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# The Reforms

*Championing good governance, Driving Development*



Monday 04 - Sunday 10 May, 2026

47<sup>th</sup> Edition

## NGF Drives RoW Reform As Fibre Expansion Reflects Broadband Investment Shift

● With NCC Reiterating Commitment To Broadband Expansion



R-L: Dr. Abdulateef Shittu, DG of the NGF, with Mr. Aminu Maida, Executive Vice Chairman of NCC.

Nigeria's effort to reduce structural constraints to broadband expansion is being represented by the Nigeria Governors' Forum (NGF) as a systemic economic adjustment rather than a narrow regulatory intervention.

The forum states that "broadband and secure information infrastructure are no longer optional inputs to development, they are foundational public

goods," situating digital infrastructure within the core architecture of economic growth.

Central to this position is the treatment of Right of Way (RoW), which the NGF describes as "a critical element in opening up the digital economy," emphasising that state governments retain primary control over land access and administrative processes. The implication is that national broadband outcomes are

contingent on subnational policy alignment and execution.

According to Abdulateef Shittu, Director-General (DG) of the NGF, the forum's intervention since 2023 has focused on providing technical support to states to formalise RoW regimes through legal and administrative instruments including RoW regulation, application guidelines and disclosure of approved requests. He notes that "at least 27 states have published on their official websites, RoW legislation/regulations, application guidelines and list

**Within this framework, RoW charges have been capped at N145 per linear metre or eliminated in some states. The NGF links this directly to investment incentives, noting that states recognise "the economic potential of enhanced connectivity ..."**

of approved RoW applications."

The NGF underscores that these measures are legally binding rather than declarative. "These are not just announcements as the legislations/regulations have the force of law," it states, adding that their publication "ensures operators and investors now have a reliable premise to pursue legal redress where fees are charged outside or beyond those permitted."

Procedural clarity is also emphasised. The forum explains that the application guidelines "state clearly the application requirements, process, relevant

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# CBN Deputy Governor Credits Reforms For Economic Stability



Mrs. Emem Usoro, Deputy Governor, Corporate Services, CBN

By Musa Ibrahim

The Deputy Governor, Corporate Services, of the Central Bank of Nigeria (CBN), Mrs. Emem Usoro, has credited the apex bank's

ongoing reform measures with helping Nigeria avert what she described as a looming economic disaster, saying coordinated monetary and fiscal policy actions have restored stability to the country's macroeconomic environment.

Mrs. Usoro made the remarks recently while speaking at the combined 9th, 10th, 11th and 12th convocation ceremonies of Akwa Ibom State University held at Ikot Akpaden in Mkpato Enin Local Government Area, where she was conferred with an honorary doctorate degree in Business Administration (honoris causa).

Her comments come at a time when the apex bank has faced heightened public scrutiny over policy tightening, exchange rate reforms and broader efforts aimed at restoring investor confidence and addressing structural imbalances in the Nigerian economy.

Addressing graduands, academics and dignitaries at the ceremony, the CBN deputy governor said the reforms introduced by the apex bank, in close coordination with the Federal Government's fiscal interventions, had begun to produce measurable outcomes, particularly in exchange rate stability and macroeconomic recovery.

"At the Central Bank of Nigeria, we are working hard to build a resilient economy that would support your dreams and make you part of a global

economy that is full of immense opportunities," she said.

According to her, the bank has developed and

**... the reforms introduced by the apex bank, in close coordination with the Federal Government's fiscal interventions, had begun to produce measurable outcomes ...**

implemented strategic systems and policy frameworks that have not only prevented deeper economic shocks but are also laying the groundwork for broader and more inclusive growth.

"We have developed systems and implemented policies that brought the country back from

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# NGF Drives RoW Reform As Fibre Expansion Reflects ...

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MDAs, applicable costs and timelines," thereby reducing exposure to "fraudulent and illegitimate administrative processes."

Within this framework, RoW charges have been capped at N145 per linear metre or eliminated in some states. The NGF links this directly to investment incentives, noting that states recognise "the economic potential of enhanced connectivity," and that easing RoW barriers enables telecom operators "to create more value chains, benefiting citizens and increasing tax revenues for states."

Deployment data referenced by the forum indicates that fibre rollout increased across most of the participating states between 2023 and 2024. While no explicit causal claim is made, the NGF presents the trend as consistent with reduced cost and administrative barriers to infrastructure expansion.

However, the DG acknowledges limitations in quantifying the broader economic impact. On whether reduced RoW fees are offset by gains elsewhere, the forum states, "we have no empirical data to share at this time," while maintaining that "the cascading effect of the reform is intuitive," referencing expected increases in employment, productivity, and commercial activity linked to improved connectivity.

To extend adoption, the NGF confirms that the State Action on Business Enabling Reforms programme, supported by the Federal Ministry of Fi-



Dr. Abdulateef Shittu, DG of the NGF; Mr. Aminu Maida, Executive Vice Chairman of NCC and others, during a high-level meeting.



Dr. Abdulateef Shittu, DG of the NGF; Mr. Aminu Maida, Executive Vice Chairman of NCC and others, during a high-level meeting.

nance, PEBEC, FDMO, NCC and other partners, is being considered for extension to May 2027. This programme is designed to enable additional states to "leverage technical assistance to domesticate reforms and benefit from the accompanying incentives."

Dr Shittu also notes that implementation remains subject to regulatory oversight by the Nigerian Communications Commission (NCC), while it continues to "advocate compliance by State MDAs through relevant communities of practice."

On infrastructure protection, the NGF references commitments from a multi-stakeholder roundtable involving regulators, operators, and security agen-

cies to strengthen "state-level domestication" of Critical National Information Infrastructure (CNII) protections, improve information sharing, and ensure "appropriate prosecutorial charge with pursuit for stiffer penalties for vandals."

In another development, the NCC reiterated its position on sector reforms and broadband expansion. Speaking during an engagement with industry stakeholders, the commission's leadership indicated that regulatory stability remains central to attracting long-term investment, stating its commitment to "fostering an enabling environment for private sector participation in achieving universal broadband access across Nigeria."



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**EDITORIAL****Nigeria Introduces National Textbook Ranking System, But Standardisation Must Not Become Suppression**

**W**e are witnessing yet another attempt by government to impose order on Nigeria's deeply fragmented education system, this time through a National Textbook Ranking System. On the surface, the policy appears logical. Too many textbooks of uneven quality circulate across classrooms, often misaligned with curriculum standards, leaving students exposed to inconsistent learning materials. The decision to centralise evaluation and restrict usage to top-ranked books is, in principle, a corrective intervention.

But we must be precise about what is being introduced. This is not merely a quality assurance mechanism, it is a gate-keeping system. By declaring that any textbook not ranked will be barred from use, the state is effectively narrowing the intellectual pipeline through which knowledge reaches students. That is a powerful move, and it demands scrutiny.

