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The Reforms

Championing good governance, Driving Development



Monday 19 Jan. - Sunday 25 Jan., 2026

32nd Edition

Nigeria's Reform Efforts, Open Markets, Green Capital, Create Valuable Trade Energy




President Bola Ahmed Tinubu

At a moment when Nigeria is redefining its economic story beyond oil and volatility, two policy moves have converged to signal a deeper shift. Led by **President Bola Ahmed Tinubu** in company of **Dr. Jumoke Oduwole**, Honourable Minister of Industry, Trade and Investment, one opens borders through trade liberalisation with a strategic

Middle Eastern partner while the other mobilises climate finance at scale, positioning sustainability as a growth engine rather than a constraint. Together, they frame a reform narrative that speaks not just to markets, but to Nigeria's long-term economic identity. **Enam Obiosio** writes.

Nigeria's reform story has often unfolded in fragments, fiscal adjustments here, FX reforms there, promises of diversification always just ahead of delivery. In early 2026, however,

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two policy decisions landed almost simultaneously, drawing a clearer picture of where the country is heading. One was the signing of a far-reaching trade pact with the United Arab Emirates (UAE) that dismantles tariffs on over 13,000 goods between both countries. The other was the unveiling of a \$2 billion national climate fund, anchoring Nigeria's energy transition and green industrialisation ambitions.

Individually, each move matters. Taken together, they signal something more structural, an attempt to rewire Nigeria's trade, investment, and production logic in a world defined by supply chain rebalancing, climate finance, and geopolitical realignments.

A Trade Pact Built for Market Access

The Nigeria-UAE Comprehensive Economic Partnership Agreement (CEPA) signed on January 13, 2026, marks Nigeria's most ambitious bilateral trade agreement outside Africa in recent years. Under the deal, Nigeria has eliminated tariffs on 6,243 products imported from the UAE, while the UAE has removed tariffs on 7,315 products from Nigeria. The agreement was negotiated by Dr. Oduwale, alongside the Federal Ministry of Justice and the Nigeria Customs Service.

The pact was signed in the presence of President Bola Tinubu and UAE President Sheikh Mohamed bin Zayed Al Nahyan, with UAE Minister of Foreign Trade Dr Thani bin Ahmed Al Zeyoudi as co-signatory. Symbolism aside, the structure of the deal reveals a deliberate attempt to balance openness with domestic protection.

Nigeria will immediately remove tariffs on 3,949 UAE products, about 63.3 percent of the total, while phasing out tariffs on 2,294 products over five years. It excluded 123 products entirely from liberalisation, including sensitive food items such as meat, dairy, vegetable oils, cocoa preparations, tomato paste, alcoholic beverages, soaps, detergents, and certain textiles. The Import Prohibition List remains intact.

On the UAE side, 2,805 Nigerian products will enjoy immediate tariff-free access, while 1,468 products will be liberalised within three years and 3,042 over five years. The UAE excluded or prohibited 593 products, maintaining restrictions on items such as pork, narcotic substances, used tyres, and asbestos-containing products.

This calibrated approach underscores Nigeria's core concern, opening markets without undermining local production capacity.

Non-oil Exports Move to the Foreground

The real significance of the CEPA lies not in the tariff numbers alone, but in the composition of goods covered. Nigerian agricultural and primary products stand to gain immediate access to the UAE market. Tariffs are removed on fish and seafood, cereals and milling products, oil seeds, live animals and meat products, fruits and nuts, cotton, vegetable textile fibres, raw hides and skins, and other animal products.

Over a three-to-five-year period, tariffs will also be eliminated on cocoa and cocoa preparations, coffee, tea and spices, mineral fuels, wood and wood articles, precious stones and metals, and animal and vegetable fats and oils.

For industrial and manufactured goods, the UAE is removing tariffs on pharmaceutical products, chemicals, paper and paperboard, printed books, and newspapers immediately, while phasing out duties on machinery, vehicles, electrical equipment, apparel, furniture, footwear, ceramics, and glass.

For Nigeria, this represents something more than

export expansion. It is an attempt to reposition itself within global value chains, shifting from raw commodity exports toward processed, manufactured, and semi-industrial goods.

What Nigeria Opens, and What It Protects

Nigeria's side of the deal provides market access for UAE industrial and consumer goods, including mineral fuels, machinery, vehicles, electrical equipment, iron and steel, and plastics. Tariffs on fish, fruits, vegetables, and apparel from the UAE will be phased out over five years.

Yet the exclusions matter as much as the openings. By shielding food staples, agro-processing outputs, and select manufactured goods, Nigeria is signalling that liberalisation will not be blind. Instead, it will be sequenced around domestic industrial policy and food security concerns.

This approach reflects lessons drawn from earlier liberalisation episodes, particularly those that weakened local manufacturing without delivering export competitiveness.

Beyond Goods, Services and Mobility

CEPA goes well beyond trade in goods. Nigeria committed to opening 99 specific services across 10 sectors, while the UAE opened 108 services across 11 sectors. Nigerian business visitors can now enter the UAE to explore opportunities in covered sectors, establish corporate entities, and operate with clearer regulatory protections.

For Nigerian professionals, startups, logistics firms, and digital service providers, the agreement reduces friction in one of the world's most connected commercial hubs. For the UAE, it strengthens access to Africa's largest consumer market and Nigeria's role as a gateway to ECOWAS and the African Continental Free Trade Area.

The government has been explicit that the agreement aligns with Nigeria's obligations under the World Trade Organisation, AfCFTA, and ECOWAS, without undermining regional integration.

Green Finance as Economic Strategy

If trade liberalisation defines Nigeria's external opening, climate finance now defines its investment pitch. Speaking at Abu Dhabi Sustainability Week, President Tinubu unveiled plans for a \$2 billion National Climate Change Fund, alongside a Climate

Nigeria will immediately remove tariffs on 3,949 UAE products, about 63.3 percent of the total, while phasing out tariffs on 2,294 products over five years.

Investment Platform targeting at least \$500 million for climate-resilient infrastructure.

The goal is ambitious. Nigeria aims to unlock between \$25 billion and \$30 billion annually in climate finance to support its Energy Transition Plan, which targets net-zero emissions by 2060 while delivering universal energy access to over 200 million people.

For a country that remains Africa's largest oil producer, the challenge is stark. Gas flaring, methane emissions, grid inefficiencies, and power access gaps coexist with a global shift away from fossil fuels. Ni-

geria's response is to treat climate action not as a cost, but as an investment opportunity.

Investor Appetite Tells a Story

The government's confidence is not entirely speculative. Nigeria's recent green bond issuances have drawn strong demand. A N50 billion sovereign green bond issued in 2025 attracted N91 billion in subscriptions. Lagos State's green bond was oversubscribed by nearly 98 percent.

These signals matter in global capital markets, where appetite increasingly tracks climate-aligned assets. The Nigeria Sovereign Investment Authority's \$500 million Distributed Renewable Energy Fund, launched in March 2025, has further demonstrated that domestic institutions can catalyse private capital for clean energy solutions.

To complement these flows, the government has launched a Climate and Green Industrialisation Investment Playbook, designed to help investors navigate Nigeria's manufacturing policies, incentives, and regulatory frameworks.

Trade, Climate, and a Single Reform Narrative

What ties the CEPA and the climate fund together is not coincidence, but strategy. Both were announced in Abu Dhabi. Both emphasise market access, investor protection, and long-term capital. Both position Nigeria as open, reform-oriented, and aligned with global economic currents.

Under CEPA, renewable energy, aviation, logistics, agriculture, digital trade, and climate-smart infrastructure are priority sectors. These align directly with Nigeria's energy transition goals and its push to diversify away from oil dependence.

According to President Tinubu, non-oil exports have grown by 21 percent, while investment commitments now exceed \$50 billion across key sectors. Whether these figures translate into sustained growth will depend on execution, but the direction is clear.

Technology, Blended Finance, and Fiscal Reality

The administration is also prioritising technology partnerships, modernising the electricity grid, deploying artificial intelligence for efficiency, and rolling out pilot projects in electric mobility and green industrialisation.

Crucially, Tinubu has argued for greater use of blended finance structures that combine public, philanthropic, and private capital. His argument is pragmatic. Sovereign guarantees, while attractive, often increase fiscal pressure. Blended finance spreads risk more equitably and aligns incentives across stakeholders.

This framing reflects a broader shift in how emerging economies engage with global capital, moving from debt-heavy models toward partnership-driven investment structures.

