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The Reforms

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Nigeria's Economy Surges Past 4% As Reforms Deepen Structural Shift

Nigeria closed 2025 on a firmer economic footing, posting one of its strongest quarterly growth performances in recent years. New data from the National Bureau of Statistics (NBS) show that Gross Domestic Product (GDP) expanded by 4.07 percent in real terms in the fourth quarter (Q4) of 2025. The figure marks a marginal acceleration from the 3.98 percent recorded in the third quarter (Q3) and an improvement over the 3.76 percent posted in the corresponding period of 2024. **Enam Obiosio** highlights the data from the bureau.

Beyond the headline number, the composition of growth offers insight into a reform programme that appears to be gaining traction. Expansion was recorded across agriculture, industry and services, suggesting that the current upswing is not confined to a narrow segment of the economy. In nominal terms, GDP was valued at N122.81 trillion during the quarter, while real GDP stood at N63.97 trillion, reflecting stronger output under stabilising macroeconomic conditions.

For policymakers, the significance of the 4.07 percent growth rate lies in both timing and structure. It represents one of the few occasions in the past decade, outside the immediate rebound from the COVID-19 downturn, that quarterly growth has exceeded 4 percent. It also comes amid an extensive reform agenda designed to restore fiscal discipline, improve foreign exchange management and re-anchor investor confidence.

Broad-based sector expansion

The Q4 performance was underpinned by measurable gains across the three principal sectors of the economy.

Agriculture grew by 4.00 percent, a marked improvement from the 2.54 percent recorded in the same quarter of 2024. The sector accounted for 28.66 percent of real GDP, reinforcing its structural importance. Officials attribute the rebound to

improved security in key food-producing regions, better access to farm inputs and targeted interventions aimed at strengthening value chains. While structural constraints remain, the stronger output suggests that policy support is beginning to yield quantifiable results.

activities helped sustain overall momentum.

Services, which remain the largest driver of the Nigerian economy, grew by 4.15 percent and accounted for 55.92 percent of real GDP. Though slightly below the 4.75 percent recorded in the fourth quarter of 2024, the sector maintained its dominant position.



Industry expanded by 3.88 percent, compared to 2.49 percent a year earlier, contributing 15.42 percent to real GDP. The sector's recovery reflects incremental gains in manufacturing and other production activities, supported by improved foreign exchange availability and ongoing energy sector adjustments. Although average daily oil production dipped to 1.58 million barrels per day (mbpd) from 1.64 million barrels in the preceding quarter, non-oil industrial

Banking, telecommunications, trade and technology-enabled services continued to expand, reinforcing Nigeria's gradual shift toward a more service-oriented economic structure.

The scale of services' contribution underscores a structural reality. Nigeria's growth story is increas-

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BANK OF INDUSTRY
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REA Sets Stage For Over 500 Electrification Projects In 2026 To Boost Rural Power Access

By Majeed Salaam

The Rural Electrification Agency (REA) has announced plans to implement more than 500 electrification projects across Nigeria in 2026, targeting rural communities, public institutions, and strategic economic hubs. The initiative is part of the federal government's broader effort to expand reliable and sustainable power supply nationwide.

Managing Director of the Agency, Dr. Abba Aliyu, disclosed the plan last Friday during a briefing on the 2025 budget performance and 2026 budget defence session organised by the House Committee on Rural Electrification in Abuja. The Agency's total budget proposal for 2026 stands at N170 billion, with N100 billion earmarked for the National Public Sector Solarisation Initiative. This flagship programme aims to provide sustainable electricity to government Ministries, Departments, and Agencies (MDAs) across Abuja and other regions.

"The N100 billion allocation will fund the deployment of hybrid mini-grids for MDAs, reducing dependence on the national grid and cutting operational energy costs," Dr. Aliyu explained. Citing the National Hospital, Abuja, he highlighted that solar-powered infrastructure already installed there has improved service delivery while lowering energy expenditure.

The proposed projects encompass a mix of interventions tailored to community needs. Grid extension



Dr. Abba Aliyu, MD of REA

projects will connect households and businesses in settlements near existing power infrastructure. For agrarian and cottage industry communities, renewable-powered mini-grids will enhance economic productivity and value addition in agricultural processing clusters. In sparsely populated or hard-to-reach areas, the Agency plans to deploy standalone solar home systems to deliver power where grid or mini-grid access is

not economically viable.

Dr. Aliyu emphasised that the Agency presented detailed plans for these projects to the National Assembly. Reflecting on past performance, he said the REA achieved an 85 percent execution rate for the 2024 budget. Despite low fund releases in 2025, the Agency has recorded 32 percent implementation in the current fiscal year, with expectations for improved performance as additional funds are disbursed.

Chairman of the House Committee on Rural Electrification, Hon. Mohammed Bukar, applauded the Agency for its progress in expanding energy access through off-grid and renewable energy solutions. "After detailed scrutiny of the agency's submissions, the committee is satisfied with the explanations and supporting documentation presented," he said.

Hon. Bukar commended the REA for adhering to procurement regulations, fiduciary safeguards, and development partner frameworks guiding its operations. He noted that legislative oversight will continue, including on-site assessments of project implementation. "Oversight is a critical pillar of accountability. We will ensure the REA remains aligned with its statutory mandate and national development priorities," he stated.

The 2026 projects are expected to have far-reaching impact, including increased electricity access for rural communities, improved operational efficiency for public institutions, and support for economic activities in agro-processing and small-scale industries.

Nigeria's Economy Surges Past 4% As Reforms Deepen Structural Shift

CONT. FROM COVER

ingly tied to the resilience of its financial system, digital economy and consumer-facing industries. This shift carries implications for employment patterns, investment flows and fiscal revenues.

Non-oil dominance and structural signals

One of the most striking elements of the fourth-quarter data is the overwhelming contribution of the non-oil sector. According to the NBS, non-oil activities accounted for 97.13 percent of total GDP during the quarter, while oil contributed just 2.87 per cent.

This distribution signals a continuing diversification of output, even if oil remains significant for external earnings and fiscal receipts. The modest decline in crude production did not derail overall growth, suggesting that the broader economy is becoming less directly sensitive to short-term fluctuations in oil volumes.

For reform advocates, this shift reinforces the case for deepening structural adjustments that prioritise revenue mobilisation, productivity and export competitiveness outside hydrocarbons. It also highlights the importance of strengthening domestic value chains, improving logistics and enhancing regulatory coherence.

Full-year trajectory and policy interpretation

On a full-year basis, Nigeria's economy grew by 3.87 percent in 2025, up from 3.38 percent in 2024.

The steady upward movement across quarters reflects what economic managers describe as improved policy coordination and tighter macroeconomic management.

Honourable Minister of Finance and Coordinating Minister of the Economy, Mr. Wale Edun, characterised the Q4 outcome as evidence that reforms are beginning to deliver measurable gains. He noted that the performance builds on the 4.23 percent growth recorded in the second quarter (Q2) of 2025 and demonstrates strengthening macroeconomic stability.

According to him, the improvement is not attributable to a single driver. Rather, it reflects incremental progress across sectors, supported by enhanced fiscal discipline, greater transparency and closer collaboration among monetary and fiscal authorities. He emphasised that reforms aimed at restoring confidence in public finance and foreign exchange management are central to sustaining the trajectory.