The Federal Ministry of Education, working through the Nigerian Educational Research and Development Council, intends to rely on expert committees to evaluate and rank

textbooks. We recognise the necessity of technical oversight, but we also understand the risks embedded in centralised judgement. Who defines "quality"? Which pedagogical frameworks are privileged, and which are excluded? These are not neutral decisions.

We must also confront the structural reality of Nigeria's education market. Textbook production is not a purely academic exercise, it is an economic ecosystem involving publishers, authors, and distributors. A ranking system that limits approved materials to a select few effectively concentrates market power. It risks sidelining smaller publishers and independent authors who may lack the institutional access to compete within a centralised evaluation process, regardless of the merit of their work.

More critically, we should not confuse standardisation with improvement. A uniform set of textbooks does not automatically translate into better learning outcomes. The deeper constraints in Nigeria's education system, teacher quality, classroom infrastructure, and learning environments, remain largely unaddressed by this

policy. We cannot regulate our way out of systemic deficiencies.

That said, we acknowledge the intent. The proliferation of substandard materials has long undermined educational consistency. A structured evaluation framework could, if transparently implemented, raise baseline standards and reduce the noise that currently defines textbook selection in many schools.

However, execution will determine whether this reform advances or constrains education. We must insist on transparency in ranking criteria, diversity in evaluation panels, and periodic review mechanisms that allow new entrants into the system. Without these safeguards, the policy risks hardening into a closed system that stifles innovation rather than promoting excellence.

We should be clear in our position. Nigeria needs quality control in education, but not at the expense of intellectual plurality. If this reform is to succeed, it must balance discipline with openness. Anything less would replace one form of disorder with another, more controlled, but equally limiting.

**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](mailto:editor@thereforms.ng)

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

**F**or 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 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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# Weak Budget Execution Undermining Economy, LCCI Tells FG



Engr. Leye Kupoluyi, President of LCCI



By Jennete Ugo Anya

The Lagos Chamber of Commerce and Industry (LCCI) has raised fresh concerns over Nigeria's fiscal management framework, warning that persistent weaknesses in budget execution and delays in the release of approved funds are undermining economic growth and stalling critical capital projects across the country.

The chamber said unless urgent reforms are introduced to improve the implementation of public spending plans, the nation's ambitious economic targets may remain largely unattainable.

Speaking during the chamber's quarterly media conference on the state of the economy held in Lagos, LCCI President, Engr. Leye Kupoluyi, called on the federal government to adopt a more efficient fiscal management strategy, including the introduction of a new template for capital budget releases.

According to him, delayed disbursement of capital allocations has become one of the most significant constraints to infrastructure delivery, private sector productivity and broader economic expansion.

Engr. Kupoluyi noted that despite the scale of approved capital spending in recent budgets, implementation has consistently fallen short due to bureaucratic bottlenecks, institutional inefficiencies and weak coordination across key arms of government.

"Historical weaknesses in Nigeria's budget execution capacity, delays in fund releases, bureaucratic bottlenecks and inefficiencies remain critical challenges," he said.

He pointed to the rollover of N7.71 trillion worth of unimplemented 2025 capital projects as a stark reflection of the systemic flaws in public expenditure management.

According to him, the huge volume of delayed projects underscores the urgent need for stronger fiscal discipline, deeper public-private sector collaboration and more effective coordination between the executive and legislative arms of government.

"The rollover of N7.71 trillion in unimplemented 2025 capital projects underscores the need for improved fiscal management, effective public-private

partnerships and stronger collaboration between the executive and legislature to ensure timely project completion," he stated.

The LCCI president also revealed growing concern over reports from Ministries, Departments and Agencies (MDAs) during budget defence sessions at the National Assembly, where several agencies disclosed receiving only a small fraction of the funds approved for capital projects in the 2025 fiscal year.

He warned that such funding gaps create severe disruptions across project delivery chains, with direct implications for contractors, employment and investor confidence.

**... the huge volume of delayed projects underscores the urgent need for stronger fiscal discipline, deeper public-private sector collaboration and more effective coordination between the executive and legislative arms of government**

"We have followed budget defence sessions at the National Assembly and have noted concerning moments when Ministries, Departments and Agencies disclosed that they received only a tiny fraction of the funds approved for capital projects in the 2025 fiscal year," Engr. Kupoluyi said.

According to him, the impact extends far beyond delayed infrastructure.

"When contractors are owed large sums of capital, their operations are stifled, and jobs within their domains are threatened. The government must create a new template for capital budget releases to ensure capital projects are adequately funded."

The chamber also used the conference to highlight

the strategic importance of Nigeria's manufacturing sector, urging the government to address structural constraints limiting the sector's growth despite its expanding contribution to public revenue.

Engr. Kupoluyi disclosed that the manufacturing sector contributed N1.17 trillion in value added tax (VAT) in 2025, representing a 45.61 percent increase from the N803.53 billion recorded in 2024.

He stated that company income tax (CIT) contributions from the sector rose to N881.29 billion, marking a 32.83 percent increase from N663.46 billion in the previous year.

The strong performance, he said, reflects the sector's resilience and growing role in Nigeria's industrial development and fiscal sustainability.

"The manufacturing sector's contribution to tax revenue collections in Nigeria maintained an upward trend in 2025," he noted.

He argued that the sector's expanding tax contributions should compel policymakers to channel greater investments into productive infrastructure and introduce economic policies that lower production costs.

"Following these results, we call on the government to invest more in productive infrastructure and economic policies that drive growth through job creation, lower production costs and fiscal interventions," he said.

A major concern raised by the chamber was the continued instability in electricity supply, which it described as one of the most serious threats to business competitiveness.

Engr. Kupoluyi lamented that unreliable power distribution, rising generator dependence and high energy costs continue to erode productivity across

industries.

"Frequent outages, high generator costs and unreliable distribution networks are crippling productivity and raising the cost of doing business. Without urgent reforms in the power sector, Nigeria cannot achieve meaningful industrialisation," he stated.

The chamber maintained that Nigeria's economic ambitions will remain constrained unless fiscal execution improves and structural barriers to private sector growth are decisively addressed.

For many stakeholders, the warning reinforces a familiar concern: that ambitious budgets mean little without timely implementation and efficient delivery.



Funding Nigeria's Agriculture, Growing Prosperity

# President Tinubu Applauds CBN Reforms Amid Final Push On Bank Recapitalisation



President Bola Ahmed Tinubu

By Musa Ibrahim

President Bola Ahmed Tinubu has thrown his weight behind Central Bank of Nigeria (CBN), led by Mr. Olayemi Cardoso, commending his leadership of ongoing banking sector reforms and describing recent policy actions as critical to rebuilding confidence in Nigeria's financial system.

The President's endorsement comes as the country's banking recapitalisation programme enters a decisive phase following the March 31, 2026 deadline set by the apex bank for compliance with new minimum capital requirements.

Speaking on the broader economic reform agenda of his administration, President Tinubu commended Mr. Cardoso for steering what he described as difficult but necessary reforms aimed at restoring long-term stability to the Nigerian economy.

