



The information contained in this sheet has been compiled by Jaume Portell, journalist specialising in economics and international relations, in an activity 85% co-financed by ERDF funds in the framework of the [AfricanTech](#) project (1/MAC/1/1.3/0088) within the INTERREG VI D MAC 2021-2027 initiative.

## **NIGERIA**

### **Macroeconomic framework:**

Nigeria's GDP grew by 3.3% in 2022 before slowing slightly in 2023 to 2.9%, according to the 2024 African Economic Outlook. This was a result of a mild slowdown in global economic growth, which has a significant influence on Nigeria's economy: the higher global consumption, the greater the demand for Nigerian oil. Inflation remained in double digits in 2023, exceeding 24%, partly due to the depreciation of the naira, Nigeria's currency, against the dollar. In 2023, Nigeria's GDP stood at \$363 billion, making it the third-largest economy on the African continent.

### **Debt and currency:**

In 2012, Nigeria's annual debt service payments amounted to \$252 million, according to World Bank statistics. By 2025, this figure is expected to reach nearly \$6 billion, representing a significant outflow of dollars in a country facing increasing scarcity of this key currency for international trade. Nigeria's main creditors include bondholders (34%), the World Bank (33%), China (11%), and the International Monetary Fund. Recent government reforms aimed at attracting foreign capital have included the removal of fuel subsidies and allowing the naira to float against the dollar in an effort to improve external competitiveness and eliminate the black market for foreign exchange.

### **Imports and exports:**

Much of Nigeria's trade balance, like the rest of its economy, revolves around oil. In 2022, crude oil exports accounted for over 70% of total exports. For Spain, Nigeria was the top African supplier of this crucial resource last year, with over 4.5 million tonnes imported. Alongside natural gas - which Spain also imports - fossil fuels make up nearly 90% of Nigeria's total exports. The country's key export markets are in Europe (Spain, France, the Netherlands), Asia (led by India), and the United States.

Thirty percent of Nigeria's imports go towards purchasing petrol, mainly from European countries such as the Netherlands and Norway. The lack of operational refineries limits Nigeria's economic potential, preventing it from fully developing its manufacturing and agricultural sectors due to widespread energy shortages. One of the consequences of this situation is the need to import food. In 2024, Nigeria's richest man, Aliko Dangote, launched a refinery aimed at making the country self-sufficient in petroleum products. In the best-case scenario, Nigeria could even become a fuel exporter. Dangote's investment - amounting to around \$20 billion - could significantly reduce Nigeria's petrol import bill, which stood at over \$21 billion in 2023.

### **Energy and electricity:**

Nigeria is the largest energy consumer in Africa, with over 6 million terajoules (TJ) consumed annually in 2021. The country's energy mix is primarily composed of biofuels (75% of total consumption), oil, and gas, which are mainly used to supply the residential sector. In 2023, Nigeria generated 40.63 TWh of electricity, predominantly from natural gas (70% of total production). Despite its abundant energy resources, Nigeria's per capita electricity consumption remains among the lowest in the world. The country ranks 25th in Africa and 135th globally in this regard.

### **Defence:**

Nigeria's annual defence expenditure amounted to \$3.73 billion in 2023, according to SIPRI, a Swedish institute specialising in defence trade analysis. In 2021, defence spending exceeded \$5 billion, and, on average, the government has allocated increasing funds to military equipment to combat Boko Haram and other insurgent groups in the country's north. The 2023 expenditure represented 5.52% of the national budget. Since 2000, China has been Nigeria's main arms supplier.

### **Demographics:**

In 1990, seven out of ten Nigerians lived in rural areas. This figure has since shifted, with less than half of the population now residing in rural regions. Lagos is a prime example of this urban boom—its population has tripled since 1990, reaching 16.5 million today. Over the past three decades, Nigeria's population has surged from 95 million to over 220 million. Life expectancy has risen from 46 to 54 years, although it remains below that of countries with smaller economies. Half of Nigeria's population is under the age of 19.

### **Technological innovation:**

Unlike in many other African countries, internet usage in Nigeria had already surpassed 10% of the population by 2010. Since then, this figure has risen significantly, reaching 35% today.

However, this remains well below the levels seen in Africa's leading economies, such as South Africa (75% of the population) and Egypt (72%).