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\$41bn, Counting: Nigeria's Longest Breath Of FX Stability In Four Years



President Bola Ahmed Tinubu

President Bola Ahmed Tinibu-led administration is consistently on course with its economic reforms policy drive now culminating in Nigeria's foreign exchange reserves surging to \$41 billion, the highest level in 44 months. This has offered the economy a rare cushion of stability after years of pressure from debt repayments and volatile inflows. The rebound, confirmed by recent data from **Mr. Yemi Cardoso**, Gover-

nor of Central Bank of Nigeria (CBN), not only strengthens the regulator's hand in defending the naira but also carries ripple effects that touch everyday life. **Enam Obiosio** writes.

Numbers only matter when people can feel them. Here, we look beyond the headline '\$41bn' to the market stalls, factories, bank queues, and family tables where Nigeria's

foreign-exchange story is actually lived. In fact, the story is to connect policy to people, and to show why a line on the Central Bank's balance sheet can spell relief, resolve, or renewed responsibility for Nigerians.

The number first pops up on phones before it

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Simplifying TAX and Maximising Revenue

filters into conversations: \$41.00 billion in Nigeria's foreign-exchange reserves as of August 19, 2025 - the highest level in 44 months, last seen on December 3, 2021. It looks abstract on a screen. On the street, it sounds like a deep breath.

For importers pricing the next container, for a mother wiring tuition, for a pharmacist restocking insulin, a stronger reserve position is not a trophy; it is a promise; that tomorrow's rates might not lurch as violently as yesterday's. It is the difference between planning and guessing.

The anatomy of a climb

This rebound did not arrive overnight; it marched in, day after day, through August:

- Reserves opened the month at \$39.54bn (Aug 1), crossed \$40bn (Aug 7), firmed to \$40.5bn (Aug 12), and touched \$41.0bn (Aug 19).
- That is a \$1.46bn month-to-date gain - roughly 3.69% in under three weeks, averaging about \$81m added per day.

The turnaround is sharper in context: after drifting between \$37bn and \$39bn through the first half of 2025 - and slipping to \$37.28bn in early July - reserves have added more than \$3bn within a month (about 8%).

Year-to-date, the gains are modest: from \$40.88bn (Dec 31, 2024) to \$41.00bn now - up \$124m (0.30%). Most of the movement has clustered in the last five weeks. Behind the digits, the story reads like steadier inflows meeting calmer outflows - the Central Bank's capacity to smooth the market expanding with each incremental dollar.

What people hear when they see '\$41bn'

A dealer's board in Wuse Zone 4, Abuja. The chalk pauses. "If the reserves hold," the dealer thinks, "maybe I do not change rates twice before lunch." Stability is inventory he can trust.

A textile trader in Aba. She opens a spreadsheet that used to look like a weather map - red, amber, red. Today, her landed-cost assumptions do not need to be rewritten mid-order. A steadier reserve buffer does not guarantee cheaper dollars, but it often tames the swings that punish working capital.

A university parent in Benin City. He is staring at a bank app and a deadline. In recent months, the question was not only "What is today's rate?" but "Will dollars be available at all?" A fatter reserve cushion signals fewer dry taps in official channels - and fewer desperate detours.

A factory floor in Ikeja. Maintenance on a vital component was deferred, twice, because the forex window was tight. A stronger reserve position hints that allocation queues could shorten, and that the next preventive fix would not turn into an emergency import.

These are not fairy-tale endings; they are small reprieves. But string enough reprieves together, and confidence begins to return.

Why this matters beyond the market tickers

Reserves are shock absorbers. At \$41bn, the Central Bank's hand is steadier to:

- Lean against speculative pressure when sentiment turns skittish.
- Manage liquidity in the official market so



Mr. Yemi Cardoso, Governor of CBN

genuine trade and service needs are not crowded out.

- Reassure investors and lenders that external obligations can be met - a quiet but powerful signal for sovereign risk pricing and corporate funding costs.

For policymakers, this is breathing space, not victory. For businesses, it is planning space.

What is feeding the buffer - and what could thin it

The upswing reflects improved FX inflows outpacing outflows in recent weeks - the kind of pattern consistent with higher capital inflows, better oil production, rising non-oil exports, and cooling imports. In plain language: more dollars came in, fewer rushed out.

But cushions can compress. Three frictions can bite again:

Oil fragility. Volumes, prices, and pipeline integrity are fickle. A month of strong receipts can be undone by a few bad weeks in the delta or a slide in Brent.

Debt service cadence. When big external repayments bunch up, they punch visible holes in the stock, part of the reason reserves looked tired earlier this year.

Hot-money temperament. Portfolio flows arrive fast and can leave faster. If some of this rebound is driven by them, policy consistency must do the heavy lifting to keep them patient.

How stability shows up at home

Prices do not tumble; they stop sprinting. For households, stability first appears as groceries that stop changing labels every weekend. Transport fares that hold for a month. Pharmacists who restock on schedule.

Backlogs clear. Airlines repatriate revenues, multinationals settle dividends, MSMEs get their Form M approvals without a scavenger hunt. Each clearance saps the incentive to route de-

mand into parallel channels.

Budgets get believable. States planning capital projects and firms with FX-linked inputs can write with ink again. Investor-relations teams have fewer question marks to explain away.

The policy hinge: turning stock into staying power

A reserve stockpile is a snapshot; staying power is a film. To turn today's cushion into tomorrow's confidence, three habits matter:

- Transparency. Regular, granular data builds trust and anchors expectations, especially in periods of intervention.
- Market plumbing. The more predictable and rules-based the FX window, the less demand leaks into informal markets and the less the Central Bank has to spend defending the price of doubt.
- Supply-side stamina. Non-oil export support, steady oil output, and logistics reforms keep the inflow spigot open when sentiment is neutral, not only when it is euphoric.

A month that felt like a message

August's staircase; from \$39.54bn to \$40.0bn, from \$40.0bn to \$40.5bn, then from \$40.5bn to \$41.0bn - carries a simple message: it is possible for Nigeria's FX math to add up in the right direction, and quickly. The year-to-date numbers counsel humility; the last five weeks invite hope.

Hope is useful when it is harnessed. The dealer's chalk, the trader's spreadsheet, the parent's bank app, the engineer's maintenance log, they are all waiting for the same thing: not a miracle dollar, just a durable pattern.

If the reserves keep telling the story they told this month, durability might finally have its day. And if they do not, today's buffer at least buys time to fix what leaks - while people who make and move things get on with the work of turning stability into growth.



Addressing the housing sector challenges with long-term, low-cost mortgage financing for Nigerians at scale

FAAC Allocations To Nigerian States (Jan-June 2025)

The Federal Allocation Account Committee (FAAC) disbursements to Nigerian states from January to June 2025, inclusive of their Local Government Areas (LGAs), as reported by the National Bureau of Statistics (NBS) and FAAC, show varied allocations across the six geopolitical zones. In the South West, Lagos received N464.51 billion, Ogun N108.88 billion, Oyo N196.23 billion, Osun N113.29 billion, Ondo N138.71 billion, and Ekiti N97.73 billion. The South South zone includes Edo with N138.34 billion, Delta N368.75 billion, Rivers N374.56 billion, Bayelsa N259.94 billion, Akwa Ibom N309.15 billion, and Cross River N106.34 billion. In the North Central, Kwara got N110 billion, Niger N148.02 billion, Kogi N134.82 billion, FCT

N102.70 billion, Plateau N119 billion, Nassarawa N119 billion, and Benue N152.67 billion. The North East comprises Borno with N161.91 billion, Bauchi N132.87 billion, Adamawa N128.81 billion, Yobe N115.45 billion, Taraba N112.60 billion, and Gombe N93.47 billion. In the South East, Enugu received N123.21 billion, Ebonyi N99.63 billion, Abia N125.18 billion, Anambra N150.03 billion, and Imo N151.96 billion. Finally, the North West includes Sokoto with N141.32 billion, Kebbi N133.11 billion, Zamfara N115.48 billion, Katsina N182.11 billion, Kano N250.76 billion, Kaduna N150.58 billion, and Jigawa N157.29 billion, reflecting the financial distribution tagged with the #RenewedHope campaign.