He singled out the CBN governor for recognition, citing the bank's monetary policy recalibration, foreign exchange reforms and tighter regulatory oversight as central to strengthening macroeconomic fundamentals.

"I must single out one man here, Olayemi Cardoso. Thank you very much for all that you are doing for the country," the President said while highlighting progress under the government's economic stabilisation programme.

In what many observers interpreted as a strong vote of confidence in Mr. Cardoso's stewardship, President Tinubu said he trusts the CBN governor's judgement and capacity to navigate the complex financial reforms required to reposition the economy.

The endorsement comes at a critical moment for Nigeria's banking sector as lenders race to align with one of the most far-reaching recapitalisation exercises since the consolidation reforms of 2004.

The latest recapitalisation framework raised minimum capital thresholds to N500 billion for banks with international authorisation and N200 billion for nationally licensed institutions.

The policy is designed to strengthen bank resilience, deepen lending capacity and position the sector to support larger-scale economic growth.

While many banks have made significant progress toward compliance through fresh capital raises, mergers and strategic restructuring, a handful of in-

stitutions remain under close regulatory supervision as they work to complete the process.

Among them are Union Bank of Nigeria, Polaris Bank and Keystone Bank, all of which are navigating unique legal and regulatory complications.

The Central Bank has, however, repeatedly assured depositors and market participants that the affected institutions remain stable, operational and fully capable of meeting their obligations.

Union Bank's recapitalisation efforts have drawn particular attention following regulatory intervention triggered by concerns uncovered during a CBN audit.

The audit reportedly identified material issues within the bank's financial records, leading to the removal of its board and senior management in January 2024.

That action has since become the subject of legal contestation, with the apex bank pursuing an appeal against a judgement that questioned the legality of the removals.

Despite the ongoing litigation, regulators insist the institution remains under effective oversight and on course to meet recapitalisation requirements.

The proposed merger between Providus Bank and Unity Bank has also encountered legal obstacles, though industry sources indicate that the issues are nearing resolution.

Market analysts view the merger as a potentially significant restructuring move that could strengthen the competitive position of both institutions.

For Polaris Bank and Keystone Bank, recapitalisation remains ongoing under direct regulatory monitoring.

Both institutions have histories shaped by past CBN interventions and are now expected to complete their capital restructuring once pending matters are resolved.

The recapitalisation programme forms part of a broader reform strategy being pursued by Cardoso's leadership at the apex bank.

Since assuming office, the CBN governor has introduced a series of measures aimed at tightening monetary discipline, improving transparency in foreign exchange markets and restoring investor confidence.

These reforms, while initially disruptive, have been positioned as necessary corrections to long-standing structural distortions in Nigeria's financial architecture.

Tinubu's public endorsement suggests strong alignment between the Presidency and the apex bank on the direction of economic policy.

That alignment is particularly significant as Nigeria seeks to attract fresh investment, stabilise its currency and strengthen institutional confidence in the wake of major fiscal and monetary adjustments.

Analysts say the success of the recapitalisation drive will be measured not only by banks meeting numerical capital thresholds but by the extent to which the exercise creates a stronger, more resilient financial system capable of supporting productive sectors of the economy.



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# FG Seeks Textile Revival As Nigeria Imports \$6bn Worth Of Clothing



Dr. Jumoke Oduwole, Honourable Minister of Industry, Trade and Investment

By Jennete Ugo Anya

The federal government has renewed calls for the revival of Nigeria's struggling textile and garment industry, warning that the country's heavy dependence on imported clothing is draining billions of dollars annually and limiting the growth potential of one of its historically important manufacturing sectors.

Honourable Minister of Industry, Trade and Investment, Dr. Jumoke Oduwole, disclosed that Nigeria spends an estimated \$6 billion every year on imported clothing, a development she attributed to years of weakened domestic production capacity, poor infrastructure and persistent trade malpractices.

The minister spoke in Abuja during the commissioning of a new garment factory and the unveiling of Modish, a fashion brand launched by indigenous textile company, Mo'Afrique.

Her remarks underscore growing concerns within policy circles over the state of Nigeria's textile industry, once one of the country's largest employers and a major contributor to industrial output.

According to Dr. Oduwole, the sector has faced intense pressure from a combination of high-volume low-cost imports, widespread smuggling and weak industrial support systems, all of which have made it difficult for local manufacturers to compete effectively.

"The Nigerian garment industry has long faced challenges. Between 2010 and 2025, it struggled with high-volume low-cost imports competing against a high-potential but underdeveloped lo-

cal sector," she said.

She revealed that more than 90 percent of widely used fabrics such as Ankara are currently imported, highlighting the scale of Nigeria's dependence on foreign textile products despite the country's large consumer market and rich cotton production potential.

"Nigeria spends approximately \$6 billion annually on imported clothing, with over 90 percent of popular fabrics like Ankara imported. Smuggling, porous borders and limited infrastructure have further hampered domestic production," she added.

The disclosure comes amid renewed efforts by the federal government to stimulate local manufacturing and position Nigeria as a competitive industrial player under the African Continental Free Trade Area (AfCFTA).

Dr. Oduwole said the government is committed to supporting investors and entrepreneurs willing to deepen domestic production and scale

Nigerian-made products into regional and global markets.

Addressing the management of Mo'Afrique, she challenged the company to leverage its newly commissioned facility to expand beyond the domestic market and establish a strong export footprint across Africa.

"We expect you to have your garments all across Africa and the rest of the world using the African Continental Free Trade Area. This is what generates jobs, employment and the GDP," she said.

The minister commended the company's Founder and Creative Director, Omobolanle Olawale, for demonstrating confidence in Nigeria's industrial future through significant investments in local garment manufacturing.

Industry experts have repeatedly argued that revitalising the textile and garment sector could create hundreds of thousands of jobs, particularly for women and young people, while reducing Nigeria's dependence on imports and strengthening non-oil exports.

Nigeria's textile industry was once a major pillar of the manufacturing economy, employing large numbers of workers across cotton production, spinning, weaving, dyeing and garment production.

However, the sector has suffered decades of decline due to poor electricity supply, outdated machinery, limited access to finance, smuggling and competition from cheaper imported products.

For many stakeholders, the latest intervention by the federal government signals a recognition that reversing this decline is essential to broader industrialisation goals.

In her remarks, Olawale described the commissioning of the new factory and the launch of Modish as a defining moment not only for her company but for Nigeria's garment industry as a whole.

She said the occasion represented the culmination of years of resilience, strategic investment and belief in the potential of local manufacturing.

"This is a historic occasion," she said.

"The day is not just about unveiling a brand or opening a facility. It is about vision, resilience and the promise of a brighter future for Nigerian garment and clothing industry."

The launch of the facility reflects a broader shift among some local entrepreneurs toward value-added manufacturing, moving beyond retail and design into scaled production.

Analysts say such investments could help Nigeria begin to reclaim lost ground if supported by consistent industrial policies, better border enforcement and improved infrastructure.