The message to investors, domestic and international, is clear. A growth rate above 4 percent signals renewed dynamism, particularly when accompanied by evidence of structural broadening. It suggests an economy that, while still confronting inflationary pressures and cost-of-living challenges, is expanding on a wider base.

Implications for households and businesses

Macroeconomic growth does not immediately resolve the pressures faced by households. Inflation and real income constraints remain salient concerns. However, sustained expansion across agriculture, industry and services creates conditions for job cre-

ation, improved business turnover and higher government revenues.

For businesses, a broad-based upswing enhances planning visibility. Manufacturing firms benefit from more predictable foreign exchange access. Farmers gain from improved security and policy support. Service providers operate within a system that is gradually stabilising. Over time, these dynamics can reinforce one another, generating cumulative gains.

For government, stronger nominal GDP expands the tax base and enhances fiscal capacity. This can translate into greater investment in infrastructure, social programmes and institutional reform, provided expenditure discipline is maintained.

The reform inflection point

The crossing of the 4 percent threshold in successive quarters marks a symbolic milestone. It does not imply that structural challenges have been resolved, nor does it eliminate vulnerability to external shocks. Yet it signals an inflection point in the reform narrative.

Sustaining momentum will depend on consolidating macroeconomic stability, addressing inflation and ensuring that growth translates into tangible welfare improvements. It will also require maintaining policy coherence and resisting reversals that could undermine investor confidence.

For now, the fourth-quarter data offer cautious validation of the reform path. Growth is broad-based. The non-oil sector is dominant. Sectoral contributions are balanced. Fiscal and monetary coordination appears firmer.



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Dakwo, Abuja.**EDITORIAL****Aviation's N184bn Budget Must Deliver Real Reform**

Nigeria's aviation sector is once again at a familiar crossroads. With the Ministry of Aviation and Aerospace Development seeking N184.39 billion for 2026, the question before the country is no longer whether the sector needs investment. It clearly does. The real question is whether this new spending push will finally translate into measurable, durable improvements in safety, efficiency and passenger experience.

We believe the answer will depend less on the size of the appropriation and more on the discipline of execution.

Barr. Festus Keyamo, Minister of Aviation and Aerospace Development, has framed the proposal as an execution budget focused on modernising safety systems, upgrading digital infrastructure and strengthening human capacity across the aviation ecosystem. On paper, this is the correct emphasis. Nigeria's aviation sector has long suffered from systemic weaknesses that require exactly this kind of technical reinforcement.

We also acknowledge that the ministry is not starting from zero. Over the past year, the government has recorded some important credibility wins. The clearance of foreign airline trapped funds helped repair Nigeria's reputation with international carriers. Compliance with the Cape Town Convention signalled renewed seriousness about aircraft financing discipline. The reopening of United Arab Emirates routes and the launch of Abuja to Heathrow service by a local carrier showed welcome operational momentum.

These are not trivial gains. They

matter for perception, and in aviation, perception often drives investment decisions.

However, we must be clear eyed about what the 2026 budget request represents. This is not a transformational expansion blueprint. It is, at best, a consolidation effort aimed at stabilising the system after years of uneven performance. The ministry itself appears to recognise this, given its heavy focus on safety architecture and digital backbone improvements rather than large scale capacity expansion.

In principle, we support this sequencing. Nigeria does not need shiny new aviation projects nearly as much as it needs reliable, well maintained and globally compliant systems. But support in principle cannot substitute for accountability in practice.

The recent fire outbreak at Murta-la Muhammed International Airport in Lagos has already complicated the fiscal picture. The destruction of critical agency equipment introduces an unplanned capital burden that could quietly distort the ministry's spending priorities. If replacement costs escalate, funds originally intended for forward looking modernisation could be diverted into emergency remediation.

We must not allow crisis spending to crowd out structural reform.

Equally important is the early warning coming from the National Assembly. Buhari Abdulfatai, Chairman of the Senate Committee on Aviation, was right to caution that public funds must be judiciously managed. Nigeria's aviation sector carries a long history of abandoned projects, underperforming infrastructure and

procurement inefficiencies. Legislative vigilance at this stage is not obstruction, it is necessary guardrail.

Festus Olanrewaju, Chairman of the House Committee on Aviation, added another important dimension by insisting that implementation must remain people oriented and supportive of national economic growth. We agree. Aviation reform that does not ultimately improve passenger experience, reduce delays, strengthen safety outcomes and lower operating friction is reform only in paperwork.

The deeper concern we see is execution credibility.

Nigeria has, over the years, developed a troubling pattern. Budget announcements are often ambitious. Policy language is usually sound. But delivery timelines slip, capital releases arrive late, procurement cycles drag and inter agency coordination falters. When this happens, even well-designed sector interventions lose momentum.

The aviation ministry cannot afford to repeat that cycle in 2026.

For investors and aircraft lessors, the signals are cautiously positive but still conditional. The reaffirmation of Cape Town Convention compliance and the push to deepen aircraft leasing structures are steps in the right direction. They indicate that Nigeria understands the financial architecture required to support a modern aviation market.

We, therefore, see 2026 as a proving year for Nigeria's aviation reform story.

The policy direction is broadly correct. The fiscal commitment is material.

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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NDIC Posts 97% Budget Performance, Targets N589.89bn In 2026



Mr. Thompson Sunday, Managing Director of NDIC

By Majeed Salaam

The Nigeria Deposit Insurance Corporation (NDIC) has recorded a 97 percent implementation of its 2025 budget, positioning the agency as one of the strongest-performing government-owned enterprises under Nigeria's fiscal responsibility framework.

The performance was disclosed during a budget defence session before the House of Representatives Committee on Insurance and Actuarial Matters, where the NDIC Managing Director, Mr. Thompson Sunday, presented the Corporation's 2026 fiscal projections.

Chairman of the Committee, Hon. Ahmed Jaha, commended the agency's discipline in revenue management and compliance with statutory remittance obligations.

"I want to put this on record that NDIC is one of the agencies operating strictly under the Fiscal Responsibility framework on cost-to-income ratio," Hon. Jaha stated. He explained that under the governing framework, 50 percent of the corporation's generated income must be remitted to the Consolidated Revenue Fund of the Federal Government, while the remaining 50 percent is retained for operational purposes.

Despite this structural constraint, NDIC achieved nearly full budget execution. "Despite this limitation, NDIC has achieved nearly 97 percent budget implementation for 2025. Meanwhile, some other agencies

recorded zero per cent performance, particularly on their capital components," Hon. Jaha noted.

The chairman attributed the performance to the agency's revenue model and internal controls. "This achievement is largely because NDIC is a self-generating, government-owned enterprise that manages its revenue efficiently within the fiscal responsibility guidelines," he added.

The 97 percent execution rate is significant within Nigeria's public finance landscape, where capital budget performance often lags due to funding constraints, procurement delays and revenue volatility. NDIC's model, anchored on internally generated revenue from financial institutions, provides it with relative stability compared to agencies dependent on federal allocations.

