

Nigeria at 65:

A Journey of Progress and Potential

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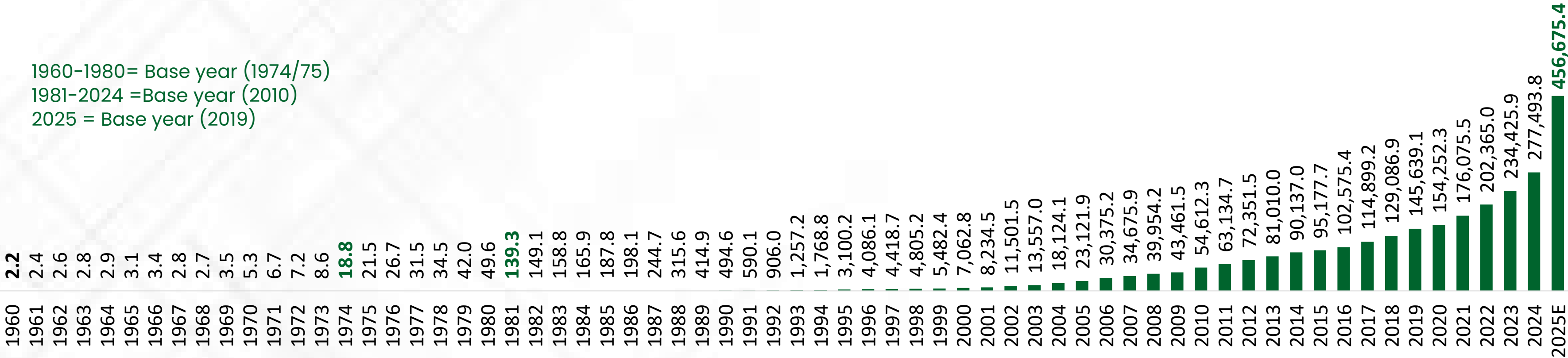
Introduction

- Nigeria marks 65 years of independence. This milestone offers a moment to reflect on how far the country has come, the challenges it faces today, and the road ahead.
- In this special Independence Day report, the ADSR Team reviews Nigeria's economic history over the past 65 years, examining how the country has fared on some key indicators and what it can do to get ahead and achieve its full potential.

Indicators examined include:

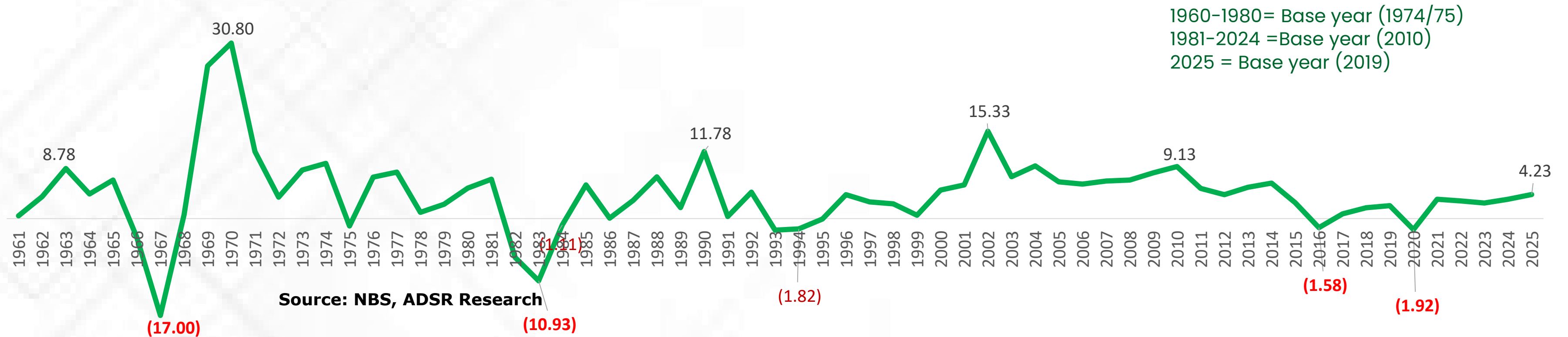
- GDP current market price, Real GDP growth, GDP per capita, GDP performance relative to development plan targets, Changing structure of the Nigerian Economy Relative position of Nigeria in Africa's GDP, Inflation rate, Exchange rate, Crude oil price, Crude oil production, Total public debt and Unemployment rate

GDP Current Market Price (N'Bn)