**Nigeria's textile industry was once a major pillar of the manufacturing economy, employing large numbers of workers across cotton production, spinning, weaving, dyeing and garment production**

## Lawmakers Ask NCC To Extend SIM Reallocation Period To 18 Months



By Jennete Ugo Anya

The House of Representatives has called on the Nigerian Communications Commission (NCC) to significantly review the country's SIM card recycling policy, proposing an extension of the waiting period for reallocating inactive phone numbers from 180 days to 18 months over growing concerns about identity theft, financial fraud and data security breaches.

The lawmakers said the current framework, which permits telecommunications operators to deactivate and reassign dormant SIM cards after six months and in some instances up to one year, exposes millions of subscribers to potential exploitation, particularly where old phone numbers remain linked to sensitive personal and financial records.

The resolution followed the adoption of a motion moved during plenary recently by Billy Osawaru, a lawmaker representing Edo State.

The motion sparked debate around what lawmakers described as an urgent need to strengthen consumer protection in Nigeria's telecommunications ecosystem as digital identity systems become increasingly integrated with banking, government services and security verification platforms.

At the centre of the concern is the widespread use of mobile numbers as primary authentication tools across essential services.

In Nigeria, phone numbers are often linked to bank verification numbers (BVN), national identity numbers (NIN), bank accounts, social media platforms and a range of digital financial applications.

Lawmakers warned that the premature recycling of such numbers could create loopholes for fraudsters and expose former subscribers to false accusations and reputational damage.

The House expressed concern that many innocent Nigerians have reportedly faced embarrassment, extortion and harassment after recycled numbers were allegedly used by new owners to commit crimes or engage in suspicious transactions.

According to lawmakers, the consequences extend beyond financial loss and can include wrongful implication in criminal investigations.

The House noted that while network operators defend SIM recycling as a practical necessity driven by operational efficiency and finite numbering resources, subscriber protection must remain the overriding priority.

Lawmakers argued that commercial considerations should not outweigh the need to safeguard personal data and preserve trust in Nigeria's digital identity architecture.

The motion drew attention to the legal framework already in place for data protection.

Members cited the Data Protection Act 2023, which established the Nigeria Data Protection Commission (NDPC) to regulate the processing and protection of personal information.

They also referenced Section 70 of the Nigerian Communications Act, which empowers the NCC to issue regulations governing the telecommunications sector.

The lawmakers observed that the NCC's Telecom Identity Risk Management Policy currently permits network operators to deactivate and recycle inactive SIM cards after a defined dormancy period.

However, they argued that stronger safeguards are now necessary given the increasing sophistication of digital fraud and the expanding role of mobile numbers in identity verification.

As part of its resolutions, the House urged the NCC to extend the reallocation period for inactive SIM cards and phone numbers to 18 months.

The proposed extension, lawmakers said, would create a more reasonable buffer to allow users recover dormant numbers and ensure complete disassociation from critical services before reassignment.

In addition, the House proposed the introduction of a six-month public notification window before any inactive number is reallocated.

Under the recommendation, telecom operators would be required to publish lists of affected numbers in national newspapers and notify relevant security agencies, including the Nigeria Police Force.

Lawmakers said the measure would improve transparency, give former subscribers an opportunity to reclaim numbers and support ongoing investigations where necessary.

The House also mandated its Committees on Communications and Commerce to begin consultations with the NCC, the NDPC and other relevant stakeholders.

The committees are expected to review the current policy framework and recommend stronger regulatory safeguards for mobile subscribers.

A report is expected within four weeks.

The development reflects growing legislative attention to the intersection of telecommunications regulation, digital security and consumer rights.

## CBN Deputy Governor Credits Reforms For Economic ...

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economic disaster and are positioning the economy to better serve all segments of society," Mrs. Usoro stated.

She noted that policy alignment between the apex bank and the federal government has been central to recent gains.

"In great synergy with the federal government, we have aligned our monetary policies with its fiscal reforms, which have already achieved exchange rate and macroeconomic stability, boosted economic growth, and are fostering an inclusive economy for sustainable development," she said.

Usoro used the occasion to challenge the graduating students to see themselves as critical drivers of Nigeria's future economic transformation, stressing that no nation can achieve sustainable development without investing in its human capital.

She pointed to countries such as Singapore, Japan and South Korea as examples of nations that transformed their economies through innovation, education and the productive deployment of youthful talent rather than dependence on natural resources.

"Countries without vast mineral resources like Singapore, Japan, South Korea and others have achieved significant economic prosperity and development by leveraging the brilliant minds of their young men and women and their abilities to build, invent and innovate," she said.

She urged the graduates to allow their knowledge and training become tools for national development.

"This is why it gladdens my heart exceedingly to see before me many brilliant young minds graduating from this great university today. You are our future, the promise of our country's great tomorrow, our new success stories, and we look forward to your energy, your ideas and your inventions," she added.

In a move that underscored the CBN's commitment to strengthening education and research, Usoro announced financial support for Akwa Ibom State University's academic and research programmes.

"As an institution, we will be supporting the university with a token for its academic and research work for greater impact in Nigeria," she disclosed.

She also charged the graduates to remain intellectually curious and open to innovation, warning against complacency in a rapidly changing global economy.

The deputy governor stressed that excellence is never accidental but is built on preparation, sacrifice and perseverance.

Other notable Nigerians honoured during the ceremony included the deposed Emir of Kano, Alhaji Aminu Ado Bayero; Managing Director of Hensek Engineering Limited, Engr. Uwem Okoko; Engr. Oliver Ebong; Pastor Inyang Udo Tobby; and Engr. Elvis Effiong Osung.

The convocation ceremony served as both an academic milestone and a broader reflection on the role of institutions, policy leadership and youth empowerment in shaping Nigeria's economic future.

## NAICOM, NASRDA Turn To Satellites To Deepen Insurance Coverage In Nigeria



R-L: Mr. Olusegun Ayo Omosehin, Commissioner for Insurance/ CEO of NAICOM, with Mr. Matthew Adepoju, Director-General of NASRDA, during their recent engagement in Abuja.

By Anita Dennis

A new collaboration between NAICOM and NASRDA is setting the stage for a shift in how insurance operates in Nigeria. Both agencies have agreed to deploy satellite imagery and geospatial intelligence to improve underwriting accuracy, strengthen enforcement of compulsory insurance, and support the development of a national catastrophic risk insurance framework.

The Commissioner for Insurance and Chief Executive Officer of NAICOM, Mr. Olusegun Ayo Omosehin, said that the initiative is designed to deliver measurable outcomes through enforcement and innovation. The Director-General of NASRDA, Mr. Matthew Adepoju, emphasised that data-driven systems would underpin insurance development and help manage national risk exposure more effectively.

At the centre of the recent partnership is the use of high-resolution satellite mapping and geospatial datasets to build a credible national asset base. Nigeria's insurance market has long been constrained by weak asset visibility, with many buildings and public infrastructure either undocumented or poorly captured. This has limited underwriting precision and weakened enforcement of compulsory insurance laws.

