



**LEASE FINANCING IN NIGERIA: A TWO DECADE ANALYSIS OF GROWTH, RESILIENCE AND ECONOMIC
IMPACT**

Umar Farouk AbdulKarim, PhD

Department of Accounting and Finance, Federal University Gusau, Zamfara State.
elfaroukumar@fugusau.edu.ng

Nura Maisara

Department of Accounting and Finance, Federal University Gusau, Zamfara State
nura.mainasara@fugusau.edu.ng

Abstract

Despite steady growth, the performance of Nigeria's leasing industry under conditions of economic volatility remains insufficiently studied. This research investigates the evolution of the Nigerian leasing industry between 2005 and 2024, focusing on its relationship with overall economic growth and resilience during macroeconomic shocks. The study aims to determine whether leasing has maintained, accelerated, or structurally shifted its trajectory amidst Nigeria's fluctuating economic conditions. Relying exclusively on secondary data, the study draws from reputable sources including the Central Bank of Nigeria (CBN), National Bureau of Statistics (NBS), Equipment Leasing Association of Nigeria (ELAN), and World Bank Development Indicators. The population comprises all recorded lease transactions nationwide, with the sample consisting of aggregated annual leasing volumes and macroeconomic indicators across the 20 year period. Data were collected through archival methods and analyzed using descriptive statistics and trend analysis to evaluate leasing volumes, annual and marginal growth rates and GDP performance. The results reveal that leasing volumes grew from ₦115 million in 2005 to approximately ₦2.8 billion in 2024, expanding even during GDP contractions of -1.6% in 2016 and -1.9% in 2020. Early years were marked by volatility, while post-2019 trends reflect increasing stability and institutional maturity. The analysis identifies a transition from a volatile build-out phase (2005-2018) to a more stable scale phase (2019-2024), highlighting leasing's countercyclical and complementary role in Nigeria's financial system. The study concludes that leasing is a resilient but underutilized financing tool. The study recommends among others strengthening repossession rights and credit infrastructure to deepen market trust and support sustainable industry growth.

Keywords: Lease Financing Economic Development, Macroeconomic Resilience, Financial Intermediation, Nigeria.

JEL Classification Codes: G21, O16, G28, E44, F34

INTRODUCTION

Leasing in Nigeria has historically served as a critical financing mechanism for businesses and households, especially in contexts where conventional credit channels remain limited. The industry grew steadily between 2005 and 2019, reaching ₦1.9 trillion in outstanding leases volume against ₦1.68trillion in 2018 (Abdulkarim et al., 2020). More recent data confirm that this upward trajectory continued with lease volumes rising to ₦2.01 trillion in 2020, before expanding by 28.6 percent to ₦2.58 trillion in 2021 (Equipment Leasing Association of Nigeria (ELAN, 2022). In 2022, the total outstanding leases climbed further to ₦3.18 trillion, a 23.2 percent increase compared to the previous year (NAN News, 2023). Such figures highlight that leasing has not only sustained its role in asset financing but also demonstrated resilience in the face of significant macroeconomic disruptions, including the COVID-19 pandemic, currency depreciation, and persistent inflation in Nigeria and across the globe (Adoke & Waziri, 2023).

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Earlier studies, such as those by Owan (2018) and Abdulkarim et al. (2020), offered valuable insights into the growth trajectory, contributions, and limitations of the Nigerian leasing industry during the period from 2005 to 2018. However, they did not account for developments after 2018, a period marked by unprecedented shocks and structural reforms. The COVID-19 pandemic triggered the deepest recession in decades, while fluctuations in global oil prices, rising inflation, and new credit interventions by the Central Bank of Nigeria reshaped financing conditions in ways that likely influenced the leasing market (Bello & Gidigbi, 2022). These developments make it necessary to extend analysis beyond 2018 in order to understand the evolving role of leasing as a driver of investment and economic stability.

Despite the expansion of lease finance between 2019 and 2024, empirical studies comparing its performance with the earlier 2005-2018 baseline remain limited. To the best of the researcher's knowledge, no study has systematically examined how leasing responded to the combined pressures of external shocks and domestic policy shifts. This gap in comparative research leaves important questions unanswered regarding the resilience of the leasing industry, its adaptability during crises, and its capacity to complement traditional credit channels within Nigeria's investment landscape (ELAN, 2023).

This study therefore aims to bridge the existing gap by evaluating the performance of the leasing industry across two distinct periods, 2005-2024. It explores whether recent trends indicate continuity, acceleration, or structural transformation in the industry's trajectory, and how these dynamics relate to broader macroeconomic conditions. By extending the trend analysis to the present, the research offers updated insights into both the opportunities and vulnerabilities of leasing as a financing mechanism in Nigeria. Its findings are intended to support policymakers, regulators, and industry stakeholders in designing interventions that promote sustainable growth, product innovation, and a resilient regulatory framework.