What Does 'The Economy Is Stable' Mean?



By Dr. Yemi Kale

Try to stay away from unnecessary debates but let me offer my own view from a purely technical & economist perspective (for education purposes only) to recent debates that were really unnecessary.

When economists say "an economy is now stable", they usually mean that the economy has reached a point where it is no longer experiencing major fluctuations/ disruptions.

In practical terms, it suggests Macroeconomic Indicators are Steady; Predictability and Confidence where Businesses, investors, & consumers feel more confident making long-term plans & there are no Immediate Crisis. In short saying an economy is "stable" means it has reached a balanced state where economic activities are proceeding without major turbulence.

An economy being described as "stable" however, does not always mean that citizens are free from hardship. When economists say the economy is "stable," they usually mean that overall indicators (like inflation, exchange rates, and gross domestic product (GDP) growth) are no longer swinging unpredictably.

For example, Inflation falling from 25% to 12% & staying steady might be seen as stability.

However, prices may still be very high compared to past years, meaning people continue to struggle. Citizens experience the economy differently through cost of food, housing, transport, healthcare, and wages.

Even in a "stable" economy, if incomes are low & basic goods remain expensive, families still face hardship. Stability might only mean conditions are not getting worse quickly, not that they've improved enough to ease daily struggles.

So, stability, which is good, can coexist with hardship, which is bad for several reasons:

1. Stabilization Phase: After a crisis (e.g. currency crash or hyperinflation), stability may mean the bleeding has stopped. But citizens may still be hurting from the high cost of living established during the crisis.

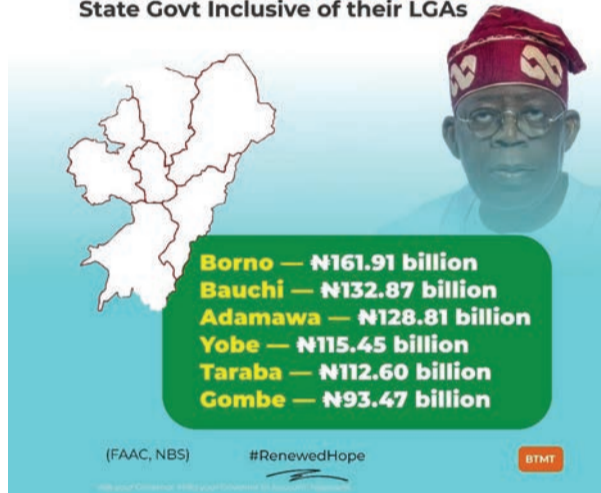
2. Lag Effect: Economic stability often benefits investors & businesses first who might start posting great results. It can take months or even years before stability eases hardship & translates into job creation, higher wages, or cheaper goods for citizens, assuming the stability holds long enough (very important. But till then, the pain is real, immediate & personal & there is still risk of stability reversing, in which case, hardship won't be eased.

So, in summary, economic stability is like stopping a boat from rocking wildly but hardships persist if the boat is still far from shore. For citizens, stability may only mean less new hardship is being added, not that life has become easier yet. But the first step to reversing hardship is stability & stopping the bleed. It's a necessary not sufficient condition.

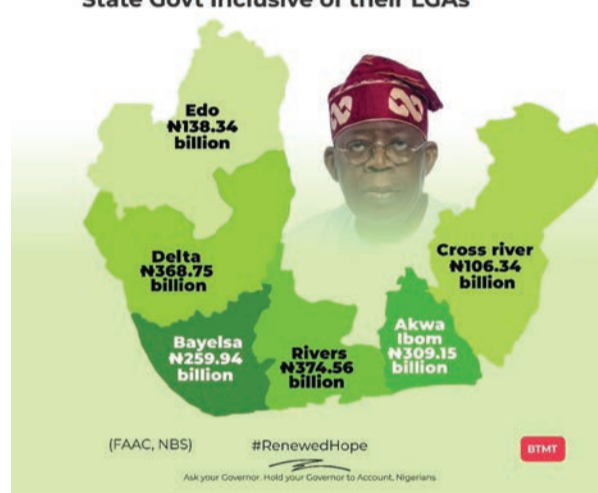
Note this is a purely technical not political view

Dr Yemi Kale is Group Chief Economist at Afrexim-bank.

FAAC RECEIVED BY NORTH EAST STATES FROM JAN TO JUNE 2025
State Govt Inclusive of their LGAs



FAAC RECEIVED BY SOUTH SOUTH STATES FROM JAN TO JUNE 2025
State Govt Inclusive of their LGAs



FAAC RECEIVED BY NORTH WEST STATES FROM JAN TO JUNE 2025
State Govt Inclusive of their LGAs



FAAC RECEIVED BY SOUTH EAST STATES FROM JAN TO JUNE 2025
State Govt Inclusive of their LGAs



FAAC RECEIVED BY SOUTH WEST STATES FROM JAN TO JUNE 2025
State Govt Inclusive of their LGAs



FAAC RECEIVED BY NORTH CENTRAL STATES FROM JAN TO JUNE 2025
State Govt Inclusive of their LGAs



THE TEAM**Editor**

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Ahmed Ahmed

Anita Dennis

Kingsley Benson

Majeed Salaam

Reporter

Albert Egbede

Business Development

Adedamola Bello

Advertising/Photo

Safwan Yusuf Jibo

Enquiries

08023130653

Marketing

Elizabeth Akamai

Subscriptions

Sandra Usman

Graphics

Gabriel Olatunde Emmanuel

D2-32 Atiku
Abubakar Crescent,
Cityview,
Dakwo, Abuja.**EDITORIAL****SIM Registration Is Not A Chore: Nigerians Must Stop Outsourcing Their Digital Identity**

It is shocking, indeed, disturbing, that in 2025, some Nigerians still think it is acceptable to send their drivers, housekeepers, or security guards to register SIM cards on their behalf. The Nigerian Communications Commission (NCC) is right to sound the alarm: this practice is not only careless, it is criminal. And if we are serious about curbing cybercrime, kidnapping networks, and financial fraud, then we must stop treating SIM registration as a menial errand to be delegated.

Dr. Aminu Maida, the NCC's Executive Vice Chairman, was blunt: if you send someone else to register a SIM card because you want to conceal your identity, you are breaking the law. More importantly, you are inviting danger into your own home. When that SIM number is later traced to ransom demands, phishing scams, or extortion, it is your name that will surface in the police file- not your driver's, not your housekeeper's.

This casual outsourcing of digital identity reveals a troubling cultural flaw. Too often, Nigerians still treat regulatory obligations as inconveniences rather than safeguards. Just as some pay others to sit exams, queue at government offices, or

even impersonate them in official functions, SIM registration has been reduced to a task to be "sent out." This attitude corrodes accountability and undermines national security.

The truth is stark: in today's Nigeria, a SIM card is not a mere chip of plastic. It is a digital passport into the economy and security matrix. With one SIM, you can transfer millions, access bank accounts, manipulate data, and, tragically, coordinate crimes. To delegate that registration to a domestic worker is to hand over the keys of your digital life, and worse, to stain their identity with liabilities they neither understand nor control.

The NCC has clarified that there are no unregistered SIMs left in the networks. This is progress. But progress is meaningless if loopholes are left for bad actors to exploit. Every fraudulent registration, every misused identity, weakens the very foundation on which law enforcement depends to track criminals. Insecurity thrives when citizens cut corners.