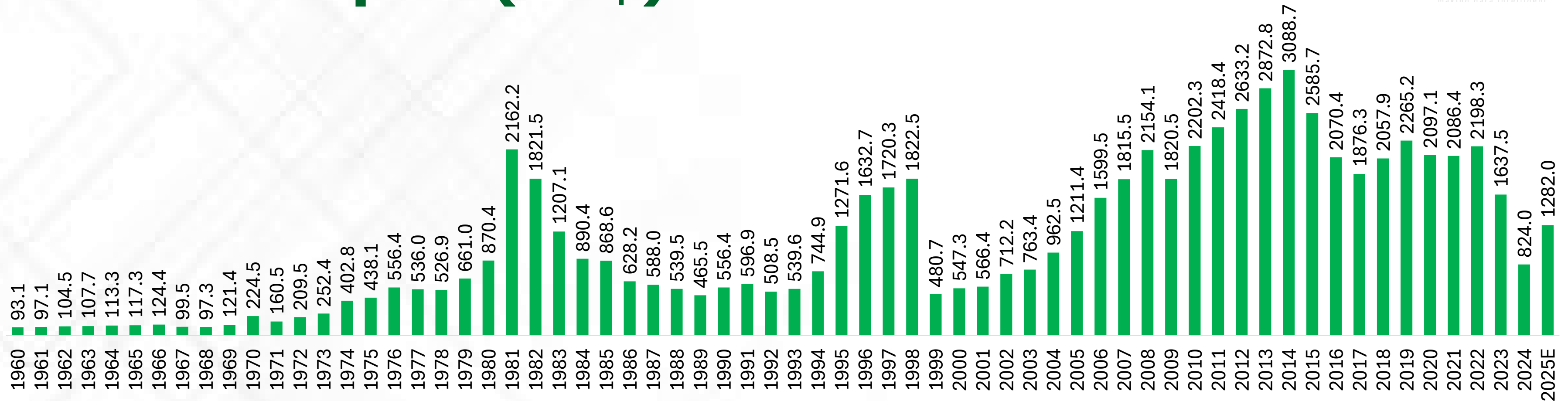
- Nigeria’s GDP has expanded significantly, rising from ₦2.2 billion in 1960 to ₦277.5 billion in 2024, with a projected increase to ₦456.7 billion in 2025.
- Notable spikes in GDP figures occurred during periods of rebasing, particularly in 1974, 1981, and 2025, when updates to measurement methodologies led to sharp revisions in economic output.

Real GDP Growth (%)



- Nigeria's GDP growth has been highly volatile, with strong expansions in oil boom periods notably in 1970 (30.8%), 2002 (15.3%) and sharp contractions during crises periods seen in 1967(-17%), 1983 (-10.93%), 1993 (-2.04%), 2016 (-1.58%) and in 2020 (-1.92%).
- In recent times, growth began stabilizing at modest rates (around 3–4%) and is currently at 4.23% as at Q2' 2025.
- The volatility reflects dependence on oil, structural weaknesses, and sensitivity to external shocks. Sustained growth remains a challenge, requiring diversification and macroeconomic stability.