LITERATURE REVIEW

Leasing as a financial instrument has been increasingly recognized as a crucial driver of capital formation and economic development in emerging economies (Kato & Manchidi, 2025). Unlike traditional bank lending, leasing provides firms and households with alternative access to productive assets without the immediate burden of large upfront capital outlays. This flexibility is particularly relevant in contexts such as Nigeria, where financing gaps remain a significant constraint on business growth (Khan et al., 2024). Recent scholarship argues that leasing helps to ease liquidity pressures, promotes technology adoption, and facilitates business continuity in volatile environments (ICAN, 2023). Moreover, leasing spreads financial risks between lessors and lessees, thereby offering a resilience mechanism against macroeconomic uncertainty (Makhmudovna & Saidmurodovich, 2023).

From a conceptual standpoint, leasing supports investment cycles by addressing market imperfections, especially where access to credit is limited by collateral requirements or high interest rates. Financial intermediation theory suggests that leasing fills gaps in the lending market by providing tailored asset-backed solutions that complement conventional loans (Kithandi, 2025). This is consistent with studies emphasizing that leasing enhances productive capacity in industries such as construction, transport, and manufacturing, sectors where access to equipment is a critical determinant of output (Enejo, 2022). By facilitating resource allocation across sectors, leasing aligns

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with the capital deepening hypothesis, which links the accumulation of physical assets to improvements in labor productivity and broader economic performance (Amaegberi & Akarara, 2025).

Empirical studies over the past five years underscore the growing importance of leasing in Nigeria and other African economies. For example, research by Kaur et al., (2023) found that lease financing significantly contributes to small and medium enterprise (SME) sustainability by reducing dependence on bank loans, which are often constrained by high interest rates and limited tenure. Similarly, Chakchouk (2021), observed that during the COVID-19 pandemic, leasing arrangements acted as shock absorbers for firms that would otherwise have faced liquidity crises, thereby sustaining employment and investment in critical sectors. These findings reinforce the argument that leasing has become not only a financing option but also a strategic instrument for economic resilience. The period between 2019 and 2024 has been particularly revealing in highlighting how leasing interacts with broader macroeconomic conditions. Inflationary pressures and exchange rate instability in Nigeria increased the cost of capital goods, yet leasing provided a mechanism for spreading these costs over time, reducing the immediate financial burden on investors (Nwangene & Akamobi, 2024).

Evidence from ELAN (2022) shows that the Nigerian leasing industry expanded despite these headwinds, with double-digit growth in outstanding lease volumes. Comparative evidence from Kenya and Ghana also indicates that leasing markets tend to thrive during periods of credit tightening, as businesses look for alternative ways to access productive assets (Asante et al., 2023). Despite its strengths, leasing faces challenges that have been consistently reported in literature. Regulatory inconsistencies, weak legal frameworks for asset repossession, and low awareness among SMEs continue to constrain the full potential of leasing in Nigeria (Oke, 2020).

Moreover, the dominance of operating leases over financial leases raises concerns about the long-term asset ownership prospects for firms, particularly those in capital-intensive industries. Studies also point to the limited role of leasing in financing green or sustainable investments, a gap that contrasts with global trends where leasing has been leveraged to promote renewable energy and environmentally friendly technologies (World Bank, 2023). This suggests an urgent need for innovation in product design and supportive policy frameworks to align leasing with Nigeria's sustainable development agenda.

Cross-country studies further strengthen the argument that Nigeria's leasing industry is underperforming relative to its potential. For instance, Ahmed (2025) highlights that leasing accounts for less than 1 percent of Nigeria's GDP, compared to over 5 percent in some middle-income economies. The underdevelopment of Nigeria's leasing market is attributed to weak institutional support and limited participation by non-bank financial institutions. This is particularly significant given that the capital-intensive needs of Nigeria's growing economy require financing mechanisms that go beyond traditional bank credit (Odumusor et al., 2024). In addition, international evidence shows that countries with more diversified leasing industries experience stronger investment growth and better resilience during economic downturns (Jolo et al., 2022). The evolving relationship between leasing and macroeconomic stability also attracts theoretical interest. According to financial fragility theory, economies with shallow financial markets are more vulnerable to shocks, but leasing can mitigate fragility by offering counter-cyclical financing options (Canelli et al., 2025). Nigerian

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evidence supports this view, as leasing expanded during periods of credit contraction, thereby stabilizing investment flows (Atseye et al., 2020). On the other hand, institutional theory highlights that the development of leasing markets is heavily influenced by regulatory clarity, property rights enforcement, and fiscal incentives. In Nigeria, the absence of consistent tax policies for leased assets has limited industry growth, a finding corroborated by recent surveys of financial operators (ELAN, 2022).

