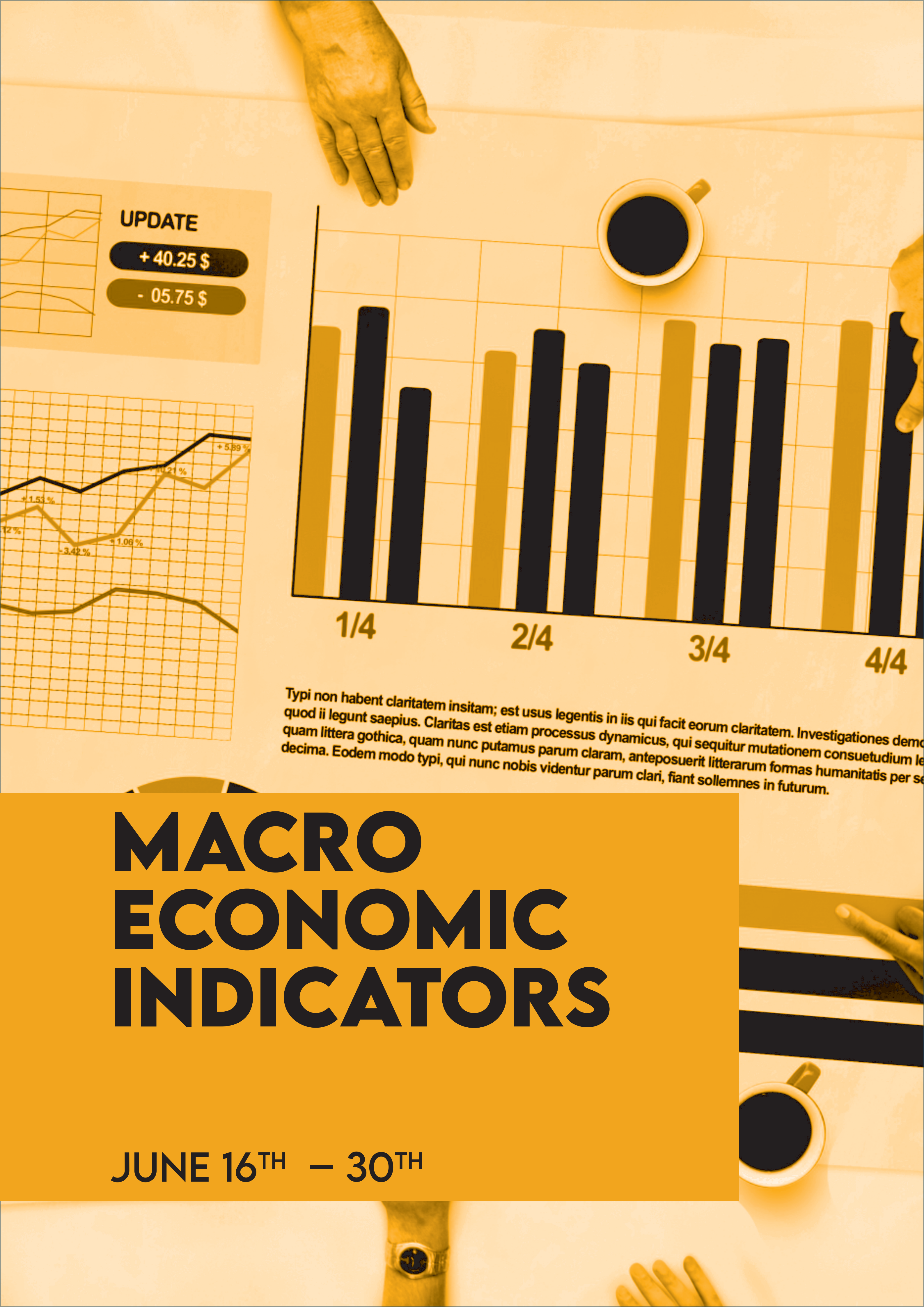


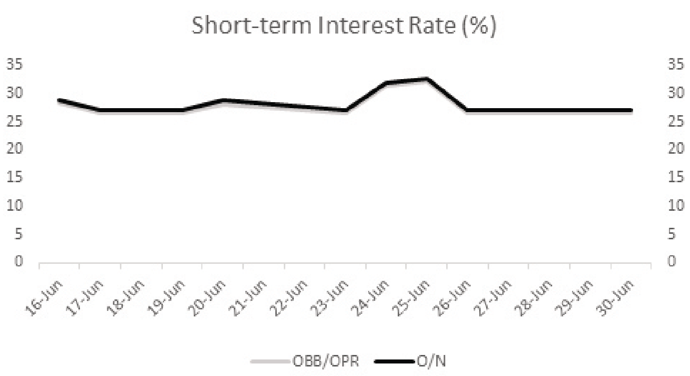
MACRO ECONOMIC INDICATORS

JUNE 16TH – 30TH

MONEY MARKET

The bank's average opening position was positive in the second half of June, standing at N667.38bn long, representing a 39.67% decrease compared to N1.10trn long in the second half of May. Two OMO bills were issued during the period, totaling N1.81trn, with one repayment recorded at N975.87bn. Short-term interbank rates (OPR, O/N) averaged 28.05%p.a., up 135bps from 26.70%p.a. in the second half of May.

One primary market auction was conducted in the second half of June, totaling N162.00bn, which represents a 73.69% decrease compared to N615.80bn recorded in the previous primary market auction in May. Meanwhile, two primary market repayments were made in the second half of June, totaling N499.95bn. Primary and secondary market rates declined on all tenors in the period under review.



Source: FDC Think Tank

Tenor	Primary market (May 21, 2025) (%)	Primary market (June 18, 2025) (%)	Secondary market (May 30, 2025) (%)	Secondary market (June 30, 2025) (%)
91-day	18.00	17.80 ▼	18.56	18.46 ▼
182-day	18.50	18.35 ▼	19.18	19.08 ▼
364-day	18.84	18.84 ↔	19.36	18.53 ▲

Source: FMDQ, FDC Think Tank

Outlook and Implication