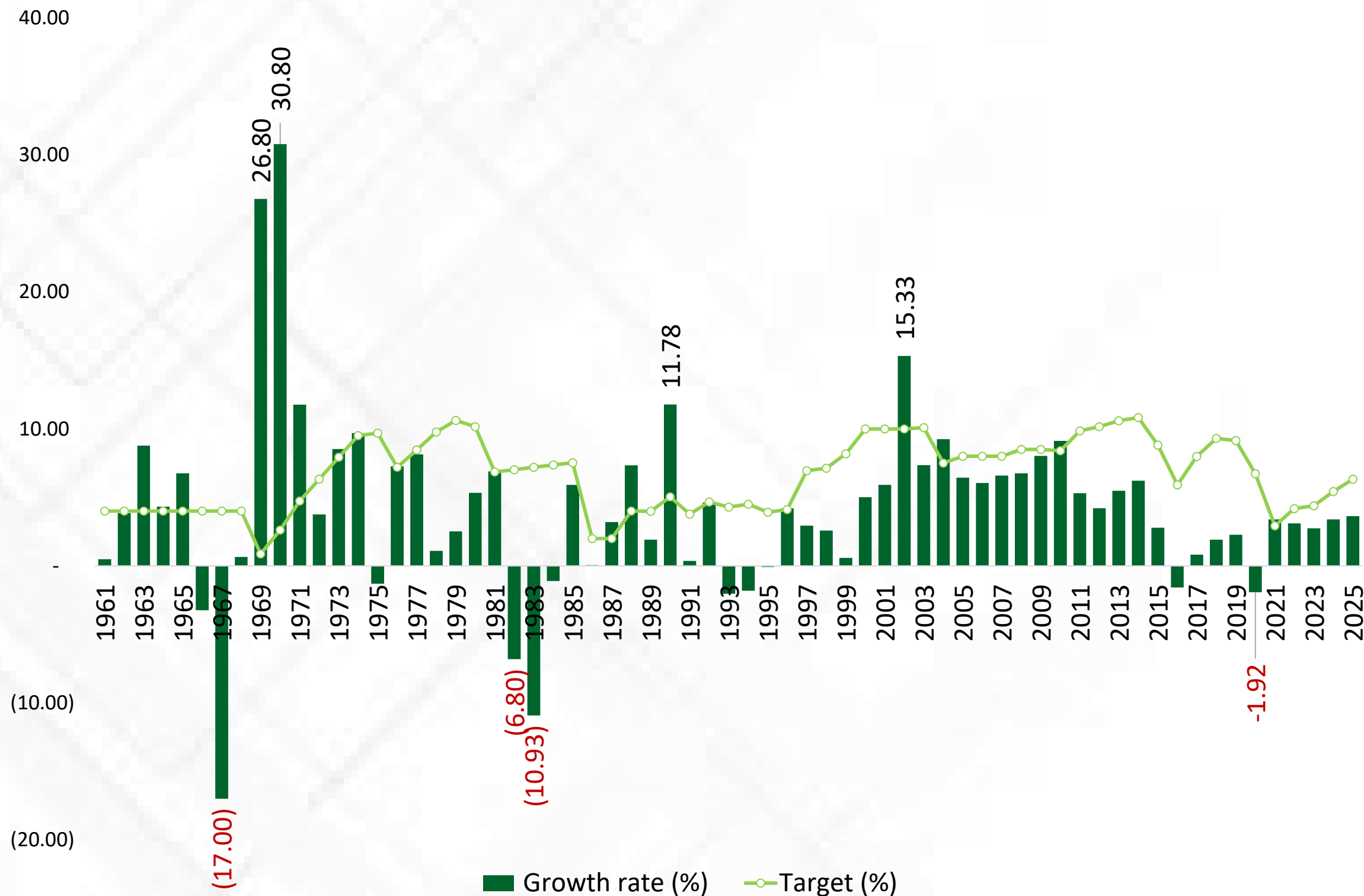
GDP Per Capita (US\$)



Source: WDI, IMF, NBS, ADSR Research

- Nigeria's GDP per capita grew from \$93 in 1960 to \$2,162.21 in 1981, followed by periods of decline. A recovery began in the 1990s, with GDP per capita rising to \$1,822.50 by 1998, before experiencing a sharp drop in 1999. From the early 2000s, it rebounded steadily, peaking at \$3,088.72 in 2014.
- Since 2015, however, GDP per capita has been on a downward trend, falling to \$824.02 in 2024, with a modest recovery projected at \$1,282 by 2025, after GDP rebasing.
- This figure remains well below Nigeria's peers, underscoring how population growth continues to outpace economic output

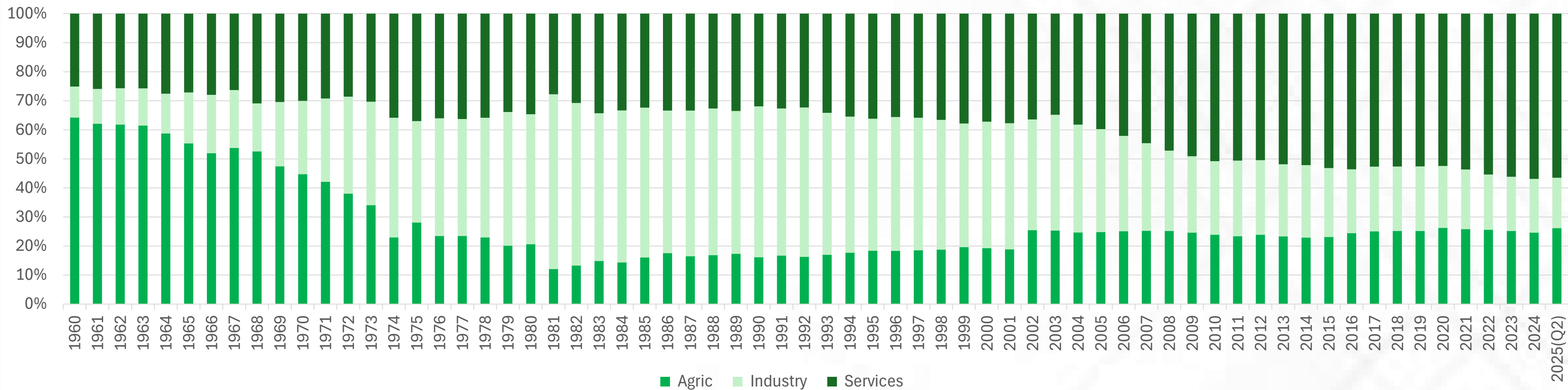
GDP Performance Relative to Development Plan Targets