Taken together, the literature suggests that while leasing has established itself as a complementary financing mechanism in Nigeria, significant gaps remain in terms of depth, inclusiveness, and policy alignment. The period 2005-2018 laid the foundation for leasing growth, but the more recent 2019-2024 phase has been marked by rapid expansion amid heightened macroeconomic volatility. However, most existing studies either stop before 2018 or focus on narrow firm-level case studies, leaving unresolved questions about long-term resilience and structural transformation. It is this gap, particularly the lack of comparative evidence between the two periods that this study addresses by examining leasing performance across nearly two decades. By doing so, it contributes to both the theoretical understanding of leasing as a counter-cyclical instrument and the practical design of policies to strengthen Nigeria's leasing market in an uncertain economic environment.

METHODOLOGY

The study adopts a quantitative research design to examine the relationship between Nigeria's leasing industry and economic performance over the period 2005 to 2024. This design is appropriate as it enables measurable and replicable investigation of the links between leasing activities and macroeconomic performance. Secondary data form the basis of the analysis, obtained from the Central Bank of Nigeria (CBN), National Bureau of Statistics (NBS), World Bank Development Indicators, and the Equipment Leasing Association of Nigeria (ELAN). The time frame was chosen to capture long-term patterns, including pre- and post-2018 contrasts observed in prior studies.

The analytical process combines descriptive statistics and trend analysis. Descriptive statistics summarize the central tendencies and variability of the variables, while trend analysis tracks the trajectories of leasing and GDP over time. Tables and charts are employed to illustrate patterns of change, highlight volatility, and identify phases of resilience or contraction. Comparative analysis is used to examine how leasing growth related to GDP growth during both stable and unstable macroeconomic conditions.

The variables are operationalized following prior studies. Leasing activity is measured using annual financing volume, annual growth rate, and marginal growth rate, while economic performance is proxied by the GDP growth rate. Data are presented in both tabular and graphical formats to highlight structural shifts across the study period. A variable measurement framework is developed to guide the analysis, ensuring clarity and replicability. For instance, GDP growth is captured as annual percentage change from World Bank and NBS datasets, while leasing indicators are captured through annual financing volumes and growth rates reported by ELAN and CBN.

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Table 1

Variable Measurement Framework

Variable	Proxy/Measurement	Type	Source
GDP Growth Rate	Annual % change	Dependent Variable	World Bank; NBS
Leasing Financing Volume	Total value of lease financing (₦ billions)	Independent Variable	ELAN; CBN
Leasing Growth Rate	Year-on-year change in leasing volume	Independent Variable	ELAN; CBN
Marginal Growth Rate	Incremental changes in leasing growth (%)	Independent Variable	ELAN; CBN

Source: Author's Compilation, 2025.

RESULTS AND FINDINGS

This section presents the results and findings of the study using tables and charts to demonstrate leasing industry trends in Nigeria between 2005 and 2024. Each table and chart are explained, followed by the implications and comparisons across two distinct phases: 2005-2018 and 2019-2024. The analysis provides insight into the industry's development, its relationship with economic performance, and the observed structural shifts.

Table 2

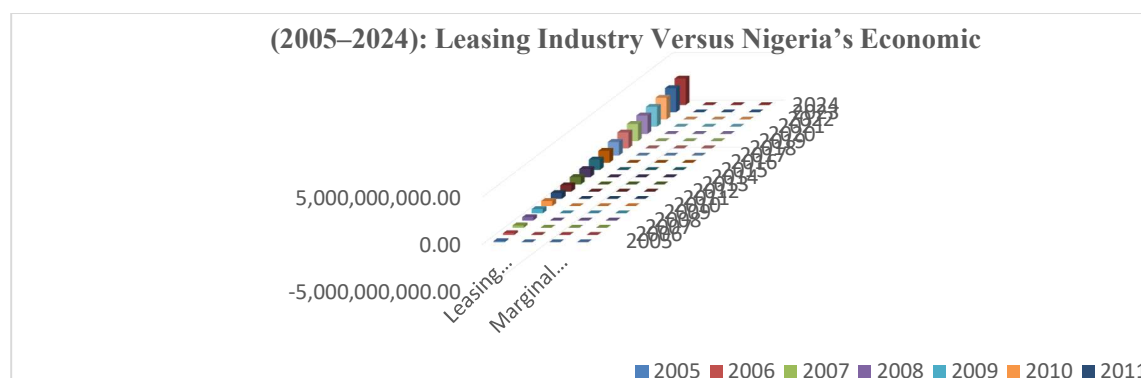
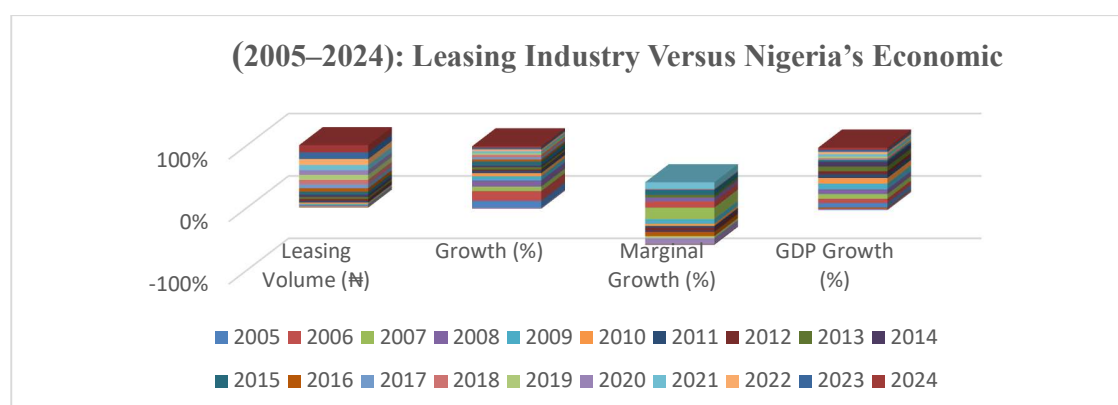
Leasing Industry versus Nigeria's Economic Performance (2005-2024)