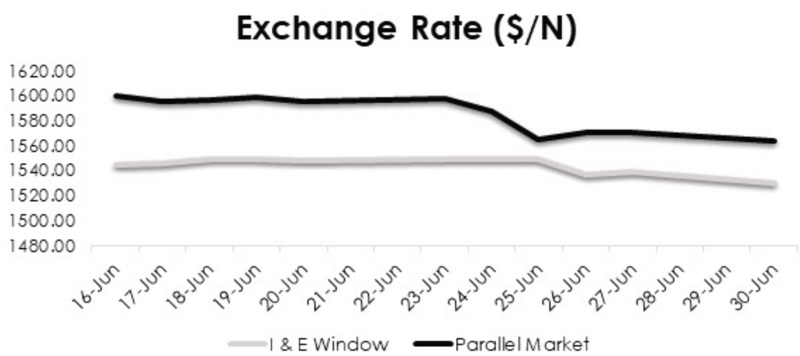
With inflation easing to 22.97% in May 2025 from 23.71% in April, the July MPC meeting may prompt the CBN to hold or slightly reduce rates. This could lead to lower interbank rates, easing funding pressures for banks, reducing borrowing costs, and boosting private sector credit and economic activity.

FOREX MARKET

In 2023, Nigeria initiated sweeping FX reforms—liberalizing the market and abolishing multiple exchange rates. The naira was devalued by nearly 70% between 2023 and 2024. A new electronic trading platform (BMATCH) was introduced to improve price discovery and transparency. With a more credible monetary policy and a managed float regime, FX supply has improved and speculative pressure on the naira has eased, at least for now.

EXCHANGE RATE

At the Nigerian Foreign Exchange Market (NFEM) window, the naira appreciated by 0.98%, strengthening to N1,529.71/$ on June 30 from N1,544.63/$ on June 16. Similarly, at the parallel market, the naira gained 2.30%, closing at N1,564/$ on June 30 compared to N1,600/$ on June 16. The appreciation was driven by a weakened U.S. dollar, which fell over 10% against other currencies, alongside subdued domestic dollar demand and periodic government interventions in the foreign exchange market.