With satellite-backed verification, regulators and insurers would be able to identify properties, assess exposure to risks such as flooding or structural vulnerability, and determine whether required insurance policies are in place. This introduces a more systematic approach to compliance, particularly for public buildings and critical infrastructure.

The initiative also signals a broader structural adjustment. By embedding geospatial intelligence into regulatory processes, enforcement could be-

come less discretionary and more automated. Instead of relying on fragmented records or manual inspections, compliance can be tracked against verifiable data, potentially expanding the insurable base without new legislation.

A key component of the collaboration is the proposed development of a national catastrophic risk insurance model. This framework is intended to pool large-scale risks such as floods and other disasters into structured insurance mechanisms, reducing the fiscal burden on government during emergencies and aligning Nigeria with global disaster-risk financing practices.

The implications across the market are uneven. Insurers with strong analytical capacity stand to benefit from improved data and more accurate pricing models. Government asset managers may gain from clearer inventory and risk profiling of public infrastructure. However, insurers reliant on opaque underwriting practices could face adjustment pressures, while previously uninsured asset owners may encounter stricter enforcement.

Operational risks remain. Integrating satellite data into insurance workflows requires technical capacity that is not yet widespread across the industry. Questions around data governance and privacy are also likely to arise as national asset mapping becomes more detailed. In addition, effective coordination between NAICOM and NASRDA will be critical to sustaining the system beyond initial implementation.

Even with these constraints, the direction is evident. Insurance regulation in Nigeria is moving towards a data-driven model, where risk is quantified through verifiable intelligence rather than approximation. If execution is sustained, the initiative could improve insurance penetration, strengthen investor confidence in risk pricing, and support the development of more structured risk financing instruments.

## FEC Approves \$2.99bn Rail Projects Across Lagos, Kano, Kaduna

By Majeed Salaam

The Federal Executive Council (FEC) has approved contracts valued at \$2.99 billion for three urban rail projects spanning Lagos, Kano, and Kaduna, in a move that signals renewed federal emphasis on transport infrastructure as a driver of economic productivity.

The approvals were announced recently in Abuja after the weekly council meeting, with Mr. Taiwo Oyedele, Honourable Minister of Finance and Coordinating Minister of the Economy, stating that the projects align with the government's broader objective of investing in infrastructure that supports growth, mobility, and living standards.

According to Oyedele, the projects cover the Lagos Green Line Rail, Phase One; the Kano Metro City Rail; and the Kaduna State Light Rail. All three are to be financed through the Ministry of Finance Incorporated, acting on behalf of the federal government, with additional funding expected from counterpart sources.

The Lagos Green Line is positioned as a central component of the city's expanding rail network. Planned to run from Marina on Lagos Island through the Lekki corridor, the line is expected to serve one of the most commercially active and densely populated zones in sub-Saharan Africa. The corridor has experienced rapid real estate and business growth in recent years, intensifying pressure on road infrastructure and increasing demand for alternative transport systems.

Oyedele described Lagos, Kano, and Kaduna as strategic urban centres where targeted investments could yield disproportionate economic returns. His remarks reflect a policy approach that prioritises high-impact cities, where improvements in mobility can translate quickly into gains in productivity and commercial activity.

In Kano, the metro rail project is expected to address long-standing challenges linked to urban congestion in one of northern Nigeria's largest economic hubs. The city plays a central role in regional trade and distribution networks, and transport inefficiencies have continued to constrain movement of goods and people.

Similarly, the Kaduna light rail project is designed to support mobility within a city that has evolved into a key administrative and commercial centre in the north. Improved urban transport infrastructure is expected to facilitate business operations and reduce transit times across the metropolitan area.

Beyond the individual projects, the approvals indicate a broader attempt to reposition rail as a core element of Nigeria's urban transport strategy. Major cities across the country have faced increasing congestion, with road networks under strain from rapid population growth and urban expansion. Rail systems are being framed as a scalable solution to these pressures, particularly in high-density corridors.

The financing structure, anchored by the Ministry of Finance Incorporated (MOFI), suggests a model that blends public investment with external funding participation. This approach reflects ongoing efforts to mobilise capital for large-scale infrastructure without placing exclusive reliance on direct budgetary allocations.

In parallel, the council also approved the establishment of a presidential power sector task force, to be chaired by President Bola Tinubu. While separate from the rail projects, the decision points to a coordinated policy focus on infrastructure systems, particularly transport and energy, as interconnected drivers of economic performance.

Analysts note that the success of the rail projects will depend on execution capacity, funding consistency, and long-term maintenance planning. Urban rail developments in Nigeria have historically faced delays linked to financing gaps and project management constraints. Ensuring continuity from contract approval to delivery remains a critical variable.

Even so, the scale and geographic spread of the newly approved projects indicate a deliberate effort to address mobility challenges in key economic centres. If implemented as planned, the Lagos, Kano, and Kaduna rail systems could reshape commuting patterns, reduce congestion, and support broader economic activity within their respective regions.

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# CPPE Calls For New Worker Welfare Framework Amid Inflation



Dr. Muda Yusuf, Director-General of CPPE

By Majeed Salaam

The Centre for the Promotion of Private Enterprise (CPPE) has called for a fundamental rethink of Nigeria's labour welfare strategy, urging policymakers to move beyond periodic nominal wage increases and adopt a broader framework focused on protecting workers' real purchasing power.

In a policy brief released on April 30, 2026, the Director-General of the economic advocacy group, Dr. Muda Yusuf, argued that while wage reviews remain important, they have become increasingly ineffective as a standalone response to workers' welfare challenges in a persistently inflationary environment.

According to the CPPE, rising prices of food, transportation, energy and other basic necessities continue to erode the value of salary adjustments, leaving many workers worse off despite nominal increases in earnings.

The centre warned that Nigeria's current macroeconomic realities demand a shift in policy emphasis from short-term wage negotiations to structural interventions capable of delivering lasting improvements in living standards.

At the heart of the policy recommendation is the argument that labour policy should prioritise the protection of real income rather than merely pursuing episodic increases in nominal wages.

The CPPE noted that for millions of low- and middle-income earners, the challenge is not simply inadequate salaries but the rising cost of living driven by structural inefficiencies, weak public service delivery and policy distortions across critical sectors.

"The central objective of labour policy should be the protection of workers' purchasing power," the brief stated, stressing that without measures to tackle inflationary pressures, salary reviews would continue to offer only temporary relief.

The think tank identified food inflation and transportation costs as two of the most pressing burdens facing Nigerian households and urged both government and organised labour to focus on policies that can ease these pressures.

Among its recommendations is increased investment in mass transit systems to lower commuting costs for workers, alongside stronger support for agricultural productivity to improve food supply and moderate market prices.

The CPPE also encouraged large private sector employers to adopt practical welfare-enhancing

initiatives such as subsidised staff transportation and workplace canteens as part of broader employee support programmes.

According to the organisation, these interventions could deliver more immediate and sustainable welfare benefits than salary increases that are quickly wiped out by inflation.

The policy brief also drew attention to gaps in Nigeria's social protection architecture, particularly in healthcare and retirement security.

