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The Reforms

Championing good governance, Driving Development



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35th Edition

Nigeria's Power Market Set for Transformation With NBET's N501bn Bond Deal



Ms. Patience Oniha, DG of DMO (5th r); Mr. Johnson Akinawo, Acting MD of NBET (6th r); Mrs. Olu Verheijen, President's Special Adviser on Energy (7th r), and other stakeholders, during the signing ceremony in Lagos.

For years, Nigeria's electricity market revolved around a single structural bottleneck, liquidity. Power was generated, transmitted and distributed, but payments stalled in the middle of the chain. That middle was the Nigerian Bulk Electricity Trading Plc (NBET) the market's clearing house and the institution that accumulated unpaid invoices across the value chain.

Now the same institution sits at the centre of the sector's largest financial restructuring. Enam Obiosio Writes...

The federal government confirmed it will pay power generation companies (Gencos) N501.02 billion after a successful capital market issuance designed to begin unwinding

more than N6 trillion in legacy debt in the electricity industry. The funding was raised through two seven-year instruments, a N300 billion Series 1 Tranche A bond and a N201.02 billion Series 1 Tranche B bond, both priced at 17.50 percent.

The securities were issued by NBET Finance Company Plc, a special purpose vehicle created by NBET specifically for the transaction and backed by a full sovereign guarantee under the Presidential Power Sector Debt Reduction Programme (PPSDRP).

At the signing ceremony in Lagos, the President's Special Adviser on Energy, Mrs. Olu Verheijen, described the structure as a market reset rather than a conventional bailout, explaining that the programme addresses accumulated arrears while imposing financial discipline on the market.

She said the framework covers verified receivables for electricity supplied between February 2015 and March 2025, negotiated directly with generators.

"Today's signing marks the outcome of that process. Fourteen generation companies have executed Full and Final Settlement Agreements, with a total negotiated value of approximately N827 billion. These agreements reflect discipline, compromise, and a shared commitment to closing the chapter on legacy arrears."

She added that the objective goes beyond settlement into restoring commercial functionality across the sector.

"The significance of this milestone lies not only in clearing the past, but in what it unlocks going forward. Resolving these liabilities restores liquidity across the value chain, strengthens payment certainty for gas suppliers, and creates the financial headroom required for operators to sta-

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BANK OF INDUSTRY
...transforming Nigeria's industrial sector

bilise assets, improve availability, and plan new investment.”

Under the structure, proceeds from the Series 1 issuance will finance the first and second instalments to participating generation companies estimated at about N421.42 billion, roughly half of the negotiated settlement value, delivered through a combination of cash and notes.

The transaction forms the first phase of a broader N4 trillion power sector financing programme coordinated through NBET in collaboration with the Debt Management Office (DMO) and backed by the Federal Government.

From Market Debtor to Market Stabiliser

NBET was originally designed as a creditworthy intermediary, purchasing electricity from generation companies (Gencos) and selling to distribution companies (Discos). Persistent remittance shortfalls from DisCos, however, turned the organisation into the sector’s largest accumulation point of unpaid obligations, weakening the entire value chain from gas suppliers to lenders.

The Acting Managing Director (MD) of NBET, Mr. Johnson Akinawo, framed the bond issuance as a structural turning point rather than a financial event.

“The successful close of the N501 billion bond represents a major step forward in resolving the long-standing challenge that has constrained the power sector for years. This intervention will significantly improve liquidity across the value chain, enable operators to stabilize their operations and support renewed investment in the Nigerian power sector.”

The bonds consist of a N300 billion cash tranche and a N201.02 billion non cash tranche, both seven-year instruments fully guaranteed by the Federal Government.

For NBET, the change is institutional, shifting from carrying arrears to managing structured obligations priced by the capital market.

What Is Being Settled

The payments address electricity supplied between February 2015 and March 2025 under negotiated settlement agreements with fourteen

The restructuring converts Nigeria’s electricity crisis from a payment backlog to a financing framework



R-L : Ms. Patience Oniha, DG of DMO; Mr. Johnson Akinawo, Acting MD of NBET, and Mrs. Olu Verheijen, President’s Special Adviser on Energy, during the signing ceremony.

generation companies valued at about N827 billion.

NBET confirmed proceeds from the first issuance will fund roughly half of the settlement through a mix of cash and notes.

Sovereign Backing and Fiscal Strategy

The DMO coordinated the sovereign guarantee that converts NBET’s obligations into tradable securities within the financial system.

Representing the Minister of Finance and Coordinating Minister of the Economy, Mr. Wale Edun, Director-General (DG) of DMO, Ms. Patience Oniha, said that the conversion was necessary for sector recovery.

“Resolving the debt issue was not optional but a critical step to grow the sector. By settling legacy debts in a structured manner, we are enabling Gencos to stabilise operations, improve maintenance, and attract new investment.”

From a fiscal standpoint, unpredictable contingent liabilities are replaced with scheduled coupon payments, making the exposure measurable to investors.

Reaction From Generators

The companies signing the agreements include Geregu Power Plc, Niger Delta Power Holding Company, Ibom Power Company and First Independent Power Limited.

For operators, the immediate effect is investment certainty.

Mr. Kola Adesina, Group Managing Director (GMD) of Sahara Power Group, said that unpaid receivables had prevented expansion plans.

“Capital formation can only come when there is confidence, when you can truly see a line of sight in recovering investments previously made. Because we were being owed so much, it was a bit of a problem for us to put in more money.”

He added that expansion will now resume.

“Once this process is over, construction will commence immediately on the second phase of our Egbin Power Plant.”

Market Signal and Implications

The bonds were fully subscribed by institutional investors including banks, pension funds and asset managers.

The Ministry of Finance described the programme as a signal of policy credibility, stating that the government is committed to honouring obligations and deploying financial solutions to resolve systemic challenges.

The restructuring converts Nigeria’s electricity crisis from a payment backlog to a financing framework. If sustained, NBET transitions from a liquidity sink into a stabilisation platform enabling predictable generator revenue, gas supply stability and bankable project finance cash flows.