Some may argue that Nigerians resort to using proxies because telecom processes are slow, bureaucratic, or frustrating. That excuse does not hold. However flawed the system may

be, the personal responsibility of owning and verifying your identity cannot be shifted to another. Security is not a burden to be shrugged off onto domestic staff. It is a civic duty.

The NCC must go beyond issuing warnings. It must prosecute high-profile cases of proxy SIM registration to send a clear message. Telecom operators, too, must tighten their know-your-customer (KYC) protocols, ensuring that facial recognition, biometrics, and identity verification cannot be outsourced with a mere letter or cash tip. Civil society and the media must amplify this campaign until Nigerians grasp that a SIM card is as sensitive as a passport, a driver's licence, or a voter's card.

This is not just about compliance. It is about protecting households from ruin. Imagine your SIM being linked to a kidnapping case because your "houseboy" registered it. Imagine police raids, reputational damage, and frozen accounts—all because you could not spare thirty minutes to register in person. That is not just negligence. It is recklessness. We must therefore echo the NCC's warning: register your own SIM, by yourself, with your own identity. SIM registration is not a chore. It is an act of national responsibility. Let us treat it as such.

DID YOU KNOW?

That President Tinubu's reforms are part of the Renewed Hope Agenda, designed to reposition Nigeria across critical sectors including education, energy, infrastructure, and innovation.

Stay tuned for more updates on reform milestones, policy impact, and opportunities for Nigerian citizens.

Have feedback or questions? Send us an email at: editor@thereforms.ng

Time to Tell Nigeria's Story — The Position of The Reforms Newspaper

For far too long, the Federal Government of Nigeria (FGN) has been misunderstood, misrepresented, and misquoted — not for a lack of achievements, but for a tragic deficit in communication. Today, *The Reforms*, a National Newspaper, rises not as a mouthpiece, but as a credible national platform to correct the narrative and restore public confidence in Nigeria's reform-driven trajectory.

Let us be blunt: in the past, government's communication structures had been lethargic, inconsistent, and often reactive. Ministries, Departments, and Agencies (MDAs), despite overseeing groundbreaking reforms across agriculture, power, finance, education, digital innovation, energy, and infrastructure, had largely failed to communicate their successes with clarity and consistency. In their silence, distortions flourished. In their delays, misinformation had taken root.

This was not just a national communication failure — it was a vacuum of narrative power.

It is precisely in this void that *The Reforms* has emerged as a strategic imperative. Our mandate is not to whitewash governments' actions or spread propaganda. We are not beholden to spin doctors or political handlers. We are beholden only to the truth — the verifiable, policy-driven, people-impacting truth of Nigeria's reform journey.

The FGN has rightly endorsed *The Reforms* as the non-partisan channel through which MDAs and private sector partners can boldly articulate the ongoing transformation of the Nigerian economy and society. From economic diversification and tax reforms to housing delivery, digital governance, energy transition, and ease of doing business, among others, — we are committed to amplifying facts, not fiction.

Nigeria is not standing still. The country is moving — and moving fast. But without strategic story-

telling rooted in fact and transparency, that movement may be missed or, worse, maligned.

To the MDAs: You are implementing reforms. But reforms do not speak for themselves. You must. And *The Reforms* is here to help you do just that — professionally, objectively, and impactfully.

To the private sector: You are stakeholders in the reform process. Let your voice be heard. Let your innovations and contributions to national development be documented in a newspaper founded on the principle of national interest above noise.

It is time we tell our own story — the Nigerian story — not through borrowed voices or external media filters, but through a deliberate, intelligent platform that understands the nation and its nuances.

This is not a plea. This is a national call to action.

Partner with *The Reforms*. Let the story of Nigeria's rebirth be told by those who live it, lead it, and believe in it.

NEXIM Bank Showcases PAVE Initiative At First Bank Agric & Export Expo 2025



Dr. Tayo Omidiji, NEXIM Bank's Head of Strategic Planning and Corporate Communications (4th left), with others at the First Bank Agric & Export Expo 2025 in Lagos.

By Jennete Ugo Anya

The Nigerian Export-Import Bank (NEXIM) has reaffirmed its commitment to diversifying Nigeria's economy through agriculture and value-added exports, unveiling its flagship Produce, Add-Value & Export (PAVE) initiative at the First Bank Agric & Export Expo 2025.

The expo, held on August 19, 2025, at Eko Hotel & Suites, Victoria Island, Lagos State, brought together key players in agribusiness, finance, and government.

Mr. Abba Bello, the Managing Director (MD) of NEXIM Bank, who was represented by NEXIM Bank's Head of Strategic Planning and Corporate Communications, Dr. Tayo Omidiji, introduced the PAVE strategy as a cornerstone of Nigeria's shift from oil dependency to a sustainable non-oil export economy.

"We cannot continue exporting raw commodities and expect transformative growth. Nigeria must add value to what it produces, and that is what PAVE is designed to achieve," NEXIM Bank told participants. He cited a World Bank report showing that value-added exports could lift Nigeria's gross domestic product (GDP) by 2 - 3%

annually, underscoring the economic logic of the initiative.

The unveiling of PAVE comes against the backdrop of Nigeria's lingering vulnerability to oil price shocks. The 2020 crash, which wiped out 60% of oil revenues (OPEC data), reinforced the urgency of diversifying Africa's largest economy. Despite gradual improvements, oil exports still contributed 75% of government revenues in 2023, leaving the economy exposed.

NEXIM Bank's response, as articulated through PAVE, is to de-commoditize exports by shifting from raw produce to processed agricultural products with higher global value. This aligns with the government's post-2021 diversification agenda, which has already boosted non-oil exports significantly.

The NEXIM Bank's collaboration with the First Bank of Nigeria at the expo reflects a deliberate use of public-private partnerships (PPPs) to scale financing in the non-oil sector. Mr. Bello stressed that commercial banks bring depth of funding, while NEXIM Bank, as Nigeria's export credit agency since 1991, offers tools to de-risk investments in agribusiness and exports.

Research backs this approach: A 2019 IMF

study found PPPs in emerging markets could unlock \$1 trillion for infrastructure and agriculture, and a 2023 IMF report confirmed that such partnerships boosted non-oil sector funding by 20% in sub-Saharan Africa.

"The lesson is clear: government cannot do it alone. Partnerships with institutions like First Bank will accelerate the transformation of agriculture into Nigeria's true 'new oil,'" Mr. Bello emphasized.

The Expo's theme of treating agribusiness as "the new oil" echoes a 2022 UNCTAD analysis, which showed that countries reducing oil reliance by just 10% through non-oil exports improved their economic resilience by 7%.

For NEXIM Bank, this data-driven perspective

Nigeria must add value to what it produces, and that is what PAVE is designed to achieve



Dr. Tayo Omidiji, NEXIM Bank's Head of Strategic Planning and Corporate Communications (1st left), with others during a discussion at the First Bank Agric & Export Expo 2025 in Lagos.

strengthens its resolve to anchor growth in agriculture and non-oil exports. Already, initiatives like PAVE are positioned to help Nigeria climb global value chains, while also providing opportunities for youth and women entrepreneurs - a strategy that could expand inclusion and tackle unemployment.

With international studies affirming that value-added agriculture can raise GDP by up to 15% in developing economies, NEXIM Bank's PAVE initiative is being framed as more than just a banking project. It is, in Mr. Bello's words, "a national growth strategy, a security net against oil volatility, and a bridge to inclusive prosperity."

The First Bank Agric & Export Expo 2025 thus served as more than a showcase; it was a stage where Nigeria's pivot toward a new, diversified economy took one more decisive step.