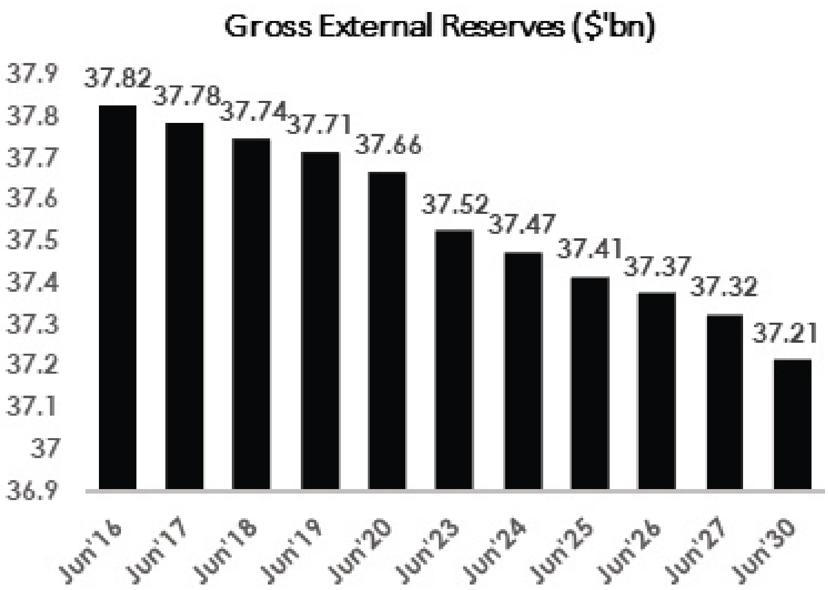
Source: FDC Think Tank

Outlook & Implication

The naira is expected to appreciate further in the near term, supported by increased capital inflows from foreign portfolio investments (FPIs) and robust sell-side participation in the foreign exchange market.

EXTERNAL RESERVES

Nigeria's external reserves declined by 1.61% to $37.21bn as of June 30, down from $37.38bn on June 16. The drop was driven by lower oil production, which declined by 2.68% to 1.45 million barrels per day (mbpd) in May, from 1.49mbpd April. This was further compounded by weaker oil prices and sustained government intervention in the foreign exchange market.



Source: CBN, FDC Think Tank

Outlook & Implication

We expect external reserves to decline marginally in the near term, driven by lower global oil prices, partly influenced by the anticipated increase in oil output by OPEC+ in August.

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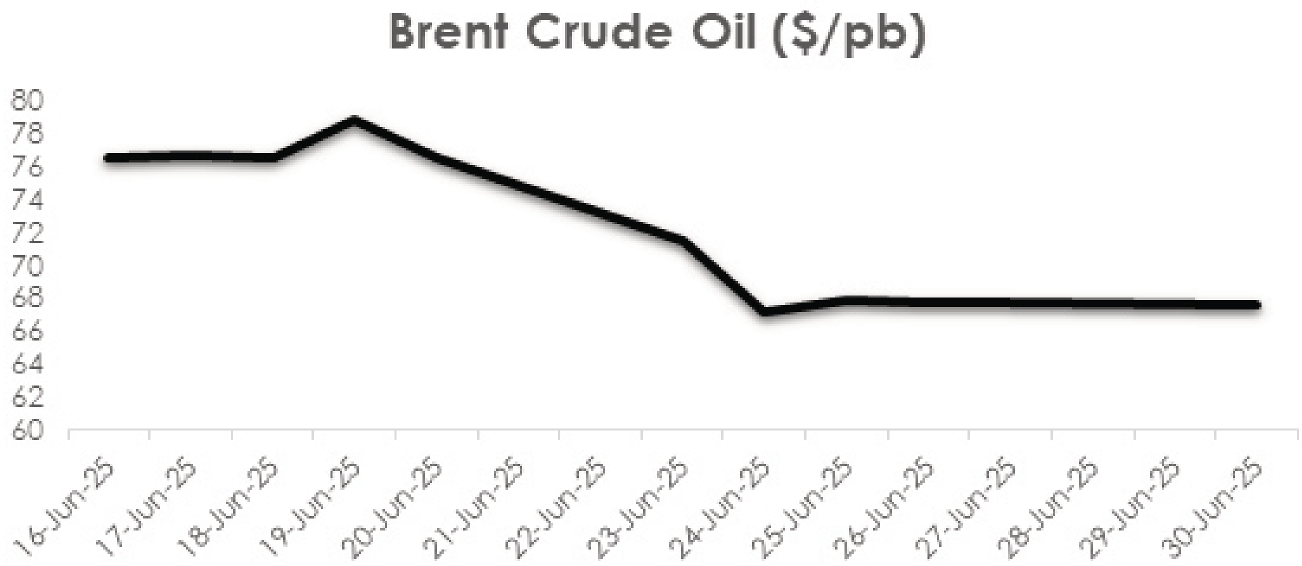
COMMODITY EXPORTS