Implementation Will Decide the Outcome

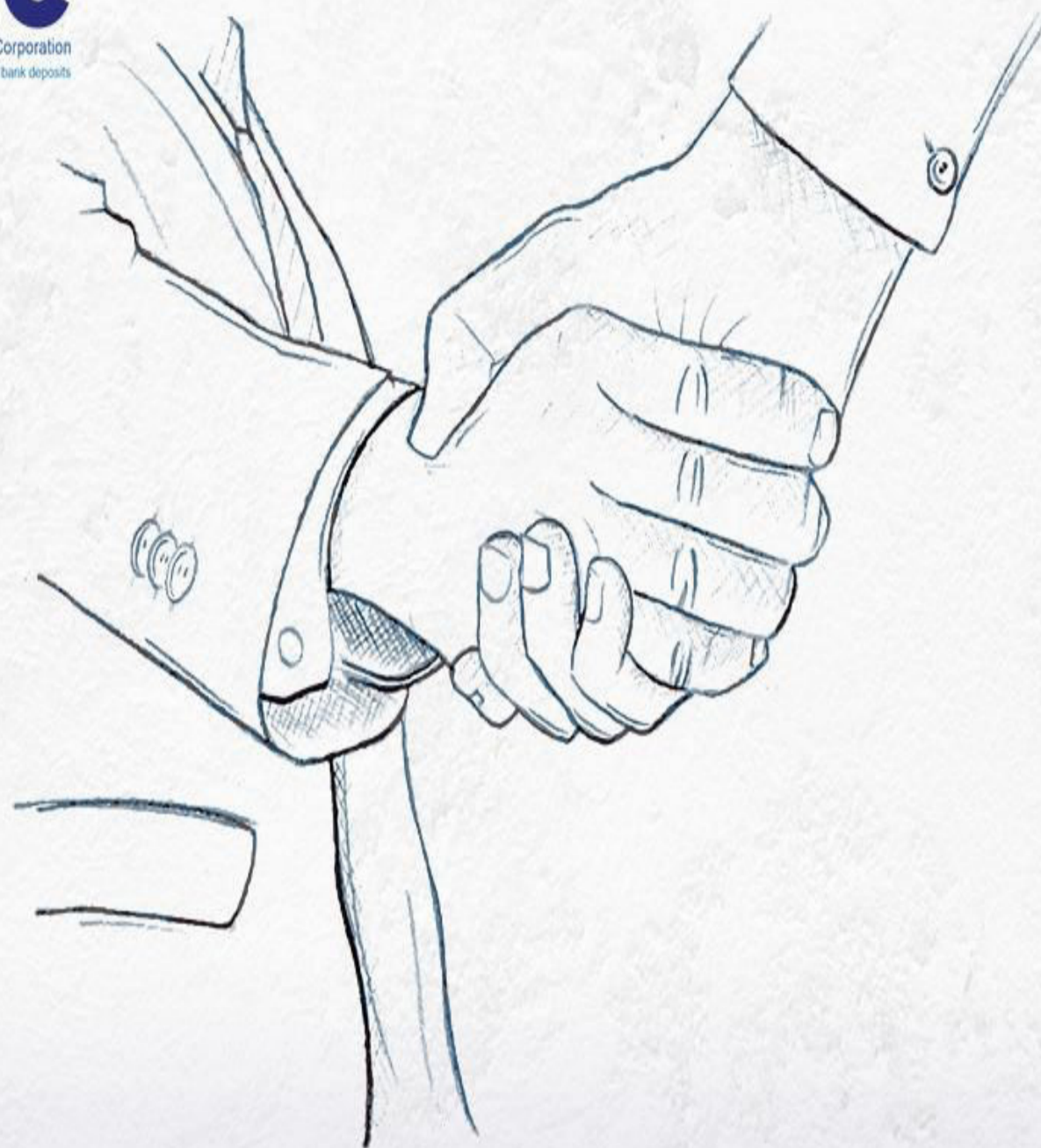
As with all reform agendas, the real test lies beyond announcements. The federal government has pledged to work with the Nigeria Customs Service, the Nigerian Export Promotion Council, and the Nigerian Investment Promotion Commission to implement CEPA, clarify rules of origin, and facilitate trade flows.

Exporters and investors have been advised to seek detailed guidance on product coverage, services commitments, and procedures. Without administrative efficiency, tariff liberalisation risks becoming theoretical rather than transformational.



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EDITORIAL**Why Nigeria's Mining Reforms Must Not Stop At Refining**

Nigeria's decision to activate a high-purity gold refinery in Lagos and prepare a \$600 million lithium processing plant for commissioning in Nasarawa State marks one of the clearest policies shifts the country has made in decades in the solid minerals sector. For too long, Nigeria's mining story has been one of extraction without transformation, of resources leaving the country in raw form while value, jobs, and technology were created elsewhere. These new facilities signal that the country is finally beginning to close that historic gap.

We see this moment as more than an infrastructure milestone. It is a statement of intent. By prioritising in-country processing and beneficiation, the government is redefining how Nigeria participates in global commodity markets, particularly those tied to the green energy transition. As demand for critical minerals accelerates worldwide, countries that only dig and export will remain price takers, while those that process and refine will shape value chains. Nigeria is signalling that it wants to be in the latter category.

The remarks by the Minister of Solid Minerals Development, Dele Alake, underline this shift. His emphasis on value addition, job creation, and industrial development reflects a growing recognition that mining must be treated as an industrial policy lever, not merely a revenue source. The disclosure that three additional gold refineries are at various stages of development further strengthens this narrative. Refining capacity at scale is what separates mineral potential from mineral power.

Lithium deserves special attention. The near-commissioning of the Nasarawa lithium plant places Nigeria directly within the global clean-energy supply chain, where batteries, electric vehicles, and renewable storage systems

are reshaping industrial priorities. In this space, raw ore exports offer limited returns, while processed lithium commands strategic relevance. We believe this facility has the potential to reposition Nigeria from a peripheral supplier to a meaningful participant in the energy transition economy.

However, value addition alone is not enough. Processing minerals locally must translate into domestic capability, not just enclaves of foreign-owned infrastructure. This is where partnerships matter. The engagement between Nigeria and Saudi Arabia, discussed ahead of the Future Minerals Forum in Riyadh, offers a useful template. Cooperation in capacity building, technology transfer, professional training, and exploration is precisely what Nigeria needs to avoid repeating old patterns where assets exist but skills and control do not.

Saudi Arabia's Minister of Industry and Mineral Resources, Ibrahim Al-Khorayef, was right to stress practical, results-driven collaboration. We agree that forums and memoranda only matter if they lead to concrete outcomes. A joint working group that focuses on traceability, ESG standards, and mine-pit remediation speaks directly to the credibility gap that has long plagued Nigeria's mining sector.

Illegal mining, weak environmental oversight, and opaque mineral flows have discouraged serious investors for years. If Nigeria is to be taken seriously as a minerals hub, traceability must move from policy language to enforceable systems. Clear timelines, transparent monitoring, and penalties for non-compliance are not optional. They are the price of entry into global value chains increasingly governed by sustainability standards.

We also see an important subnational dimension in these reforms. The lithium plant in Nasarawa and gold refining in

Lagos illustrate how mining-linked industrialisation can reshape state economies. Processing facilities create demand for power, logistics, services, and skilled labour, effects that ripple far beyond mine sites. If properly managed, this could help diversify state revenues and reduce over-dependence on federal allocations.

Yet this is also where risks lie. Without strong coordination between federal and state authorities, mining projects can exacerbate land disputes, environmental degradation, and community tensions. People-centred development must apply to minerals as much as to justice or infrastructure. Host communities must see clear benefits in jobs, social investment, and environmental protection, or the legitimacy of these reforms will erode.

We are encouraged by the government's stated focus on ESG standards and remediation. But credibility will depend on enforcement, not intent. Nigeria's mining reforms must avoid becoming another chapter where good policy is undermined by weak execution.

Ultimately, we see the gold refinery and lithium plant as symbols of a broader choice. Nigeria can continue to sit on vast mineral wealth while exporting raw value, or it can use this moment to build an integrated minerals-industrial ecosystem that supports manufacturing, energy transition, and technological learning. The current direction is promising, but momentum is fragile.

Sustaining this progress will require regulatory consistency, investor confidence, skilled manpower development, and above all, discipline. If Nigeria can align policy, partnerships, and people around this agenda, the solid minerals sector could finally move from the margins to the centre of national development. We believe this is a bet worth making, and one the country cannot afford to abandon halfway.

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.

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Inflation Rebased, Price Pressures Cool As Nigeria's Headline Rate Falls To 15.15%

By Ahmed Ahmed

Nigeria's headline inflation rate eased sharply to 15.15 percent in December 2025, reflecting a combination of slowing price momentum and a major methodological adjustment by the National Bureau of Statistics. The new figure marks a significant moderation from both the preceding month and the exceptionally high levels recorded a year earlier, offering cautious relief after a prolonged period of inflation stress.

According to the latest Consumer Price Index (CPI) report released by the NBS, the headline CPI rose to 131.2 points in December from 130.5 points in November, indicating that average prices continued to increase, but at a much slower pace. On a year-on-year basis, inflation fell from 17.33 percent in November 2025 and was dramatically lower than the 34.80 percent recorded in December 2024.

The bureau attributed the sharp deceleration largely to changes introduced after the rebasing of the CPI, alongside easing month-to-month price pressures across key consumption categories.

Monthly Inflation Slows Further

On a month-on-month basis, headline inflation stood at 0.54 percent in December, down from 1.22 percent in November. The NBS said this showed that the rate of increase in average prices slowed considerably in the final month of the year, pointing to easing short-term inflationary pressures.

Despite the softer monthly reading, the bureau cautioned that inflationary conditions over the full year remain elevated. The twelve-month average inflation rate for the period ending December 2025 stood at 23.01 percent, underscoring the cumulative burden of price increases faced by households throughout the year.

Why the Numbers Changed

The December figures followed a methodological review that altered how year-on-year inflation is calculated. Instead of using a single-month reference period, the NBS computed headline inflation and other sub-indices using a twelve-month index reference period, with the average CPI for 2024 set to 100.

According to the bureau, relying on a single-month base would have produced an artificial spike in December's year-on-year inflation rate, driven by base effects rather than actual price movements. The adjustment, it said, aligns Nigeria's CPI framework with international standards outlined in the IMF Consumer Price Index Manual and the ECOWAS Harmonised CPI Manual.

Earlier in December, the NBS had reported November inflation at 14.45 percent year on year. Following the review, the November rate was revised upward to 17.33 percent, reflecting the new methodology.

Food Inflation Shows the Sharpest Relief

Food inflation, a major pressure point for Nigerian households, recorded one of the steepest improvements. The food inflation rate fell to 10.84 percent year on year in December 2025, compared with 39.84 percent in December 2024.