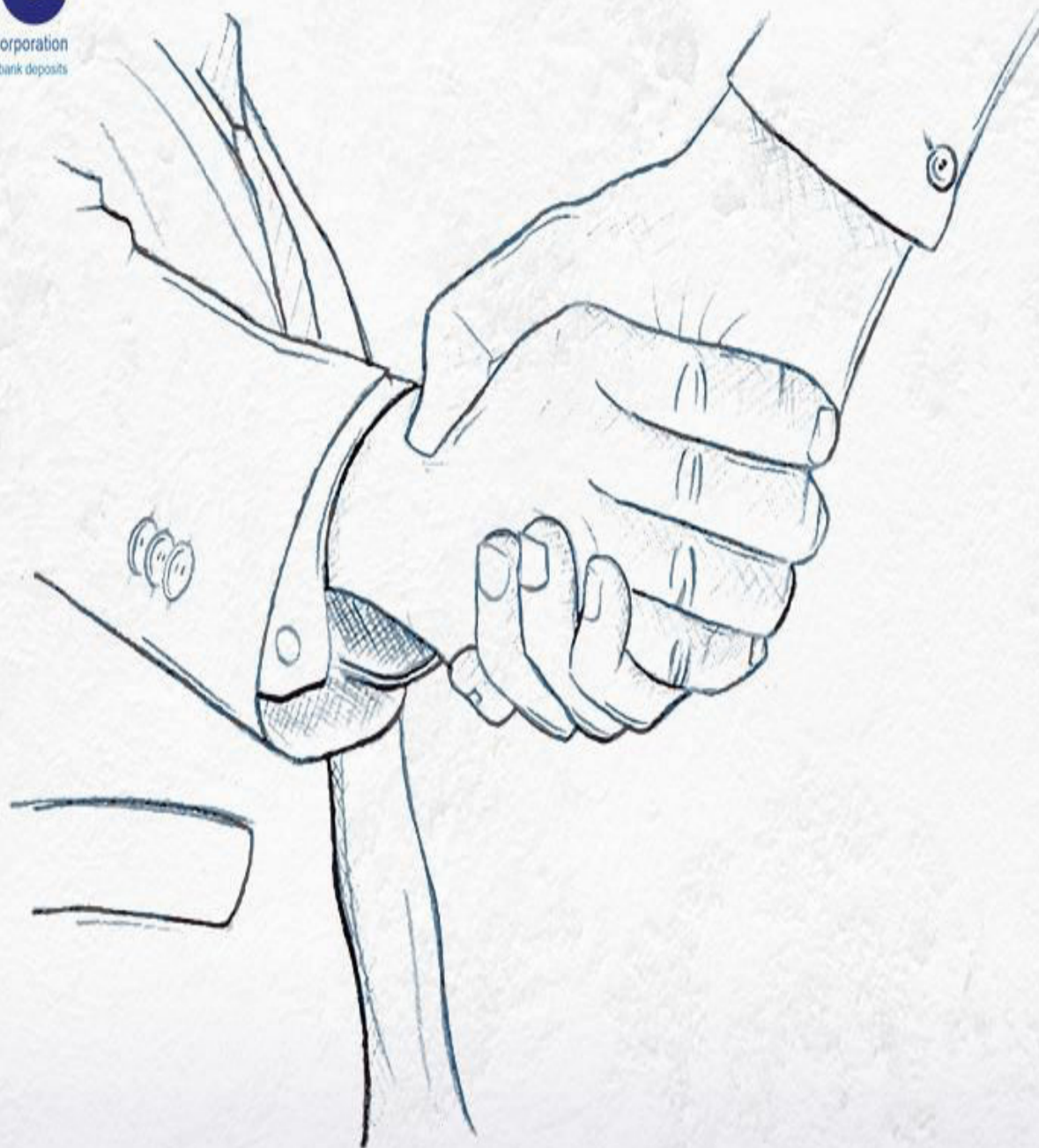
Sustainability, however, depends on preventing new arrears, meaning distribution efficiency and tariff discipline remain unresolved variables.

For now, the sector’s central institution has changed posture. NBET is no longer only where debts accumulated, it is now the mechanism through which they are being systematically cleared and potentially the foundation for the next phase of electricity market reform.



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Dakwo, Abuja.**EDITORIAL****Pump More or Admit the Truth: Nigeria Cannot Incentivise Production Into Existence**

We have heard this conversation before. Government provides incentives, investors promise consideration, production targets get announced, and reality quietly refuses cooperation. The federal government's call on international oil companies to raise output toward 2.5 million barrels per day by 2027 sounds decisive on paper, but it exposes a deeper national dilemma. Nigeria is negotiating production levels as though they are purely a function of goodwill rather than economics.

At 2026 Nigerian International Energy Summit (NIES), the Honourable Minister of State for Petroleum Resources (Oil), Senator Heineken Lokpobiri, argued that the success of the petroleum sector begins with the upstream. We agree, but the implication is larger than the statement. If upstream performance determines the economy, then Nigeria's macroeconomic stability remains outsourced to boardrooms outside the country. That is the real story behind the appeal to international oil companies (IOCs).

We should first confront the numbers. Average production around 1.6 million barrels per day falls materially below the budget benchmark and dramatically below the new ambition. Targets alone do not create barrels. Capital expenditure does. And capital expenditure follows risk-adjusted returns, not patriotic persuasion.

The government says it has created an enabling environment. The companies, however, operate in an environment defined less by regulation on paper and more by operational

certainty in practice. Pipelines still face disruption risk. Payment frameworks still evolve. Fiscal terms may be legislated, but predictability is experienced operationally. Investors price what they experience, not what policy documents promise.

We must, therefore, recognise the structural contradiction in the national approach. Nigeria wants higher production but also wants higher state participation, higher local value capture, and tighter domestic supply commitments. Each objective is individually reasonable, collectively expensive. When combined, they shift projects from viable to marginal. Once marginal, capital migrates.

The minister asked what companies will do in return for incentives. That framing suggests reciprocity. Energy investment does not operate on reciprocity. It operates on portfolio optimisation. Multinational producers compare Nigeria not to its past output but to alternative jurisdictions competing for the same capital. If returns elsewhere are clearer, funds move elsewhere.

We should also acknowledge timing. Global oil capital is no longer expanding as it once did. Investors increasingly demand shorter payback periods and lower above-ground risk. Nigeria, meanwhile, asks for long cycle investments in a market where the energy transition compresses planning horizons. This mismatch makes production expansion harder than policy rhetoric admits.

The appeal to equality between indigenous and international operators is politically sensible but commercially neutral. Companies are not con-

cerned with whether rules are equal. They are concerned with whether returns are adequate. Equal regulation does not compensate for uncertain operating conditions. Investors do not require fairness. They require predictability.

There is another uncomfortable truth. Nigeria's fiscal dependence on oil revenue pushes the state toward optimistic production projections. Budgets need barrels. Markets need proof. When projections consistently exceed realised output, credibility erodes. Each missed target raises financing costs, which then increases the urgency for higher production, creating a policy loop.

We should therefore reframe the issue. The question is not why companies are not producing enough. The question is whether the investment conditions required for the desired production level actually exist. If they do not, urging companies will not create them. Only structural certainty will.

The government has introduced reforms and incentives. That is necessary but insufficient. What investors watch now is consistency over time. Do terms remain stable across administrations. Are contracts insulated from emergency reinterpretation. Can production continue uninterrupted for years rather than months. These determine output far more than summit declarations.

We also note a strategic risk. By publicly challenging operators to reciprocate incentives, the government signals urgency. Urgency can reassure domestic audiences but alarm capital providers.

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.



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WTO DG Urges Nigeria To Transition From Technology Importation To Local Manufacturing



Dr. Ngozi Okonjo-Iweala, DG of WTO

By Jennete Ugo Anya

Director-General of the World Trade Organisation (WTO), Dr. Ngozi Okonjo-Iweala, has urged Nigeria to move decisively from importing technology to producing it domestically, warning that continued dependence on foreign innovations weakens the industrial base and limits job creation in the digital economy.