For 2026, the corporation has proposed a total budget of N589.89 billion. According to Managing Director Thompson Sunday, the proposal represents an increase of N151.22 billion over the 2025 appropriation.

Mr. Sunday clarified that projected total expenditure for 2026 stands at N250.46 billion, which represents 50 percent of the Corporation's anticipated income. This structure is in strict compliance with the cost-to-income ratio policy that governs the agency's operations.

In addition to its spending plan, NDIC projected a surplus of N254.74 billion for the 2026 fiscal year. Of that amount, approximately N252.60 billion, rep-

resenting 50 per cent, will be remitted to the Federal Government in line with statutory requirements.

The figures underscore NDIC's dual role as both a financial system stabiliser and a revenue-contributing public institution. Its primary mandate remains the protection of depositors and the maintenance of confidence in the banking system. However, its consistent remittances also support federal revenue consolidation efforts.

Parallel to NDIC's presentation, the National Insurance Commission outlined its own 2026 financial projections, signalling tightening regulatory oversight within the insurance sector.

The Commissioner for Insurance at the National Insurance Commission, Mr. Olusegun Omosihin, proposed a 2026 expenditure of N25.667 billion, with projected net revenue of N25.702 billion. He disclosed the figures while appearing before the same House Committee.

Omosihin reported that the Commission's Internally Generated Revenue is projected to rise to N34.270 billion in 2026, up from N29.921 billion projected for 2025. The increase of N4.348 billion represents a 14 per cent growth.

He attributed the projected expansion in revenue to new initiatives aimed at strengthening collections and closing operational leakages. Enhanced monitoring and improved compliance systems are expected to underpin the revenue growth trajectory.

Beyond fiscal projections, Mr. Omosihin confirmed that NAICOM has commenced the recapitalisation of insurance firms. He described the move as the first phase of a broader restructuring programme designed to stabilise and reposition the sector.

According to him, the overarching objective is to reform, rebuild and recapitalise the industry. "We are committed to a transparent process. The exercise will conclude on July 31, 2026, after which only companies that meet the new minimum capital requirements will remain in operation," Omosihin stated.

The recapitalisation drive is expected to reduce systemic risk, strengthen underwriting capacity and improve consumer confidence in the insurance market. It also aligns with ongoing efforts to deepen financial sector resilience across banking and non-banking institutions.

Taken together, the NDIC and NAICOM budget presentations reflect a broader pattern of institutional tightening within Nigeria's financial regulatory architecture. Stronger compliance with fiscal responsibility rules, improved internally generated revenue performance and sector-wide restructuring efforts indicate a focus on sustainability and prudential oversight.

For the banking system, NDIC's robust surplus and high implementation rate reinforce its capacity to manage potential bank distress events and safeguard depositor funds. For the insurance sector, recapitalisation signals a transition toward higher capital thresholds and operational discipline.

As the 2026 fiscal cycle approaches, legislative scrutiny and regulatory enforcement are likely to intensify. The performance metrics presented at the National Assembly suggest that financial sector institutions are positioning themselves not only as regulators but as accountable, revenue-generating public enterprises operating within defined fiscal boundaries.



Funding Nigeria's Agriculture, Growing Prosperity

FG Targets Industrial Take-Off With Cassava Bioethanol Expansion



Sen. Atiku Bagudu, Honourable Minister of Budget and Economic Planning

By Musa Ibrahim

The Federal Government of Nigeria has renewed its push to transform Nigeria's vast cassava output into a strategic industrial asset, placing bioethanol production at the centre of a broader economic reform drive.

At a latest capacity-building workshop in Abeokuta focused on the Cassava Bioethanol Value Chain Development Project for the South-West zone, the Honourable Minister of Budget and Economic Planning, Sen. Atiku Bagudu, outlined a plan to reposition cassava from a primarily food crop to a cornerstone of industrial and energy policy.

Represented by Auwal Mohammed, Director of Economic Growth, the minister framed the initiative as part of President Bola Tinubu's Renewed Hope Agenda, which seeks to convert agricultural strength into measurable industrial growth.

"As the world transitions towards a greener and more sustainable economy, bioethanol presents a significant opportunity for Nigeria," Sen. Bagudu said. His remarks situate the policy within global energy transition trends, where biofuels are increasingly viewed as complements to conventional fossil fuels.

Nigeria is the world's largest producer of cassava, yet the crop's industrial application remains limited relative to its scale. Government officials argue that this gap represents both a missed opportunity and

a reform imperative. By expanding domestic bioethanol production, policymakers aim to stimulate a bio-based economy capable of strengthening foreign exchange reserves, reducing fuel import dependency and creating jobs along the agricultural value chain.

Sen. Bagudu emphasised that blending bioethanol with premium motor spirit (PMS) could materially reduce Nigeria's reliance on imported fuel components. Such blending, he noted, would "cut dependence on fuel imports and save billions of naira in foreign exchange." At a time when currency stability and external reserves remain central to macroeconomic management, this dimension of the project carries fiscal significance.

The minister also linked the initiative to naira stability and inclusive growth. According to him, scaling the cassava bioethanol industry would integrate millions of smallholder farmers into a more structured industrial ecosystem. "As the ministry of budget and economic planning, we are committed to ensuring that every naira invested in this project translates into jobs for our youth and enhanced food security for our families," he stated.

Beyond fuel substitution, the policy framework reflects a broader bio-economy strategy. Sen. Bagudu stressed that the project extends beyond ethanol alone. It aims to extract value from high-quality starch used in manufacturing, carbon dioxide captured during fermentation processes and distillery grains converted into animal feed. This circular approach aligns with Nigeria's National Bio-Economy Policy, which promotes full-spectrum utilisation of

biological resources.

"We are not just building factories; we are building a future where Nigeria becomes a global hub for bio-resources," Sen. Bagudu stated. The statement underscores a long-term ambition: repositioning Nigeria as a regional leader in industrial biotechnology rather than a primary commodity exporter.

The workshop in Abeokuta served as a technical platform to deepen stakeholder capacity. Participants were encouraged to strengthen expertise in high-yield cassava cultivation, improved seed varieties and efficient processing methods. Productivity gains at the farm level remain essential if bioethanol production is to achieve scale without undermining food supply.

In a supporting presentation, Olumuyiwa Jayeoba, President of the Association of Deans of Agriculture in Nigerian Universities, contextualised the initiative within a global bio-economy framework. He described the bio-economy as the sustainable use of renewable biological resources, scientific knowledge and innovation to produce goods, services and energy.

"Bio-economy has the capacity to bring many people out of poverty, improve energy and food security," Jayeoba said. His intervention highlighted the social dimension of the policy, particularly its potential to bridge rural productivity gaps and stimulate agro-industrial clusters.

The economic logic behind the cassava bioethanol push rests on three pillars. First is industrial substitution. Domestic ethanol production reduces import bills and supports local refining and blending industries. Second is agricultural transformation. Structured demand for cassava could incentivise mechanisation, improved agronomy and private investment in processing infrastructure. Third is environmental alignment. Bioethanol blending contributes to lower carbon intensity in transport fuels, aligning Nigeria with evolving global sustainability standards.