On a month-on-month basis, food inflation declined by 0.36 percent, reversing the 1.13 percent increase recorded in November. The NBS linked the improvement to falling average prices of staple food items including tomatoes, garri, eggs, millet, vegetables, plantain, beans, wheat grain, ground pepper, fresh onions, potatoes, and carrots.

Over the twelve-month period, however, average food inflation remained high at 22.00 percent, reflecting the persistence of earlier supply and cost pressures.

Core Inflation Also Moderates

Core inflation, which excludes volatile food and energy



prices, also eased notably. The index fell to 18.63 percent year on year in December 2025 from 29.28 percent a year earlier.

Month on month, core inflation slowed to 0.58 percent from 1.28 percent in November, while the twelve-month average core inflation rate stood at 23.49 percent. The moderation suggests easing pressure across non-food components such as services and manufactured goods.

Urban and Rural Inflation Trends Diverge

Both urban and rural inflation rates eased sharply on a year-on-year basis. Urban inflation declined to 14.85 percent in December 2025 from 37.29 percent a year earlier, while rural inflation fell to 14.56 percent from 32.47 percent.

On a month-on-month basis, however, the picture was mixed. Urban inflation edged up slightly to 0.99 percent from 0.95 percent in November, while rural inflation recorded a decline of 0.55 percent, compared with a 1.88 percent increase in the previous month.

The twelve-month average inflation rate stood at 23.46 percent for urban areas and 21.93 percent for rural areas.

Energy Up, Services and Goods Ease

Sub-indices showed varied movements in December. Farm produce prices declined by 0.41 percent month on month, reversing the increase recorded in November. Energy prices rose by 2.74 percent, higher than the 1.08 percent increase a month earlier, reflecting ongoing cost pressures in fuel and power-related items.

Services inflation slowed sharply to 0.15 percent from 1.78 percent, while goods inflation eased marginally to 0.64 percent from 0.73 percent.

Wide Gaps Across States

State-level data revealed significant disparities in inflation outcomes. On a year-on-year basis, Abia recorded the highest all-items inflation rate at 19.03 percent, followed by Ogun at 18.80 percent and Katsina at 18.66 percent. Sokoto recorded the slowest increase at 8.61 percent, with Plateau and Kaduna also posting relatively low rates.

Month-on-month figures showed Cross River recording the highest increase at 3.11 percent, followed by Abia and Delta. Ondo posted the sharpest decline at minus 3.74 percent, while Gombe and Jigawa also recorded notable decreases.

Food inflation followed a similar pattern, with Yobe recording the highest year-on-year food inflation, followed by Ogun and the Federal Capital Territory, while Akwa Ibom, Sokoto, and Plateau recorded the slowest increases.

The NBS cautioned against direct interstate comparisons, noting that consumption baskets and CPI weights differ across states, making simple comparisons potentially misleading.

Explaining the Rebase Effect

Addressing concerns about possible data distortions, the Statistician General of the Federation and NBS Chief Executive Officer, Adeyemi Adeniran, said the bureau had anticipated confusion around the December figures.

He explained that the CPI rebasing adopted 2024 as the new base year after a 15-year gap from the previous 2009 base, creating temporary base effects that could exaggerate year-on-year movements.

According to him, such base effects are common in index-based measurements and do not necessarily reflect structural changes in the economy. What matters, he said, is clear communication so users understand when inflation movements are driven by arithmetic adjustments rather than underlying price dynamics.

What the Data Signals

The December inflation data suggest that Nigeria is entering 2026 with easing short-term price pressures, particularly on food, even as the broader inflation environment remains elevated when viewed over the full year.

For policymakers and markets, the challenge now lies in sustaining the downward momentum through supply-side reforms, stable energy pricing, and disciplined macroeconomic management, while ensuring that technical adjustments in data reporting do not obscure the real cost-of-living pressures faced by households.



Funding Nigeria's Agriculture, Growing Prosperity

How Nigeria–UAE Trade Deal Rewrites The Economic Map For States



By. Majeed Salaam

When Nigeria signed the Comprehensive Economic Partnership Agreement with the United Arab Emirates in January 2026, the announcement was framed largely in national terms, tariffs eliminated, exports expanded, investment inflows unlocked. Yet buried within the agreement's structure is a quieter but potentially more transformative story, one that directly touches Nigeria's states, cities, and local economies.

A close reading of the CEPA Information Note issued by the Federal Ministry of Industry, Trade and Investment shows that while the agreement is signed at the federal level, its most tangible benefits will be realised subnationally, through agriculture belts, industrial corridors, mining zones, tourism hubs, and service clusters spread across the country.

Tariff-Free Exports Begin at the State Level

The CEPA eliminates tariffs on 7,315 Nigerian products entering the UAE market, with immediate or phased liberalisation across agricultural, primary, industrial, and manufactured goods. These goods are not produced in Abuja, they are produced in states.

For agricultural and primary products enjoying immediate tariff removal, fish and seafood directly benefit coastal and riverine states such as Lagos, Rivers, Akwa Ibom, Bayelsa, Delta, Ondo, and Cross River. Cereals and milling products link northern grain belts including Kaduna, Niger, Kebbi, Kano, and Plateau to new export channels. Oil seeds, cotton, raw hides, skins, and leather tie into long-standing production bases in states such as Katsina, Zamfara, Jigawa, Sokoto, and Oyo.

Over the medium term, cocoa and cocoa preparations connect Ondo, Osun, Ekiti, Ogun, Cross River, and Edo to value-added export opportunities, while coffee, tea, and spices open pathways for Plateau, Taraba, and parts of the Middle Belt. Wood and wood articles anchor opportunities in Edo, Ondo, Cross River, and Ogun, while precious stones and metals link directly to solid mineral-producing states such as Nasarawa, Zamfara, Kaduna, and Niger.

In effect, CEPA internationalises state-level production, turning local comparative advantages into export-facing assets.

Industrial Clusters Gain a New Export Destination

For Nigeria's emerging industrial states, the agreement's manufactured goods coverage is particularly significant. Pharmaceutical products, chemicals, paper, and printed materials enjoy immediate tariff-free access to the UAE, while machinery, vehicles, electrical equipment, apparel, furniture, ceramics, and glass are liberalised over three to five years.

This directly benefits manufacturing clusters in Lagos, Ogun, Oyo, Anambra, Abia, Delta, and Rivers, states that have invested heavily in industrial parks, free trade zones, and SME manufacturing ecosystems. As tariffs fall, the UAE becomes not just a market, but a gateway into the wider Gulf and Middle East region.

For subnational governments, this shifts industrial policy incentives. Power supply, logistics access, and regulatory efficiency at the state level now have a direct export payoff.

Services Trade Brings States into the Deal

One of the least discussed but most subnationally relevant aspects of CEPA is services trade. Nigeria secured market access for 99 services across 10 sectors, while the UAE opened 108 services across 11 sectors.

Tourism and travel-related services benefit states positioning themselves as hospitality destinations, Lagos, Cross River, Akwa Ibom, Ogun, and the Federal Capital Territory. Creative industries and media services link Lagos, Anambra, Enugu, Rivers, and Kwara to Dubai-based media ecosystems, with Nigerian film, digital media, and entertainment services permitted to operate within Dubai Media City.

Professional services open doors for engineers, architects, urban planners, medical professionals, consultants, and software developers based in states with strong human capital pools. This matters for state-level talent retention. Instead of relocating permanently, professionals can operate cross-border while remaining economically

anchored at home.

Investment Flows Land in States, Not the Centre

CEPA explicitly addresses impediments to foreign direct investment from the UAE into Nigeria and positions Nigeria as a preferred destination for high-quality capital. In practice, these investments will land in states.

Real estate, logistics, agriculture, renewable energy, healthcare, and infrastructure projects are inherently subnational. States with clear land administration systems, bankable project pipelines, and investment-ready frameworks stand to attract the earliest inflows.

The agreement also strengthens Nigeria's positioning as a gateway into the ECOWAS and African Continental Free Trade Area markets. States hosting ports, dry ports, logistics hubs, and border trade infrastructure, Lagos, Ogun, Oyo, Kano, Kaduna, and Rivers, gain strategic relevance as trade corridors rather than just administrative units.

Mining States Gain from Rules of Origin and Traceability

For solid mineral-producing states, CEPA's rules of origin chapter is a quiet breakthrough. By ensuring that tariff preferences apply only to goods genuinely produced in Nigeria, the agreement incentivises local processing and traceability.

This supports states such as Nasarawa, Niger, Kaduna, Zamfara, and Plateau, where lithium, gold, and other critical minerals are found. Processing minerals locally, rather than exporting raw ores, allows states to capture more value, create skilled jobs, and integrate into global clean-energy supply chains.

As traceability becomes a prerequisite for market access, states that invest in regulatory clarity, environmental standards, and data systems will attract both investors and export demand.

Infrastructure and Capital Goods Lower State-Level Costs

Nigeria's commitment to eliminate tariffs on UAE industrial inputs and capital goods has subnational implications. Machinery, electrical equipment, iron and steel, plastics, and vehicles are essential inputs for state-level infrastructure, construction, and industrial projects.

Lower tariffs reduce project costs for roads, housing, power, water systems, and industrial parks, improving the economics of state-led development initiatives. For fiscally constrained states, this reduction in import costs can be as impactful as new revenue streams.

What States Must Do to Capture the Gains

The agreement alone does not guarantee subnational benefits. Implementation will be decisive. States that align quickly with federal agencies such as the Nigeria Customs Service, Nigerian Export Promotion Council, and Nigerian Investment Promotion Commission will be better positioned to help local producers meet rules of origin, quality standards, and export procedures.

Export desks, investment promotion agencies, land banks, and sector-specific strategies are no longer optional. CEPA rewards readiness.