Source: IMF, NBS, ADSR Research

- Nigeria's GDP growth rate has been highly volatile, **often falling short of its national development targets**.
- impressive growth were recorded during oil boom years such as **26.8% in 1969, 30.8% in 1970, and 15.3% in 2002**, these spikes were unsustainable and typically followed by sharp downturns, including contractions of **-17% in 1967 (civil war), -10.93% in 1983, and -1.92% in 2020 (COVID-19 pandemic)**.
- This persistent underperformance highlights Nigeria's struggle to translate planning into inclusive and sustained economic progress.
- Growth increase should be intensified to achieve the country's ultimate growth and developmental targets specifically by growing double digit or high-single digit.

Changing Structure of the Nigerian Economy



The growing reliance on services and agriculture suggests resilience and adaptability, but also highlights a critical gap: the absence of a robust industrial base. For a country with vast human and natural resources, industrialization remains essential for job creation, value addition, and global competitiveness.

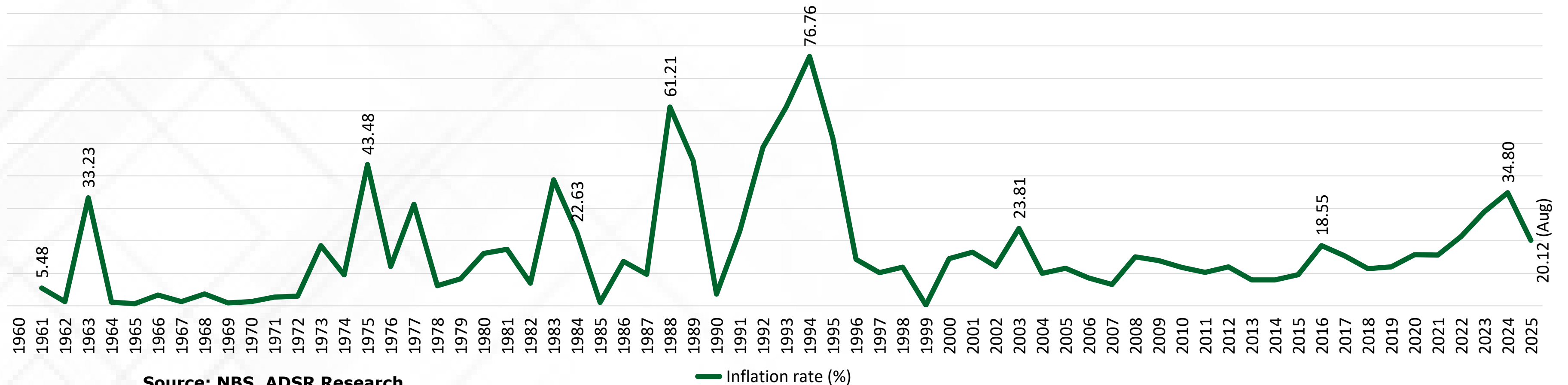
- In 1960, Nigeria's economy was overwhelmingly agrarian, with agriculture contributing 64.3% to GDP, while industry accounted for just 10.6% and services 25.1%. Over the decades, the structure of the economy has shifted significantly.
- By 2025 (Q2), agriculture's share has declined to 26.2%, industry to 17.3%, while services have grown substantially to 56.5%. This reflects a long-term transition from a primarily agriculture-based economy to a service-driven one, although industrial growth has remained relatively weak, especially in recent years.
- The dominance of the services sector today underscores changes in urbanization, technology, and consumer behavior, while the stagnation of industry signals ongoing structural challenges in manufacturing and value-added production.