However, analysts note that successful implementation will require policy coherence across ministries, regulatory clarity for blending mandates and sustained investment in logistics. Transporting cassava roots, which are bulky and perishable, demands efficient supply chains. Processing plants require reliable energy and water access. Financing mechanisms must also support farmers and processors to scale operations.

The Federal Government's renewed emphasis signals an attempt to address these bottlenecks through coordinated planning. By anchoring the initiative within the Ministry of Budget and Economic Planning, authorities are positioning bioethanol development as a macroeconomic tool rather than a narrow agricultural project.

For a nation seeking to diversify revenue sources and strengthen economic resilience, cassava may prove more than a staple crop. Under the current reform framework, it is being recast as an industrial catalyst, capable of linking farms to factories and rural output to national growth.

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CBN's First Rate Cut In Months Signals Policy Pivot, But Businesses Seek Deeper Relief

By Jennete Ugo Anya

Nigeria's private sector has responded with cautious approval to the decision by the Central Bank of Nigeria (CBN) to trim its benchmark interest rate after months of aggressive tightening aimed at curbing inflation.

The Monetary Policy Committee (MPC) recently reduced the Monetary Policy Rate (MPR) by 50 basis points to 26.5 percent from 27 percent, marking the first easing move after a prolonged cycle of hikes. The decision, announced by CBN Governor Mr. Olayemi Cardoso at the end of the committee's two-day meeting in Abuja, reflects what the apex bank described as a balanced assessment of inflation risks and emerging signs of disinflation.

For members of the Organised Private Sector (OPS), the cut is symbolically important. The cut signals that monetary authorities believe inflationary pressures are moderating and that macroeconomic stability is gradually taking root. Yet across interviews with business leaders and analysts, a consistent theme emerged: the reduction is welcome, but the overall interest rate environment remains restrictive.

Chief Emeka Obegolu, President of the Abuja Chamber of Commerce and Industry, described the move as a cautiously optimistic step toward easing financial pressure on businesses. In his assessment, the rate cut reflects growing confidence in Nigeria's stabilisation trajectory. He also noted that the adjustment of the asymmetric corridor around the MPR, though technical, could improve interbank market efficiency and enhance policy transmission.

For Nigeria to achieve eight to 10 percent annual growth, borrowing conditions must become more supportive of productive enterprise

The chamber expects that, if sustained, the new policy direction could lower financing costs, improve credit access for the real sector, and reinforce exchange rate stability. However, it urged closer coordination between monetary and fiscal authorities to ensure that easier financial conditions translate into tangible economic gains. Targeted credit interventions, infrastructure upgrades and regulatory reforms remain essential to lowering the cost of doing business.

A similar tone came from the Lagos Chamber of Commerce and Industry (LCCI). Its Director-General, Dr. Chinyere Almona, characterised the decision as a positive but cautious shift from tightening toward stabilisation. She emphasised



that while the rate reduction sends a confidence signal to investors, other monetary parameters suggest liquidity conditions are still tight.

For manufacturers and service providers, the cost of capital remains elevated. Government securities such as Treasury bills and Open Market Operation bills are trading between 18 and 22 percent. In such an environment, commercial lending rates remain high, limiting expansion plans and dampening private investment appetite.

Tilewa Adebajo, Chief Executive of CFG Advisory, argued that the modest scale of the cut reveals lingering caution within the Monetary Policy Committee. In his view, policymakers are not yet fully confident that disinflation is durable. He warned that the current rate structure continues to constrain the real sector's ability to borrow and invest.

According to him, reform gains must now evolve into productivity-led growth. "The urgency of now," he said, lies in shifting from stabilisation to accelerated output expansion. An economy growing around four per cent, he argued, cannot absorb unemployment pressures or deliver transformative income gains. For Nigeria to achieve eight to 10 percent annual growth, borrowing conditions must become more supportive of productive enterprise.

Analysts also note that timing is critical. By the next MPC meeting, a significant portion of the year will have elapsed, narrowing the window for meaningful stimulus. As the country gradually approaches another election cycle, campaign-related spending could inject short-term liquidity into grassroots economies. Such spending may support growth without necessarily triggering immediate inflationary spikes, though the structural impact would likely be limited.

From a market perspective, however, the rate cut appears unlikely to destabilise the currency. Lukman Otunuga, Senior Market Analyst at FXTM, observed that the Naira has gained approximately six per cent year-to-date. He suggested that the modest reduction in MPR could even reinforce confidence, given improving foreign exchange liquidity and rising external reserves, which have climbed to levels not seen in over a

decade.

Importantly, real interest rates remain elevated when adjusted for inflation. Nigeria's benchmark rate is still among the highest in Africa, preserving its yield appeal to foreign portfolio investors. In this sense, the CBN's action represents a recalibration rather than a reversal. It signals the beginning of a gradual unwinding of tight policy, not an abrupt shift toward aggressive easing.

Ayokunle Olubunmi, Head of Financial Institutions Ratings at Agosto & Co, interpreted the move as evidence that the monetary authority is willing to moderate its stance. However, he cautioned that inflation has not declined sufficiently to justify a sharper cut. The central bank's credibility, built during the tightening phase, depends on measured steps that do not compromise price stability.

The broader implication of the decision lies in its signalling effect. After months of reform-driven adjustment, the Nigerian economy is transitioning toward a stabilisation phase. Disinflation trends, exchange rate convergence and improved external buffers provide a foundation for cautious optimism. Yet the private sector is clear in its expectations. Monetary easing must be complemented by fiscal discipline, infrastructure delivery and regulatory clarity.

Without structural reforms that lower operating costs and improve productivity, lower policy rates alone will not unlock sustainable growth. Businesses require predictable policy, efficient logistics networks, stable power supply and transparent foreign exchange management.

The CBN's 50-basis-point cut therefore represents more than a numerical adjustment. It marks a tentative pivot in Nigeria's monetary cycle. Whether it evolves into a broader easing trajectory will depend on inflation dynamics, exchange rate stability and the depth of structural reforms.

For now, the private sector's response captures the prevailing sentiment: welcome the shift, but press for deeper, coordinated action. The next phase of economic management will determine whether stabilisation matures into sustained expansion.

Nigeria Moves Toward Lagos International Financial Centre With Global Alignment Push



Mr. Babajide Sanwo-Olu, Governor of Lagos State & Chairman of the LIFC Council (m); Aigboje Aig-Imoukhuede, Co-Chairman of the LIFC Council & Chairman of EnterpriseNGR (5th r), with other stakeholders during a high-level meeting.

By Jennete Ugo Anya

Nigeria has entered a decisive phase in its plan to establish the Lagos International Financial Centre (LIFC), positioning the project as a cornerstone of its long-term economic transformation strategy.

The initiative, jointly driven by the federal government, the Lagos State Government and the private sector, with EnterpriseNGR serving as strategic private sector partner, reached a new milestone with a high-level alignment programme in the United Kingdom.

On February 23, 2026, a select delegation of 17 senior Nigerian officials convened at the Møller Institute, University of Cambridge, for a two-day national alignment and capacity-building programme. The delegation comprised legislators, financial regulators and senior public officials directly responsible for shaping policy, drafting legislation and executing the framework for the proposed financial centre.