Speaking at Ahmadu Bello University (ABU), Zaria, Dr. Okonjo-Iweala highlighted that global shift in technology, geopolitics, and climate present both risks and unprecedented opportunities for Nigeria and Africa if approached strategically. “It is always a pleasure to come home to Nigeria, but it is particularly special to be here at one of the country’s most important seats of learning,” she said, noting that universities like ABU must remain central to Africa’s technological, industrial, and economic transformation.

Universities as Engines of Innovation

Dr. Okonjo-Iweala traced Nigeria’s post-inde-

pendence education journey, recalling that at independence in 1960, the country had only one degree-awarding institution. The subsequent expan-

... Nigeria’s projected economic growth of 4.4 percent is insufficient when population growth is considered

sion of universities laid the foundation for scientific, technological, and entrepreneurial capacity. She highlighted ABU’s contributions, noting its research

in practical solutions, from animal feed innovations during dry seasons to wind power generation in rural communities.

The WTO chief identified technology, particularly the internet and artificial intelligence (AI), as among the most disruptive forces reshaping trade, production, and employment. She warned that automation and AI could deepen inequality if benefits are not distributed fairly. “The technological shift we are experiencing has made it easier to communicate, produce and trade, but not everyone has shared equally in the gains,” she said, emphasising the need for nimble multilateral institutions and responsive global trade rules to manage emerging technologies like AI and quantum computing.

Harnessing Africa’s Opportunities

Dr. Okonjo-Iweala urged Nigeria to embrace the emerging “re-globalisation” trend, where global supply chains diversify away from a few countries. She identified opportunities in labour-intensive manufacturing, critical minerals processing, renewable energy, pharmaceuticals, agro-processing, and electric vehicle supply chains. “Africa has the capacity to process its critical minerals all the way to EV battery manufacturing,” she said, citing Nigeria’s lithium processing investments and renewable energy potential.

She reinforced the need for domestic technology production, stressing that Nigeria must stop importing technologies it can manufacture locally. “Instead of importing solar panels, we should be manufacturing them here. That is how we create jobs, build resilience and grow our economy,” she said.

Dr. Okonjo-Iweala noted that Nigeria’s projected economic growth of 4.4 percent is insufficient when population growth is considered. She called for sustained growth of 6 to 7 percent driven by productivity, technology, and value addition, supported by strong digital infrastructure, skills development, and innovation-friendly policies. Full implementation of the African Continental Free Trade Agreement (Af-CFTA), she stated, could increase intra-African trade by up to 45 percent and lift millions out of poverty.

Youth as a Strategic Asset

Highlighting Africa’s demographic advantage, she observed that the continent will account for about 25 percent of the global working-age population by 2050, with Nigeria’s young population representing a major technology asset. “On an ageing planet, Africa’s youth represent the world’s future talent pool,” she said, urging stronger collaboration between academia, industry, and government to align education, innovation, and industrial strategy.

In conclusion, Dr. Okonjo-Iweala called for urgency, coordination, and investment in people and ideas. “This country has what it takes. What we need is the courage to act strategically and the discipline to align our resources and policies,” she said, urging Nigeria to leverage global technological disruption to achieve industrial transformation and inclusive growth.

The visit emphasized the role of universities, policymakers, and the private sector in shaping Nigeria’s future in the digital and industrial economy, highlighting the critical need to shift from technology consumption to technology production.



Funding Nigeria’s Agriculture, Growing Prosperity

FAAC Allocates N1.96trn Dec. 2025 Revenues To FG, State Govts., LGCs



By Anita Dennis

Nigeria's fiscal system returned to a familiar pace in January 2026 as the Federation Account Allocation Committee (FAAC) met in Abuja to share December 2025 revenues among the three tiers of government.

The figures released after the meeting tell a story that goes beyond the headline number of N1.969 trillion. They reveal how public finance continues to hinge on consumption taxes, oil-linked inflows, and persistent deductions that shape what eventually reaches governments closest to citizens.

According to the Office of the Accountant General of the Federation, the December allocation was drawn from a mix of statutory revenue, Value Added Tax (VAT), and the Electronic Money Transfer Levy (EMTL). Statutory revenue accounted for N1.084 trillion, while VAT contributed N846.507 billion, highlighting the growing role of consumption-based taxation in Nigeria's revenue structure. The EMTL added N38.110 billion, reflecting the steady expansion of digital transactions across the economy.

Before distribution, significant deductions were made. Cost of collection stood at N104.697 billion, while transfers, refunds, interventions, and savings absorbed N511.585 billion. These figures, often treated as technical footnotes, are critical to understanding why headline revenues rarely translate directly into spending power for governments. What remains after deductions determines the capacity of states and local councils to fund salaries, maintain infrastructure, and deliver basic services.

From the distributable pool, the federal government received N653.500 billion in total. State governments collectively received N706.469 billion, while local government councils received N203.656 billion. An additional N96.083 billion, representing 13 percent of mineral revenue, was shared among oil-producing states as derivation revenue. This derivation component continues to play a stabilising role for resource-rich states, even as debates persist about equity and fiscal balance within the federation.

A closer look at the distribution highlights enduring structural realities. While the Federal Government's share remains substantial, states as a group received a larger portion of the distributable revenue. For many state governments, FAAC allocations remain the primary source of funding, particularly in a context of limited internally generated revenue and rising expenditure pressures. Local governments, which are closest to service delivery

at the grassroots, received the smallest share, reinforcing long-standing concerns about their fiscal capacity and autonomy.

The December figures also included smaller allocations from specific revenue streams. The federal government received N5.717 billion from certain components, while state governments received N19.055 billion and local government councils received N13.338 billion. Though modest in scale, these amounts reflect the layered complexity of Nigeria's revenue-sharing framework, where multiple streams are pooled and redistributed according to constitutionally defined formulas.

When placed against the November 2025 allocation, the December figures show a slight decline. In November, N1.928 trillion was shared among the three tiers of government, drawn from a higher statutory revenue base of N1.403 trillion, VAT of N485.838 billion, and EMTL of N39.646 billion. Total gross revenue available in November stood at N2.343 trillion, with lower deductions for cost of collection at N84.251 billion and transfers, interventions, refunds, and savings amounting to N330.625 billion.

The comparison between the two months illustrates how fluctuations in statutory revenue, often linked to oil receipts and related inflows, can significantly affect distributable amounts. While VAT has become more stable and predictable, statutory revenue remains vulnerable to global oil prices, production levels, and operational disruptions. This volatility continues to ripple through public finances, influencing planning and execution at all levels of government.

For policymakers, the December allocation reinforces the urgency of fiscal reform conversations that have gained prominence in recent years. Diversifying revenue sources, improving tax compliance, and reducing leakages are no longer abstract policy goals. They are practical necessities if governments are to reduce overreliance on FAAC and build more resilient fiscal systems. The prominence of VAT in the revenue mix suggests some progress, but it also raises questions about the burden on consumers in an economy grappling with inflationary pressures.

For citizens, FAAC figures may seem distant, but their implications are tangible. Allocations determine whether states can pay wages on time, whether local councils can maintain primary schools and health centres, and whether infrastructure projects move forward or stall. When revenues dip or deductions rise, the impact is often felt in delayed projects, unpaid contractors, and constrained social services.