Relative Position of Nigeria in Africa's GDP >>

GDP at Current Market Price (US\$ Billion)					
	Algeria	Egypt	Morocco	Nigeria	South Africa
1960	2.7	4.2	2.0	4.2	8.7
1965	3.1	4.9	2.9	5.9	13.1
1970	4.9	8.0	4.0	12.5	21.2
1975	15.6	11.6	9.0	27.8	42.9
1980	42.3	21.7	21.7	64.2	89.4
1985	57.9	39.1	15.0	73.7	64.5
1990	62.0	43.0	30.2	54.0	126.0
1995	41.8	60.2	39.0	140.9	171.7
2000	54.8	99.8	43.0	69.2	151.8
2005	107.0	89.7	68.9	175.7	288.9
2010	177.8	219.0	100.9	367.0	417.4
2015	187.5	329.4	110.4	493.0	346.7
2020	164.9	383.8	121.4	432.2	338.0
2025	268.9	347.3	165.8	304.5	410.3

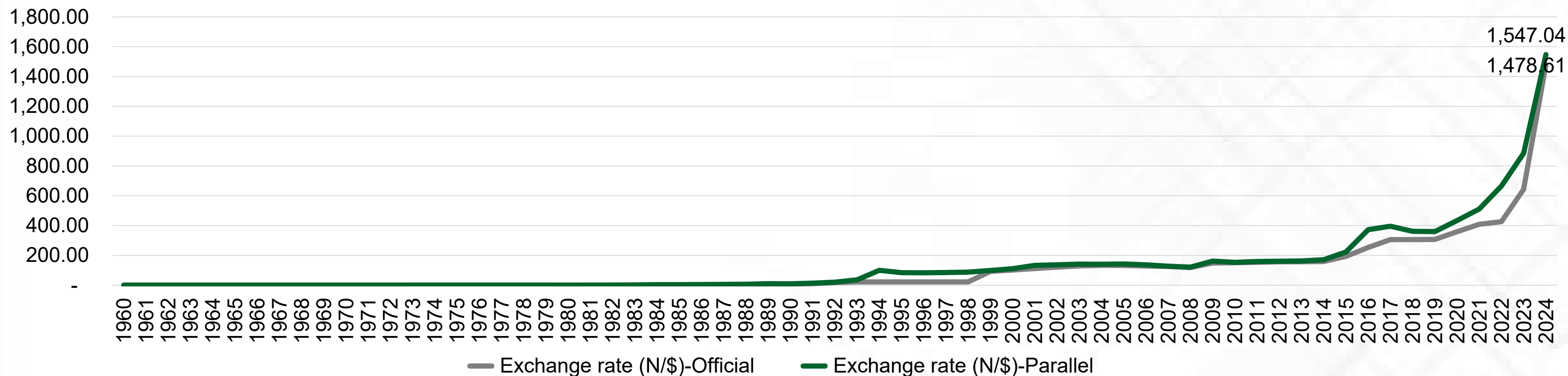
- Nigeria began strong in 1960 with a GDP of \$4.2Bn, matching Egypt and ahead of Algeria and Morocco. By 1980, it surged to \$64.2Bn.
- Nigeria’s GDP peaked in 2014 at \$576 billion outpacing all comparator countries, gaining the tittle of “Africa Largest Economy”, especially following the rebasing of GDP.
- However, by 2025, its GDP fell to \$304.5B, dropping behind Egypt (\$347.3B) and South Africa (\$410.3B), reflecting vulnerabilities to oil price shocks, currency instability, and structural challenges.
- *This reversal reflects Nigeria’s vulnerability to oil price shocks, currency instability, and structural economic challenges.*
- **The implication is clear:** Nigeria must accelerate diversification, strengthen macroeconomic reforms, and invest in non-oil sectors like technology, agriculture, and manufacturing to reclaim its leadership position and ensure sustainable growth in the coming decades.

Inflation Rate (%), Dec



- Over the decades, Nigeria's inflation rate has been marked by volatility with the Monetary Policy Rate (MPR) gradually adjusted to maintain price stability. There were sharp spikes in years like **1963 (33.23)**, **1975 (43.48%)**, **1988 (62.21%)**, **1995 (76.76%)**, driven largely by fiscal indiscipline, exchange rate depreciation, and import dependency. Though inflation moderated in the 2000s, it resurged post-2015, reaching **33.2% in 2024, the highest in over two decades**. In response, the Central Bank raised the MPR sharply, from **11.5% in 2020 to 27.5% in 2024**,
- However, as at August 2025 inflation declined from 24.48% in January 2025 to 20.12% in the aftermath of CPI rebasing which explains why MPR was also reduced to 27.0 September 2025.
- If the current trend continues, Nigeria's inflation rate could drop further to 19-18% by December 2025. However, food and energy prices still remain high for many Nigerians.