FG To Review Telecom Policy, NCC To Disclose MNOs' Quarterly Performance Reports



Dr. Aminu Maida, Executive Vice Chairman of NCC

By Anita Dennis

For many Nigerians, dropped calls, slow data, and vanishing airtime are not just minor annoyances, they are daily frustrations that shape how people work, trade, study, and connect. Relief may be on the way, as the federal government and the Nigerian Communications Commission (NCC) are preparing sweeping changes that could make telecoms companies more account-

able to the public than ever before.

At a recent media engagement in Abuja, Dr. Aminu Maida, the NCC's Executive Vice Chairman, revealed that the Ministry of Communications, Innovation and Digital Economy has begun reviewing Nigeria's 2000 National Telecoms Policy, the document that set the stage for the GSM revolution nearly a quarter of a century ago. The update, he explained, is necessary to reflect new realities of digital life in 2025.

“**Corporate governance is a very strong tool for us to use as part of our transparency approach to the industry**”

“Since the National Telecom Policy 2000, we have started engagements with the ministry to revise the telecom policy,” Dr. Maida said. “As per the Nigerian Communications Act of 2003, our role is to guide and provide input, while the ministry drives the policy. That process has started, and it is in line with the strategic blueprint of Dr. Bosun Tijani, the Honourable Minister.”

Holding operators to public scorecards

Beyond policy, the NCC is also moving to name, rank, and publish performance reports of Mobile Network Operators (MNOs) on a quarterly basis. For the first time, Nigerians will be able to see how their service providers stack up- state by state, across different metrics such as call quality, data speed, and regulatory compliance.

“We need to let Nigerians know who is first, second, and third,” Dr. Maida noted pointedly. “The person who came last will be in trouble with his board. Or it will be an opportunity for him to tell his board, ‘I need that investment you have been denying me.’”

This competitive transparency, he explained, is designed to push operators to invest more in infrastructure, improve services, and be more accountable to customers and shareholders alike.

By the end of August or early September, the NCC plans to launch a public performance map based on anonymised data generated directly from consumer devices. This means every Nigerian using a phone is indirectly contributing to the real-time quality checks.

Governance and transparency

Dr. Maida stressed that corporate governance - how well operators are run - will be factored into performance assessments. According to him, companies that excel in financial health, regulatory compliance, and service delivery tend also to score better on governance.

“Corporate governance is a very strong tool for us to use as part of our transparency approach to the industry,” he said.

The NCC has already revised its Quality-of-Service Guidelines to ensure not only mobile operators but also Tower Companies (TowerCos), the firms that supply infrastructure, power, and security, are held accountable.

Beyond the numbers: teaching consumers too

The commission is also focusing on the consumer end. At the media forum, the NCC's Director of Consumer Affairs Bureau, Freda Bruce-Bennett, gave practical tips to help Nigerians manage their data, such as turning off video autoplay on social media apps and limiting background data use.

And for journalists who cover the telecoms beat, the commission's Head of Public Affairs, Mrs. Nnena Ukoha, said that the engagement was designed to deepen relationships and improve reporting accuracy as the industry undergoes a new era of scrutiny.




NEXIM
NIGERIAN EXPORT-IMPORT BANK

CORPORATE HEAD OFFICE
NEXIM HOUSE
Plot 975 Cadastral Zone AO Central Business District Abuja
Telephone: +234-9-4603630-9 Fax: +234-9-4603638
Website: www.neximbank.com.ng
E-mail: neximabj@neximbank.com.ng

NBS Spotlights Capital Inflows As Banking Sector Drives \$5.64bn Q1 2025 Boost Amid Reforms



Prince Adeyemi Adeniran, Statistician -General of NBS

By Felix Omoh-Asun

The National Bureau of Statistics (NBS) has unveiled fresh data revealing a robust influx of foreign capital into Nigeria, with total importation hitting \$5.64 billion in the first quarter of 2025; a clear indicator of growing investor confidence buoyed by ongoing financial sector reforms.

In its latest 'Nigeria Capital Importation Q1 2025' report, released earlier this month, the NBS underscores how the banking industry emerged as the frontrunner, capturing over half of the inflows and signaling resilience in the face of economic headwinds.

This quarterly snapshot, compiled from data sourced from the Central Bank of Nigeria (CBN) and verified through banking records, paints a picture of an economy on the mend. "In Q1 2025, total capital importation into Nigeria stood at US\$5642.07 million, higher than US\$3376.01 million recorded in Q1 2024, indicating an increase of 67.12 percent," the NBS report states. Compared to the preceding quarter, inflows rose by 10.86 percent from \$5.08 billion in Q4 2024, marking a steady upward trajectory that NBS analysts attribute to strategic policy shifts enhancing Nigeria's appeal to global investors.

At the heart of this resurgence is the banking sector, which NBS data show absorbed \$3.1 billion, or 55.44 percent of the total, highlighting its role as a stable gateway for foreign funds. The finance sector followed closely with \$2.09 billion (37.18 percent), while production and manufacturing trailed at \$129.92 million (2.30 percent).

This distribution highlights a preference for fi-

ancial instruments over direct industrial investments, with portfolio investments dominating at \$5.2 billion (92.25 percent of the total). Other investments accounted for \$311.17 million (5.52 percent), and foreign direct investment (FDI) lagged at \$126.29 million (2.24 percent), reflect-

“ In Q1 2025, total capital importation into Nigeria stood at US\$5642.07 million, higher than US\$3376.01 million recorded in Q1 2024, indicating an increase of 67.12 percent ”

ing cautious long-term commitments amid lingering economic uncertainties.

Geographically, the United Kingdom emerged as the primary source, channeling \$3.68 billion (65.26 percent) into Nigeria, followed by contributions from the Netherlands and South Africa. Lagos State remained the top destination, attracting \$4.37 billion (77.55 percent), with Abuja securing \$1.17 billion (20.71 percent). These figures,

meticulously tracked by the NBS through instruments like equity shares, money market tools, and bonds, illustrate a concentrated flow toward urban financial hubs.

From the NBS vantage point, this data surge is no coincidence but a direct outcome of deliberate reforms spearheaded by the CBN under Governor Yemi Cardoso. Since taking the helm in October 2023, Cardoso's focus has prioritized exchange rate unification, cleared a \$7 billion foreign exchange backlog, and reduced market interventions- moves that have stabilized the naira and lowered sovereign risk spreads to pre-pandemic levels.

The World Bank has lauded these as "bold interventions" fostering long-term sustainability, while NBS metrics confirm their impact: Capital inflows have not only rebounded but diversified, with banks serving as a buffer against forex volatility and a conduit for broader economic activity.

The NBS report also flags areas for caution. The heavy reliance on portfolio investments, often short-term and volatile, contrasts with subdued FDI, suggesting investors are hedging bets rather than committing deeply. To sustain this momentum, the bureau's data implies a need for continued policy consistency, including further forex liberalization and incentives for real-sector investments.

As Nigeria navigates a post-reform landscape, the NBS's Q1 2025 insights serve as a barometer of progress, affirming that CBN's strategies are yielding tangible gains. With inflows climbing steadily, the data not only validates the apex bank's approach but also positions the economy for potentially stronger quarters ahead, provided reforms remain on track.

Nigeria's Lagos Ports Set For \$1 Billion Overhaul: A Bid To Reclaim Regional Dominance



Dr. Abubakar Dantsoho, Managing Director of NPA

By Jennete Ugo Anya

After decades of decay that have seen Nigeria's premier seaports cede ground to nimbler rivals in West Africa, the Nigerian Ports Authority (NPA) is gearing up for a transformative \$1 billion reconstruction project at Lagos' Tin Can Island and Apapa ports, slated to kick off in the fourth quarter of 2025.