FG Launches Nationwide Training To Equip 10m Nigerians In Financial Literacy

By Majeed Salaam

The federal government has launched an ambitious programme to train 10 million Nigerians in financial literacy and inclusion, signalling a major push to strengthen human and institutional capacity for a digital economy. The initiative, flagged off on Monday, Feb 02, at the State House in Abuja, is backed by a Memorandum of Understanding (MoU) between the government and six professional bodies.

Vice President Kashim Shettima, speaking on behalf of President Bola Ahmed Tinubu, described the initiative as a "strategic national investment in capacity as infrastructure." He emphasised that Nigeria's demographic dividend can only be realised if women and young people are deliberately equipped with the skills, competence, and ethical grounding necessary to thrive in a rapidly evolving financial and digital ecosystem.

The training programme is being implemented through the Office of the Vice President via the Presidential Committee on Economic and Financial Inclusion (PreCEFI), which Vice President Shettima chairs. The collaboration with the professional bodies - Institute of Chartered Accountants of Nigeria (ICAN), Chartered Institute of Bankers of Nigeria (CIBN), Chartered Institute of Stockbrokers (CIS), National Institute of Credit Administration (NICA), Chartered Risk Management Institute (CRMI), and Nigeria Institute of Innovation and Entrepreneurship (NIIE) - is designed to create structured training pathways, certification programmes, mentorship platforms, and digital skills initiatives.

Vice President Shettima explained that financial inclusion is not achieved through access alone. "Access without competence, trust, and capability cannot drive meaningful inclusion," he said. "We cannot build a one-trillion-dollar economy on weak skills, fragmented standards, or disconnected professional ecosystems." By leveraging the expertise of professional bodies, the programme aims to align skill development, policy standards, and practical market competence with national inclusion goals.

A key focus of the programme is youth and women empowerment. The Vice President noted that prioritising these groups is critical for sustainable economic growth. "Nigeria's demographic dividend will only materialise if young people and women are equipped with relevant skills and strong ethical foundations," he said. The programme seeks to bridge gaps in digital literacy, financial management, and professional skills that are essential for meaningful participation in the economy.

The event featured remarks from key stakeholders. Haruna Yahaya, President of ICAN, commended the government for its economic reforms and pledged the institute's full support for the initiative, describing it as "timely and critical to sustaining recent economic gains." Emmanuel Lennox, CEO of WAWU Africa, the programme's technical partner, assured that the necessary digital platforms and enabling infrastructure would be provided to ensure the programme's success.

Nurudeen Abubakar Zauro, Technical Adviser to the President on Economic and Financial Inclusion, highlighted that financial exclusion often stems from weak institutional capacity and limited skills rather than mere lack of access. "Financial inclusion is achieved when people and institutions are equipped to use infrastructure responsibly, productively, and sustainably," he said.

The MoU between the FG and the six professional bodies marked the highlight of the flag-off ceremony.

World Bank Commends Nigeria As Model For Consistent Economic Reforms



President Bola Tinubu (m); Anna Bjerde, World Bank Managing Director (8th r); Vice President Kashim Shettima (6th r); Mr. Wale Edun, Honourable Minister of Finance and Coordinating Minister of the Economy (5th r), and some of the delegates from World Bank, during the meeting in Abuja.

By Jennete Ugo Anya

Nigeria has earned global recognition for its steady and credible economic reform programme, with the World Bank describing the country as an emerging reference point for disciplined policy implementation.

The commendation came during a meeting at the State House, Abuja, where President Bola Tinubu received the World Bank delegation led by Managing Director of Operations, Anna Bjerde.

President Tinubu reaffirmed his administration's commitment to sustaining structural reforms despite the initial challenges they posed. "Since we've gone into this tunnel of reform, we have our hands on the plough and we're never going to look back," he said. He highlighted that Nigeria has already navigated the most difficult phase of implementation and remains determined to maintain long-term stability and growth.

President Tinubu emphasised the centrality of Nigeria's youthful population and vast agricultural resources to economic transformation. He outlined government initiatives to establish zonal mechanisation centres, expand access to improved seedlings, and leverage rising petrochemical output to increase local fertiliser production. These interventions are designed to transition farmers from subsistence production to large-scale cooperatives, generating wealth and creating employment.

The President also emphasized the significance of difficult policy decisions, such as fuel subsidy removal and exchange-rate unification, describing them as necessary sacrifices for long-term gains. "We gave up short-term benefits so that the world and the country can benefit from a stable currency," he said, noting that inflation has since eased and the naira has stabilised, enhancing investor confidence.

Global Recognition

World Bank Managing Director Anna Bjerde

lauded Nigeria as a global example of credible and consistent reform leadership. She cited policy consistency, positive investor sentiment, and structural improvements as factors underpinning Nigeria's growing reputation. The World Bank's forthcoming Country Partnership Framework will align with Nigeria's development goals, including the \$1 trillion gross domestic product (GDP) target and the seven percent growth agenda. Bjerde highlighted the importance of improving access to finance for small, medium, and large enterprises, particularly mid-sized firms that drive employment.

Economic Outlook and Reform Agenda

Honourable Minister of Finance and Coordinating Minister of the Economy, Mr. Wale Edun, said Nigeria is on track to achieve sustained economic growth of at least seven percent between 2027 and 2028. He attributed this to ongoing macroeconomic and structural reforms aimed at restoring stability, boosting productivity, and deepening inclusion.

Mr. Edun stressed that domestic reforms are crucial amid shifting global trade dynamics, rising

protectionism, and tightening financial conditions. "For Africa, growth must be domestically driven, private-sector led, and productivity-focused," he said. He called for mobilisation of domestic resources, adoption of technology, and investment in human capital to ensure Nigeria capitalises on its demographic advantage.

Private Sector and Investment Support

Umaru Kwairanga, Chairman of the Nigerian Exchange Group (NGX), pledged the Exchange's role in supporting Nigeria's growth agenda by connecting capital to opportunities and enabling businesses to expand transparently and sustainably. He emphasised the importance of platforms like the African Business Convention in fostering partnerships that translate dialogue into tangible investment outcomes.

Banking Sector Outlook

S&P Global Ratings projected nominal credit growth for Nigerian banks between 20 and 25 percent in 2026, driven by investments in oil and gas, agriculture, and manufacturing. The ratings agency expects real GDP growth to average 3.7 percent over 2025-2026, with stable asset quality and marginal declines in profitability. Non-performing loans, which rose to seven percent in 2025, are expected to stabilise between six and seven percent. Banks' capitalisation is anticipated to improve as they meet new regulatory requirements, while continued growth in transaction fees and commissions will support overall profitability.

Building Resilience

The World Bank's recognition, coupled with strong policy alignment and proactive private sector engagement, positions Nigeria as a model for consistent, productivity-led economic growth in Africa, highlighting the country's potential to achieve its ambitious development targets while deepening inclusion and stability.

The World Bank's forthcoming Country Partnership Framework will align with Nigeria's development goals, including the \$1 trillion GDP target and the seven percent growth agenda

FG Sets National Agenda To Boost Livestock Sector With New Technical Sub-Committee



Senator Abubakar Bagudu, Honourable Minister of Budget and Economic Planning

By Kingsly Benson

The federal government has intensified efforts to reposition Nigeria's livestock sector, establishing a technical sub-committee under the National Economic Council (NEC) to harmonise policies and fast-track a nationwide development roadmap. The move highlights the administration's vision of livestock as a strategic economic driver for growth, food security, and social cohesion.