Nigeria's Exchange Rate(N/US\$1)



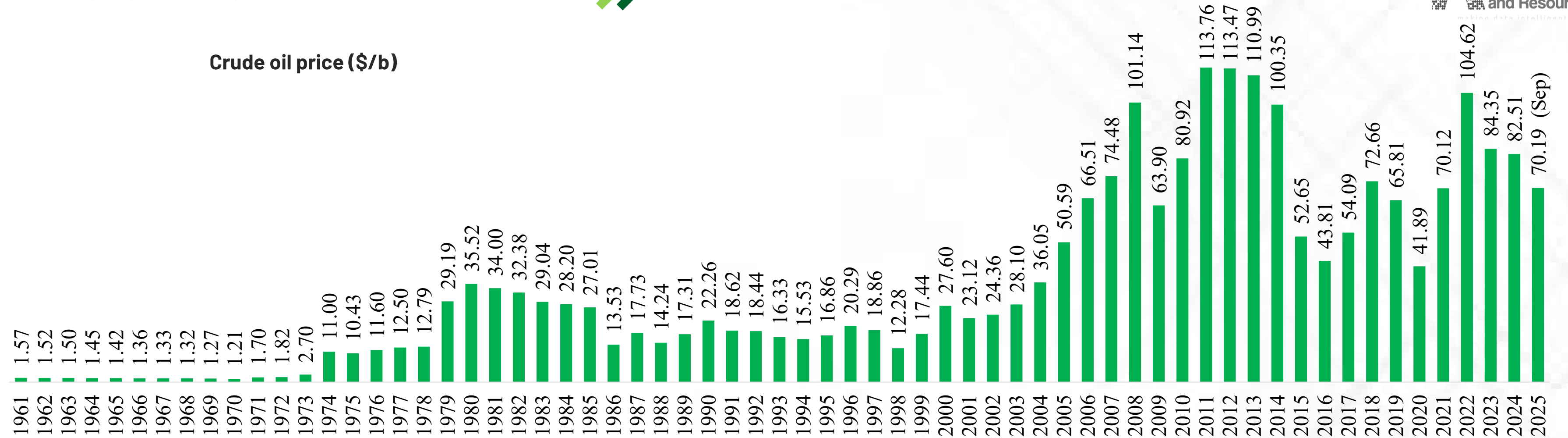
Source: DMO, NBS, ADSR Research

- In the 1960s to early 1980s the Naira was stable and strong with exchange rate hovering around ₦0.71 to \$1 and with little disparity between official and parallel markets.
- However, in the Mid 1980, there were periods of depreciation with the Structural Adjustment Program (SAP) in 1986, the Naira started depreciating sharply. Official rate jumped from ₦0.89 (1985) to over ₦4.02 (1987) and kept increasing while parallel rates also diverged.
- Naira recovered slightly by in 2024 at 1478.61 and currently standing in September 2025, ₦1498.91.

Crude Oil Price



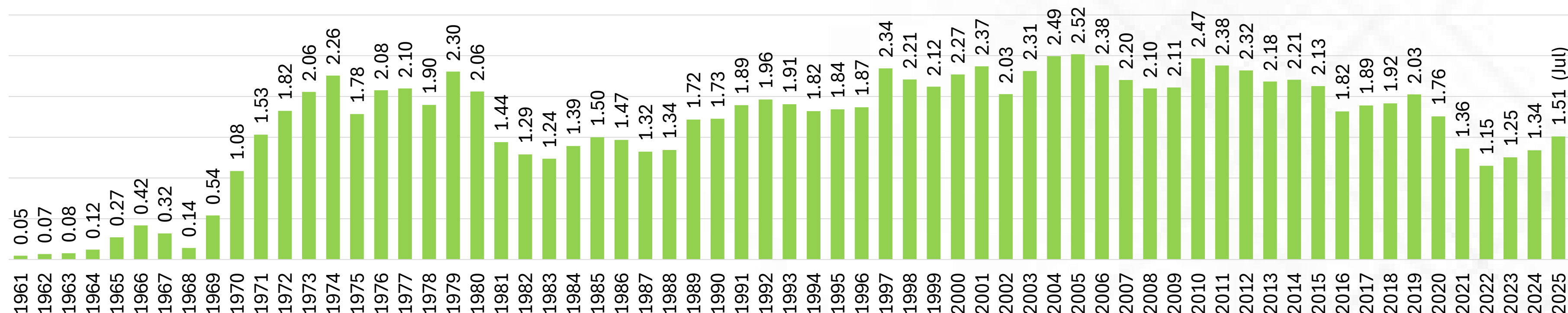
Crude oil price (\$/b)