A Trade Deal That Decentralises Opportunity

The Nigeria–UAE CEPA is often described as a national trade breakthrough. In reality, it is a decentralising agreement. It shifts opportunity outward, from the centre to the states, from policy to production, from aspiration to execution.

For Nigeria's subnationals, the agreement is not a diplomatic headline but an economic instrument. Those that recognise this early will not only export more, they will redefine their role in Nigeria's growth story.



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NEITI Confirms Record N6trn FAAC Windfall, Fiscal Relief Meets Oil Market Reality



By Jennete Ugo Anya

Nigeria's public finances received an extraordinary boost in the third quarter of 2025 as total disbursements from the Federation Account Allocation Committee reached an unprecedented N6 trillion, the highest in the country's history. The milestone, confirmed by the Nigerian Extractive Industries Transparency Initiative, reflects a sharp rise in federation account receipts, easing debt pressures on states and strengthening fiscal inflows across all tiers of government.

Yet beneath the headline figure lies a familiar tension. The gains were driven largely by oil-linked revenues at a time when global crude markets remain volatile, a reality that could quickly reverse the fiscal momentum if not carefully managed.

A Historic Quarter for Public Revenues

According to NEITI's Quarterly Review for Q3 2025, released on January 14, 2026, the N6 trillion shared among the federal, state, and local governments includes statutory allocations as well as the 13 percent derivation payments to oil-producing states.

Compared with the same period in 2024, quarterly FAAC allocations in 2025 rose by 55.6 percent, effectively more than doubling allocations within two years. The distribution showed the federal government receiving N2.19 trillion, states N1.97 trillion, and local governments N1.45 trillion.

The scale of the disbursement underscores how improved inflows, supported by stronger oil receipts and exchange rate effects, have reshaped the revenue landscape in the short term.

What Drove the N6 Trillion Allocation

NEITI's review shows that statutory revenues accounted for 62 percent of total shared receipts, while Value Added Tax contributed 34 percent. The Electronic Money Transfer Levy and augmentation from the non-oil excess revenue account each accounted for two percent.

For the 36 states, the allocation pool comprised statutory revenues, VAT, EMTL, and the Ecological Fund. In addition, states received a N100 billion augmentation from the non-oil excess revenue account, a boost that further lifted quarterly inflows.

The composition of the revenue mix highlights a modest but growing contribution from non-oil sources, even as oil remains the dominant driver of distributable revenues.

Winners, Laggards, and the Allocation Gap

A closer look at state-level allocations reveals sharp disparities. Lagos State emerged as the highest recipient, with N179.3 billion for the quarter, translating to an aver-

age monthly inflow of N59.76 billion. Kano followed with N79.2 billion, while Rivers State received N78.8 billion.

At the lower end of the scale, Nasarawa State received N42.5 billion, Ebonyi N42.9 billion, and Ekiti N43 billion. Nasarawa's average monthly allocation stood at N14.1 billion, highlighting the wide fiscal gap between Nigeria's largest commercial hub and its smaller subnational economies.

The difference between the highest and lowest state allocations reached N136.8 billion in the quarter. Notably, Lagos' N179 billion intake was more than double the combined receipts of Kano and Rivers, underscoring the structural imbalances embedded in Nigeria's fiscal federalism.

Derivation Revenue Reshapes the Rankings

Derivation payments once again played a decisive role in altering state rankings. Nine oil-producing states received a combined N424 billion as 13 percent derivation revenue in Q3 2025.

The impact was material. NEITI's analysis shows that derivative states accounted for nearly half of gross FAAC allocations during the quarter. Among them, Delta State stood out, recording the highest gross revenue allocation at N180.68 billion.

Akwa Ibom, Bayelsa, Rivers, and Delta formed the leading cluster of oil-bearing states, reinforcing how resource geography continues to shape fiscal outcomes in Nigeria.

Debt Deductions Ease, but Pressures Remain

One of the more encouraging signals from the review was a reduction in debt-related deductions from state allocations. Total deductions for debt servicing and other obligations amounted to N225.89 billion, representing a 6.5 percent decline from the previous quarter.

The average debt service ratio across states stood at 9.4 percent, with individual ratios ranging from 1.5 percent to 26.8 percent. About one-third of states recorded debt service ratios below five percent, while more than two-thirds remained below ten percent.

However, the burden remains uneven. Ogun State topped the chart with a debt service ratio of 26.8 percent, closely followed by Lagos at 26.5 percent, while Cross River ranked third. These figures highlight persistent vulnerabilities among states with heavy debt obligations, even amid stronger revenue inflows.

Oil Market Signals Cloud the Outlook

Despite the strong Q3 performance, NEITI warned that early indicators for Q4 2025 point to potential headwinds. Average crude oil production declined from 1.64 million barrels per day in Q3 to 1.59 million barrels per day in the first month of Q4.

At the same time, oil prices softened while exchange rates edged higher compared with Q3 averages. If sustained, these trends could reduce foreign exchange-denominated inflows and compress distributable revenues

in the final quarter of 2025.

This outlook reinforces a long-standing concern. Nigeria's fiscal health remains closely tied to oil market dynamics, leaving public revenues exposed to external shocks.

Solid Minerals Still Absent from the Equation

The review also revealed a notable gap in Nigeria's diversification narrative. Derivation revenue from the solid minerals sector was unavailable for distribution in Q3 2025 because it was negligible and insufficient for sharing among federation account beneficiaries.

The last recorded distribution from solid minerals occurred in August 2024. This underscores the slow pace of translating mining sector reforms into tangible fiscal returns, despite repeated policy commitments to diversify revenue sources beyond oil.

NEITI's Call for Fiscal Discipline

Reacting to the report, NEITI's Executive Secretary, Musa Sarkin Adar, welcomed the strong remittance performance and the easing of debt pressures on states. However, he cautioned that volatility in global oil markets and optimistic budget benchmarks could undermine fiscal sustainability if left unaddressed.

NEITI urged the publication of up-to-date balances and liabilities for key federation accounts, including the Non-oil Excess Account, Domestic Excess Crude Account, Stabilisation Fund, Ecology Fund, and other mineral resource-linked accounts. Such disclosures, the agency argued, should include clear explanatory notes on FAAC transactions, refunds, net-offs, and priority project entries to deepen transparency.

Stabilisation Buffers and Realistic Benchmarks

Beyond transparency, the review emphasised the need for consistent application of Appropriation Act benchmarks when determining monthly distributable revenues. NEITI recommended greater use of the Stabilisation Account to smooth monthly disbursements and the transfer of exchange gains into stabilisation buffers.

It also called on governments at all levels to strengthen Nigeria's sovereign wealth and stabilisation capacity by committing to regular transfers into the Nigeria Sovereign Wealth Fund and related mechanisms, in line with fiscal responsibility frameworks.

At the budget level, NEITI advised adopting more conservative and achievable assumptions for crude oil production and prices. Realistic benchmarks, the agency argued, would reduce implementation gaps, contain deficits, and improve debt sustainability metrics.

Diversification as the Long-Term Answer

While the Q3 figures provide short-term relief, NEITI stressed that durable fiscal stability depends on accelerating revenue diversification. Priority areas include attracting investment into the mining sector, expediting legislation to modernise the Mineral and Mining Act, supporting reforms in the downstream petroleum sector, and fully implementing the Petroleum Industry Act to expand domestic refining and value addition.

The agency called on the Office of the Accountant General of the Federation, the Revenue Mobilisation Allocation and Fiscal Commission, FAAC, the National Economic Council, the National Assembly, and state governments to act on its recommendations.