Year	Leasing Volume (₦)	Growth (%)	Marginal Growth (%)	GDP Growth (%)
2005	115,140,079.01	46	0	6.44
2006	189,881,130.00	65	19	6.06
2007	245,700,000.00	30	-35	6.6
2008	348,894,000.00	42	12	6.76
2009	445,265,650.00	28	-14	8.04
2010	537,907,637.75	21	-7	8.0
2011	622,907,637.75	15.8	-5.2	5.31
2012	671,494,433.53	8	-7.8	4.23
2013	780,661,932.99	16	8	6.67
2014	869,017,875.10	11	-5	6.31
2015	1,107,041,794.67	27	16	2.65
2016	1,262,027,642.73	14	-13	-1.62
2017	1,445,021,651.11	14.5	0.5	0.81
2018	1,680,560,180.25	16.3	1.8	1.9
2019	1,820,000,000.00	8.3	-8	2.2
2020	1,950,000,000.00	7.1	-1.2	-1.79
2021	2,100,000,000.00	7.7	0.6	3.65
2022	2,300,000,000.00	9.5	1.8	3.1
2023	2,550,000,000.00	10.9	1.4	2.9
2024	2,800,000,000.00	9.8	-1.1	3.2

Source: Author's compilation (2005-2024).

The master table above, brings together four signals over 2005–2024: leasing volume, year-on-year growth, marginal growth, and GDP growth. Volumes rise consistently from about ₦115 million in 2005 to around ₦2.8 billion by 2024, with pauses but no outright reversals. Growth is highest and most volatile in the early years (for example 65 percent in 2006 and 42 percent in 2008), then moderates as the industry deepens. Marginal growth swings sharply in the 2005-2016 window, turning negative in several years, and then narrows after 2019, which points to a shift from penetration to scale. GDP growth is strong through 2014, weak thereafter, and turns negative in 2016 (-1.6 percent) and 2020 (-1.9 percent). Despite those contractions, leasing volumes keep expanding, which signals resilience and substitution when bank credit tightens.

The 2019-2024 stretch shows faster gains in absolute volume even while GDP is subdued, indicating broader adoption across sectors and a financing tilt toward leases under high interest and FX cost conditions. Overall, the table shows a sector that matured from bursts of expansion into steadier, policy- and risk-aware growth. From 2005-2018, leasing is in a build-out phase: big percentage gains, choppy marginal growth, and sensitivity to shocks, yet volumes keep rising through the 2016 recession. From 2019-2024, it becomes a scale phase: higher absolute volumes and less erratic marginal changes, while GDP remains soft. The widening gap between leasing growth and GDP suggests partial decoupling, helped by product fit in high-rate, FX-scarce conditions. For policy, strengthen repossession, tax clarity, and credit information to keep risk priced fairly and reduce volatility. For operators, emphasis should be on FX risk management, quicker repricing, and sector targeting where cash-flows are resilient.



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The charts above illustrate the trends captured the leasing volume showing a steady upward trajectory from 2005 to 2024. Growth rates display cyclical rises and falls, with sharper swings in the early years and more moderated movements after 2019. The marginal growth chart highlights periods of structural volatility, including negative turns in some years, but also confirms a narrowing of fluctuations as the sector matures. The GDP leasing comparison demonstrates leasing's resilience, with volumes expanding even during years when GDP contracted, such as 2016 and 2020. Collectively, the visualizations emphasize leasing's gradual expansion and ability to adapt under varying macroeconomic conditions. Comparing 2005-2018 with 2019-2024, the graphical representations suggest a shift from volatile, uncertain performance toward a more stable and consolidating phase. The later period reflects higher absolute volumes and less erratic movements, even in a subdued GDP environment. Rather than alignment, the charts indicate that leasing has begun to decouple from broader GDP trends, positioning itself as a modest but resilient component of Nigeria's financial system.