Nigeria is an export-dependent economy. It derives over 80%-90% of its export revenue from crude petroleum and LNG.

OIL PRICES

In the second half of June, Brent prices declined by 11.60% to $67.58 per barrel (pb) on June 30 from $76.45pb on June 16. The price decline was driven by the Israel-Iran ceasefire, which eased Middle East supply risks. It was further supported by expectations of an OPEC+ supply increase at its upcoming meeting on July 6.



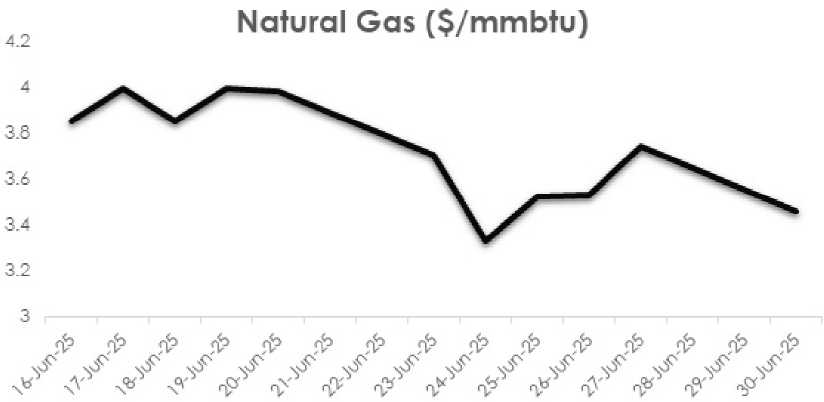
Source: Bloomberg, OPEC, FDC Think Tank

Outlook &Impact

Brent oil prices are expected to remain volatile in the near term, driven by ongoing tensions in the Middle East, particularly Iran's suspension of cooperation with the UN nuclear watchdogs, which may tighten supply. However, the decision by OPEC+ to increase output by 458,000 barrels per day in August could ease supply concerns and exert downward pressure on prices.

NATURAL GAS

Natural gas prices dropped by 10.13% in the second half of June, falling from $3.85/MMBtu on June 16 to $3.46/MMBtu on June 30. The decline was driven by an unexpected storage build and forecasts of milder weather, as well as weaker-than-anticipated demand.