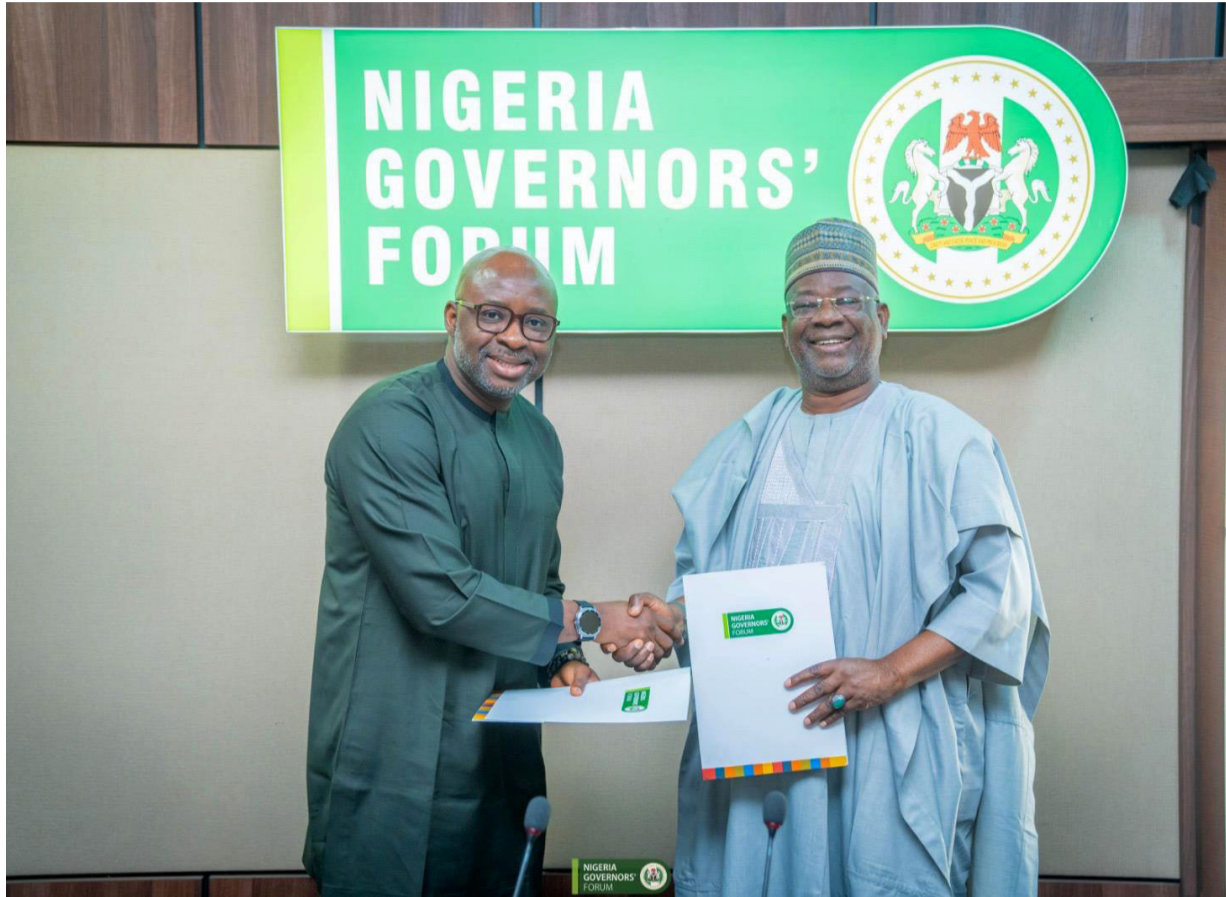
A Windfall, Not a Free Pass

NEITI's central message is clear. The Q3 2025 FAAC results are encouraging, but they represent an opportunity rather than a guarantee. Without disciplined fiscal management, stronger transparency, and effective stabilisation mechanisms, today's windfalls could quickly give way to tomorrow's shortfalls.

"The Q3 2025 FAAC results are encouraging, but windfalls must be managed with discipline," Adar said. "Greater transparency, realistic budgeting, and stronger stabilisation mechanisms will ensure these resources deliver durable benefits for all Nigerians."

In a fiscal system still anchored to commodity revenues, the record N6 trillion allocation stands as both an achievement and a warning. The numbers tell a story of recovery and relief, but also of unfinished reforms that will determine whether Nigeria can turn episodic windfalls into lasting fiscal resilience.

NGF, HiiL Seal 5-Year Pact To Drive People-Centred Justice Reform Across States



R-L: Dr. Abdulateef Shittu, Director-General of NGF, and Mr. Jude Udo Ilo, Chief Executive Officer of the HiiL, during the signing of the MoU

By Kingsley Benson

Nigeria's justice reform agenda has taken a decisive subnational turn as the Nigeria Governors' Forum (NGF) and the Hague Institute for Innovation of Law (HiiL) signed a Memorandum of Understanding (MoU) to advance people-centred justice across the country.

The agreement, signed in Abuja recently, establishes a structured framework for collaboration aimed at equipping state governments with tools, data, and innovative approaches to expand access to justice. Aligned with the United Nations Sustainable Development Goal 16.3, the partnership seeks to ensure that justice delivery is accessible, affordable, and responsive to the everyday needs of citizens, particularly at the community level.

The NGF represents Nigeria's 36 state governors, while HiiL works globally to make justice systems more understandable and usable by focusing on how people actually experience legal problems. HiiL has been active in Nigeria since 2015, partnering with justice sector stakeholders to design practical solutions to citizens' most pressing justice challenges.

A Long-Term Commitment to Reform

Speaking at the signing ceremony, Jude Udo Ilo, Chief Executive Officer of the HiiL, said that the MoU would run for an initial five-year period, signalling a sustained commitment to justice reform rather than a one-off intervention.

He explained that the agreement sets out a broad framework for cooperation and mutual understanding, with specific programmes and interventions to be implemented through separate, detailed agreements over time.

According to Ilo, the partnership is anchored on a simple principle, that justice systems must be designed through the eyes of the people they serve.

He noted that findings from HiiL's most recent justice survey in Nigeria show that a majority of citizens turn to informal justice mechanisms rather

than formal courts to resolve disputes. This reality, he said, presents an opportunity to close Nigeria's justice gap by strengthening informal pathways and giving them clearer structure and legitimacy.

Under the people-centred justice model, informal mechanisms such as community mediation can be standardised, documented, and made enforceable, reducing the burden on courts while ensuring fairness and accountability. In practical terms, this would mean that a resident in a rural community would not need to travel long distances or incur

...the partnership is anchored on a simple principle, that justice systems must be designed through the eyes of the people they serve

prohibitive costs to resolve land or family disputes, and that decisions reached locally would retain legal validity.

Justice as a Public Service, Not a Luxury

Ijioma Nwafor, the Country Representative of HiiL in Nigeria, said that the organisation is already implementing people-centred justice initiatives in Imo and Ogun States, providing early models that could be scaled nationwide.

She emphasised that justice, like health and education, should be treated as a basic public service rather than a privilege accessible only to a few.

According to Nwafor, community justice centres are central to this approach. These centres would

serve as accessible entry points where citizens can bring complaints, receive mediation, and, where necessary, be guided into the formal justice system.

She added that several African countries have begun adopting legislation that formally anchors informal justice mechanisms within the broader legal framework. This, she said, reflects a global reality in which an estimated 90 percent of people rely on informal pathways to resolve justice needs.

Rather than imposing predefined solutions, Nwafor explained that HiiL's role is to create platforms where communities, policymakers, and justice actors jointly define what effective justice delivery should look like in their context.

States at the Centre of Justice Delivery

For the NGF, the MoU formalises a partnership that has already shaped national and subnational justice conversations. The NGF Director-General (DG), Dr. Abdulateef Shittu, recalled that a key milestone in the relationship was the launch of the Justice Needs and Satisfaction in Nigeria 2023 Report.

He described the report as a critical evidence base for understanding citizens' justice experiences, identifying service delivery gaps, and tracking progress in justice sector reforms. The data, he said, has helped policymakers and practitioners move from assumptions to evidence-driven interventions.

Shittu said the new agreement takes the partnership further by establishing a mechanism for sustained collaboration focused on measurable impact.

According to him, the MoU reflects a shared resolve to promote justice that is accessible, fair, and responsive to real-life challenges faced by Nigerians. He stressed that the agreement is not symbolic, but a commitment to action, learning, and innovation, grounded in mutual respect and recognition of institutional strengths.

From Policy to Community Impact

The partnership positions state governments as the primary drivers of justice reform, recognising that most justice challenges emerge and are resolved at the local level. By combining the NGF's reach across all 36 states with HiiL's technical expertise and global perspective, the MoU aims to translate people-centred justice from concept into practice.

As implementation unfolds, the focus will be on strengthening institutions, empowering communities, and building trust in justice systems that work for ordinary citizens. In a country where distance, cost, and complexity often determine access to justice, the NGF-HiiL partnership signals a shift toward bringing justice closer to the people it is meant to serve.



L-R: Dr. Abdulateef Shittu, Director-General of NGF, with Mr. Jude Udo Ilo, Chief Executive Officer of the HiiL, in a discussion during the signing of the MoU

NDIC Declares N24.3bn Second Liquidation Dividend For Heritage Bank Depositors



By Jennete Ugo Anya

Nearly 20 months after the closure of Heritage Bank Limited, depositors with balances above the statutory insured threshold are set to receive another round of reimbursements as the Nigeria Deposit Insurance Corporation (NDIC) declared a second liquidation dividend of N24.3 billion.

The payment follows the revocation of Heritage Bank's operating licence by the Central Bank of Nigeria (CBN) on June 3, 2024, after which NDIC was appointed liquidator in line with the Banks and Other Financial Institutions Act 2020 and the NDIC Act 2023. Since taking over, the corporation has been managing the winding-down process, including reimbursing depositors, recovering loans, and disposing of the defunct bank's assets.

What the New Payment Means

The newly declared N24.3 billion represents the second liquidation dividend payable to depositors whose account balances exceeded the N5 million insured limit at the date of closure. The payment will be made at a rate of 5.2 kobo per N1.00 on outstanding uninsured balances, in accordance with Section 72 of the NDIC Act 2023.

This brings the cumulative liquidation dividend paid so far to 14.4 kobo per N1.00, following an earlier N46.6 billion first liquidation dividend declared in April 2025, which was paid at 9.2 kobo per N1.00 on a pro-rata basis.

According to NDIC, the funds for the second tranche were generated through continued debt recovery efforts, the sale of physical assets, and the realisation of investments belonging to the defunct bank.

How Depositors Will Be Paid

Payments will be effected automatically using depositors' details already captured in NDIC records. Eligible depositors who have previously received both their insured deposits and the first liquidation dividend will have their alternative bank accounts credited through their Bank Verification Numbers.

Depositors are advised to monitor their accounts for confirmation of payment.

Those without alternative bank accounts or BVNs, as well as depositors who are yet to claim their insured sum of up to N5 million or the first liquidation dividend, have been asked to visit the nearest NDIC office nationwide or complete the e-claim form available on the corporation's website for prompt processing.

Understanding Liquidation Dividends

A liquidation dividend refers to payments made to depositors of a failed bank whose balances exceed the statutory insured limit, drawn from proceeds realised through asset sales, investment liquidation, and debt recovery.

Under Nigeria's liquidation framework, all depositors must be fully reimbursed before any payments are made to other creditors. Shareholders are only considered last, and only if sufficient funds remain after all other obligations have been settled.

More Payments May Follow

NDIC has stressed that the N24.3 billion payout represents only the second stage in the liquidation process. Further liquidation dividends may be declared, subject to the successful recovery of outstanding loans and the disposal of remaining assets of Heritage Bank.

In a statement issued by Hawwau Gambo, Head of the Communication and Public Affairs Department at NDIC, the corporation reaffirmed its commitment to transparency and timely reimbursement of depositors, noting that recovery efforts are ongoing and aimed at maximising returns for affected customers.