Inaugurating the NEC Technical Sub-Committee on Livestock Development last Monday, the Honourable Minister of Budget and Economic Planning, Senator Abubakar Bagudu, emphasised that the body's role is to distil existing policy frameworks into a clear and actionable roadmap for consideration by the NEC. "Our task is not to reinvent the wheel," he said. "A substantial body of work already exists. What is required now is to convert these reports into a practical implementation plan that the NEC can adopt without delay."

The sub-committee's formation responds to practical constraints. While a high-level NEC committee on livestock development already exists - chaired by the Governor of Kebbi State, Dr. Nasir Idris, with governors from the six geopolitical zones, relevant ministers, and the co-chair of the Presidential Committee on Livestock Development - the tight schedules of governors limited their direct involvement in day-to-day work. The technical sub-committee, chaired by Sen. Bagudu, will therefore oversee the process more efficiently.

Sen. Bagudu highlighted President Bola Tinubu's personal commitment to livestock development, noting that his leadership of the Presidential Committee on Livestock Development signals a strategic shift in Nigeria's economic and agricultural policy. "Livestock is not a marginal activity but a central

driver for food security, agricultural productivity, and inclusive growth," he said, stating that the establishment of a stand-alone Ministry of Livestock Development reflects this prioritisation.

The minister further stressed the need for inter-governmental collaboration. Under Nigeria's federal system, agriculture and food security, including livestock development, fall within the joint responsibili-

The move highlights the administration's vision of livestock as a strategic economic driver for growth, food security, and social cohesion

ties of the federal, state, and local governments. The ministry, as the secretariat of the federal system, is tasked with ensuring that national plans, budgets, and programmes are aligned, mutually reinforcing, and implemented collaboratively.

The sub-committee's mandate also includes identifying investment opportunities and mobilising resources. Sen. Bagudu cited ongoing initiatives such as the World Bank-supported Livestock Productivity and Resilience Support (L-PRES) Project, NG-CARES, the Nigeria for Women Programme, and the Renewed Hope Ward-Based Development Plan.

These initiatives aim to unlock economic potential across Nigeria's 8,809 wards while providing mechanisms to attract private-sector participation, impact investors, and development partners.

Addressing a longstanding source of concern, he acknowledged sensitivities surrounding livestock production, particularly in conflict-prone regions. He emphasised that the sub-committee should help reframe livestock as a driver of prosperity rather than a source of tension. Clear policies and coordinated implementation, he noted, are key to reducing risks and increasing sector resilience.

Dr. Sampson Ebimaro, Director overseeing the Office of the Permanent Secretary, described the meeting as a key step in advancing the President Tinubu administration's Renewed Hope Agenda. He reinforced the link between food security and national economic growth, underlining the ministry's commitment to coordinating efforts for sustainable outcomes.

The sub-committee draws from a broad range of expertise, blending policy, technical, and private-sector perspectives. Members include the Permanent Secretary of Budget and Economic Planning, represented by Dr. Sampson Ebimaro; SSA to the President on Agribusiness, Mr. Kingsley Uzoma; commissioners from Cross River, Kebbi, and Niger states; and representatives from the Livestock Productivity and Resilience Support project, Niger Foods, and the Ministry of Livestock.

The establishment of this technical body reflects a deliberate strategy to accelerate livestock sector development through better coordination, policy coherence, and resource mobilisation. By consolidating existing work and aligning stakeholders at all levels, the federal government aims to transform livestock into a more productive, profitable, and conflict-resilient sector.

FG Ends Corporate Tax Credit Scheme For Roads, Resetting the Rules on Infrastructure Financing

By Musa Ibrahim

The federal government's decision to discontinue the use of tax credits by companies for road construction marks a significant shift in how Nigeria plans to finance and govern public infrastructure.

Announced by the Executive Chairman of the Nigeria Revenue Service (NRS), Dr. Zacch Adedeji, the move effectively draws a line under a scheme that for years allowed large corporates to build or rehabilitate federal roads in exchange for future tax offsets.

Speaking at a recent meeting, Dr. Adedeji framed the decision as a constitutional and institutional correction rather than a rejection of private sector involvement. According to him, the tax credit model blurred the boundaries between revenue collection and public spending, roles that Nigeria's constitution assigns to different authorities.

At the heart of the argument is the mandate of the revenue agency. Dr. Adedeji stressed that the core responsibility of the NRS is to assess, collect, and account for taxes. It does not include spending decisions. Allowing companies to deduct road construction costs from their tax liabilities, he argued, effectively turned tax administration into a form of appropriation.

In his words, once taxes are collected, they cease to belong to the collector or the taxpayer. They become public funds that must pass through constitutionally recognised processes, including the Federation Account Allocation Committee (FAAC). From that pool, elected authorities determine how money is spent. Tax credits for roads, he said, short-circuited that process by letting companies decide how public money was deployed before it ever reached the federation account.

Dr. Adedeji also raised a competence issue. Road construction, he noted, is not within the technical expertise of a revenue agency. Determining standards, costs, and value for money requires engineering and procurement capacity that sits elsewhere in government. For that reason, he said, it was inappropriate for the tax authority to validate or oversee infrastructure projects, regardless of how well intentioned the scheme appeared.

The discontinued programme is the Road Infrastructure Development and Refurbishment Investment Tax Credit Scheme, established under Executive Order 007 around 2019. Its objective was pragmatic. With public funding stretched and road

conditions deteriorating, the government sought to leverage private capital to close infrastructure gaps quickly. Companies could fund approved federal road projects and then recover their costs over time by offsetting them against company income tax liabilities.

In practice, the scheme attracted some of Nigeria's largest corporates. The Nigerian National Petroleum Company Limited (NNPCL) emerged as the biggest participant, financing more than 21 road projects spanning over 1,800 kilometres by late 2024. These included strategic corridors such as the Ilorin Jebba Mokwa Bokani Junction Road and sections of the Lagos Badagry Expressway.

weakened parliamentary oversight of public spending by relocating decisions from the budget process to bilateral arrangements between companies and the executive.

The government's decision to end the scheme reflects a broader recalibration of fiscal governance. By insisting that all taxes be paid in full and then appropriated through formal channels, the administration is signalling a preference for clearer institutional boundaries. It is also asserting that infrastructure prioritisation should remain a public choice, not a corporate one, even when private capital is involved.

The move, however, raises immediate questions about funding gaps. Nigeria's road network remains



Dr. Zacch Adedeji, Executive Chairman of NRS

Companies could fund approved federal road projects and then recover their costs over time by offsetting them against company income tax liabilities

Dangote Group, through Dangote Cement, worked on the Apapa Oshodi Oworonsoki Ojota Expressway and the Obajana Kabba road in Kogi State. BUA Group committed to multiple projects across Kwara and Kogi states, targeting more than 500 kilometres of roads by 2026. MTN Nigeria took on the Enugu Onitsha expressway, while Nigeria LNG funded the high-profile Bodo Bonny Road and bridge project in Rivers State.