The programme marked phase two of the LIFC's development. It builds on an earlier foundational training held in October 2025, which brought together 15 senior officials from the Lagos State Government and EnterpriseNGR. That first phase focused on strengthening institutional readiness and deepening understanding of global financial centre governance models.

The LIFC is designed as a globally benchmarked, ring-fenced financial jurisdiction within Nigeria. Its objective is to attract international investment, deepen capital markets, strengthen confidence in Nigeria's financial system and accelerate structural economic transformation.

Promoters of the initiative argue that the LIFC will address long-standing structural constraints that have limited Nigeria's ability to compete effectively for global capital. By creating a jurisdiction aligned with international best practice in regulation, taxation and dispute resolution, policymakers aim to reduce friction for cross-border finance while preserving national oversight.

The Cambridge programme focused on co-cre-

ating a shared national vision for the centre and enhancing understanding of international financial centre operations. It also sought to strengthen regulatory, legal and institutional capacity ahead of the proposed LIFC establishment bill and the planned phased rollout, including a soft launch targeted before the end of 2027.

According to organisers, the approach mirrors development pathways adopted by globally recognised financial centres such as Dubai, Abu Dhabi and Astana. The emphasis on early alignment between legislative, regulatory and executive arms

reflects a recognition that coordination failures often undermine large-scale reform projects.

The strategic importance of the LIFC extends beyond Lagos. The initiative aligns directly with key national and sub-national development frameworks, including the Renewed Hope Medium-Term Plan 2026–2030, Nigeria Agenda 2050 and the Lagos State Development Plan 2052. It also supports federal objectives to increase foreign direct investment inflows, strengthen financial regulation and enhance Nigeria's global investment competitiveness.

Participants at the Cambridge programme included Babajide Sanwo-Olu, Governor of Lagos State and Chairman of the LIFC Council, and Aigboje Aig-Imoukhuede, Co-Chairman of the LIFC Council and Chairman of EnterpriseNGR. Their

joint leadership signals the hybrid public-private architecture underpinning the initiative.

From the National Assembly, Senator Adekunbo Abiru, Chairman of the Senate Committee on Banking, Insurance and Other Financial Institutions, alongside Senators Adamu Aliero and Abubakar Umar Sadiq, participated in the programme. Their involvement reflects the legislative dimension required to establish a ring-fenced jurisdiction with defined legal status.

Also present were Dr. Jumoke Oduwole, Minister of Industry, Trade and Investment; Mrs. Sanyade Okoli, Special Adviser to the President on the Economy; Dr. Emomotimi Agama, Director-General of the Securities and Exchange Commission; Ms. Aisha Rimi, Chief Executive Officer of the Nigerian Investment Promotion Commission; and Mr. Abayomi Oluyomi, Commissioner for Finance, Lagos State.

Senior representatives from the Federal Ministry of Finance, the Central Bank of Nigeria and the Nigeria Revenue Service participated, alongside EnterpriseNGR officials. Their presence underscores the multi-institutional coordination required to implement the project.

The expected economic impact of the LIFC is framed around five transmission channels observed in established international financial centres. These include GDP and value-added growth driven by high-productivity financial services; employment and human capital formation through high-skill jobs; increased foreign direct investment and capital inflows; enhanced fiscal revenues from corporate and personal taxes; and broader economic diversification that reduces reliance on commodities.

By embedding these mechanisms within a domestically anchored but internationally aligned

The strategic importance of the LIFC extends beyond Lagos. The initiative aligns directly with key national and sub-national development frameworks, including the Renewed Hope Medium-Term Plan 2026–2030, Nigeria Agenda 2050 and the Lagos State Development Plan 2052

framework, promoters argue that the LIFC can strengthen Nigeria's investment environment and support long-term growth.

The scale and composition of the Cambridge delegation signal that the LIFC is not conceived as a symbolic project but as a structural intervention in Nigeria's economic architecture. The next phase will test the capacity of institutions to translate alignment into execution, particularly in areas of legal drafting, regulatory design and operational infrastructure.

With a planned soft launch before the end of 2027, the LIFC represents one of the most ambitious reform initiatives currently underway in Nigeria. Its success will depend on sustained policy coherence, legislative clarity and disciplined implementation.

NEXIM Bank MD Stresses Diversification As Key To Nigeria's \$1trn Economy Goal



Mr. Abubakar Bello, MD/CEO of NEXIM

By Majeed Salaam

The Managing Director (MD)/Chief Executive Officer (CEO) of the Nigerian Export-Import (NEXIM) Bank, Mr. Abubakar Bello, has emphasised that Nigeria cannot achieve a \$1 trillion economy without broad-based diversification, underlining the central role of the non-oil sector in driving sustainable growth.

Mr. Bello made the disclosure during the 2025 Annual General Meeting (AGM) of the Finance Correspondents Association of Nigeria (FICAN) in Abuja, held under the theme 'Actualizing President Bola Ahmed Tinubu's \$1tn Economy Agenda.' Represented by Dr. Babagana Musti, Senior Manager in the Strategic Planning Department, Mr. Bello reported that NEXIM Bank disbursed N179.79 billion to Nigerian exporters in 2025, targeting enterprises across small, medium, and large-scale operations.

He highlighted the bank's commitment to empowering exporters through low-interest funding and guarantees, aimed at de-risking international trade and promoting a "Made in Nigeria" label as a symbol of quality on the global stage. "We cannot float a trillion-dollar economy on the back of a single commodity," Mr. Bello said. "The cornerstone of this vision lies in the Non-oil Export Sector. At NEXIM Bank, this isn't just a policy statement; it is our daily mandate. We see the \$1tn target as a call to arms to unlock the untapped potential in our solid minerals, agriculture, and creative industries. We are moving from a 'resource-based' mindset to an 'export-led' growth model."

The NEXIM Bank CEO noted that diversification is not only a strategic necessity but also a practical pathway to boosting Nigeria's role in continental and global trade. He emphasised that the bank is

facilitating trade under the African Continental Free Trade Area (AfCFTA), helping Nigerian businesses navigate new markets from Accra to Cairo, and leveraging intra-African trade to generate sustainable wealth.

Mr. Bello further urged finance journalists to play a crucial role in building investor confidence by reporting on non-oil sector achievements accurately. "We recognise that for the public and the international community to truly appreciate the milestones on this road to \$1tn, we need you. When you report accurately on the growth of the non-oil sector, you aren't just filing a story; you are building the global investor confidence required to hit that \$1tn mark," he said.

He reaffirmed NEXIM Bank's transparency and open-door policy, encouraging journalists to scrutinise programs, share success stories, and provide constructive feedback to strengthen governance and performance.

Mr. Bello's remarks underscore the centrality of diversification to Nigeria's economic transformation agenda. By focusing on non-oil exports, leveraging intra-African trade, and strengthening the export ecosystem, NEXIM Bank aims to position Nigeria on a sustainable growth trajectory toward achieving the ambitious \$1 trillion GDP milestone.

...diversification is not only a strategic necessity but also a practical pathway to boosting Nigeria's role in continental and global trade

Tinubu Applauds Lebara Nigeria Launch, Highlights Telecoms As Key Driver of Economic Growth

By Musa Ibrahim

President Bola Tinubu has welcomed the official launch of Lebara Nigeria, describing it as a significant endorsement of Nigeria's digital economy and its growing reputation as a technology and investment hub in Africa.