Reassurance to the Banking Public

The latest payout reinforces NDIC's role as a financial safety net within Nigeria's banking system, particularly for depositors caught in bank failures. While liquidation is often a lengthy process, the steady release of dividends signals progress in the Heritage Bank resolution and offers some relief to depositors who have waited for additional recovery of their funds.

For further enquiries, NDIC has directed depositors to contact its Claims Resolution Department or reach out through its dedicated email and telephone lines during official working hours.

KPMG, Nigeria Revenue Service Seek Common Ground After Dispute Over New Tax Laws

By Ahmed Ahmed

Executives of KPMG have met with Dr. Zacch Adedeji, chairman of the Nigeria Revenue Service (NRS), in a bid to ease tensions following the firm's public criticism of Nigeria's newly enacted tax laws.

The meeting, held recently, came days after a KPMG newsletter raised concerns over what it described as errors, inconsistencies, omissions, and gaps in the new tax regime, triggering a sharp public response from government officials and policy stakeholders.

In a statement issued after the engagement, the NRS described the visit as a courtesy call during which the KPMG delegation commended Adedeji's leadership and the broader implementation of the tax reforms. According to the revenue agency, the firm clarified that its earlier commentary had been misconstrued and noted that its concerns about the new laws had been substantially reduced.

The NRS said the KPMG executives acknowledged that the reforms were both necessary and timely, and pledged continued professional engagement in support of effective tax administration and Nigeria's economic growth objectives.

However, sources within the revenue service said the meeting was initiated following KPMG's request for further clarification on specific provisions of the new laws, particularly in the wake of the backlash generated by the firm's initial assessment.

According to one source, KPMG conceded that its earlier position had sparked controversy and expressed regret over the misunderstanding. The delegation reportedly sought deeper explanations on certain aspects of the legislation and identified areas where it believes additional recommendations could still strengthen implementation.

KPMG's January 9 newsletter had warned that weaknesses in the new tax framework could undermine its objectives if not urgently reviewed. The publication drew a swift rebuttal from the Presidential Fiscal Policy and Tax Reforms Committee on January 10, which dismissed the assessment, arguing that many of the alleged flaws stemmed from errors, invalid conclusions, or an inadequate understanding of the laws.

The committee's response intensified public debate around the reforms and placed KPMG's critique under close scrutiny, prompting calls for more structured engagement between policymakers and professional advisory firms as implementation progresses.

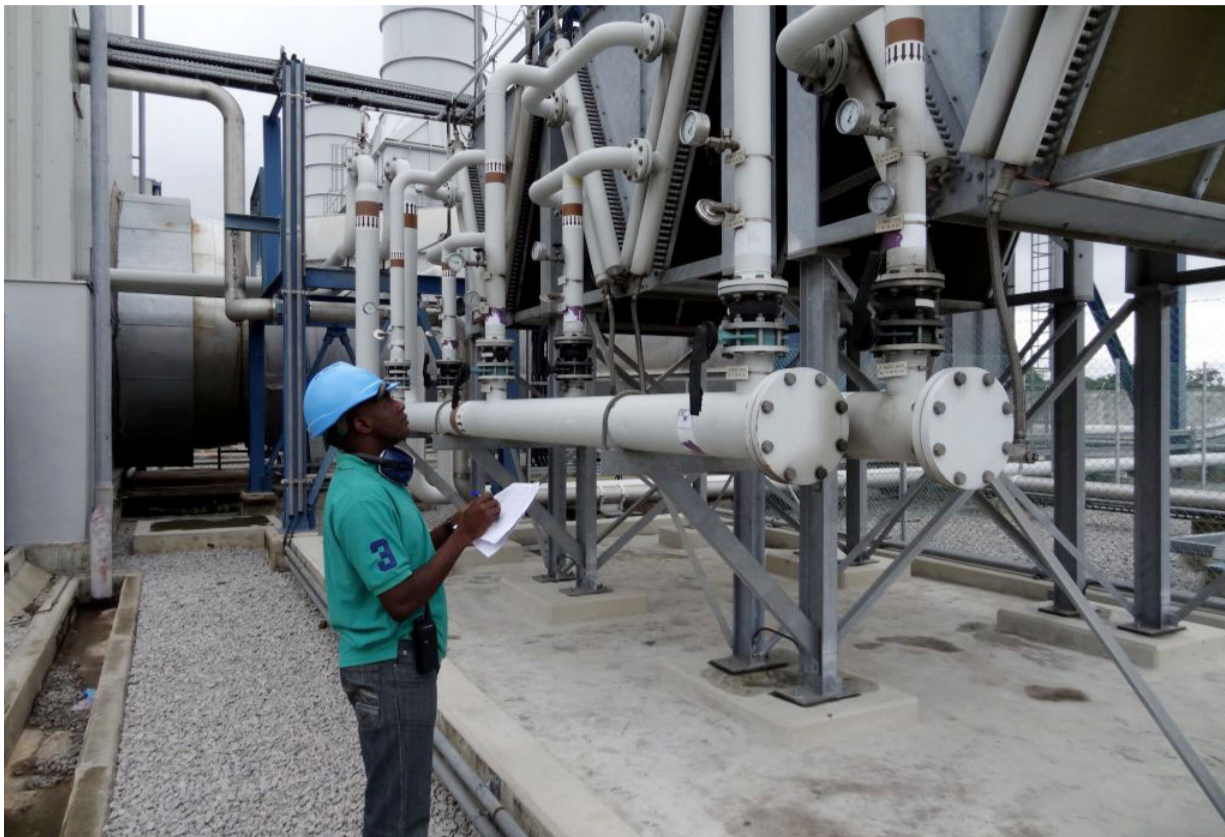
The NRS said the meeting with KPMG underscores its commitment to stakeholder consultation and dialogue, noting that sustained engagement with tax professionals and the private sector will be critical to the effective rollout of the new tax laws and the broader reform agenda.



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Geregu Power Declares N9 Dividend, Payouts Rise To N22.5bn On Solid 2025 performance



By Musa Ibrahim

Geregu Power Plc has announced a final dividend of N9 per ordinary share for the 2025 financial year, bringing total dividend payments to N22.5 billion.

In a disclosure filed with the Nigerian Exchange, the company confirmed that its board had approved both the dividend and the audited financial statements for the year ended 31 December 2025. The notice, signed by company secretary, The Structure HQ Limited, stated that the dividend and accounts remain subject to shareholder approval at the next Annual General Meeting, with the date yet to be announced.

What the numbers show

The proposed N9 dividend continues Geregu Power's upward payout trend. It compares with N8.5 per share in 2024 and N8.0 the year before. With 2.5 billion shares outstanding, the total cash distribution of N22.5 billion represents an increase from N21.25 billion paid in the prior year.

At the company's current share price of N1,141.5, the implied dividend yield stands at about 0.79 percent, slightly above the 0.75 percent recorded in 2024.

Although fourth quarter results are still awaited, the available nine-month figures point to a robust operating year. Retained earnings rose to N55.1 billion as of September 2025, up from N51.3 billion and accounting for almost all of total equity.

Pre-tax profit for the nine months increased by 3.31 percent to N37.46 billion, while third-quarter revenue surged 37.38 percent to N43.83 billion. Cumulative revenue for the nine-month period reached N131.47 billion, already close to the company's full-year revenue in 2024.

Growth was largely driven by energy sales

of N85.5 billion and capacity charges of N45.9 billion between January and September, even as operating costs climbed. Operating profit rose to N42.2 billion from N37 billion in the comparable period of the previous year.

On the balance sheet, total assets expanded to N273.1 billion, while total liabilities increased by 13.53 percent to N216.7 billion, reflecting ongoing investment and scale-up of operations.

Sector support and ownership changes

Beyond earnings, Geregu Power stands to benefit from renewed government action to resolve long-standing payment arrears in the electricity sector. The company and its new majority owner, MA'AM Energy Ltd, are expected to receive a share of a planned N500 billion Federal Government payout to generation companies.

This payment forms part of a wider effort to address an estimated N4 trillion debt owed to Gencos, largely through bond issuances. Improved liquidity from this initiative could strengthen Geregu Power's cash flows and balance sheet over the medium term.

The dividend announcement also follows a major ownership transition. In 2025, billionaire investor Femi Otedola completed a landmark \$750 million divestment, selling his interests in Amperion Power Distribution Company Limited, which held a controlling stake in Geregu Power, to MA'AM Energy Ltd. The transaction ranks among the largest private power sector deals in Nigeria.

What investors should note

Geregu Power remains one of Nigeria's leading electricity generation companies, combining steady dividend growth with resilient operating performance. The change in ownership, alongside anticipated government bond-backed payments to the sector, could reshape its financial outlook in the years ahead, especially if sector liquidity improves as planned.

Quotes of the Week

David Adeoye, Director At Quartus Economics

When people bring money into the capital market, they are expressing confidence in the economy and in the currency. Between 2024 and 2025, foreign participation on the Nigerian Exchange rose from below 20 percent to about 27 percent. That shows the global investment community has more confidence in Nigeria today than it did 12 to 15 months ago.

Anthony Chiejina, Group Head of Corporate Communications for the Dangote Group

If you look at what is happening in the global geopolitical shift, you can imagine Nigeria without any refining capacity. So, for us, the future is very good because of the country's ability to refine crude. And with what is going on in Venezuela and Iran, I'm looking at the price of crude not going between 50 and 52 and you can imagine what that will be to Nigeria and you can imagine what that will imply if we don't have the refining capacity, what will happen to the price of PMS and diesel. So, for us, it is a happy moment for us and it's also a timely joy for Nigeria.