Banks and energy firms also participated. Access Bank handled sections of the Victoria Island Lekki circulation road. Mainstream Energy worked on roads in Niger State. Transcorp, GZI Industries, and several manufacturing firms were involved in smaller but locally significant projects. For communities along these corridors, the results were tangible, often delivered faster than traditional public works.

Yet the scheme was not without critics. Some policy analysts questioned its transparency, arguing that it privileged large corporates with substantial tax liabilities while smaller firms and ordinary taxpayers had no comparable options. Others warned that it

under severe strain, and public capital budgets alone have historically fallen short. While Dr. Adedeji emphasised that companies should simply pay their taxes and allow government to appropriate funds properly, the effectiveness of this approach will depend on whether appropriated funds are released on time and projects executed efficiently.

There is also the issue of transition. Some projects approved under the tax credit scheme are still ongoing, and clarity will be required on how they are treated. Reports in 2025 already indicated that NNPCL was pausing further commitments under the scheme to refocus on core operations, even before the formal discontinuation.

In ending the tax credit model for roads, the government has chosen constitutional order over improvisation. The challenge now is to ensure that the formal budgetary system it is restoring can deliver infrastructure at the speed and scale the economy demands. Without that, the debate may shift from legality to effectiveness, and pressure for alternative financing models will inevitably return.




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NCDMB Urges Africa To Shift From Consuming To Creating Innovation In Energy Sector



Mr. Felix Ogbe, Executive Secretary of NCDMB

By Ahmed Ahmed

The Nigerian Content Development and Monitoring Board (NCDMB) has called on African nations to move beyond consuming technology and actively foster local innovation to drive industrial growth. The appeal was made by the Board's Executive Secretary, Mr. Felix Ogbe, during his keynote address at the 2026 Nigeria International Energy Summit (NIES) in Abuja.

Speaking on the summit's theme, 'Local Content Beyond Compliance: Building African Industrial Powerhouses,' Mr. Ogbe, represented by the Board's Director of Corporate Services, Dr. Abdulmalik Halilu, stressed that Africa's industrial future hinges on competence, capacity utilisation, and collaboration. He said the continent must develop indigenous supply chains capable of delivering service excellence while meeting global standards.

"The NCDMB's compliance trajectory has been to develop regulations, systems, and processes that enable indigenous technologies, strengthen domestic manufacturing, foster research and innovation, and build a resilient, globally competitive supply chain," Mr. Ogbe explained. He cited the example of Nigeria's cable manufacturers, which supplied about 2 million metres of cable to the Nigeria LNG Train 7 project and now possess the capacity to export to other African markets, including Cameroon, Angola, Ghana, Côte d'Ivoire, and Algeria.

Highlighting human capital development, Mr. Ogbe revealed that more than 10,000 Nigerian youths are being trained under the Oil and Gas Field Readiness Training Programme. Skills being developed include geosciences, subsea engineering, QA/QC, marine operations, automation and controls, underwater welding, and drilling engineering.

Mr. Ogbe also announced the operationalisation of the African Energy Bank, now housed within the African Petroleum Producers' Organisation (APPO). The bank is expected to expand access to affordable project financing for energy companies across the

continent, reinforcing the broader industrialisation agenda.

He commended Executive Orders and the "Nigeria First" policy under President Bola Ahmed Tinubu, noting that these measures aim to boost local capacity, attract investment in gas and deepwater projects, and accelerate contract execution. NCDMB has revised guidelines to shorten contracting timelines, remove non-value-adding intermediaries, and maximise in-country value retention.

"For Africa to become an industrial powerhouse, we must embrace talent development, research and development, modern manufacturing capabilities, and cross-border trade," Mr. Ogbe said. "The continent must evolve from local participation to local mastery."

The Honourable Minister of State for Petroleum Resources (Gas), Mr. Ekperikpe Ekpo, commended President Tinubu's economic reforms, highlighting their role in energy security and industrialisation. He emphasised the centrality of natural gas to Africa's development, describing it as a pathway to diversification, job creation, and shared prosperity.

Mr. Ekpo cautioned that while local content policies have increased compliance, they have yet to produce global competitiveness or advanced technological capacity at scale. "Performance-driven local content demands a new compact," he said. "Government must provide stable policies, industry operators must embed local capacity into project design, financial institutions must de-risk indigenous projects, and training institutions must align skills with modern industry needs."

He warned that decisions made at the summit will determine whether Africa remains primarily a supplier of raw energy resources or becomes a global leader in gas-driven industrial development.

The NCDMB's message underscores a broader continental agenda: leveraging local innovation, human capital, and strategic partnerships to transition African energy sectors from resource dependency to technological and industrial leadership.

Quotes of the Week

Prof. Nentawe Yilwatda, National Chairman of APC

Mr. President has shown both the vision and the determination to see through the reforms this nation needs. Now is not the time for cynicism, but for unity and constructive support as these diplomatic and economic efforts begin to translate into tangible improvements in people's lives.

Vice President Kashim Shettima

Access without competence, trust, and capability cannot drive meaningful inclusion. We cannot build a one-trillion-dollar economy on weak skills, fragmented standards, or disconnected professional ecosystems.

Mr. Mohamed H. Alsuwaidi, Minister of Investment, UAE

Reflecting on Nigeria and the potential that is here, I am surprised that we have not deployed significantly much (investments). And I think that with this government (President Bola Ahmed Tinubu's administration), we see a window where our size of investment should be in the tens of billion dollars hopefully in the coming years.

UAE Eyes Over \$10bn Investment In Nigeria At Inaugural Investopia Africa Summit



ships. He highlighted ongoing and upcoming projects, including the Lekki Port, the Badagry deep-sea port, a planned international airport, and a major logistics hub aimed at integrating agricultural markets. He further described the Lagos International Financial Centre (LIFC), a joint initiative between the state government and EnterpriseNGR, as a platform to attract global capital, enhance transparency, and position Lagos as a continental financial hub.

“Lagos is positioning itself as a willing and ready partner. We have built infrastructure, strengthened security, and removed bottlenecks to allow businesses to operate efficiently,” Mr. Sanwo-Olu said. “The LIFC is designed to be a true African model, blending global best practices with local needs, supporting Nigeria’s ambition to become a \$1 trillion economy.”

The summit also served as a venue for announcements of concrete partnerships. A Memorandum of Understanding was signed between Digital Energy, a UAE firm, and First E&P, a Nigerian energy company, signaling the beginning of actionable deals stemming from the Investopia engagement.

Organisers described Investopia Africa as a strategic platform connecting global capital to African opportunities. Dr. Jean Fares, Chief Executive of Investopia, said, “Our gatherings aim to deepen global dialogues, translate them into partnerships, and ultimately convert those partnerships into tangible investments.” The event highlighted scalable opportunities in infrastructure, logistics, and financial systems, designed to strengthen Africa’s supply chain resilience amid global economic challenges.

Ambassador Nura Abba Rimi, Permanent Secretary of Nigeria’s Ministry of Industry, Trade and Investment, stated that the reforms undertaken by President Bola Ahmed Tinubu’s administration have created a conducive investment climate. “The engagement and dialogue taking place today will contribute meaningfully to strengthening the economies of our countries and deepening bilateral trade,” he said.