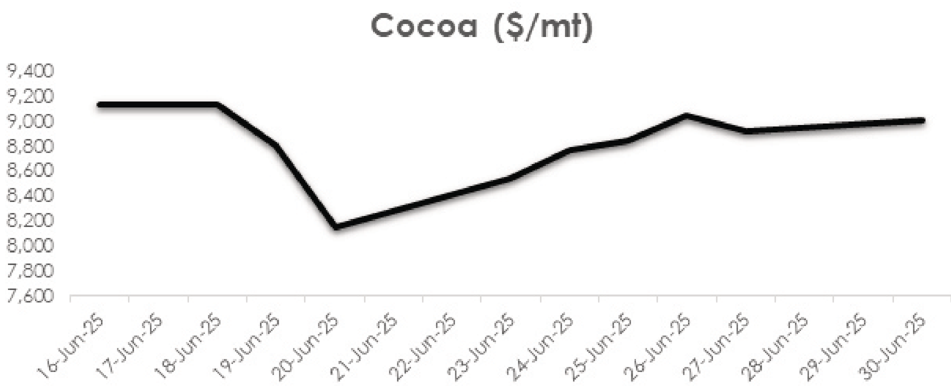
Source: Bloomberg, FDC Think Tank

Outlook & Impact

Natural gas prices are likely to rise in the near term due to increased air-conditioning demand driven by a heatwave in Europe. This could boost Nigeria's LNG export earnings and support a stronger naira.

COCOA

Cocoa prices fell by 1.51% to $9,000/mt on June 30 from $9,138/mt on June 16. The drop was mainly driven by improved weather conditions in West Africa, which eased supply concerns. June rainfall contributed to better yields, supporting the downward pressure on prices.



Source: Bloomberg, FDC Think Tank

Outlook & Impact

Cocoa prices are expected to decline further in the near term, driven by favorable weather conditions across West Africa. Additionally, projections of increased cocoa production in Ghana are expected to further put downward pressure on prices. A decrease in cocoa prices will lower Nigeria's non-oil exports.

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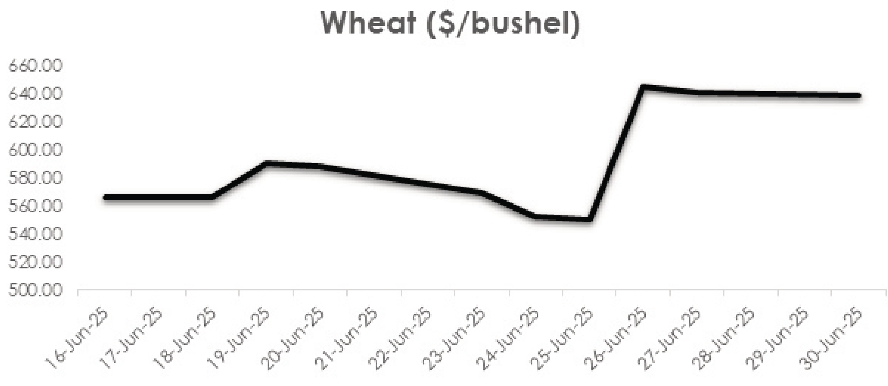
COMMODITY IMPORTS

WHEAT

Wheat prices surged by 12.86% in the second half of June from $565.50/bushel on June 16 to $638.25/bushel on June 30. The rally was fueled by heavy rains across the southern U.S. Plains and the Midwest, which delayed the winter wheat harvest. Adding to the upward pressure are dry weather conditions in key wheat-growing regions of Russia.



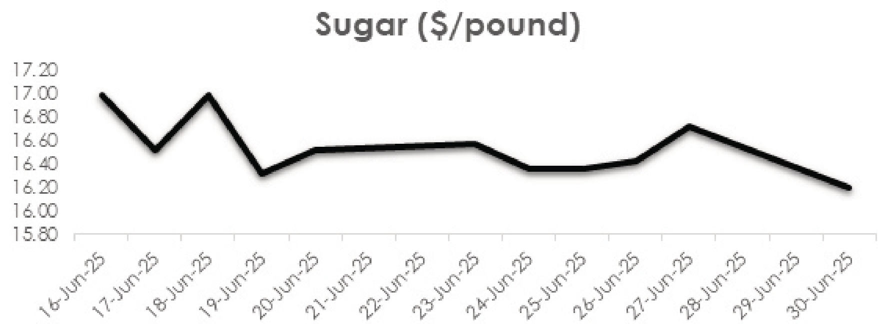
Source: Bloomberg, FDC Think Tank

Outlook & Impact-Grains

Grain prices are likely to remain under pressure due to weak U.S. export demand, delayed wheat harvests, and concerns about global oversupply. A fall in grain prices will lower food import costs by reducing import bills, thereby reducing food inflation.