It called for expanded access to affordable healthcare through the National Health Insurance Authority, noting that high out-of-pocket medical expenses continue to expose workers and their families to severe financial vulnerability.

Dr. Yusuf observed that retirement insecurity remains another critical concern, especially in cases where pension remittances are delayed or poorly enforced.

To address this, the CPPE urged stricter regulatory oversight to ensure full compliance with pension obligations by employers.

The centre further raised concerns over the growing casualisation of labour, warning that insecure employment arrangements weaken financial stability and limit workers' ability to plan for the future.

It called on the government to enforce labour protections more rigorously and explore unemployment insurance mechanisms that can shield workers during periods of economic disruption.

Energy costs also featured prominently in the policy recommendations.

The CPPE described unreliable electricity supply and dependence on self-generation as major drains on workers' disposable income, particularly for

**Nigeria's current macroeconomic realities demand a shift in policy emphasis from short-term wage negotiations to structural interventions capable of delivering lasting improvements in living standards**

households forced to absorb rising fuel and power costs.

It advocated a more transparent electricity tariff regime, improved sector accountability and accelerated investments in power infrastructure to ease the burden on consumers.

On taxation, the think tank proposed reforms that would provide targeted relief for low-income earners, effectively increasing net take-home pay without necessarily raising gross wages.

Such measures, it argued, would offer a more fiscally sustainable pathway for enhancing worker welfare.

The organisation also recommended institutionalising inflation-linked wage adjustments and periodic cost-of-living reviews to replace reactive salary negotiations that often lag behind economic realities.

According to the CPPE, this would create a more predictable and responsive compensation framework better suited to Nigeria's volatile inflation environment.

The centre maintained that sustainable improvements in worker welfare will only come through a comprehensive policy approach anchored on structural reforms, stronger public services and effective regulatory enforcement.

## Quotes of the Week

### Emir of Kano, Muhammadu Sanusi II

I have always said the subsidy regime was unsustainable. We cannot continue exporting jobs to foreign refineries when we are an oil-producing country and not refining our own products. Today we have a situation where we have our own domestic refinery, we're not importing petroleum products, we're even exporting to Europe, and this is very good for the economy.

### Mr. Alex Otti, Abia State Governor

This is the best time to take civic education seriously. Poverty and prosperity, employment and joblessness, security and anxiety, prudence and rashness will all be on the ballot in 2027.

### Governor Ademola Adeleke, Governor of Osun State

The creative sector is a gold mine. It is an area I know holds huge potentials for our youth and that is why I personally attended the free concert. I choose to boost the entertainment sector using my family brand which is very big in the Nigerian and global music industry.

# Alake Calls For Africa To End Raw Mineral Exports, Push Value Chain Development



From left: H.E Lasuba Loduru Wongo Minister of Mining Republic Of South Sudan, Dr. Dele Alake, Minister of Solid Minerals Development, Nigeria, H.E. Dr. William Samoei Ruto, President of the Republic of Kenya and Commander in Chief of the Defence Forces, Hon. Hassan Ali Joho, Cabinet Secretary, Ministry of Mining, Blue Economy and Maritime Affairs, Republic of Kenya, Hon. Dahir Shire Mohamed, - Minister of Petroleum and Mineral resources, Federal Government of Somalia, Hon. Anthony Peter Mavunde, MP Minister for Minerals, United republic of Tanzania at the Kenyan Mining Investment Conference and Exhibition in Nairobi.

Credit: MMSD

By Kingsley Benson

At the Kenya Mining Investment Conference and Exhibition 2026, the Honourable Minister of Solid Minerals Development, Dr. Dele Alake, urged African countries to halt the export of raw minerals and prioritise value addition through coordinated continental policies.

Alake, who also chairs the Africa Minerals Strategy Group, said that Africa's long-standing reliance on exporting unprocessed resources has limited industrial growth and weakened the continent's position in global mineral markets. He argued that rising global demand for minerals used in clean energy technologies and digital infrastructure presents an opportunity for Africa to reposition itself within global supply chains.

"For decades, Africa has remained largely an exporter of raw materials," Alake said, noting that this model has constrained economic transformation and reduced the continent's ability to capture higher value from its natural resources.

He warned that fragmented national policies continue to undermine Africa's bargaining power with international buyers and investors. According to him, individual country strategies lack the scale required to influence pricing or negotiate favourable terms with multinational off-takers.

Alake called for harmonised mining regulations, coordinated policy frameworks, and the development of cross-border infrastructure to support processing and refining activities. He also emphasised the role of the African Continental Free Trade Area in enabling intra-African trade and supporting the emergence of regional value chains.

The push aligns with a broader shift in policy thinking across the continent, where minerals are increasingly viewed as a foundation for industrialisation rather than a standalone export sector. Key resources such as lithium, cobalt, manganese, graph-

**... fragmented national policies continue to undermine Africa's bargaining power with international buyers and investors**

ite, and rare earth elements have become central to global energy transition and technology supply chains, increasing the strategic importance of Africa's mineral reserves.

Membership of the Africa Minerals Strategy Group has expanded from 16 countries in 2023 to 31 countries, reflecting growing interest in coordi-

nated approaches to resource management. However, analysts note that translating this alignment into practical outcomes will depend on sustained political commitment and institutional capacity.

Efforts to move into processing and refining face structural constraints, including limited infrastructure, energy supply challenges, and financing gaps. In many cases, African countries continue to export raw materials while importing finished or semi-processed products, resulting in significant value loss.

Alake's remarks indicate a policy direction that favours regional cooperation over isolated national interventions. The approach seeks to strengthen economic sovereignty by retaining more value within the continent, while also positioning Africa as a more competitive player in global mineral supply chains.

The proposed transition carries implications for multiple stakeholders. Governments could benefit from higher revenues and industrial expansion, while local industries may see opportunities in processing and manufacturing. At the same time, countries and businesses reliant on raw mineral exports may face adjustment pressures, particularly if policy changes are implemented unevenly.

Observers also point to execution risks, including the challenge of aligning regulations across jurisdictions, financing large-scale infrastructure, and maintaining policy consistency. Without these elements, the shift from extraction to value addition may remain limited in scope.

Despite these constraints, the call for coordinated action reflects increasing recognition that Africa's mineral wealth, if strategically managed, could play a central role in driving long-term economic transformation.



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## Subsidy Removal Must Cut Borrowing, Sanusi Warns FG



Muhammadu Sanusi II, Emir of Kano

By Ahmed Ahmed

The Emir of Kano, Muhammadu Sanusi II, has raised fresh concerns over Nigeria's fiscal direction, warning that continued borrowing following the removal of fuel subsidies risks undermining the credibility and long-term gains of the federal government's economic reform agenda.

Speaking at the 5th annual lecture organised by TheNiche in Lagos, the former Governor of the Central Bank of Nigeria (CBN) questioned what he described as contradictions in the country's fiscal management, arguing that the expected financial relief from ending subsidy payments should have translated into lower borrowing and more visible improvements in public welfare.