In a statement released by his Special Adviser on Information and Strategy, Mr. Bayo Onanuga, the President said the telecommunications sector continues to be one of the country's most vibrant economic drivers. He noted that telecoms recorded 5.78 percent year-on-year growth in Q3 2025, contributing over 14 percent to Nigeria's Gross Domestic Product (GDP).

President Tinubu congratulated Lebara Nigeria's leadership, particularly Chief Executive Officer (CEO) Mrs. Teniola Stuffman, for their role in expanding telecommunications access, generating employment, and strengthening the nation's digital infrastructure. He emphasised that investments of this nature are critical to deepening financial inclusion, enabling innovation, and accelerating sustainable economic growth.

"The launch of Lebara Nigeria reflects growing investor confidence in the reforms being implemented by our administration to stabilise the economy and promote private sector-led development," he said.

Highlighting the international dimension, the President acknowledged the support of the British High Commission, represented by Deputy High Commissioner Mr. Johnny Baxter, noting that such engagement underscores enduring economic and diplomatic ties between Nigeria and the United Kingdom. He said collaborations like these demonstrate Nigeria's openness to responsible foreign investment and strategic global partnerships that deliver tangible benefits to citizens.

President Tinubu also recognised the contributions of the Advisory Board, led by Chairman Otunba Bimbo Ashiru, for their guidance, expertise, and belief in Nigeria's growth potential. He stressed that initiatives such as Lebara Nigeria will play a crucial role in job creation, youth empowerment, enterprise development, and broader economic diversification, particularly in the rapidly evolving digital sector.

Reiterating his administration's commitment to a stable and investment-friendly environment, the President assured investors of continued support for innovation and private enterprise. He wished Lebara Nigeria success as it begins commercial operations and encouraged sustained collaboration between public and private sectors to advance the country's digital transformation agenda.

The launch of Lebara Nigeria not only signals investor confidence in Nigeria's economic reforms but also highlights the strategic importance of the telecommunications sector in driving inclusive growth, technological innovation, and long-term competitiveness.

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FG Extends Raw Shea Nut Export Ban To Boost Domestic Processing, Value Addition



President Bola Ahmed Tinubu

By Ahmed Ahmed

President Bola Tinubu has approved a one-year extension of the ban on the export of raw shea nuts, taking effect from February 26, 2026, to February 25, 2027.

The move is part of the administration's broader strategy to deepen domestic processing, support industrial growth, and strengthen Nigeria's position in the global shea industry.

Shea nuts, the oil-rich fruits from the shea tree predominantly grown in Nigeria's Savanna belt, are the raw material for shea butter, a product widely used in cosmetics, skincare, haircare, and edible oils. The President's decision seeks to prioritise value addition and ensure that local industries capture higher returns from Nigeria's abundant shea resources.

Presidential spokesperson Mr. Bayo Onanuga explained that the extension aligns with the objectives of the Renewed Hope Agenda. "The policy underscores the government's commitment to industrial development, strengthening domestic value addition, and improving livelihoods in shea-producing communities," the statement read.

The President has tasked the Federal Ministry of Industry, Trade and Investment, alongside the Presidential Food Security Coordination Unit (PFSCU), to implement a unified, evidence-based national framework for the shea value chain. This framework will coordinate industrialisation, trade, and investment priorities while aligning with the Nigerian Commodity Exchange (NCX) export regulations. All previous waivers allowing raw shea nut exports have been withdrawn, and excess supply is to be channelled exclusively through the NCX framework.

To support local processing, the Federal Ministry of Finance will provide access to a dedicated NESS Support Window, enabling pilot initiatives such as a Livelihood Finance Mechanism to strengthen production and processing capacities.

The government encourages local conversion of shea nuts into butter, which commands prices 10 to 20 times higher than raw nuts, enhancing income for rural communities.

Vice President Kashim Shettima, speaking during the initial ban announcement in August 2025, emphasised that the policy is strategic rather than punitive. "This is a pro-value addition policy designed to secure raw materials for our processing factories and enable industries to run at full capacity, thereby boosting rural income and employment," he said.

Vice President Shettima noted that Nigeria produces nearly 40 percent of the world's shea nuts but captures only about 1 percent of the \$6.5 billion global market for processed shea products. He projected that the policy could generate \$300 million annually in the short term, with potential for a ten-fold increase by 2027 as local processing capacity expands.

The government also highlighted international market opportunities. Agreements with Brazil, where Nigeria is prioritising access for its shea butter and oil, are expected to be completed within months, opening a pathway for Nigerian value-added products in global markets.

"The extension of the export ban is intended to consolidate Nigeria's industrialisation goals, create jobs, enhance local processing, and position the country competitively in the global shea products market," Mr. Onanuga said.

Analysts say the policy signals a shift from raw commodity exports toward industrialised value chains, with implications for rural transformation, gender empowerment, and broader economic growth. By capturing more value domestically, Nigeria aims to generate higher revenue, create jobs along the supply chain, and strengthen livelihoods in shea-producing regions.

With the ban now extended to February 2027, the federal government continues to reinforce its commitment to inclusive growth, local manufacturing, and sustainable participation in global agricultural value chains.

Quotes of the Week

**Dr. Tayo Aduloju,
Nigerian Economic
Summit Group (NESG),**

So, we're not recording the kind of growth that we'd like to see, but the headlines are positive. But what does this mean for businesses? There are some of the real implications of the economy for businesses that are still bad. The reality of the headlines has not yet hit our pockets, our businesses, or our households, but there are still opportunities.

**Dr. Chinyere Almona,
DG, LCCI**

We must sustain our efforts to expand local refining capacity and build lasting industrial systems that outlast political administrations. Nigerian economy will make good progress towards achieving a GDP growth rate above five per cent in the short term.

**Mr. Adetilewa Adebajo,
Investment banker &
CEO of CFG Advisory**

I think there's no doubt that the economy has reached a point of inflection, and we're beginning to see more than 'green shoots.' But of course, reforms by themselves are not enough to be able to make things work.

NFVCB Crowns Funke Akindele Nollywood Box Office Champion



L-R: Mrs Tola Akerele, GM of the National Theatre, representing of Honourable Minister of Arts, Culture, Creative Economy and Tourism; Funke Akindele, and Dr. Shaibu Husseini, CEO NFVCB

By Kingsley Benson

The National Film and Video Censors Board (NFVCB) has honoured actress and filmmaker Funke Akindele with the Nollywood Box Office Champion Award, recognising her sustained commercial dominance and contribution to the evolution of Nigeria's film industry.

The award presentation, held at the NFVCB Lagos Office and attended by leading industry practitioners, marked a formal acknowledgement of Akindele's record-setting run at the Nigerian box office. For four consecutive years, the Board noted, she has led cinema earnings, expanded audience reach and reinforced the commercial viability of locally produced films.

Dr. Shaibu Husseini, Executive Director and Chief Executive Officer of the NFVCB, described the occasion as both a celebration of excellence and a defining moment in the maturation of Nollywood as an industry.

