

Nigeria poverty hits 63% despite easing inflation – *World Bank*



Poverty in Nigeria rose to 63 per cent in 2025, despite a slowdown in inflation, indicating the limited impact of recent macroeconomic improvements on household welfare, the World Bank has said. The bank disclosed this in its Nigeria Development Update (April 2026) titled “Nigeria's Tomorrow Must Start Today: The Case for Early Childhood Development,” released in Abuja. Data presented in the report showed that the share of Nigerians living below the poverty line increased from 56 per cent in 2023 to 61 per cent in 2024, before peaking at 63 per cent in 2025. The rise in the poverty rate to about 140 million Nigerians occurred even as inflation began to ease during the period, indicating a disconnect between price moderation and real income growth. The PUNCH observed that Nigeria's headline inflation rate declined sharply from 34.80 per cent in December 2024 to 15.15 per cent in December 2025, representing a drop of 19.65 percentage points, according to data from the National Bureau of Statistics.

Similarly, food inflation fell from about 39.84 per cent in December 2024 to 10.84 per cent in December 2025, indicating a steep decline of roughly 29 percentage points over the period. The sharp moderation in both headline and food inflation reflects easing price pressures and base effects following the CPI rebasing, although the earlier spike had already eroded household purchasing power. The World Bank explained that although inflation declined significantly, particularly food inflation, it remained high enough to erode purchasing power and worsen living conditions for many households. It stated, “Household

incomes have not grown fast enough to offset still-elevated inflation, and poverty has yet to begin declining.” According to the report, the persistence of poverty reflects the cumulative impact of earlier inflation spikes, which had already weakened real incomes before the recent moderation in prices. The easing of inflation, therefore, has not been sufficient to reverse these welfare losses. The bank further noted that global shocks, especially the Middle East conflict, contributed to rising living costs through higher energy, food, and transport prices. It said these developments are “adding pressure to inflation and poverty, including via food prices,” worsening the situation for low-income households that spend a large share of their income on basic needs. Beyond inflation, the structure of Nigeria's economic growth has also constrained poverty reduction.

The report observed that growth has been largely driven by services and industry, while agriculture—which employs more than half of the poor—has lagged behind. “Growth in the agriculture sector—where more than half of the poor work—has lagged services and industry, constraining the pace of poverty reduction,” the World Bank stated. This imbalance, it is explained, has limited income gains among the most vulnerable segments of the population, thereby slowing the pace at which economic growth translates into improved living standards. Despite the increase in poverty in 2025, the report projected a gradual decline beginning from 2026 as inflation continues to ease and macroeconomic conditions stabilize. It stated, “Despite elevated poverty levels, a gradual decline is expected from 2026 as inflation continues to ease.” The World Bank added that poverty,

measured against the national poverty line, is expected to fall slightly in the near term and could decline to about 59 per cent by 2028, largely driven by lower food inflation and moderate economic growth. However, it warned that the pace of decline would remain slow due to structural constraints such as weak job creation, low agricultural productivity, and persistent inequality. The report emphasized that economic growth alone would not be sufficient to significantly reduce poverty unless it is inclusive and job-rich. It stressed that reforms aimed at boosting livelihoods—particularly by expanding access to more productive work—are critical to reversing Nigeria's high poverty levels.

The bank also linked poverty outcomes to broader human capital challenges, noting that poorer households tend to experience worse outcomes in areas such as nutrition, health, and early childhood development, reinforcing long-term inequality. Speaking at the launch of the report in Abuja, the World Bank's Lead Economist for Nigeria, Fiseha Haile, said poverty in the country remains high

weak human capital outcomes, noting that investments in early childhood development are key to long-term poverty reduction. According to him, early childhood development “is the foundation for... productivity, and of course, poverty reduction.” Also speaking during a panel session at the launch, the Minister of Finance and Coordinating Minister of the Economy, Wale Edun, said the Federal Government is prioritizing policies aimed at lifting millions of Nigerians out of poverty through investment-driven growth and targeted social support. Edun said the “ultimate goal” of ongoing reforms is the “lifting Nigerians out of poverty by the millions,” stressing that macroeconomic stability alone would not be sufficient without increased investment and job creation. He explained that the government's strategy is anchored on creating a stable and incentivized economic environment that would attract both large-scale and small- and medium-scale investments, which he described as critical to reducing poverty.

The minister added that beyond growth, the government



despite recent macroeconomic improvements, warning that inflation continues to undermine real incomes and slow welfare gains. He noted that while inflation has declined in recent years, it “remains high... and it risks eroding real incomes and slowing poverty reduction,” stressing that price stability is critical to improving living conditions. Haile emphasized that reducing inflation sustainably is central to tackling poverty, adding that there is a “critical need to bring inflation down... and promote growth and make sure it's more inclusive, to make sure that citizens... feel the benefits of the macroeconomic reforms.”

He further highlighted that poverty reduction in Nigeria would depend not just on growth, but on the quality of that growth, particularly its ability to create jobs and improve incomes for the most vulnerable. The economist also pointed to structural drivers of poverty, especially

remains committed to protecting vulnerable groups, especially in periods of rising inflation, noting that social safety nets are being strengthened to cushion the impact of higher living costs. “There is still that commitment to have in place a social safety net that helps the poorest, the most vulnerable in particular, to cope with elevated costs,” he stated. Edun further explained that interventions such as direct benefit transfers are being deployed in a targeted manner, using digital platforms linked to national identity systems to ensure support reaches the intended beneficiaries. He noted that such social interventions would remain a permanent feature of government policy, describing support for the poor and vulnerable as essential in “any caring society.” At the same time, the minister acknowledged the pressure of rising costs driven by global factors, particularly energy and food prices, warning that these developments have implications for inflation.