SUGAR

Sugar prices declined by 4.65% in the second half of June, slipping from $16.99/pound on June 16 to $16.20/pound on June 30. Improved weather conditions in key sugar-producing regions, such as Brazil and India, drove the decline. Additionally, expectations of a rise in global sugar supply added further downward pressure on prices.



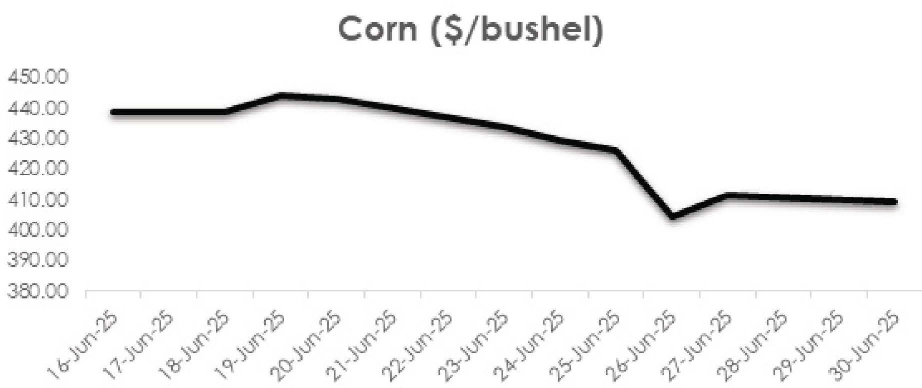
Source: Bloomberg, FDC Think Tank

Outlook & Impact

Sugar prices are expected to trend lower in the near term, following a projected global surplus of 7.5 million tonnes for the 2025/26 season—the largest since 2017/18—according to commodities trader Czarnikow. Global sugar production is also estimated at 185.9 million tonnes, the second-highest on record. Lower prices may ease input costs for manufacturers, potentially reducing production expenses and helping to moderate food inflation.

CORN

Corn prices lost 6.72% in the second half of June, dropping from $438.75/ bushel on June 16 to $409.25/ bushel on June 30, on the expectations of higher output from Brazil and favorable weather conditions for the U.S. crop.



Source: Bloomberg, FDC Think Tank

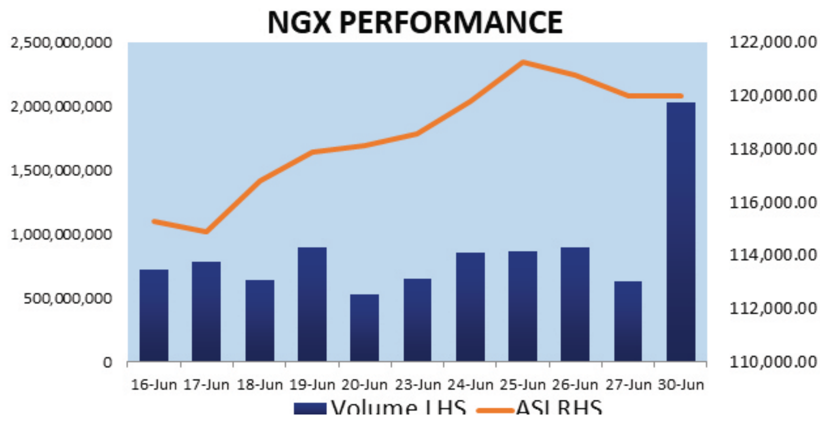
Terms of Trade

In Q1’25, Nigeria’s terms of trade improved, continuing the positive trend from 2024. In Q4’24, the terms of trade rose by 20.6%, supported by an 8.57% decline in imports to ₦16.59 trillion and a 2.55% increase in exports to ₦20.01 trillion, resulting in a trade surplus of ₦3.4 trillion. This momentum carried into early 2025, with oil production increasing by 6.43% in April to 1.49 million barrels per day (mbpd), bolstering export earnings. Additionally, cocoa prices remained strong above $10,000/mt, further supporting Nigeria’s external trade performance in Q1’25.