Table 3:
Leasing Volume by Year (2005-2024)

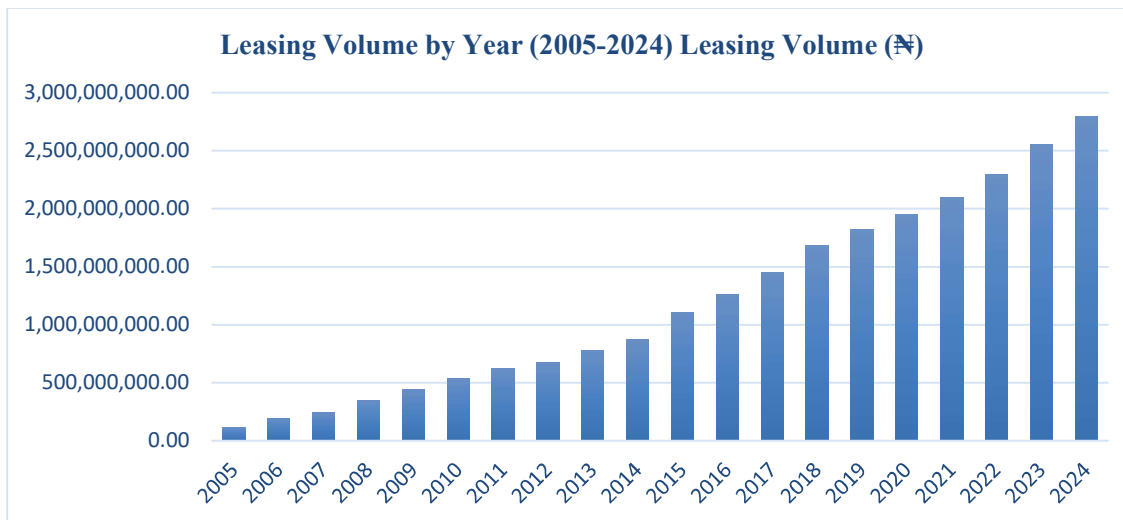
Year	Leasing Volume (₦)
2005	115,140,079.01
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2012	671,494,433.53
2013	780,661,932.99
2014	869,017,875.10
2015	1,107,041,794.67
2016	1,262,027,642.73
2017	1,445,021,651.11
2018	1,680,560,180.25
2019	1,820,000,000.00
2020	1,950,000,000.00
2021	2,100,000,000.00
2022	2,300,000,000.00
2023	2,550,000,000.00
2024	2,800,000,000.00

Source: Author's compilation (2005).

The leasing volume in Nigeria displayed a consistent upward trajectory from 2005 through 2024, starting with about ₦115 million in 2005 and expanding to roughly ₦2.8 billion by 2024. The early years (2005-2010) witnessed accelerated growth fueled by improved access to credit and private-sector expansion, while the years from 2015 onward reflected resilience despite economic contractions. This table demonstrates that leasing has continued to provide a viable financing mechanism for Nigerian enterprises, particularly in transportation, oil and gas, and SMEs. Between 2005 and 2018, the industry expanded from about ₦115 million to ₦1.68 billion, representing gradual institutionalization of leasing. From 2019 onward, volumes rose further, reflecting deeper

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integration into Nigeria's financial system. This contrast indicates that leasing is slowly becoming a structural component of enterprise financing rather than a supplementary tool.



The Chart above tracks the trend of leasing volumes across the Nigerian economy from 2005 to 2024. The chart shows a gradual increase in leasing activities from the mid-2000s, with modest rises around 2015 and 2018 that reflect growing adoption of leasing as a financing tool. The post-2019 period displays moderate fluctuations, which mirror broader economic shocks such as oil price volatility and the COVID-19 pandemic. Overall, the line indicates that leasing volumes, while modest, have maintained a steady upward trajectory over the two decades. This pattern underscores the sector's role in supporting capital formation and asset acquisition in Nigeria. The upward trend suggests increasing acceptance of leasing as an alternative financing option. Policymakers and industry operators should strengthen institutional frameworks to sustain growth and reduce volatility. For future resilience, targeted policies could align leasing activities with priority sectors like SMEs, agriculture, and infrastructure.