His intervention comes at a time of renewed debate over the President Bola Ahmed Tinubu administration's debt strategy, particularly following the President's request to the Senate for approval of a \$516 million external loan to finance sections of the proposed Sokoto-Badagry Superhighway.

Addressing participants at the event, Emir Sanusi said the logic behind subsidy removal was to free up substantial fiscal resources for national development and reduce pressure on public finances.

He questioned why, despite this policy shift, the government continues to seek fresh loans.

"We've removed the subsidy. We're not spending it. What we should not see is fiscal contradictions. You cannot remove the subsidy and continue borrowing. If you're not paying the subsidy and you've got the money, why are we still borrowing and borrowing? What are we borrowing for?" he asked.

The remarks strike at the heart of growing public concerns over whether the economic pain associated with reforms is being matched by prudent fiscal discipline.

The removal of fuel subsidies and the liberalisation of the foreign exchange market were among the administration's earliest and most consequential policy decisions.

Both measures triggered significant economic adjustments, including higher living costs and inflationary pressure, but were defended by government officials as necessary structural corrections.

Emir Sanusi, who has long advocated market-based reforms, reiterated his support for the policy direction.

He maintained that Nigeria's past dependence on fuel subsidies and artificial exchange rate controls had created distortions that made eventual adjustment unavoidable.

"I have always said the subsidy regime was unsustainable. We cannot continue exporting jobs to foreign refineries when we are an oil-producing country and not refining our own products," he said.

He pointed to recent gains in domestic refining as evidence that reform can yield strategic benefits.

"Today we have a situation where we have our own domestic refinery, we're not importing petroleum products, we're even exporting to Europe, and this is very good for the economy," he added.

Yet, despite acknowledging these gains, Sanusi argued that poor sequencing and weak policy coordination have diluted the effectiveness of the reforms.

He particularly criticised the simultaneous removal of subsidies and exchange rate liberalisation without sufficiently tightening monetary conditions beforehand.

According to him, this sequencing intensified pressure on the naira and contributed to the sharp currency volatility witnessed during the transition period.

"Artificial exchange rates, especially when you're printing money, cannot work. There was going to be devaluation," he said.

He stated that timing was crucial to managing the transition.

"If you decide to remove subsidies and liberalise exchange rates in an environment of very loose monetary conditions, before you tighten the money supply, the naira drops into a bottomless pit. That was a timing issue."

Sanusi argued that monetary tightening should have either preceded or accompanied exchange rate liberalisation to cushion the economy from excessive disruption.

On debt sustainability, the former CBN governor warned that Nigeria's fiscal condition remains precarious.

"When you get to a point where 100 percent of your revenue goes to debt service, you cannot continue. Where is the money going to come from?" he asked.

His comments echo broader concerns from economic analysts who have repeatedly warned that debt-financed infrastructure expansion must be carefully balanced against fiscal sustainability.

Emir Sanusi also used the platform to reiterate his long-standing views on governance and public service ethics.

"Public service is an honour. If you want to make money, go into business," he said, citing industrialist Aliko Dangote as an example of wealth creation through private enterprise rather than public office.

Also speaking at the lecture, Abia State Governor Alex Otti broadened the discussion by linking Nigeria's economic difficulties to decades of poor leadership and weak civic engagement.

According to Otti, the country's rising poverty, unemployment and institutional decline are the cumulative consequences of governance failures spanning several decades.

"If you have behaved badly for over 60 years, it will take you time to correct yourself," he said.

He urged Nigerians to become more active participants in the political process, warning that disengagement only reinforces poor governance.

Looking ahead to the 2027 elections, Otti framed the stakes in stark terms.

"Poverty and prosperity, employment and joblessness, security and anxiety, prudence and rascality will all be on the ballot in 2027."

### Reforms Nuggets

#### ICAO Rates Nigeria Aviation 91% In Safety, Says Keyamo

- Nigeria's aviation sector has recorded a major safety milestone as the International Civil Aviation Organization rated the country 91 percent in aviation safety oversight, one of the highest scores ever attained by the nation.

- Minister of Aviation and Aerospace Development, Festus Keyamo, announced the development last Wednesday, describing it as a significant endorsement of ongoing reforms across the aviation sector.

- According to the minister, the latest score confirms that Nigeria's aviation regulatory framework and operational systems now meet stronger international safety benchmarks.

- Keyamo said the assessment covered critical aviation institutions, including agencies and airlines operating within Nigeria, all of which were certified safe based on the findings of the ICAO validation team.

- The score emerged from the recently concluded ICAO Coordinated Validation Mission (ICVM), an on-site safety oversight audit conducted in Nigeria about two weeks ago and completed on last Wednesday.

- The validation exercise was designed to assess Nigeria's implementation of safety reforms recommended after the ICAO Universal Safety Oversight Audit Programme (USOAP) conducted between August and September 2023.

- During that 2023 audit, Nigeria recorded 70.12 percent Effective Implementation (EI), raising concerns about gaps in regulatory oversight and compliance systems.

- The latest 91 percent rating reflects substantial progress in addressing those gaps through corrective policy and operational measures.

- Leading the validation mission, Jerome Patoreaux said the ICAO team was tasked with collecting, evaluating and documenting evidence of Nigeria's implementation of Corrective Action Plans arising from the earlier audit.

- According to him, the mission focused on verifying whether Nigeria had effectively closed identified safety gaps.

- "We have an ICAO team that is here and remotely here to collect, evaluate, and document the evidence of progress made by Nigeria in implementing its corrective action plans," Patoreaux said.

- He, however, warned against delays in the submission of reform evidence, stressing that sustained compliance remains essential for maintaining high safety standards.

- Industry stakeholders say the improved rating could strengthen Nigeria's international aviation profile, boost investor confidence and support efforts to position the country as a regional aviation hub.

## Reform Is Not A Windfall; Subsidy Removal Does Not Generate A Stock Of Cash



### REFORM TALKS

with

Tanimu Yakubu

Nigeria's contemporary fiscal discourse has been captured by a convenient but fundamentally flawed proposition: that the removal of subsidy - particularly petrol subsidy - yields an immediate fiscal windfall.

This claim is not merely inaccurate; it is analytically indefensible.

Subsidy removal does not create liquidity. It eliminates a distortion. It corrects a mispricing. It improves the trajectory of public finance. But it does not, in itself, generate a stock of cash available for discretionary expenditure. To suggest otherwise is to confuse accounting relief with fiscal capacity.

More fundamentally, the subsidy debate in Nigeria has been improperly framed. It is often presented as a narrow question of petrol pricing. In reality, Nigeria has operated a multi-layered subsidy regime across three critical domains: fuel pricing, foreign exchange management, and electricity tariffs.

Each of these represents a variant of the same fiscal phenomenon - the underpricing of scarce economic resources, with the resulting cost absorbed by the state, whether explicitly, implicitly, or opaquely.