"As the regulatory body responsible for the classification and regulation of film and video works, including their distribution and exhibition, the NFVCB remains committed not only to upholding standards but also to encouraging growth within the industry," Husseini stated.

Akindele received the Box Office Champion award for 2020 for her film *Omo Ghetto*, for 2024/2025 for *Everybody Loves Jenifa*, and for 2026 for *Behind The Scenes*, which grossed N2.7 billion in box office returns. The figures underscore a rare consistency in a market often shaped by volatility and shifting audience preferences.

According to the Board, Akindele's dominance is not accidental. It reflects vision, disciplined execution, strategic distribution and a deep understanding of audience engagement. In an environment

where profitability remains uneven, her trajectory has demonstrated that well-crafted Nigerian stories can achieve both cultural resonance and strong financial returns.

Dr. Husseini emphasised that the award goes beyond ceremonial recognition. "This award is more than a trophy. It is a statement that excellence in cinema exhibition matters. It is a signal that consistency and professionalism will always be recognised. It also affirms the immense promise of Nigeria's creative economy," he said.

The recognition aligns with broader government efforts to position the creative sector as a driver of economic growth. In a goodwill message delivered via video, the Minister of Arts, Culture, Creative Economy and Tourism, Barr. Hannatu Musa Musawa, represented by Mrs. Tola Akerele, described Akindele as a "phenomenon" and a trailblazer whose discipline has set industry benchmarks.

The Minister commended Akindele's four-year box office leadership, noting that her work demonstrates Nigeria's capacity to produce consistent, captivating and profitable cinema. She argued that the achievement sends a clear message: Nollywood is not only culturally influential but economically viable.

The recognition aligns with broader government efforts to position the creative sector as a driver of economic growth

In her acceptance remarks, Akindele attributed her success to deliberate planning and sustained hard work. She described awards as motivation to elevate standards with every new production and expressed appreciation to colleagues and stakeholders who have supported her work.

She also addressed public commentary surrounding her promotional strategy for *Behind The Scenes*. Responding to criticism of her energetic dancing during marketing campaigns, Akindele explained that the approach was intentional and cost-effective.

According to her, the strategy was rooted in originality and audience connection rather than spectacle. It represented a creative solution within a competitive marketplace where visibility determines box office performance.

Akindele welcomed constructive criticism and expressed gratitude to the NFVCB for recognising her work while maintaining regulatory oversight. She stressed that Nollywood's progress depends on collective effort rather than individual ambition.

"Nollywood is big enough for everyone," she stated, urging established professionals to mentor emerging creatives and resist narrow interests that could fragment the industry.

Her statement reflects a broader structural question confronting Nollywood: how to sustain rapid growth while preserving cohesion. As production budgets increase and international attention expands, the balance between artistic freedom, regulatory compliance and commercial strategy becomes more complex.

The NFVCB's recognition signals institutional validation of a commercial model that combines cultural authenticity with strategic marketing. It also highlights the increasing intersection between regulation and revenue performance in Nigeria's creative ecosystem.



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.

”

Nigeria Records 30 Macroeconomic Shifts In Two Years, Credit Seen As Key To Growth, Says Adedipe



Prof. Biodun Adedipe of James Hope University

By Anita Dennis

Nigeria has experienced nearly 30 positive macroeconomic shifts since May 2023, reflecting a series of strategic reforms aimed at stabilising the economy and expanding its growth potential, according to Professor of Practice at James Hope University, Biodun Adedipe.

Speaking at the investiture of the new President of the National Institute of Credit Administration (NICA), Markie Idowu, in Lagos, Adedipe described the reforms under President Bola Ahmed Tinubu's administration as transformative. He highlighted the discontinuation of fuel subsidies as a landmark fiscal reset.

"The decision to discontinue fuel subsidy payments has freed an estimated N37 trillion, perhaps the most significant fiscal reset in decades," Mr. Adedipe said. "This presents a rare opportunity to reposition the economy through strategic credit expansion."

Mr. Adedipe noted that the subsidy removal was more than a fiscal adjustment; it represented a structural pivot capable of redefining Nigeria's development trajectory. He explained that, between December 2021, when the Petroleum Industry Act (PIA) was enacted, and mid-2023, the country effectively postponed critical reforms. Their eventual implementation has now prevented continued expenditure that could have strained public finances.

"With an estimated N37 trillion saved from not continuing with oil subsidy, the fiscal space created is substantial," he said, stressing that the challenge lies in translating this relief into productive economic transformation.

The economist outlined other major reform initiatives, including exchange rate unification and executive orders directing hydrocarbon revenues into the Federation Account, which together form the 30 macroeconomic shifts he identified since May 2023. One notable change ensures a larger portion of oil and gas proceeds flows into the Federation Account rather than remaining with the national oil company, a move expected to improve liquidity across all levels of government.

However, Mr. Adedipe cautioned that fiscal savings alone do not guarantee growth. He argued that credit must serve as the transmission mechanism to convert reform into broad-based development. "Hardly any country has overcome deficits in energy, manufacturing, infrastructure or housing without a significant role

for credit," he said.

He identified three core channels where credit is indispensable: production, enabling businesses to invest and expand output; consumption, supporting households and government spending; and trade, linking production with consumption efficiently.

Mr. Adedipe stressed that economic transformation requires moving beyond creating individual wealth toward broad-based job creation. Citing research across 121 developing countries, he referenced the concept of a credit-to-GDP tipping point of 68 percent, beyond which excessive credit expansion could trigger systemic crises. Nigeria, he noted, currently sits far below that threshold, averaging 12.78 percent between 2013 and 2024.

"That gap represents opportunity," he said. "Nigeria has ample space to deepen credit markets without breaching stability limits." However, he warned that expanding credit without strengthening financial institutions could create fragility, highlighting the need for regulatory consistency and improved risk assessment frameworks.

Differentiating between incremental reform and systemic transformation, Mr. Adedipe argued that true transformation requires restructuring economic architecture toward higher efficiency. He linked this imperative to Nigeria's aspiration of becoming a \$1 trillion economy, noting that nonlinear strategies and democratised, accessible credit are essential for progress.

Representing the Lagos State Governor, Babajide Sanwo-Olu, Commissioner for Energy and Mineral Resources, Biodun Ogunleye, reaffirmed the state's commitment to supporting functional bodies such as NICA in deepening credit governance, enhancing risk management, and promoting ethical credit practices.

Sanwo-Olu said: "Responsible credit can empower individuals, businesses, and communities. The investiture of NICA President Markie Idowu and the conferment of fellowships is proof of progress in Nigeria's economic journey." He added that the discussion on the role of credit speaks directly to national development, noting that it fuels enterprise, drives expansion, strengthens customer confidence, underpins productivity, and supports infrastructure development.

The Governor further commended Mr. Adedipe's presentation, emphasising its focus on strong credit culture, MSME financing, digital financial inclusion, and strategic public-private partnerships.

Reforms Nuggets

Nigeria's FX Reserves Surge to \$50.45bn, Highest In 13 Years – CBN

- Nigeria's gross external reserves rose to \$50.45 billion as of February 16, 2026, marking the highest level in 13 years, according to Olayemi Cardoso.

- The reserves now provide an import cover of 9.68 months for goods and services, signaling stronger external stability.