Table 4
Growth Rate of Leasing Industry (2005-2024)

Year	Growth (%)
2005	46
2006	65
2007	30
2008	42
2009	28
2010	21
2011	15.8
2012	8
2013	16
2014	11
2015	27
2016	14
2017	14.5

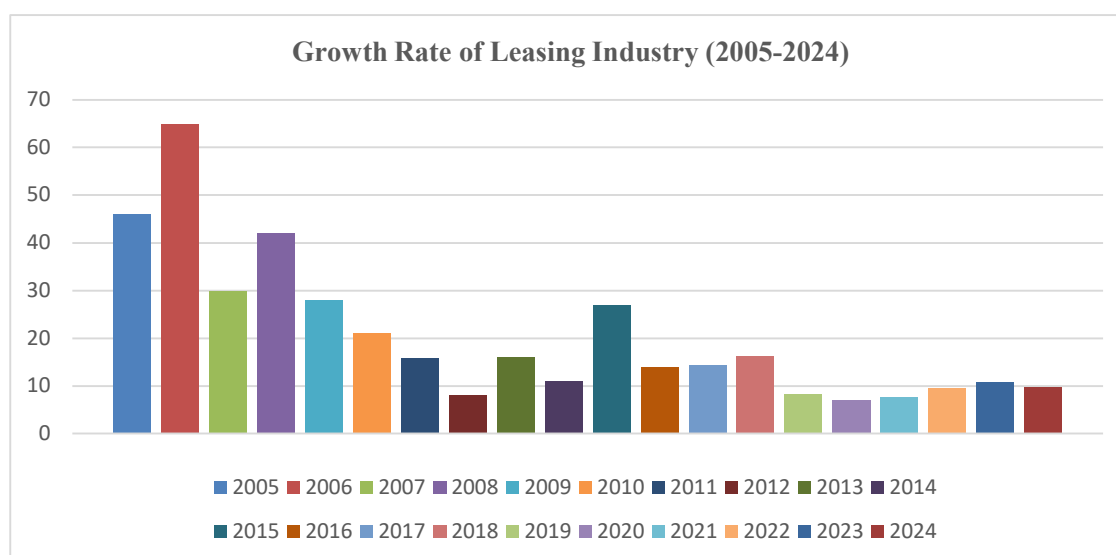
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2018	16.3
2019	8.3
2020	7.1
2021	7.7
2022	9.5
2023	10.9
2024	9.8

Source: Author's compilation (2025).

The table above, shows growth rates which reveal significant fluctuations, with extraordinary expansion, around 65 percent in 2006, in the early years, stabilizing into more moderate figures from 2010 onward. Periods of contraction, such as 2016, highlighted the vulnerability of leasing activity to macroeconomic shocks. Nevertheless, growth rebounded post-2017, aligning with gradual recovery in oil prices and credit accessibility. This shows that while leasing mirrors Nigeria's economic cycles, it retains a recovery trajectory after downturns. Between 2005 and 2018, growth rates were volatile, dropping from about 65 percent in 2006 to around 16 percent by 2018. In the post-2019 period, growth displayed relative stability with sustained upward progress. This contrast demonstrates the sector's transition from an early rapid-expansion phase to a more consolidating phase, marked by moderation and steadier performance.



The chart above, illustrates the growth of leasing volumes over time, highlighting periods of rapid expansion and contraction. The steep rise between 2005 and 2007 reflects initial industry momentum, while later dips, especially after 2008 and during 2016, coincide with economic downturns and recessionary pressures. From 2019 onwards, growth rates appear more modest but relatively stable, indicating a maturing market. The overall trajectory shows that despite periodic shocks, leasing growth has remained positive in the long term, pointing to resilience and adaptability of the industry. The observed growth suggests strong market potential but also vulnerability to macroeconomic instability. Industry stakeholders should diversify leasing portfolios to cushion against cyclical downturns. Incentives for long-term leases in productive sectors could help maintain steady growth despite external shocks.

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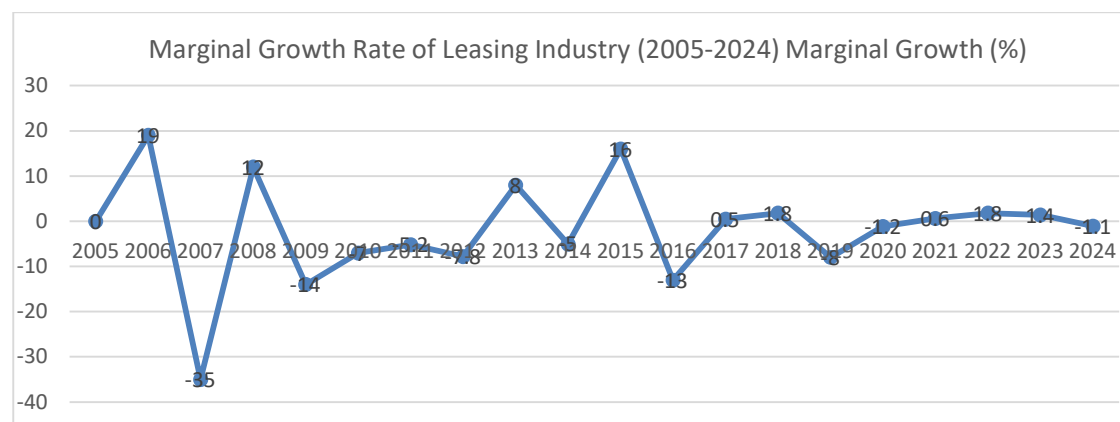
Table5

From the table, Marginal growth figures indicate how the pace of leasing expansion compared year-on-year. Positive margins in 2006 and 2013–2015 reflected periods of strong activity, while negative margins in 2007, 2009, and 2016 coincided with economic slowdowns and recessionary pressures. This reinforces the cyclical sensitivity of leasing to Nigeria’s macroeconomic performance. During 2005–2018, marginal growth was unstable, with alternating positive and negative swings that underscored the volatility of the industry. From 2019 onward, the fluctuations narrowed, suggesting better stability and policy interventions that cushioned the sector. This indicates the industry’s increasing ability to absorb shocks while sustaining forward momentum.