Investopia Africa reflects a broader strategic vision by both Nigeria and the UAE to deepen trade relations, attract long-term investment, and leverage private capital for sustainable development. With projected investments exceeding \$10 billion, the summit is expected to catalyse industrial growth, infrastructure development, and economic diversification in Nigeria, reinforcing the country’s position as a leading investment destination on the continent.

By Jennete Ugo Anya

Nigeria is set to receive a major inflow of capital from the United Arab Emirates (UAE), with the government and private sector of the Gulf nation projecting more than \$10 billion in investments over the coming years.

The announcement came at the first “Investopia Global Africa” summit, co-hosted by Nigeria and the UAE in Lagos, where leaders from both countries emphasised stronger bilateral trade and strategic private-sector partnerships.

Speaking at the event, UAE Minister of Investment, Mr. Mohamed H. Alsuwaidi, expressed optimism about the untapped opportunities in Nigeria. “Reflecting on Nigeria and the potential that is here, I am surprised that we have not deployed significantly much in the past,” he said. “With the current government, we see a window where our investment could reach tens of billions of dollars in the coming years.”

Mr. Alsuwaidi identified key sectors for investment, including infrastructure, entertainment, financial services, agriculture, public transport, utilities, power, mining, warehousing, and wastewater recycling. He highlighted that translating opportunities into tangible projects would require accurate information, strong private-sector networks, and transparency. “We are focused on building trust, understanding the market, and partnering with both private enterprises and government agencies to execute projects effectively,” he added.

The UAE’s Minister stressed that while government partnerships are important, the bulk of investment should be private-sector driven. “There are more deals to be done at the private sector level. We want to build business-to-business relationships, identify low-hanging fruits that can deliver quick wins, and leverage larger projects with transparency,” he said.

Echoing Mr. Alsuwaidi, Nigeria’s Minister of Industry, Trade and Investment, Dr. Jumoke Oduwole, positioned Nigeria as a strong landing board for investment into Africa. She highlighted the

country’s strategic access to the African Continental Free Trade Area (AfCFTA) and pointed to the wide range of investment opportunities available. “Nigeria offers 44 solid minerals in commercial quantities, agri-business, AI and technology solutions, data centres, critical infrastructure, tourism, oil and gas, aviation, and repurposed Free Economic Zones. Investors can see Nigeria as a hub to access the broader African market,” she said.

Dr. Oduwole assured investors that the government has strengthened the legal framework and nurtured trust to protect investments. “Every challenge presents an opportunity. We are ready to facilitate deals and ensure they are executed properly. Your capital will be safe here,” she said, noting that the federal government is committed to fostering an enabling environment.

Governor Babajide Sanwo-Olu of Lagos State also addressed investors, emphasising the state’s readiness to support private and international partner-





NIGERIA FIRST

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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.

”

NSIA, IFC Partner To Expand Cancer Care, Diagnostic Services Across Nigeria



Mr. Aminu Umar-Sadiq, NSIA Managing Director/CEO (3rd r); Mr. Ethiopis Tafara, IFC Vice President for Africa (4th r); Prof. Mohammad Ali Pate, Honourable Minister of Health (5th r), and others, during the signing of the agreement in Abuja.

By Anita Dennis

The Nigeria Sovereign Investment Authority (NSIA) has partnered with the International Finance Corporation (IFC) to scale oncology and diagnostic healthcare services to underserved communities nationwide. The \$154.1 million initiative aims to establish more than a dozen modern diagnostic and treatment centres, create 800 direct jobs, and train over 500 healthcare professionals in oncology and cardiology specialties.

IFC is contributing \$24.5 million (about N14.2 billion) in long-tenor local currency financing, marking its first healthcare investment in Nigeria using this structure. The financing, provided through the International Development Association’s Private Sector Window Local Currency Facility, allows the funds to be denominated in naira, reducing foreign exchange risks while supporting sustainable infrastructure growth.

Speaking at the agreement signing in Abuja, NSIA Managing Director/CEO, Mr. Aminu Umar-Sadiq, described the partnership as a milestone in the Authority’s efforts to strengthen Nigeria’s healthcare ecosystem. “By deploying long-tenor naira financing, we are addressing critical infrastructure gaps while ensuring quality diagnostic and cancer care services are accessible to underserved communities,” he said. Umar-Sadiq stated that the initiative demonstrates how commercially viable healthcare investments can achieve strong developmental impact while supporting national health priorities.

The project will be implemented through NSIA

... IFC will provide advisory support to enhance operational capacity, including global best practices in patient safety, measurement of access among low-income populations, and EDGE certification for green building standards

Advanced Medical Services Limited (MedServe), a wholly-owned healthcare subsidiary. MedServe will oversee the development of diagnostic centres, radiotherapy-enabled cancer care facilities, and cardiac catheterisation laboratories across several states. Facilities will be equipped with advanced medical technologies, including CT and MRI imaging, digital pathology labs, linear accelerators, and cardiac catheterisation equipment, enhancing specialised diagnostic and treatment capacity.

IFC Vice President for Africa, Ethiopis Tafara, highlighted the significance of the investment for Nigeria’s healthcare sector. “Nigeria’s focus on addressing the rising prevalence of non-communicable diseases presents a significant opportunity to mobilise private capital at scale while ensuring equitable access to quality care,” he said. Tafara noted that the initiative reflects IFC’s broader vision of resilient health systems that reinforce inclusive growth and long-term impact across Africa.

MedServe’s co-location strategy with public hospitals is designed to maximise capital efficiency while strengthening the public-private healthcare ecosystem. Facilities will offer services priced according to local income levels, helping ensure broader access to affordable oncology care for low-income patients. The initiative aligns with Nigeria’s Universal Health Coverage goals, the World Bank Group’s Country Partnership Framework, and national initiatives such as the Health Sector Renewal Investment Initiative and the Presidential Initiative for Unlocking the Healthcare Value Chain.

Beyond financing, IFC will provide advisory support to enhance operational capacity, including global best practices in patient safety, measurement of access among low-income populations, and EDGE certification for green building standards. A significant portion of the investment has been classified as climate finance, in line with the Paris Agreement. Construction is scheduled through 2026, with the first facilities expected to open in the second half of the year.

The NSIA-IFC partnership signals a new model for private-sector-led healthcare expansion in Nigeria, combining long-term capital, advanced technology, and operational expertise to improve access to specialised medical care and strengthen the country’s health infrastructure.

Reforms Nuggets

Economic Activity Expands for 14th Month in January – CBN PMI

- Nigeria’s economy maintained strong momentum in January 2026, with the Composite Purchasing Managers’ Index (PMI) hitting 55.7 points, signaling broad-based expansion for the 14th consecutive month, according to the Central Bank of Nigeria (CBN).

- **Industry Sector:** PMI rose to 56.0 points, driven by growth in 14 of 17 sub-sectors, reflecting widespread industrial expansion and increased production activity.

- **Services Sector:** PMI recorded 54.5 points, extending expansion for the 12th straight month. Growth was reported in 12 of 14 subsectors, indicating strong resilience and diversification in the services economy.