Source: CBN, NBS, ADSR Research

- The Prices of crude oil were very low under \$3 in the 1960s to early 1970s. There was a surge in price during the oil boom era between 1973 to 1980 reaching \$35.52 in 1980.
- Thereafter, there was volatility in prices with lows in the 1980s and early 2000s, and highs in 2008 (\$101.14), 2011 (\$113.76) and 2022 (\$104.62). In recent times, oil prices has been falling slightly but relatively stable around \$70–\$84 currently \$70.19 as at September 2025
- Nigeria's fortunes have long been tied to oil. High prices bring windfalls, but also complacency. The volatility in oil prices underscores the urgency of diversifying the economy.
- As global energy transitions accelerate, Nigeria must rethink its dependence on crude and invest in renewables, manufacturing, and technology.

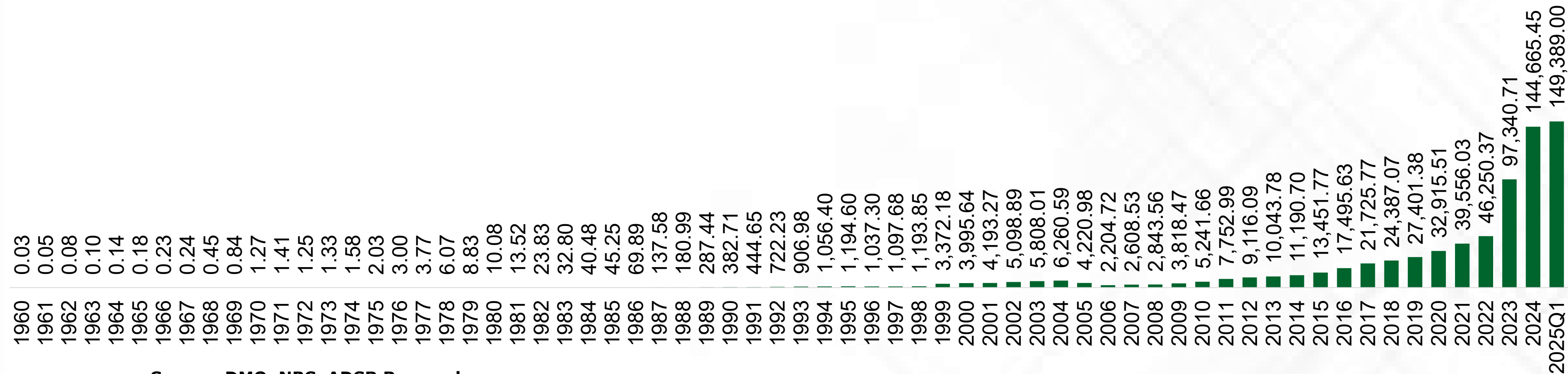
Crude Oil Production (mbpd)



Source: CBN, NBS, ADSR Research

- Nigeria's crude oil production rose from a modest 0.05 million barrels per day (mbpd) in 1960 to 2.26mbpd in 1974. it has since then seen periods of fluctuations reaching 2.52mbpd in 2005.
- In recent times it has decline standing at 1.34 mbpd in 2024, and 1.51 mbpd in July 2025. This drop is due to a combination of pipeline vandalism, oil theft, underinvestment, regulatory uncertainties, and militancy in oil-producing regions.
- This output has fallen below OPEC quotas in recent years, and the country is now struggling to meet production targets, affecting government revenues and foreign exchange earnings. This call for a reform in the oil sector.

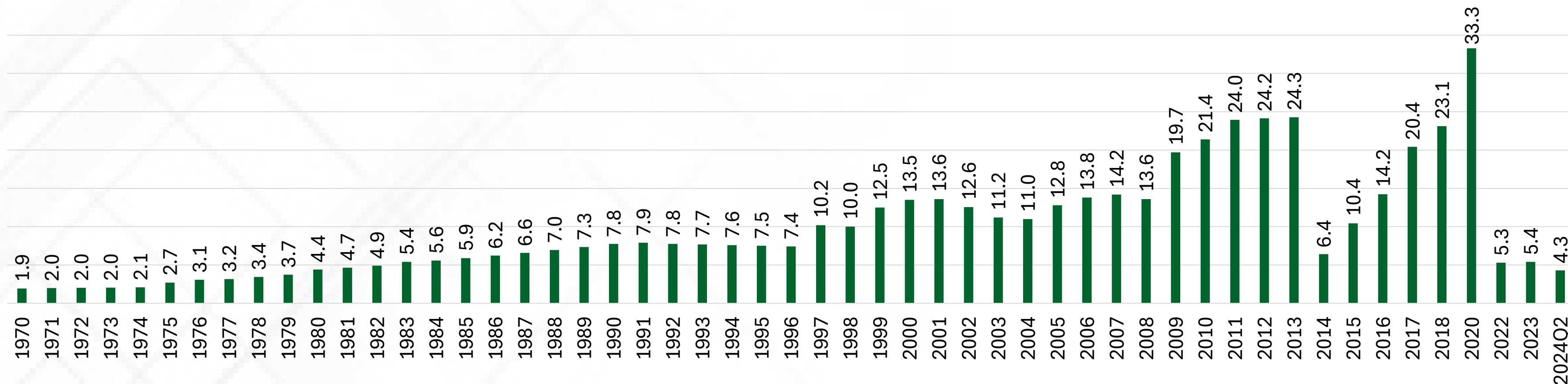
Total Public Debt (N'Bn)