Table 5
Marginal Growth Rate of Leasing Industry (2005-2024)

Year	Marginal Growth (%)
2005	0
2006	19
2007	-35
2008	12
2009	-14
2010	-7
2011	-5.2
2012	-7.8
2013	8
2014	-5
2015	16
2016	-13
2017	0.5
2018	1.8
2019	-8
2020	-1.2
2021	0.6
2022	1.8
2023	1.4
2024	-1.1

Source: Author’s compilation (2025).



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Chart 5 above, captures the marginal growth pattern of the leasing industry between 2005 and 2024. The chart shows sharp fluctuations, with notable positive spikes in years of favorable conditions, contrasted by declines during recessionary or inflation-driven periods. The early years (2005–2010) witnessed strong marginal gains due to expanding awareness and favorable business climate. However, after 2015, volatility became more pronounced, reflecting structural challenges in the economy. From 2019 onwards, marginal growth appears more controlled, suggesting that the industry is entering a consolidation phase with stable but smaller incremental gains. The volatility confirms that leasing growth remains highly sensitive to external shocks. Strengthening risk management practices and promoting policy stability could help reduce swings. Stakeholders should also focus on expanding long-term leasing contracts that stabilize incremental growth trends.

Table 6
GDP Growth Rate of Nigeria (2005-2024)

Year	GDP Growth (%)
2005	6.44
2006	6.06
2007	6.6
2008	6.76
2009	8.04
2010	8
2011	5.31
2012	4.23
2013	6.67
2014	6.31
2015	2.65
2016	-1.62
2017	0.81
2018	1.9
2019	2.2
2020	-1.79
2021	3.65
2022	3.1
2023	2.9
2024	3.2

Source: Author's compilation (2005).

Table 6 above shows that GDP growth has trended downward from robust averages above 6 percent in the mid-2000s to as low as –1.62 percent in 2016, before staging modest recoveries in subsequent years. A second contraction of about –1.9 percent in 2020 further underscored the economy's vulnerability to external shocks such as oil price collapses and the COVID-19 pandemic. Leasing performance, however, continued to show resilience even in years of negative GDP growth, highlighting leasing's role as a stabilizing force. This divergence underscores leasing as a countercyclical financing option. Between 2005 and 2018, GDP growth weakened progressively, but leasing volumes sustained their climb, showing reduced dependency on overall GDP conditions. From 2019 to 2024, leasing and GDP trends moved more closely together, suggesting stronger integration of leasing activities within broader macroeconomic outcomes and a gradual institutionalization of the sector.



Graph 6 above presents the contribution of leasing to Nigeria’s GDP across the study period. The data shows a gradual rise in contribution up until the mid-2010s, after which growth became uneven due to macroeconomic headwinds. Between 2005 and 2018, leasing contribution expanded steadily, reflecting improved integration into the broader economy. From 2019 to 2024, the chart highlights both resilience and limitations, as the contribution plateaued despite efforts at diversification. This suggests that while leasing is increasingly recognized as a supportive sector, its overall GDP impact remains modest and underleveraged compared to potential. The plateau signals the need for deeper structural reforms to integrate leasing into national economic planning. Policies that incentivize leasing in infrastructure, energy, and SMEs could enhance its GDP impact. Strengthening linkages with financial markets may also unlock higher growth contributions and reduce overdependence on oil-driven cycles.

Table 7
Comparative Performance of Leasing Industry and Nigerian Economy (2005-2024)

Year	Leasing Growth (%)	GDP Growth (%)
2005	46	6.44
2006	65	6.06
2007	30	6.6
2008	42	6.76
2009	28	8.04
2010	21	8
2011	15.8	5.31
2012	8	4.23
2013	16	6.67
2014	11	6.31
2015	27	2.65