- **Agriculture Sector:** PMI stood at 54.2 points, marking 18 months of continuous growth, with all five subsectors reporting gains, reflecting sustained improvement in crop, livestock, and allied activities.

- Out of 36 subsectors surveyed across the economy, 31 showed expansion, highlighting the broad-based nature of Nigeria’s growth.

- **Price Trends:** Input and output price indices moderated, with output prices declining across the composite, services, and agriculture indices, suggesting easing cost pressures.

- The report underscores continued investor confidence, industrial dynamism, and agricultural productivity, reinforcing the economy’s resilience amid global uncertainties.

Optics, Power and Narrative: What Trump's Praise of Oluremi Tinubu Really Signals



I read the glowing tribute delivered in Washington with less emotion than many commentators seemed willing to permit themselves. Diplomatic theatre is rarely accidental, and I do not treat public praise by an American president as a devotional moment. I treat it as messaging. When a sitting United States president pauses at a high visibility political-religious gathering to single out a foreign first lady, the primary audience is not the woman, not even her country. The audience is the geopolitical market. The commendation of Nigeria's First Lady therefore deserves interpretation rather than celebration.

The first thing I notice is the venue. The National Prayer Breakfast is not merely a religious gathering. It is one of Washington's soft power platforms. Leaders attend not to pray, but to signal values alignment. When Nigeria appears in that room, the conversation shifts from policy to perception. A country defined internationally by oil theft, energy instability and fiscal opacity suddenly becomes framed through faith, respectability and moral character. I see narrative substitution at work.

Nigeria's current global image problem is credibility, not visibility. Investors know the country exists. What they doubt is consistency. Energy pricing shifts, power sector subsidies quietly return after reform announcements, crude revenues are pledged forward before production, and the domestic refining transition is still redefining market power. These issues create risk premiums that no press conference can eliminate. What diplomatic optics can do is reduce reputational friction long enough for capital to consider entry. That is why symbolic validation matters.

When the American president publicly calls a Nigerian political figure respected, he is not awarding sainthood. He is lowering perceived counterparty risk.

I interpret the praise as a form of reputational collateral. Countries with unstable economic narratives often borrow credibility from personalities. In the past Nigeria exported oil as its primary signal of relevance. Today, amid energy transition uncertainty and volatile production, it increasingly exports people as proof of stability. A disciplined democracy with reliable institutions would not need this. A reforming one often does.

I therefore read the moment as less about the First Lady and more about the Tinubu administration's external positioning strategy. The government needs a softer face while implementing harder economic corrections. Energy price liberalisation, tariff adjustments and exchange rate unification carry domestic political costs. International reassurance offsets those costs by encouraging capital inflow, which in turn helps cushion reform impact. The praise functions as a reputational hedge.

There is also a security subtext. The United States rarely personalises praise without strategic context.

Nigeria sits at the intersection of counterterrorism, energy supply diversification and African geopolitical competition. Public affirmation of a leadership figure connected to the presidency signals comfort with the administration as a partner. In diplomatic language, comfort translates into cooperation latitude. That can include intelligence coordination, security support or simply tolerance for difficult economic reforms.

I consider the timing significant. Nigeria is restructuring its energy economy in real time. The country is moving from fuel import dependence toward domestic refining dominance, from blanket electricity subsidy toward targeted tariffs, and from centralised power regulation toward state level markets. Each of these transitions creates temporary instability. International partners prefer predictable governments during unstable reforms. Public praise becomes reassurance without formal treaty commitment.

Many Nigerians instinctively interpreted the moment as national pride. I interpret it as risk management communication aimed at global markets. The real question is whether Nigeria converts optics into measurable outcomes. Diplomatic compliments alone do not finance power transmission lines, stabilise gas supply contracts or prevent subsidy reaccumulation. They only open a door. Policy credibility must walk through it.

There is a domestic political dimension as well. External validation often strengthens internal authority. Governments under reform pressure benefit from international endorsement because it signals inevitability. Citizens may resist austerity, but they tend to accept that globally supported policies will not reverse easily. In that sense, the commendation subtly reinforces reform durability. It suggests the administration is not isolated.

However, I also see a cautionary angle. When a nation relies heavily on personality optics, it risks confusing symbolism with performance. Nigeria's energy sector still faces structural contradictions. The country wants market pricing but also stable pump prices. It wants cost reflective electricity tariffs but fears electoral backlash. It wants local refining to reduce FX demand yet also wants dollar revenue from crude exports. Praise from abroad cannot resolve these tensions.

What it can do is buy time. If I place the episode in the broader global arena, I see a competition of narratives across emerging economies. Countries are increasingly marketed like investment products. Reputation, governance signals and leadership perception influence capital allocation almost as much as macroeconomic data. Nigeria has historically underinvested in strategic storytelling. Others have not. A single visible endorsement in Washington therefore carries disproportionate informational value.

I do not interpret the praise as endorsement of policy outcomes. I interpret it as recognition of political alignment and potential reliability. The United

States is effectively saying, this government is a partner we can work with. Markets interpret that as lower geopolitical risk. Lower risk reduces capital hesitation. Reduced hesitation supports reform financing.

Yet the durability of that advantage depends entirely on execution at home. If electricity supply continues collapsing due to gas payment disputes, if domestic refining evolves into price concentration without competition, or if forward oil sales mortgage future budgets, no amount of ceremonial respect will sustain confidence. Reputation decays quickly when data contradicts narrative.

From a communications perspective, the administration gains a temporary advantage. The story shifts from Nigeria seeking approval to Nigeria receiving recognition. That psychological shift matters in international diplomacy. Nations perceived as confident negotiate differently from those perceived as defensive. Optics influence bargaining posture.

I also observe how the tribute reframes Nigeria beyond hydrocarbons. For decades the country's identity abroad has been resource based. Being publicly acknowledged through a civic and moral lens diversifies that identity. Soft power complements hard economics. Countries with only commodity identities suffer volatility in global esteem whenever commodity cycles turn. Expanding perception into values and leadership credibility stabilises attention. Still, I resist the temptation to romanticise the event. Diplomatic praise is transactional. Today's compliment can coexist with tomorrow's pressure on oil supply transparency or governance reforms. The United States routinely combines public warmth with private demands. Nigeria must recognise both elements simultaneously.

In my assessment, the true strategic value lies not in the applause but in the opportunity window it creates. The government now possesses a brief period during which global stakeholders are inclined to listen rather than doubt. That window should be used to clarify energy market rules, strengthen regulatory consistency and demonstrate fiscal discipline. Otherwise the moment becomes ceremonial rather than structural.

Ultimately, I see the tribute as a mirror reflecting Nigeria's current position in the world. The country is no longer ignored, but not yet fully trusted. Recognition signals potential, not achievement. The administration has been handed reputational credit. It must now repay it with policy coherence.

If Nigeria converts the symbolism into predictable governance, the episode will later be remembered as an early signal of re-entry into serious global consideration. If not, it will remain a pleasant diplomatic anecdote. I therefore neither dismiss nor glorify the praise. I interpret it as leverage. And leverage only matters if used.