Source: DMO, NBS, ADSR Research

- Nigeria’s debt profile was minimal before 1980, but began to rise in the 1980s and significantly increased to ₦382.71 billion in 1990. The rise in debt continued, reaching ₦5.24 trillion in 2010 and ₦13.45 trillion in 2015.
- Furthermore, year 2023 recorded ₦97.34 trillion in debt and increased further to ₦144.67 trillion in 2024 and currently at ₦149.39 trillion as at 2025 Q1.
- The increase is exponential, especially post-2015 and drivers includes: Budget deficits, Falling oil revenue, Subsidy payments, Currency devaluation (affecting external debt in naira terms).
- **This raises serious concerns about fiscal discipline and intergenerational equity. While borrowing can fund development, Nigeria must ensure that debt is productive, transparent, and manageable.**

Unemployment Rate (%)



Source: NBS, ADSR Research

- Nigeria's unemployment rate rose from 1.9% in 1970 to 24.7% in 2013. Following the methodology revision in 2015, an unemployment rate of 6.4% was reported for 2014, and it increased to 33.3% in 2020. However, in 2023 the methodology was again revised to show an unemployment rate of 5.3% in 2022 which declined to 4.3% in Q2'2024 .
- This decline is not due to actual improvements in the labour market but rather a methodological change by the National Bureau of Statistics in 2023. The new approach reclassifies many informal and marginal jobs as employment, following updated ILO definitions.
- The reality remains that underemployment, informality, and low-wage work dominate Nigeria's job landscape.

Conclusion: Unlocking the Potentials



Findings	To unlock it's potential, what is Nigeria doing?
Nigeria's GDP has grown massively from ₦2.2bn in 1960 to ₦456.7trn in 2025. However, in dollar terms, Nigeria now ranks 4th in Africa due to naira weakness.	<i>...diversify into non-oil sectors and promote industrial growth.</i>
GDP per capita rose from \$93 in 1960 to \$806 in 2025. But this is far below the 2014 peak of \$3,088, showing how currency depreciation has affected welfare.	<i>...stabilize the naira and raise living standards.</i>
The economy has moved from agriculture to services, which now make up 56.5% of GDP. Industry remains weak at only 17.3%, limiting job creation and exports.	<i>...drive policies to boost manufacturing and balance growth across sectors.</i>
Oil prices rose from \$1.57/b in 1961 to \$70.2/b in 2025. But decades of volatility have made Nigeria's economy vulnerable to global oil shocks.	<i>...invest in local refining and push for energy transition.</i>
Oil production peaked at 2.52mbpd in 2005 but has since fallen to 1.51mbpd in July 2025. This is still below potential and OPEC quota.	<i>...restore oil output through security measures and sector reforms for more production.</i>
Debt increased from ₦382bn in 1990 to ₦149.4trn in Q1 2025. Rising debt raises risks for future budgets and growth.	<i>...implement tax reforms and seek better debt management.</i>
Inflation reached 33.2% in 2024, the highest in two decades. It eased to 20.1% in August 2025 after CPI rebasing and tight monetary policy.	<i>...use monetary policy to lower inflation and stabilize prices.</i>
The naira was strong at ₦0.71/\$ in the 1960s but now trades at about ₦1,498/\$ (Sept 2025). Exchange rate swings remain one of Nigeria's biggest challenges.	<i>...push FX reforms and boost dollar inflows through exports and remittances.</i>

answers to these questions will likely shape the health and livelihood of Nigeria when it celebrates its 70th Birthday in a few years.

Happy Independence, Nigeria



**“True independence is not just freedom from
the past it’s commitment to the future.”**