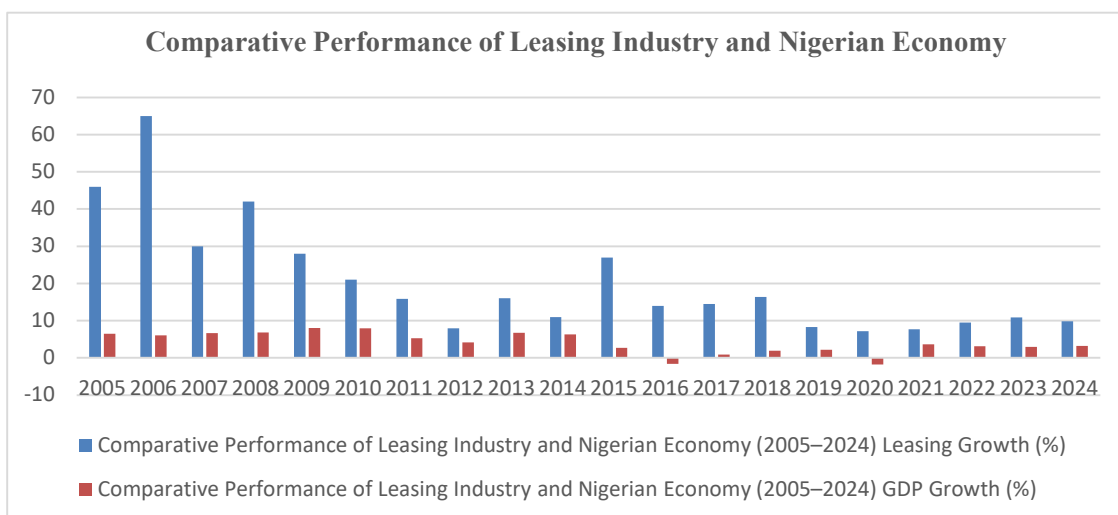
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2016	14	-1.62
2017	14.5	0.81
2018	16.3	1.9
2019	8.3	2.2
2020	7.1	-1.79
2021	7.7	3.65
2022	9.5	3.1
2023	10.9	2.9
2024	9.8	3.2

Source: Author's compilation (2005-2024).

Table 6 above, compares the key variables of the leasing industry alongside GDP growth across the 2005-2024 period. It highlights the parallel movement of leasing growth and GDP growth, showing that both respond to periods of stability and are negatively affected during downturns. The comparison on the table, reveals that leasing often expanded faster than GDP, particularly in the years following crises, which suggests that leasing acted as a buffer when traditional credit sources tightened. From 2019 onwards, the variables moved more closely together, pointing to a maturing industry where leasing dynamics aligned more visibly with broader economic outcomes.



The graphical trend consolidates the overall picture of Nigeria's leasing industry during the study period. The chart demonstrates a consistent upward slope in leasing performance despite intermittent shocks from the global financial crisis, oil price volatility, and domestic inflationary pressures. Between 2005 and 2018, growth was largely organic, spurred by expanding demand and greater business awareness. From 2019 onward, growth remained positive but steadier, reflecting an industry adjusting cautiously to external uncertainties. The overall picture confirms leasing as a steadily growing yet underexploited financing option in Nigeria, with potential to expand further if structural bottlenecks are addressed.

5.0 Summary, Conclusion and Recommendations

The study examined the trajectory of Nigeria's leasing industry over the period 2005 to 2024, focusing on leasing volume, growth rates, marginal growth, and GDP growth. The results show that leasing volumes rose steadily from about ₦115 million in 2005 to roughly ₦2.8 billion in 2024, even

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during years of macroeconomic contraction. Growth rates were high and volatile in the early years, with sharp fluctuations and negative margins in years such as 2007, 2009, and 2016, but narrowed into more stable patterns after 2019. GDP growth, in contrast, declined from robust averages above 6 percent in the mid-2000s to contractions in 2016 (-1.6 percent) and 2020 (-1.9 percent). Despite this, leasing volumes continued to expand, highlighting the sector's resilience. The comparative analysis indicates that the period 2005–2018 represented a build-out phase with volatility, while 2019–2024 marked a scale phase with steadier growth and closer movement with GDP.

Conclusion

The findings confirm that Nigeria's leasing industry has progressed from fragile beginnings into a more stable financing mechanism. Although still very small relative to GDP, leasing has shown the capacity to grow consistently across two decades, including during periods of economic recession. The results position leasing as a modest but resilient contributor to Nigeria's financial system and a potential stabilizing tool in times of credit constraints.

Recommendations

- i. Policymakers should strengthen repossession rights, provide tax clarity, and create supportive legal frameworks to enhance the stability and appeal of leasing.
- ii. Regulators and industry associations such as ELAN should improve reporting standards and maintain comprehensive data to support planning and investment decisions.
- iii. Operators should expand leasing services into sectors with resilient cash flows, particularly SMEs, transportation, and agriculture, to increase uptake and reduce volatility in growth trends.

Limitations of the Study

The study relied exclusively on secondary data, which may not fully capture informal or unreported leasing activities outside regulated channels. In addition, the scope was limited to Nigeria, and findings cannot automatically be generalized to other contexts without adjustment.

Suggestions for Further Studies

Future research should incorporate primary data from leasing operators and beneficiaries to complement official statistics. Comparative studies across Sub-Saharan Africa could also provide useful insights into the performance of leasing in different macroeconomic environments.

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