STOCK MARKET REVIEW

JUNE 16TH – 30TH

The Nigerian Stock Exchange closed positively in the second half of June. It gained 3.94% to close at 119,978.57 points on June 30, up from 115,429.54 points on June 13. Similarly, the market capitalization rose by 4.34% to N75.95trn on June 30, relative to its close of N72.79trn on June 13. The market's YTD return was 16.56% as of [date], while the market breadth was positive at 2.24x, with 76 stocks gaining, 35 remaining unchanged, and 34 losing. The NGX's performance was positive due to sustained buying interest across all sector indices except oil and gas. It was further bolstered by renewed investor interest, optimism, and strong corporate earnings.



Source: NGX, FDC Think Tank

The market activity level was positive in the review period. The average volume traded increased by 16.30% to 862.42mn units from 741.56mn units. However, the average value of trades surged by 29.01% to N23.79bn from N18.44bn in the second half of June.

The performance of the sectors was largely positive during the review period, as all industries showed gains. The insurance sector gained 6.86%, followed by the consumer goods sector 6.86%, the banking sector 5.11%, the industrial sector 3.12%, and the oil & gas sector 2.62%.

SECTOR PERFORMANCE

Industrial	FMCG	Banking	Oil &Gas	Insurance
3.12%	6.82%	5.11%	2.62%	6.86%

TOP 5 GAINERS

Neimeth International Pharmaceuticals Plc, a company that manufactures and distributes pharmaceutical products, led the gainers' list with a 90.94% increase in its share price. This was followed by Ellah Lakes plc (76.44%), Betaglass Plc (44.50%), The CWG Plc (33.86%), and International Breweries Plc (31.13%).

TOP 5 LOSERS

The laggards were led by Oando Plc, with a decline of -20.36%. This was followed by LASACO Assurance Plc (-15.31%), VFD Group (-14.20%), Daar Communications Plc (-9.68%), and Red Star Express Plc (-9.40%).

TOP 5 GAINERS				
Company	Jun-13 (N)	Jun-30 (N)	Absolute Change	Change (%)
NEIMETH	3.42	6.53	3.11	90.94%
ELLAHLAKES	4.33	7.64	3.31	76.44%
BETAGLAS	231.1	333.95	102.85	44.50%
CWG	9.45	12.65	3.20	33.86%
INTBREW	10.6	13.90	3.30	31.13%

TOP 5 LOSERS				
Company	Jun-13 (N)	Jun-30 (N)	Absolute Change	Change (%)
OANDO [MRF]	69	54.95	-14.05	-20.36%
LASACO	3.2	2.71	-0.49	-15.31%
VFDGROUP	16.2	13.90	-2.30	-14.20%
DAARCOMM	0.62	0.56	-0.06	-9.68%
REDSTAREX	8.4	7.61	-0.79	-9.40%

Outlook

We anticipate an improvement in market sentiment and increased investor activity in the near term. Key drivers include renewed confidence and ongoing bank recapitalisation efforts, which will spur heightened equity market participation as banks raise capital to meet regulatory benchmarks, providing further momentum for market direction and overall growth.

WHISPERS OUTLOOK

- Oil prices are expected to trend higher in the near term as tight supply and strong demand signals—such as the more than expected increase in the U.S. gasoline demand last week—offset concerns about increased OPEC+ output and potential demand slowdowns from U.S. tariffs.

- Higher oil prices are favourable for Nigeria's export earnings and government revenue. This would foster sustained naira stability. We expect the naira to remain within the range of N1,500/$ - N1,600/$ in the short term.

- We expect headline inflation in June to moderate slightly as supply chain disruptions and flooding offset the deflationary impact of exchange rate stability.

- However, in its upcoming meeting on June 22, we project a 65% chance that the MPC will cut rates by 25bps due to exchange rate stability and lower inflation trend expectations.

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