This ambitious initiative, announced amid growing calls for infrastructure revival, aims to modernize facilities that have languished without major upgrades since their inception, Tin Can Island built 48 years ago and Apapa a staggering 103 years old, potentially unlocking billions in lost trade and restoring Nigeria's status as the continent's maritime powerhouse.

The Managing Director (MD) of NPA, Dr. Abubakar Dantsoho, speaking at a recent breakfast meeting co-hosted by the Nigerian Chamber of Shipping (NCS) and Lekki Port, painted a stark picture of the ports' decline. "Since the construction of these ports, there have been no major attempts to repair, upgrade, or rehabilitate them," he said, attributing the stagnation to years of infrastructural neglect that has allowed smaller neighbors like Togo, Côte d'Ivoire, and Ghana to siphon off cargo traffic.

Ports in Lomé, Abidjan, and Tema now handle larger vessels and higher volumes, drawing transshipment business that should rightfully flow through Lagos.

Despite Nigeria boasting Africa's largest econ-

omy and population, over 200 million strong, its ports manage only about 2million 20-foot equivalent units (TEUs) annually, a fraction of what regional competitors achieve. "Our competitors in Lomé, Cotonou, Abidjan, and Tema are only enjoying an advantage because we have not fixed

“ By every global indicator, Nigeria is the largest economy and the most populous country in Africa, yet today, Abidjan and Lomé handle higher volumes than Lagos. This is the gap we must urgently close ”

our ports," Dr. Dantsoho lamented. "By every global indicator, Nigeria is the largest economy and the most populous country in Africa, yet today, Abidjan and Lomé handle higher volumes than Lagos. This is the gap we must urgently close."

The reconstruction, part of a broader \$1 billion ports infrastructural development push that has already seen preliminary works commence at Tin Can Island, promises a comprehensive facelift. This includes civil works, dredging, berth expansions, and the acquisition of state-of-the-art equipment like larger cranes and tugboats to accommodate mega-vessels - deliveries expected in the first half of 2026. Dr. Dantsoho emphasized that aligning infrastructure, equipment, technology, human capacity, and sustainability processes will naturally draw cargo back to Nigeria, reversing the tide of diversions that have plagued the sector.

A poignant example of the current deficiencies came with the launch of the Dangote Refinery at Lekki, Africa's largest such facility. "The equipment that NPA required to pull these tankers is not there. So, it was a struggle," Dr. Dantsoho admitted, highlighting how inadequate tugboats and handling gear complicated operations.

To mitigate such bottlenecks, the federal government introduced a one-stop shop model, co-locating 16 agencies under NPA's umbrella. This streamlined approach has already yielded over N25 billion in revenue from October 2024 to date, demonstrating the potential of coordinated reforms.

Dr. Dantsoho's leadership, which began earlier this year, has been marked by a flurry of performance improvements, including the finalization of documentation for the \$1 billion project and early rehabilitation efforts at key sites like Apapa, Rivers, Onne, Warri, and Calabar ports.

Recent data underscores the urgency: Under his watch, cargo throughput surged 45% in the first half of 2025, with container traffic jumping 16.2% to 1,032,000 TEUs and vehicle imports rising 31.4% to 141,000 units. These gains, coupled with enhanced vessel calls and gross tonnage, signal a turnaround, but experts warn that without sustained investment, Nigeria risks further erosion of its maritime edge.

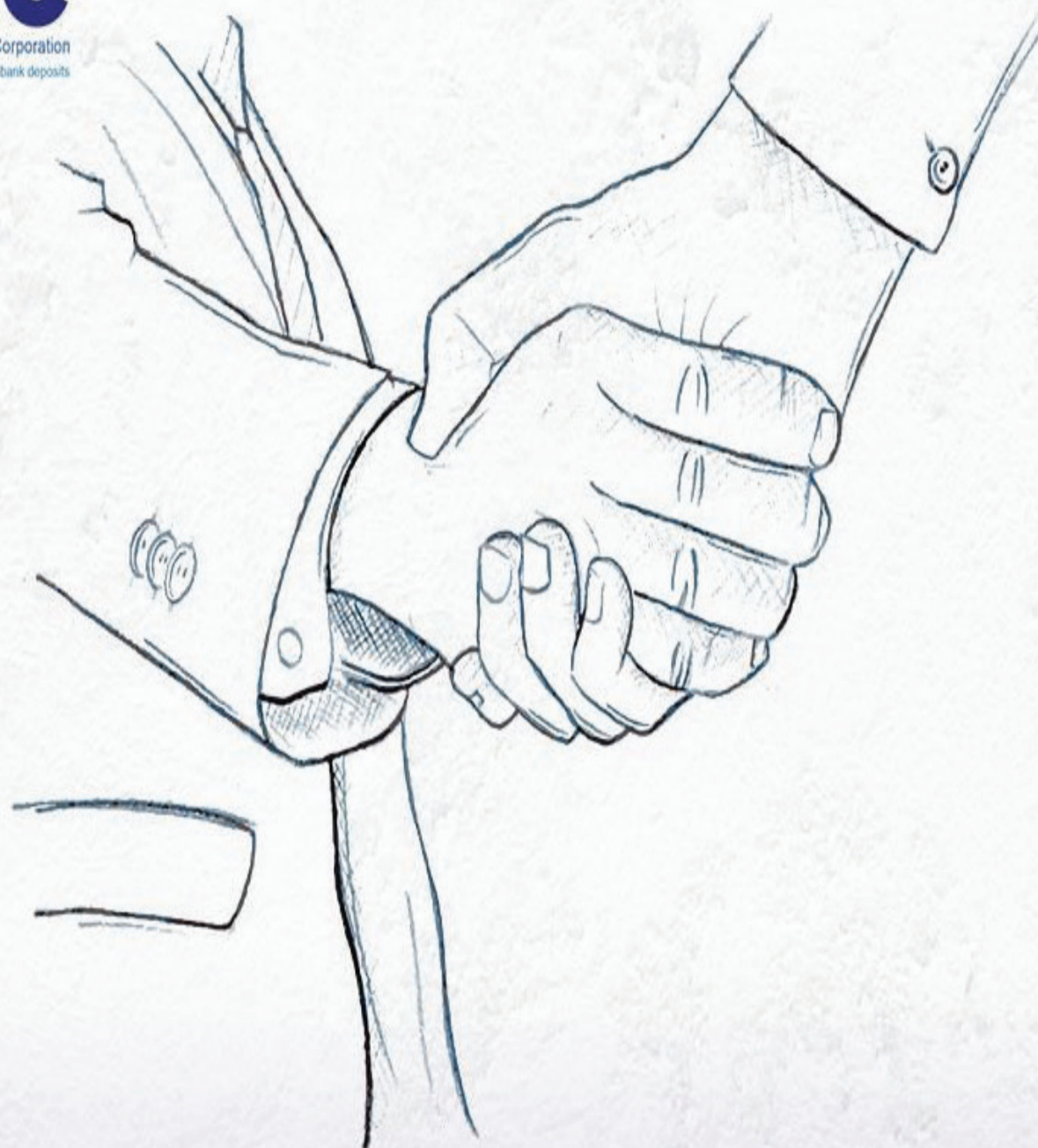
The government's commitment extends beyond Lagos, with parallel efforts like the \$1 billion Snake Island Port deal sealed late last year with Nigerdock, aimed at boosting multipurpose capabilities.

In his address at the NCS event, chamber President, Mr. Aminu Umar, commended the creation of the Federal Ministry of Marine and Blue Economy as a crucial step to harness Nigeria's import-export potential. "Shipping and maritime logistics are not only enablers of commerce but central to national prosperity," he said, spotlighting Lekki Deep Seaport's emergence as a regional hub that has already amplified trade volumes and economic growth.