- Cardoso attributed the build-up to higher export earnings, rising diaspora remittances, a healthy current account surplus, and improved investor confidence.

- The CBN welcomed Presidential Executive Order 09, which redirects oil and gas revenues into the Federation Account, noting its positive impact on fiscal revenue and reserves.

- The Governor noted that sustained engagement at international fora, policy consistency, and transparency have strengthened market confidence, critical to reserve accretion.

- Cardoso acknowledged potential risks to sustainability, including global shocks, oil price volatility, pre-election spending, and fiscal deficits, but remained optimistic about the current trajectory.

- Key reforms such as elimination of multiple exchange rate windows, clearance of FX backlogs, and enhanced market surveillance have contributed to steady growth in reserves.

- The reserves boost coincides with the Monetary Policy Committee lowering the Monetary Policy Rate to 26.5 percent, reflecting ongoing disinflation and FX stability.

Reserves Gain Momentum, But Reform Credibility Faces Its Real Test



I see Nigeria's latest external reserves milestone as both progress and pressure. Progress, because the numbers show the country is beginning to rebuild buffers after a prolonged period of foreign exchange stress. Pressure, because in the current phase of Nigeria's reform journey, headline improvements are no longer enough. The market, and indeed the reform community itself, is now demanding depth, durability and transparency.

Nigeria's gross external reserves have risen to \$50.45 billion as of February 16, 2026, the highest level in 13 years. By standard metrics, the country now has 9.68 months of import cover for goods and services. On paper, that is a strong position and, within the logic of the ongoing reform programme, it is clearly meant to signal that policy adjustments are beginning to yield measurable results.

I acknowledge that signal. Nigeria needed it.

For much of the past few years, the country's reform narrative has been dominated by painful but necessary adjustments, exchange rate unification, tighter monetary conditions, and a deliberate attempt to restore policy credibility. In that context, the reserves build up provides the Central Bank with an important proof point that the external position is stabilising.

Mr. Olayemi Cardoso, Governor of the Central Bank of Nigeria, framed the development in exactly those terms. He said the Monetary Policy Committee observed the "remarkable performance of Nigeria's external sector," and noted that policy consistency and improved transparency are helping to "engender positive market sentiment."

I agree that sentiment has improved. Anyone who watches Nigeria's macro signals closely can see that the panic tone that once surrounded the foreign exchange market has moderated. Volatility has narrowed. Policy communication has become more disciplined. The reform direction is clearer than it was not long ago.

But I am also convinced that Nigeria has entered a more demanding phase of its reform cycle, one where optics alone will not carry the narrative much further.

In earlier stages of reform, markets often respond strongly to directional shifts. The signal that policy is changing can sometimes be enough to attract early confidence. However, as reforms mature, investors and analysts begin to interrogate the balance sheet more aggressively. They move from asking, Is the direction improving, to asking, How strong is the underlying structure?

That transition is exactly where Nigeria now finds itself.

The key issue is not the gross reserves figure itself. The number is clearly better than where Nigeria stood in recent years. The real question, in my view, is how much of that \$50.45 billion is truly liquid and readily deployable if the foreign exchange market comes under renewed pressure.

This is where the net reserves position becomes

critical.

Gross reserves can sometimes create a sense of comfort that proves misleading under stress conditions. Forward obligations, swap arrangements and other encumbrances can materially reduce the portion of reserves that is immediately usable. Serious investors understand this distinction very well, which is why the market is already looking beyond the headline.

To his credit, Mr. Cardoso has recognised the importance of this issue. He indicated that the central bank will "provide a breakdown of the net reserves position to give a clearer picture of its movement over the past few years." I consider that forthcoming disclosure to be one of the most important credibility moments in Nigeria's current reform phase.

If the net numbers confirm strong usable buffers, the reform story will gain substantial reinforcement. If they reveal tighter liquidity than the gross figure suggests, the optimism currently building around Nigeria's external position could moderate quickly.

From a Nigerian reforms perspective, this is not a minor technical detail. It goes to the heart of policy trust.

Nigeria has entered a more demanding phase of its reform cycle, one where optics alone will not carry the narrative much further

Reform credibility is cumulative. Each data release either strengthens the market's belief that the authorities are firmly in control, or it introduces fresh caution. Nigeria has already made difficult policy choices in the past two years. What the country now needs is consistency and transparency to lock in those gains.

I am also paying close attention to how the reserves narrative interacts with fiscal reform efforts. The Monetary Policy Committee welcomed Presidential Executive Order 09, which redirects oil and gas revenues into the Federation Account. Conceptually, I see merit in this move. Nigeria's long standing revenue leakages have been a structural weakness, and tighter revenue capture is essential for durable macro stability.

However, Nigeria's reform history teaches me to separate policy intent from execution reality.

The country has, over time, developed a pattern where well-designed policies encounter friction during implementation. Timing slippages, institutional leakages and political spending pressures, particularly in pre-election periods, have repeatedly complicated otherwise sound reform measures.

Mr. Cardoso himself flagged the risk of pre-election fiscal pressures. I consider that acknowledgement important. It signals that the Central Bank is not blind

to the political economy dynamics that often shape Nigeria's macro-outcomes.

Still, sustaining reserves momentum will require unusual discipline across multiple fronts. Oil prices must remain supportive. Diaspora remittances must stay resilient. Fiscal authorities must maintain spending restraint. Portfolio flows must remain broadly constructive even as global financial conditions evolve.

That is a demanding checklist.

This is why I remain cautiously encouraged but not fully persuaded that the reserves story has crossed into structural safety. Nigeria has clearly improved its position, but reform credibility is not awarded for effort. It is earned through consistency over time.

For businesses operating in the real economy, the improvement is welcome but still abstract. A stronger reserves buffer can support exchange rate stability, and over time that should help moderate imported inflation. But manufacturers, importers and service providers are still waiting for more tangible relief in foreign exchange access and pricing predictability.

Until liquidity deepens meaningfully in the FX market, many operators will continue to experience the reform story as incomplete.

Investors appear to be taking a similarly measured stance. The reserves figure strengthens Nigeria's external narrative and improves near term optics, but sophisticated capital rarely moves on gross metrics alone. Most institutional players will want to see the net reserves data, sustained current account strength and continued policy consistency before making decisive long term allocations.

I believe the central bank understands this dynamic. When Mr. Cardoso warned that "without market confidence, no matter what you do, you will significantly suboptimise," he captured the essence of Nigeria's current reform challenge.

Confidence cannot be declared. It must be demonstrated repeatedly.

Nigeria has made visible progress. That is not in dispute. But the country is now entering the phase where reforms must prove their staying power under less forgiving scrutiny.

As I assess the current moment, I return to a simple but important question. If external conditions tighten, oil prices soften, or portfolio flows reverse, will Nigeria's reserves position hold comfortably without extraordinary administrative support?

The answer will determine whether this is merely a cyclical improvement or the beginning of a structurally stronger external position.

For now, I see genuine forward movement in Nigeria's reform journey. But I also see a market that is waiting, watching and quietly stress testing the numbers.

In this phase of reform, transparency is not optional. It is the currency of credibility. And the next decisive signal will come when the full reserves picture is finally laid bare.