Dr. Justin Amase, Policy expert/ Managing Director of Macrostrat Nigeria Limited

The impact is really not felt yet on the common man. What the numbers are showing is that, yes, there is disinflation — in other words, inflation is moderating — largely as a result of stability in some of the core drivers, especially the exchange rate.

NESG Sees 5.5% Growth Path In 2026, Flags Fragile Consolidation, Inflation Data Risks



By Jennete Ugo Anya

Nigeria could grow by as much as 5.5 percent in 2026, with inflation moderating to about 16 percent and foreign reserves climbing to \$52 billion, according to projections released by the Nigerian Economic Summit Group at the launch of its 2026 Macroeconomic Outlook.

The forecast, presented recently in Lagos by NESG's Chief Economist and Director of Research, Olusegun Omisakin, paints a cautiously optimistic picture of an economy emerging from stabilisation but still vulnerable to reform fatigue, policy reversals, and unresolved structural bottlenecks.

Nigeria's gross domestic product (GDP) expanded by about 3.8 percent in the first nine months of 2025. The jump to a 5.5 percent growth trajectory next year, Omisakin said, would depend on consolidating recent reforms and re-energising agriculture and manufacturing, sectors critical for jobs and inclusive growth.

"By emphasising agriculture and manufacturing, we think 5.5 percent is achievable, driven by the urgency of consolidation," he said.

The Consolidation Window

NESG framed its outlook around what it described as the "Consolidation Phase" of Nigeria's reform journey, the narrow window between the stabilisation measures of 2024–2025 and a potential acceleration phase projected for the end of the decade.

Omisakin warned that this phase is historically the most fragile. Drawing lessons from countries such as Ghana and Brazil, he said early reform gains are often lost when governments relax implementation or lose political focus.

He described the next 18 months as critical, cautioning that without consistent policy execution and institutional deepening, Nigeria risks stalling below its consolidation targets by 2027.

Stability Is Not Growth

That caution was echoed by the NESG Chairman, Olaniyi Yusuf, who noted that while macroeconomic stabilisation is beginning to show results, it has not yet translated into broad-based prosperity.

"Stability is a necessary condition for growth, but it is not sufficient," Yusuf said. Growth, he noted, remains uneven, driven by a narrow set of sectors with weak transmission to employment, household incomes, and

welfare outcomes.

Services, which account for nearly 60 percent of GDP and are led by finance, ICT, and transport, continue to power headline growth. By contrast, agriculture expanded by only about 2 percent and manufacturing by roughly 1.5 percent, figures Omisakin described as worrying given their central role in job creation.

"With proper support, particularly at the ports and logistics level, agriculture could grow between six and eight percent," he said.

Government Projections More Cautious

Presenting the government's outlook, the Honourable Minister of Finance and Coordinating Minister for the Economy, Mr. Wale Edun, projected GDP growth of 4.68 percent in 2026, average inflation of 16.5 percent, and an exchange rate of about N1,400 to the dollar.

Edun said the projections underpin the 2026 Budget of Consolidation, Renewed Resilience and Shared Prosperity, which aims to turn macroeconomic gains into tangible improvements in electricity supply, food availability, and living standards.

"It is not about the metrics," he said, "it is about the lived experience of Nigerians."

The minister noted that the fiscal deficit is projected at about four percent of GDP in 2026, reflecting Nigeria's development needs and growth ambitions. Reducing reliance on debt, he said, would depend on stronger revenue mobilisation through digitalised tax collection, a central billing system, and enforcement of new tax laws designed to broaden the base while exempting essential goods and small businesses.

Inflation Eases, Then Ticks Up

The outlook was released against a backdrop of mixed inflation signals. Data from the National Bureau of Statistics (NBS) showed headline inflation edging up to 15.15 percent in December 2025, ending eight consecutive months of decline.

While the increase from November was modest, the year-on-year figure was nearly 20 percentage points lower than the 34.8 percent recorded in December 2024. Food inflation continued to ease sharply, declining on both month-on-month and year-on-year measures, offering some relief to households.

Yet the moderation in food prices has raised concerns among farmers still grappling with high input costs, while manufacturers complain that rising energy and logistics expenses continue to push up production

costs. Trade activity remains subdued, reflecting weakened purchasing power.

Nigeria also spent an estimated N5.27 trillion on food and beverage imports in the first nine months of 2025, underscoring persistent structural weaknesses in domestic supply.

Questions Over Inflation Rebasings

The credibility of the inflation data itself came under scrutiny at the summit and related economic forums. The Group Chief Economist of the African Export-Import Bank (Afreximbank), Yemi Kale, warned that Nigeria's recent CPI rebasing may be masking the true scale of the cost-of-living crisis.

Speaking at the Lagos Chamber of Commerce and Industry economic outlook event, Kale suggested that the transition from the 2009 to the 2024 CPI base year may have been rushed. He questioned how year-on-year inflation could be calculated when old and new series were deemed non-comparable, arguing that standard statistical practice requires overlapping data to ensure continuity.

The NBS has acknowledged that without methodological adjustments, inflation would have appeared to spike sharply following rebasing, a distortion it sought to avoid by using a 12-month average for 2024 as the reference period.

Kale urged greater openness and engagement with independent experts to strengthen the framework rather than adopting a defensive posture.

Fiscal Strains and Reform Imperatives

On fiscal performance, Edun disclosed that the 2025 budget faced revenue shortfalls, with both revenue and expenditure reaching only about 60 percent of annual targets by the third quarter. While non-oil revenues improved, oil and gas receipts underperformed relative to budget assumptions.

Public debt rose to about N152 trillion, just over \$100 billion, though the minister stressed that much of the increase reflected the formal recognition of legacy borrowing and exchange rate effects rather than new debt accumulation.

Despite these pressures, Edun said states benefited from full disbursement of federation account revenues, with many recording budget surpluses of around three percent, enabling higher spending on health, education, and public services.

Private Sector as the Growth Engine

Both the NESG and the government stressed that consolidation will hinge on private sector leadership. With constrained public resources and declining concessional financing, investment must increasingly come from domestic and diaspora capital.

Edun cited the rollout of a 90,000-kilometre fibre-optic network, supported by the World Bank, as an example of infrastructure investment aimed at empowering young Nigerians and driving technology-led growth.

Omisakin added that the private sector must not only partner with government but also hold it accountable for reform delivery, a core mission of the NESG.

A Narrow Path Forward

NESG outlined four pillars for successful consolidation through 2029: credible macroeconomic anchoring, including single-digit inflation and reserves above \$50 billion; structural transformation driven by agriculture and manufacturing; institutional deepening through better monetary-fiscal coordination and tax reform implementation; and evolved social protection that helps citizens transition into productive activity.

Nigeria's macroeconomic story entering 2026 is one of cautious hope. The numbers suggest stabilisation is taking hold, but the path to sustained, inclusive growth remains narrow. As NESG warned, the difference between consolidation and reversal will be decided not by projections, but by policy consistency and execution in the months ahead.



NIGERIA FIRST



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.



Nigeria Expands Mineral Value Chain, Gold Refinery Goes Live As \$600m Lithium Plant Nears Commissioning



Dr. Dele Alake, Honourable Minister of Solid Minerals Development

By Anita Dennis

Nigeria has taken a significant step toward deepening value addition in its mining sector with the commencement of operations at a high-purity gold refining plant in Lagos and the near commissioning of a \$600 million lithium processing facility in Nasarawa State. The developments mark a clear shift in policy focus from exporting raw minerals to in-country processing and beneficiation.

The Honourable Minister of Solid Minerals Development, Dr. Dele Alake, said the new projects underscore the Federal Government's determination to reposition Nigeria as a leading minerals hub in Africa and a strategic supplier of critical minerals to global markets, particularly those driving the green energy transition.

Beyond the Lagos facility, Alake disclosed that three additional gold refineries are currently at different stages of development across the country, further strengthening Nigeria's domestic refining capacity and reducing reliance on raw mineral exports.

Policy Shift from Extraction to Processing

Speaking during a meeting with Saudi Arabia's Minister of Industry and Mineral Resources, Ibrahim Al-Khorayef, the Nigerian minister said the operational gold refinery and the lithium processing plant ready for commissioning represent tangible outcomes of reforms in the solid minerals sector.

The engagement took place ahead of the Future Minerals Forum in Riyadh and focused on translating bilateral discussions into concrete projects. According to Alake, Nigeria's current reform drive is designed to ensure that minerals extracted locally generate higher economic value, create jobs, and support industrial development within the country.

Lithium, in particular, has become a strategic priority as global demand accelerates for battery storage, electric vehicles, and renewable energy systems.

Lithium and the Green Energy Supply Chain

The \$600 million lithium processing plant in Nasarawa State is expected to play a pivotal role in positioning Nigeria within the global clean-energy supply chain. With lithium classified as a critical mineral for energy transition technologies, local processing is seen as essential for capturing greater economic benefits from Nigeria's mineral endowment.

Alake noted that Nigeria's vast landmass and abundance of critical minerals and rare earth elements offer

strong foundations for long-term partnerships, provided such collaborations are structured around fairness, equity, and mutual benefit.

Deepening Nigeria-Saudi Cooperation

During the meeting, the minister said Nigeria is keen to expand cooperation with Saudi Arabia in capacity building, professional training, technology transfer, and mineral exploration. He revealed that a joint working group comprising officials from Nigeria and the Saudi Chamber of Commerce has been active over the past year and is expected to submit its report before the conclusion of the Future Minerals Forum.

Priority areas identified for collaboration include mineral traceability, Environmental, Social and Governance standards, and mine-pit remediation. According to Alake, improved traceability systems would enhance investor confidence, particularly if supported by clear timelines and robust monitoring and evaluation frameworks.