As Nigeria pushes to reposition its ports on the global stage - targeting world-class relevance through manpower development and collaborations like those with the Maritime Academy of Nigeria (MAN), the \$1 billion overhaul represents a critical juncture.

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NGF *Investopedia* Launch Unveils Nigeria's Subnational Investment Gateway



L-R: Mr. Abdullahi Sule, Nasarawa State Governor (3rd left), representing NGF's Chairman and Kwara State Governor, Mr. AbdulRahman AbdulRazaq; Mr. Lucky Aiyedatiwa, Ondo State Governor (4th left); Mr. Umar Usaman Kadafur, Deputy Governor of Borno State (5th left); Mr. Aminu Usaman, Deputy Governor of Jigawa State (6th left); Madame Christine Harbaugh, US Embassy Economic Counselor, and others at the unveiling of NGF's *Investopedia* in Abuja on Tuesday.

By Kingsley Benson

The Nigeria Governors' Forum (NGF) has recently in Abuja launched its transformative NGF *Investopedia*, a flagship platform designed to position Nigeria's 36 states as credible investment destinations.

The event, marked by addresses from Mr. Abdulateef Shittu, Director-General (DG) of NGF, and H.E. Abdulrahman Abdulrazaq, the NGF Chairman and Governor of Kwara State, who was represented by Mallam Abdullahi Sule, Executive Governor of Nasarawa State, heralded "a new dawn in Nigeria's investment readiness at the subnational level," as Mr. Shittu described it.

Governor Abdulrazaq called the launch "a milestone achievement for the Nigeria Governors' Forum and for our country," emphasizing that it "will stand as one of the legacies of my stewardship." He underscored Nigeria's potential, noting, "Nigeria is Africa's largest economy, endowed with abundant human and natural resources."

However, both leaders highlighted investment challenges. Mr. Shittu stated: "Over the last decade our inflows of Foreign Direct Investment (FDI) have averaged just 0.5% of GDP, well below the African average and behind peers like Ghana and South Africa," with 2023 FDI at \$1.87 billion. Governor Abdulrazaq echoed this, noting annual FDI averages of "only USD 2 billion, which is less than 0.5% of gross domestic product (GDP)," concentrated in "oil and gas, telecommunications, real estate, and agriculture," but insufficient for "true subnational transformation."

The NGF *Investopedia* addresses these challenges by "curating bankable pipelines of projects across all 36 states," providing "a one-stop shop to engage with credible opportunities, backed by a transparent process, strong institutional oversight, and global visibility," as Mr. Shittu explained.

While Governor Abdulrazaq clarified: "It is not just a catalogue — it is an entry point, showing investors not only where to invest, but also how to invest in Nigeria with confidence," Mr. Shittu outlined its functions: "Simplify investor access by consolidating credible projects into one gateway; provide confidence through due diligence and transparent presentation of opportunities; and mobilize partnerships that go beyond financing to include technical support, capacity-building, and risk mitigation."

Both leaders emphasized the infrastructure financing gap, with Mr. Shittu citing "USD 100 billion annually — nearly USD 1 trillion over the next decade," and states budgeting "more than N17.5 trillion for capital projects in 2025."

The Governor stated: "Public budgets alone cannot solve this," stressing the need to "mobilize both global and African capital to finance projects that create jobs, modernize infrastructure, and drive inclusive growth." He highlighted growing African Direct Investment (ADI), noting,

“Regional investors from South Africa, Morocco, Egypt, and Ghana are expanding into sectors such as banking, fintech, agribusiness, and infrastructure, signaling growing confidence among African partners in Nigeria's markets”

"Regional investors from South Africa, Morocco, Egypt, and Ghana are expanding into sectors such as banking, fintech, agribusiness, and infrastructure," signaling "growing confidence among African partners in Nigeria's markets and opportunities" under the African Continental Free Trade Area (AfCFTA).

Partnerships are central to the initiative. The DG expressed gratitude to "our launch sponsors — Afreximbank, United Nations Development Programme (UNDP), and Ministry of Finance Incorporated (MOFI) — whose partnership ensures that the *Investopedia* is not only launched but sustained."

Governor Abdulrazaq detailed their roles: "Afreximbank, which will deploy innovative financial instruments to move state projects from pipeline to bankability and financial closure; UNDP, which will support our states in building the institutional capacity needed to sustain credible investment pipelines; MOFI, which will pool post-launch resources to reinforce investor confidence and unlock blended finance opportunities." He also stated: "Together, these partnerships ensure that the *Investopedia* is not just a publication, but a living platform that will drive investment into our states in the years ahead."

The NGF Chairman introduced the NGF Fund, stating: "I must also acknowledge Cavista Holdings, who have partnered with us in developing the NGF Fund roadmap. The NGF Fund will complement *Investopedia* as a pooled investment vehicle — a financing arm to channel catalytic capital into vetted subnational projects." He noted its backing by "NGF's governance and fiduciary credibility, and supported by MOFI, NSIA, CBN, Afreximbank and other DFIs," ensuring "opportunities highlighted in the *Investopedia* translate into real investments on the ground."

Mr. Shittu credited the platform's development to "state investment agencies, NGF Secretariat technical teams and partners [who] have worked tirelessly to provide data, shape the pipeline, and ensure readiness," demonstrating that "Nigeria's states are now open for business." Governor Abdulrazaq reinforced this, further stating: "When an investor builds a road, funds an agro-processing facility, finances renewable energy, or supports ICT infrastructure, the benefits extend beyond financial returns — they create jobs, improve livelihoods, and drive sustainable development."

The launch drew chief executive officers (CEOs), managing directors (MDs), and industry leaders, prompting Mr. Shittu to say: "Your presence signals confidence—and it emboldens our states." Governor Abdulrazaq extended an invitation: "To our distinguished investors, both here in Nigeria, across Africa, and globally, I extend this invitation: Partner with Nigeria's states. The opportunities are vast, the commitment is firm, and the time is now."

The message, with Mr. Shittu again stating: "The opportunity is real; the readiness is present. Let us now engage, partner, and deliver," and Governor Abdulrazaq declaring: "With the NGF *Investopedia*, backed by strong partnerships and the NGF Fund, we are sending a clear signal: Nigeria's subnationals are open, credible, and investment-ready. Together, we can bridge the infrastructure gap and unlock a new era of prosperity for our people."

SEC, NAICOM Forge Alliance To Fuel Recapitalisation Drive



Dr. Emomotimi Agama, Director- General of SEC

By Jennete Ugo Anya

In a crucial step toward revitalizing Nigeria's insurance sector, the National Insurance Commission (NAICOM) and the Securities and Exchange Commission (SEC) have vowed to deepen their collaboration, offering a critical boost to the ongoing recapitalisation exercise.

This partnership, sealed during a high-level meeting in Abuja on August 20, 2025, comes at a time when the industry grapples with low penetration rates and outdated capital structures, signaling a potential turning point for financial stability and growth in Africa's largest economy.

The initiative stems from a recent courtesy visit led by NAICOM's Commissioner for Insurance, Mr. Olusegun Omosehin, to the Director-General (DG) of SEC, Dr. Emomotimi Agama, at the SEC headquarters.

The discussions centered on a shared commitment to regulatory harmony, aligning with NAICOM's recent circular to industry stakeholders. In that directive, NAICOM expressed readiness to engage regulators such as the SEC, Corporate Affairs Commission (CAC), and Nigeria Revenue Service (NRS) to secure incentives and concessions that could ease compliance burdens and lower recapitalisation costs.

Dr. Agama, in welcoming the delegation, commended the recent enactment of the Nigeria Insurance Industry Reform Act (NIIRA) 2025, signed into law by President Bola Tinubu on July 31, 2025.