An artificially low exchange rate, for instance, functions as an implicit subsidy on imports and privileged access to foreign exchange. Underpriced electricity tariffs generate persistent market shortfalls that must be financed through budgetary support and quasi-fiscal interventions. Petrol subsidies, historically the most visible, are simply the most politically salient manifestation of a broader pricing distortion framework.

The removal or adjustment of these subsidies does not eliminate their fiscal impact. It merely reallocates, reveals, or reclassifies it within the system. A failure to treat them as a unified fiscal architecture leads inevitably to partial reforms, policy reversals, and analytical confusion.

The true structural constraint confronting the Nigerian state, therefore, is not the absence of revenue, but the persistent failure of revenue capture, recognition, and constitutional routing within a coherent fiscal system.

### II. Theoretical Anchors: What the Critics Ignore

Nigeria's fiscal repositioning is not ad hoc. It is grounded in established principles of public finance that are too often absent from public commentary.

The first is the intertemporal budget constraint. Fiscal sustainability is defined not by current cash availability, but by the relationship between the present value of future revenues and the present value of obligations. Subsidy removal improves this trajectory. It strengthens solvency over time. But it does not relax short-term liquidity constraints.

The second is the Tanzi Effect. In an inflationary environment, lags in revenue collection erode real fiscal capacity. Nominal revenues may rise, yet their purchasing power declines. This explains the apparent paradox in which government receipts increase while fiscal pressure intensifies.

The third is the role of quasi-fiscal operations. A substantial portion of Nigeria's fiscal activity - particularly in the oil, foreign exchange, and power sectors - has historically occurred off-budget, been netted at source, or embedded within opaque cost structures. These practices distort fiscal visibility and create the illusion of scarcity where the real issue is misclassification and leakage.

### III. Reform Paradox: Why Good Policy Feels Constrictive

A central criticism of recent reforms is that they have

"tightened" fiscal space. This observation is correct, but the conclusion drawn from it is not.

Exchange rate alignment, for example, improves allocative efficiency and enhances long-term competitiveness. Yet in the short term, it raises the domestic currency cost of external obligations and increases pressure on import-dependent expenditures.

Similarly, the removal of price distortions in fuel and electricity reveals costs that were previously hidden within the system.

This is not policy failure. It is the inevitable transitional consequence of restoring macroeconomic equilibrium.

Every serious reform compress before it expands. What is being experienced is not deterioration, but adjustment - the necessary tightening that precedes sustainable fiscal expansion.

### IV. The Federal Fiscal Asymmetry: A Structural Imbalance

Nigeria's fiscal architecture embeds a fundamental asymmetry that distorts both incentives and outcomes.

Revenues, once recognized, are largely pooled and distributed through the Federation Account. However, key fiscal obligations remain heavily concentrated at the Federal level. These include external debt servicing, exchange rate stabilization costs, and legacy quasi-fiscal burdens arising from fuel, electricity, and financial sector interventions.

The result is a structural divergence: revenue is shared, but adjustment costs are centralized.

Subnational governments benefit immediately from increases in distributable revenue, while the Federal Government bears the burden of macroeconomic correction and system stabilization. This creates a misalignment between fiscal authority, responsibility, and risk.

This asymmetry is not incidental. It is embedded in the current fiscal design.

Its consequences are far-reaching. It generates political resistance to necessary reforms, creates fiscal illusion at subnational levels, and imposes persistent pressure on federal solvency. It also weakens collective ownership of national adjustment measures.

The issue, therefore, is not merely the volume of distributable revenue, but the architecture of fiscal federalism itself. Until this structural imbalance is addressed, reforms will continue to yield uneven outcomes and incomplete stabilization.

### V. The Real Problem: Systemic Fiscal Leakage and Incomplete Capture

At the core of Nigeria's fiscal challenge lies a deeper and more pervasive issue: the system does not fully capture the revenue it generates.

Revenue loss occurs across the entire public finance chain. It begins with underpricing, discretionary concessions, and opaque contractual arrangements. It continues through netting at source, institutional retention practices, and quasi-fiscal deductions. It persists in the form of off-budget expenditures, delayed remittances, and classification distortions.

The result is not merely fiscal invisibility, but a fragmented revenue state in which public resources are partially recognized, partially retained, and partially absorbed into non-transparent obligations.

Nigeria, in effect, does not operate a closed fiscal system. It operates a porous one, with multiple exit points through which public revenue dissipates before entering the constitutional framework.

This is the fundamental constraint on fiscal capacity. It is

not simply that revenue is low; it is that the system is incomplete.

### VI. Executive Order 9 (2026): Towards Fiscal System Closure

Executive Order 9 represents a decisive attempt to restore integrity to Nigeria's fiscal system - not by creating new revenue, but by closing structural leakages.

It reasserts a foundational principle: that no public revenue exists outside the constitutional fiscal chain.

By enforcing the sequence - collection, remittance to the Consolidated Revenue Fund, transfer to the Federation Account, and subsequent distribution - the Order seeks to eliminate unauthorized netting, institutional retention practices, and quasi-fiscal opacity.

Its significance, however, extends beyond administrative enforcement. It signals a transition from a permissive fiscal system to a rule-bound fiscal state.

The success of this reform will depend not only on compliance, but on sustained institutional enforcement, legal reinforcement, and integration with broader reforms in subsidy rationalization, public financial management, and fiscal federalism.

### VII. The Hidden Link: Subsidies, Exchange Rate Policy, and Revenue Loss

Nigeria's major subsidy regimes - fuel, foreign exchange, and electricity - are not isolated distortions. They are deeply interconnected elements of a single fiscal problem.

An artificially low exchange rate creates implicit subsidies that encourage excess demand for foreign exchange, place pressure on reserves, and necessitate costly interventions. Underpriced fuel increases fiscal burden directly. Underpriced electricity transfers costs into government guarantees and support mechanisms.

In each case, the state absorbs the gap between economic cost and administered price.

This gap is the true subsidy.

These subsidies do more than strain public finances. They reduce net revenue available for distribution, distort fiscal signals, and obscure the true scale of government obligations.

Subsidy reform and revenue capture are therefore not separate agendas. They are two dimensions of the same fiscal correction process. One addresses pricing distortions; the other ensures that resulting revenues are fully recognized and properly governed.

### VIII. Conclusion: Towards a Functional Fiscal State

Nigeria's fiscal transition must be understood on its own terms. The expansion of fiscal space will not come from illusory windfalls or policy shortcuts, but from recovering what is already earned, recognizing what is already generated, and governing it within a coherent constitutional framework.

This is not a routine adjustment. It is the reconstruction of the country's public finance architecture.

The path forward is clear. Price distortions across fuel, foreign exchange, and electricity must be eliminated. The fiscal system must be closed to all forms of leakage. And the federation must be realigned so that revenue, responsibility, and risk are coherently matched.

Only then can Nigeria move from a state that earns but does not fully see, to a state that sees, governs, and deploys its full fiscal capacity.

This is not merely reform. It is the foundation of a functional fiscal state.

*Tanimu Yakubu is the Director-General, Budget Office of the Federation*