Saudi Arabia Signals Support

In his response, Al-Khorayef reaffirmed Nigeria's importance as a long-standing partner of Saudi Arabia and agreed on the need for practical, results-oriented agreements in the solid minerals sector. He proposed that the joint working group prepare a draft memorandum of understanding for possible signing on the sidelines of the conference.

The Saudi minister also encouraged Nigeria to use the Future Minerals Forum as a platform to showcase mining investment opportunities to Saudi investors. He urged African countries to adopt advanced mining technologies, noting that Nigeria could benefit from Saudi Arabia's experience in modern mining practices and regulatory frameworks.

Reforms Gather Momentum

Nigeria has intensified reforms in the solid minerals sector in recent years, targeting illegal mining, strengthening regulation, and improving the investment climate. Gold, lithium, and other critical minerals have emerged as central pillars of the country's economic diversification strategy, as well as its ambition to integrate into global clean-energy value chains.

With gold refining now underway in Lagos and lithium processing capacity coming on stream in Nasarawa, the government is signalling that its minerals policy is moving from intent to execution. The challenge ahead will be to sustain regulatory clarity, attract long-term capital, and ensure that value addition translates into broad-based economic gains.

Reforms Nuggets

Dangote Refinery Boosts Local Petrol Supply By 65% As Output, Stock Levels Hit 2025 Highs

- Dangote Refinery increased domestic petrol supply by about 65 percent in December, rising from roughly 19.4 million litres per day in November to about 32 million litres per day in December.

- NMDPRA data confirms December marked the highest in-country petrol supply and PMS sufficiency level recorded in 2025.

- National petrol stock sufficiency improved sharply, climbing to about 29 days in December 2025 from about 17 days in November 2025.

- Daily petrol consumption rose to about 63.7 million litres in December, up from 52.9 million litres in November, reflecting festive demand and improved availability.

- Total domestic petrol supply increased modestly to about 74.2 million litres per day in December 2025 from 71.5 million litres in November 2025.

- Consumption growth outpaced supply growth, highlighting ongoing pressure on refinery output and distribution efficiency.

- Dangote Group President Aliko Dangote stated that since mid-December, the refinery has been loading an average of about 50 million litres of petrol daily.

- The supply surge followed a leadership change at the NMDPRA after sustained disagreements over import licences and local refining capacity.

- Diesel supply declined to about 17.9 million litres per day in December from 20.4 million litres in November, while diesel consumption rose slightly.

- LPG domestic supply increased marginally to about 5.2 metric tonnes per day in December, indicating steady household adoption.

- Domestic natural gas supply rose to about 4.79 billion standard cubic feet per day, supporting power and industrial use.

Reforming Nigeria's Diplomacy: Strategic, Secure, and Economic Imperatives, Post-Ambassadorial Appointments

Nigeria's diplomatic landscape has entered a critical phase following the appointment of ambassadors to about 80 missions worldwide, signaling President Bola Tinubu's intent to revitalize a foreign policy long mired in inertia. Now we can focus on at least three sweeping reforms which are necessary for Nigeria to undertake. These reforms must propel Nigeria from a reactive, protocol-heavy posture to a proactive engine of security, economic growth, and geopolitical clout. In an era defined by U.S.-China rivalry, Russian adventurism in Africa, and climate-induced scarcities, Nigeria-Africa's demographic and resource powerhouse - cannot afford diplomatic mediocrity. The reforms demand immediate action: embedding strategic mandates, fusing security-intelligence operations, and institutionalizing performance-based economic diplomacy.

Transitioning to Strategic Diplomacy: Mandates Aligned with National Imperatives

Historically, Nigeria's foreign policy has emphasized ceremonial diplomacy, a legacy of its non-aligned founding principles under Sir Abubakar Tafawa Balewa and subsequent leaders. Ambassadors have functioned as glorified protocol officers, hosting receptions and processing visas while core interests languish. This must end.

Newly appointed envoys require explicit, quantifiable mandates linking their tenure to clear KPIs like : advancements in security alliances, trade liberalization, FDI attraction and strategic positioning amid global realignments. Empirical evidence highlights the peril of status quo diplomacy. Nigeria's share of global FDI fell to 0.4% in 2024 (UNCTAD World Investment Report 2025), despite vast reserves of oil, gas, and minerals. Comparable nations like Indonesia have surged ahead by tasking diplomats with "deal-closing" KPIs—e.g., securing \$10 billion in annual investments via bilateral forums. Nigeria should emulate this, with ambassadors in key capitals like Washington, D.C., Beijing, and New Delhi negotiating pacts that integrate into the African Continental Free Trade Area (AfCFTA). For instance, the U.S. envoy could prioritize Nigeria's inclusion in the Minerals Security Partnership, tapping \$20 billion in critical minerals funding. Geopolitically, mandates must address multipolarity. In Moscow, the ambassador should leverage BRICS expansion (Nigeria joined as a partner in 2025) to diversify from Western sanctions on Russian energy, securing discounted fertilizers for agriculture amid global food shocks. Training via the Nigerian Foreign Service Institute should incorporate scenario planning, drawing from Singapore's Centre for Strategic Futures, with simulations of Indo-Pacific spillovers into the

Atlantic. Institutional mechanisms are vital: a Diplomatic Performance Unit under the Ministry of Foreign Affairs, auditing missions quarterly using dashboards tracking metrics like Memorandum Of Understandings (MoUs) converted to contracts. Budgets would hinge on results - top performers receiving up to 20% bonuses - while failures trigger recalls. This meritocracy would restore professionalism, eroded by political patronage, positioning Nigeria as a bridge-builder between Global North and South.

Integrating Security and Intelligence: Embassies as Vanguard Hubs

Nigeria's security malaise—insurgencies claiming 10,000 lives yearly (ACLED 2025 data), maritime piracy costing \$8 billion in GDP losses (IMB reports) and cyber threats from state actors—demands embassies evolve into multifaceted intelligence-security nerve centres. Traditionally siloed as consular outposts, missions must now orchestrate seamless collaboration among diplomats, military attachés, and agencies like the Department of State Services (DSS) and NIA. The transnational anatomy of threats necessitates this fusion. Boko Haram and ISWAP draw 60% of funding from Sahel smuggling routes (UNODC 2025), with arms trickling from Libya via Turkey and the UAE. Ambassadors in Tripoli and Abu Dhabi should lead "disruption cells," partnering with host INTERPOL desks to freeze assets under UNSCR 1970 frameworks. In Paris and London, envoys could embed in counter-terrorism fusion centers, exchanging real-time HUMINT on jihadist diaspora recruiters. Precedents abound: Israel's embassy network doubles as Mossad outposts, neutralizing threats pre-emptively; the UK's in West Africa coordinates MI6-led ops against fentanyl precursors. Nigeria must legislate this via a Security Diplomacy Act, granting ambassadors veto power over attaché deployments and access to classified briefings. Joint operations centers in high-risk posts like Pretoria would integrate satellite imagery from Nigeria's NASRDA with SIGINT from allies. Capacity-building is key: rotate 500 officers through U.S. National Defense University programmes, focusing on open-source intelligence (OSINT) tools like Palantir. Metrics—e.g., 30% reduction in cross-border incidents—would feed into national security reviews. Regionally, embassies in ECOWAS hubs like Accra must revive the discontinued West African Intelligence Fusion Unit, countering junta expansions in Burkina Faso and Mali that export instability. By 2028, this could slash defense spending from 2.5% of GDP, freeing resources for infrastructure while enhancing Nigeria's stature as a stability exporter.

REFORM TALKS

with

Adewale Akintade



Professionalizing Economic Diplomacy: Benchmarks for Transformative Impact

Rhetoric has long supplanted action in Nigeria's economic diplomacy, with summits yielding photo-ops but scant trade gains—non-oil exports at a dismal \$5.6 billion in 2024 (NBS). Ambassadors must now face rigorous evaluation on trade facilitation, tech collaborations, diaspora capital mobilization and development finance inflows, mirroring South Korea's export-driven model that lifted it from poverty post-1960s. Core tactics include sectoral specialization: agriculture envoys in Ottawa negotiate canola tech for rice yields; tech diplomats in Seoul court Samsung fabs for Nigeria's silicon aspirations. Diaspora leverage is pivotal—\$20 billion in remittances (IOM 2025)—via "investment consulates" in Houston and Manchester, offering tax incentives for returnee ventures in fintech and renewables. Global benchmarks expose gaps: Vietnam's diplomats boosted exports 15% yearly through FTAs; Nigeria lags with AfCFTA utilization at 12%. Reforms mandate co-location of Nigerian Investment Promotion Commission (NIPC) teams in missions, wielding data from TradeMap and AI predictive analytics. Access to finance—e.g., AfDB's \$50 billion climate window—requires envoys lobbying in Abidjan for green bonds tied to mangrove restoration in the Niger Delta. Governance fixes: an Economic Diplomacy Board, chaired by the Vice President, enforces KPIs like 20% annual trade growth. Anti-corruption protocols, audited by EFCC liaisons, prevent scandals like the past Paris Club scam. Digital platforms would track diaspora bonds, tokenized on blockchain for transparency.

Synergizing Reforms for Global Relevance

These pillars—strategic mandates, security fusion, economic professionalism—form a cohesive blueprint, mutually reinforcing to combat Nigeria's marginalization. Strategic envoys enable security pacts that safeguard trade routes; intelligence hubs inform economic targeting; performance culture sustains all.

Execution roadmap: a 2026 Diplomatic Renaissance Decree, allocating N200 billion for tech upgrades and training. Annual Global Nigeria Forums in Abuja would showcase wins, attracting partners.

In sum, failure invites eclipse by agile rivals like Morocco or Kenya. Embraced, these reforms will crown Nigeria's ambassadors as national champions, securing prosperity in a fractious world order.

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