"This legislation marks a new dawn for the insurance industry," Dr. Agama declared, expressing confidence that it would catalyze broader reforms across the financial services landscape.

The Act, which consolidates and modernizes previous insurance laws, mandates a significant hike in minimum capital requirements: life insurers must now hold N10 billion (up from N2 billion), general business operators N15 billion (from N3 billion),

composite firms N25 billion (from N5 billion), and reinsurers N35 billion (from N10 billion).

Dr. Agama pledged the SEC's full support, offering expertise and guidance to navigate the process. He urged NAICOM and operators to embrace digitalisation, noting that the SEC's operations are now fully automated.

"The commission would always be willing to provide assistance during the recapitalisation process and beyond," he assured, positioning the SEC as a strategic ally in fostering efficiency and innovation. This call resonates amid industry shifts, where digital tools could streamline claims processing and expand reach to underserved populations.

Mr. Omosehin, for his part, emphasized that the recapitalisation is no longer optional but a legislative imperative aimed at transforming the sector. "The exercise is focused on repositioning the sector for growth and ensuring better service delivery," he stated, highlighting how stronger institutions would enhance risk management and consumer protection in an economy plagued by inflation and volatility.

With insurance penetration hovering below one percent, far behind regional peers like South Africa (over 10%), the reforms seek to inject resilience, enabling firms to underwrite larger risks, expand coverage, and contribute more to GDP, which currently sees the sector accounting for less than 0.5%.

The meeting concluded on an optimistic note, with NAICOM's Deputy Commissioner for Insurance (Technical), Dr. Usman Jankara, commending the SEC's leadership and solicited ongoing advice to fortify Nigeria's financial ecosystem.

To oversee the recapitalisation, NAICOM has established an 11-member committee, granting firms a 12-month window, until July 2026, to comply or face license revocation or liquidation. Industry insiders anticipate a wave of mergers and acquisitions, as smaller players seek partnerships to meet the thresholds, potentially consolidating the market from over 50 operators to a more robust few.

Quotes of the Week

President Bola Tinubu

A fair tax system must never punish poverty or weigh down the most vulnerable. With the new tax laws, I recently signed, taking effect from January 2026, we have lifted this burden and created a path of equity, fairness, and true redistribution in our economy.

Mallam Shehu Dikko, Chairman of National Sports Commission (NCS)

We want to host as many international tournaments as possible to showcase Nigeria to the world. This is a major image laundering tool for the nation.

Dr. Muda Yusuf, Economist and Founder of the Centre for the Promotion of Private Enterprise (CPPE)

It is important to acknowledge the deceleration in inflation, particularly headline inflation, since January to date. Some progress has been made, but a lot more needs to be done, particularly addressing structural issues.



Funding Nigeria's Agriculture, Growing Prosperity



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“

Let us be blunt: in the past, government’s communication structures had been lethargic, inconsistent, and often reactive.

MDAs, despite overseeing groundbreaking reforms across agriculture, power, finance, education, digital innovation, energy, and infrastructure, had largely failed to communicate their successes with clarity and consistency. In their silence, distortions flourished. In their delays, misinformation had taken root.

”

The
Reforms
Championing good governance. Driving Development

Dikko Backs Abia's Adopt-a-Sport Policy, Urges Other States To Follow



Mallam Shehu Dikko, Chairman of NCS (2nd left); Hon. Nwaobilor Ananaba, Abia State Commissioner for Youth and Sports (1st left); alongside Mr. Francis Orbih, President of the Badminton Federation of Nigeria (1st right), and Ms. Eniola Bolaji, a paralympian, during the Commissioner's visit to NCS's head office in Abuja.

By Musa Ibrahim

The Chairman of National Sports Commission (NSC), Mallam Shehu Dikko, has thrown his weight behind Abia State's Adopt-a-Sport policy, describing it as a model worthy of replication across Nigeria.

He specifically commended the state's commitment to para-badminton, urging other states to identify and nurture sports where they hold comparative advantage.

Mallam Dikko made the remarks in Abuja when he received the Abia State Commissioner for Youth and Sports, Hon. Nwaobilor Ananaba, alongside the President of the Badminton Federation of Nigeria (BFN), Mr. Francis Orbih. The delegation had recently visited to brief the NSC on preparations for the twin para-badminton tournaments scheduled to take place in Umuahia, Abia State later this year.

Abia State will host the first-ever Para-Badminton International Championships from September 30 to October 5, 2025, followed immediately by the All-African Para-Badminton Championships from October 6 to 12, 2025.

In a statement by Dr. (Mrs.) Kehinde Ajayi, the NSC's Director of Information and PR, Mallam Dikko commended Abia's foresight in developing para-badminton into a flagship sport.

"I must congratulate you on what Abia State is doing. We witnessed a very exciting event that broke the ceiling and set the path for others. That is a benchmark we can ask other states to adopt," he said.

"I even visited the Governor to commend him

and to explore how we can work together to make sports better, not just in Abia but across the country."

The NSC Chairman pledged full support for the international tournaments, stressing that they align with the Commission's vision of positioning Nigeria as a hub for global sporting events.

"We want to host as many international tournaments as possible. Whatever we can do to facilitate this, we will do. You can be rest assured of our support," he assured.

He further emphasized that every state must identify its strength in sports and deliberately invest in it.

"We advocate that all states should adopt a particular sport, promote it, and invest in it. This will make our work easier. We will use Abia's model as an example when we engage other governors," he added.

The event also provided an opportunity to celebrate one of Nigeria's shining stars, Eniola Bolaji, a paralympian who has dominated the global stage this year, winning all four international championships she featured in. Mallam Dikko applauded her achievements, disclosing that she has been placed in Category A of the NSC's athlete grant programme for the last quarter. He also presented her with the prestigious African Women Award in Sports.

Speaking earlier, Abia's Sports Commissioner, Hon. Ananaba, said that the state's consistent investment in para-badminton over the past decade reflects its broader agenda of inclusion through sports. He assured that the forthcoming events will spotlight Nigeria's capacity to host world-

class tournaments.

Similarly, BFN President, Mr. Orbih, revealed that 16 countries have confirmed participation in the international para-badminton championships while 15 countries will compete in the continental edition—a development he described as a major boost for Nigerian sports diplomacy.

With Abia State taking the lead, stakeholders agree that the Adopt-a-Sport model offers a blueprint for other states to deepen grassroots development, promote inclusivity, and position Nigeria more strongly in the international sports arena.



Ms. Eniola Bolaji, a paralympian, with her recent award

REA, Delta Sign \$158m Deal To Light Up 386,000 Residents With Renewable Energy



L - R: Mr. Sheriff Oborewori, Delta State Governor, in a handshake with Dr. Abba Aliyu, Managing Director of REA, during the signing of the MoU in Abuja.

By Musa Ibrahim

The Rural Electrification Agency (REA) has joined forces with the Delta State Government to tackle one of the state's biggest challenges: access to reliable electricity.

More than 60 percent of Delta communities remain off-grid, but a newly signed Memorandum of Understanding (MoU) in Abuja promises change. The agreement states that there would be renewable and off-grid power to over 386,000 residents through 120,217 new connections. It is also expected to unlock \$158 million in private sector investment and boost Delta's \$2.9 billion economy.

Mr. Sheriff Oborewori, Delta State Governor, described the deal as central to his administration's more Agenda and medium-term development plan (2024–2027).

"Electricity access drives productivity, investment, and better livelihoods," Mr. Oborewori said. "Off-grid solutions like solar and wind power can transform communities that have waited too long for the national grid."

He stressed that the initiative goes beyond lighting homes. According to him, it will boost healthcare, improve education, create jobs, and strengthen local industries. The governor pledged to reduce bureaucratic bottlenecks and make the state more attractive to investors.

The Governor revealed that Delta is also developing an 8.5MW independent power plant in

Asaba to serve government offices and key public facilities. Noting that, its broader energy strategy includes solar mini-grids, hybrid solar-wind systems, solar farms, and energy-as-a-service models for businesses.

"Delta offers sound, revenue-driven opportunities," Mr. Oborewori stated. "Investors can benefit while rural communities gain reliable electricity. With duty waivers, grants, and concessional financing now available, this is the right time to invest."

Dr. Abba Aliyu, Managing Director of REA disclosed that 471 mini-grid sites have been identified across the state, with Ndokwa East alone hosting over 83 locations.

"Each village can average about 255 connections, making Delta highly attractive for mini-grid investments," he said. "These projects could create more than 31,000 jobs and electrify over 120,000 buildings."

Aliyu commended Delta's electrification plan and highlighted REA's readiness to support the programme with \$1.16 billion in nationwide funds. He also pointed to the potential for a \$53 billion, 600MW solar panel assembly plant that could further strengthen the state's renewable energy drive.

The MoU marks a major milestone in Delta's push for energy access. Both parties expressed confidence it would spur rural development, improve social services, and bring the state closer to universal electricity coverage.

Reforms Nuggets

FG, States, L G s Share N2.001trn For July 2025

The federal government, states, and local councils have shared N2.001 trillion as July 2025 Federation Account revenue.

The allocation was finalized during the August FAAC meeting in Abuja.

Breakdown of the distributable revenue:

Statutory Revenue: N1.282 trillion

VAT: N640.61 billion

Electronic Money Transfer Levy (EMTL): N37.60 billion

Exchange Difference: N39.75 billion

Revenue distribution:

Federal Government – N735.08 billion

States – N660.35 billion

Local Government Councils – N485.04 billion

Derivation (13% for oil-producing states) – N120.36 billion

Month-to-month comparison:

Gross statutory revenue for July stood at N3.07 trillion, down N415.11 billion from June's N3.48 trillion.

VAT collections rose slightly to N687.94 billion, up from N678.17 billion in June.

Revenue performance:

Increases were recorded in Petroleum Profit Tax, Oil & Gas Royalties, EMTL, and Excise Duty.

Companies Income Tax and CET levies declined.

Africa Must Stop Mortgaging Its Future For Borrowed Pennies

Africa is standing on the edge of a dangerous cliff, and the warning lights are blinking furiously. For decades, economists and policy-makers have spoken in hushed tones about the continent's growing debt burden. Today, those warnings are no longer abstract. They are real, they are visible, and they are damning.

The facts are stark. Africa faces an annual infrastructure financing gap of \$170 billion. That gap should have been an invitation to creativity, productivity, and disciplined investment. Instead, many African governments have chosen the easy road - digging deeper into debt holes so massive that generations yet unborn may never climb out.

A recent study by the Boston University Global Development Policy Center and the Institute for Economic Justice lays bare the reality: debt servicing in Africa has reached levels not seen since the debt crisis of the early 2000s. More than half of African governments are now spending more money paying interest to creditors than they spend on public healthcare. Let that sink in. In a continent plagued by malaria, malnutrition, and maternal deaths, governments are prioritizing foreign creditors over their own citizens' survival.

Let us be brutally honest with ourselves. Africa is not borrowing to build; Africa is borrowing to survive. To patch leaking budgets. To pay salaries. To fund consumption. To cover corruption. And because most of these loans are not invested in productive, value-creating ventures, they leave behind nothing but mountains of debt and empty promises. This is not development financing. This is recklessness dressed up in fine suits and PowerPoint slides.

Yes, debt restructuring and concessional loans can buy time. But they are painkillers, not cures. They are temporary oxygen for a patient who refuses to undergo surgery. Without confronting the cancers of corruption, waste, and illicit financial flows, Africa will remain the world's most tragic borrower - rich in resources, poor in accountability, permanently indebted.

As Dr. Akinwumi Adesina, the President of African Development Bank (AfDB), has repeatedly argued, the battle is not about who signs the next loan agreement. The real battle is about who plugs the leakages. Africa loses billions of dollars every year to corruption and illicit financial flows. Public officials siphon funds meant for roads, power, and hospitals. Shell companies abroad receive stolen assets with little resistance. Foreign banks launder dirty money, while African citizens are left to beg for crumbs.

Imagine those billions re-directed into schools, hospitals, and modern railways. Imagine African farmers receiving credit and infrastructure support, rather than watching stolen funds disappear offshore. Instead, our governments stretch out begging bowls to the same international financiers, pleading for loans denominated in currencies we do not control, at rates we cannot sustain.

This is not just an economic disaster. It is a moral collapse. When a government spends more on debt interest than on the health of its children, it forfeits its moral right to govern. When millions of young Africans are told there is no money for jobs, no money for electricity, no money for schools, yet the same governments sign inflated loan deals for vanity projects, they are being robbed twice: robbed of their present, and robbed of their future.

The private sector also bears the burden. Small and medium-sized enterprises (SMEs), which form the backbone of African economies, are starved of capital. Every dollar used to service external debt is a dollar not invested in local innovation, job creation, or manufacturing. Debt is not only killing governments - it is strangling African entrepreneurship.

The cycle is vicious: we borrow today to pay for yesterday, while mortgaging tomorrow. Africa's leaders talk about "infrastructure financing," but



too often the projects do not yield returns strong enough to cover the loans. We build roads that do not connect industries. We erect power plants that do not power factories. We sign contracts bloated with corruption premiums. And when the bills fall due, we borrow again - digging the pit deeper.

Africa must wake up. Borrowing should be the last option, not the first reflex. We must return to the basics of sound governance: Mobilize domestic resources by expanding fair taxation without suffocating the poor; plug leakages through radical transparency and accountability; harness natural resources by insisting on value addition rather than raw exports; and invest in youth and micro, small and medium enterprises (MSMEs), the true engines of job creation and innovation.

Above all, leaders must rediscover the discipline

REFORM TALKS

with

Enam Obiosio



to say "no" to loans that do not build sustainable wealth. The era of reckless borrowing for consumption must end. Africa is at a crossroads. Down one road lies dependency, humiliation, and stagnation, an endless loop of begging, borrowing, and repaying. Down the other road lies self-reliance, productivity, and dignity. The harder road demands courage. Courage to reform institutions. Courage to prioritize citizens over creditors. Courage to reject the easy money of debt in favor of building wealth the old-fashioned way: through production and innovation.

Africa is not poor in resources. Africa is not poor in talent. Africa is not poor in opportunity. What Africa lacks is political will. That is the missing currency of development. If our leaders continue this reckless path, the next generation will inherit a continent rich in debt but poor in dignity. But if they act now - if they curb corruption, halt illicit flows, cut waste, and invest in domestic wealth, Africa can break free. We can build our future with our own hands, not on the terms of creditors, but on our own terms.

In the end, Africa's real struggle is not against creditors, but against complacency. If leaders continue to depend on debt as the default response to every fiscal challenge, then the continent will remain trapped in a cycle of dependency that strips away sovereignty and leaves nations vulnerable to external shocks. The greatest betrayal would be to pass this crisis on to the youth, who already carry the heaviest burden of unemployment and social instability.

Africa must therefore choose courage over convenience. The path forward demands tough reforms, visionary leadership, and a radical commitment to accountability. Instead of borrowing to consume, the continent must invest to produce. Instead of chasing short-term relief, governments must build long-term resilience. Only then will Africa break free from the chains of debt and unlock its rightful destiny as a continent of prosperity and pride.

We can build our future with our own hands, not on the terms of creditors, but on our own terms