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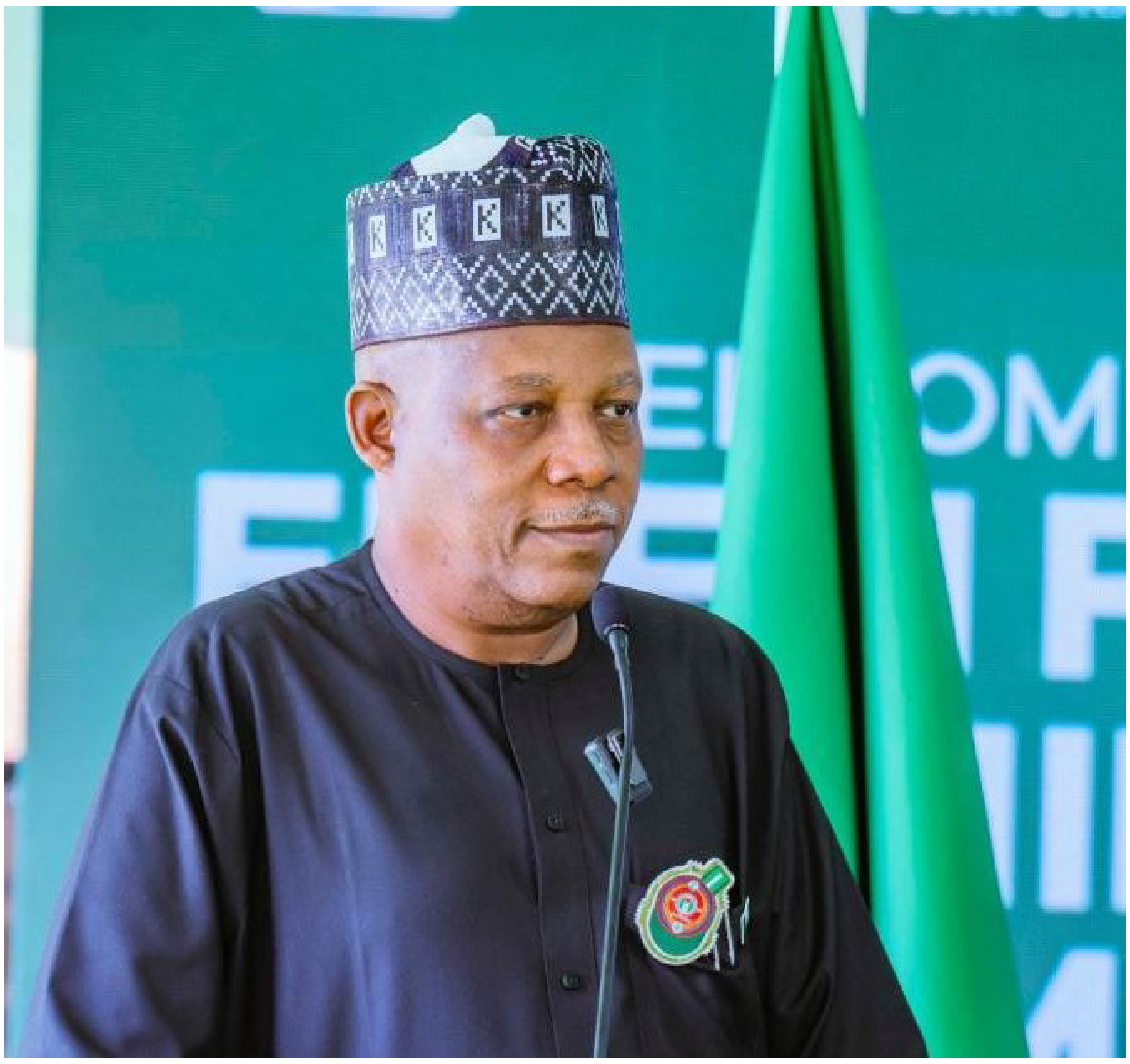
Procurement Reforms Saved Nigeria Over N1.1trn In 2025, Says FG



Vice President Kashim Shettima

Nigeria's struggle with efficient public spending has remained one of the most significant barriers to translating government budgets into visible development outcomes. While successive administrations have continued to allocate resources to infrastructure, healthcare, education and economic programmes, concerns around procurement inefficiencies, project delays and weak accountability have often limited the impact of public expenditure.

The federal government's disclosure that procurement reforms saved the country over N1.1 trillion in 2025 therefore places renewed attention on the role of procurement in national development. Beyond the savings, the reforms represent an attempt to transform public procurement from a bureaucratic process into a strategic tool for fiscal discipline, economic growth and institutional accountability. ***Enam Obiosio*** *writes...*

At a time when Nigeria is under pressure to maximise limited resources and deliver critical development projects, the federal government says reforms in the public procurement system have generated significant financial savings while strengthening transparency in government spending.

Vice President Kashim Shettima disclosed that procurement reforms introduced by the administration saved the country over N1.1 trillion in 2025 alone.

The Vice President made the disclosure during his keynote address at the Office of the Head of the Civil Service of the Federation (OHCSF) and Bureau of Public Procurement (BPP) Permanent Secretaries Retreat held in Ikot Ekpene, Akwa Ibom State.

The retreat, themed 'Strengthening Procurement Leadership and Accountability for Effective Budget Execution and National Development,' brought together senior government officials to examine how procurement leadership can improve budget implementation and ensure greater value from public resources.

Represented by the Chairman of the Federal Civil Service Commission, Prof. Tunji Olaopa, Vice President Shettima described the ongoing transformation of the BPP as one of the most important institutional reforms under the government's national development agenda.

According to him, 23 strategic initiatives have been introduced to improve transparency, accountability and fiscal discipline within Nigeria's procurement system, with the reforms delivering more than

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N1.1 trillion in savings for the federal government in 2025.

The disclosure comes at a time when concerns over public expenditure management remain central to Nigeria's economic conversation. With competing demands for infrastructure, social investment and economic support programmes, the ability of government to ensure that every naira delivers maximum value has become increasingly important.

For decades, procurement has been identified as a critical area requiring reform due to challenges associated with delays, weak contract monitoring, poor planning and allegations of inflated costs. These challenges have contributed to abandoned projects and reduced public confidence in government spending.

The reforms highlighted by the Vice President seek to address some of these longstanding weaknesses by improving efficiency while strengthening accountability.

One of the major interventions is the adjustment of procurement thresholds, which allows contracts below N5 billion for goods and services and N10 billion for works to be managed by ministerial tender boards rather than requiring approval from the Federal Executive Council (FEC).

The policy is expected to reduce administrative bottlenecks, accelerate project execution and allow ministries, departments and agencies to implement approved projects within shorter timelines.

However, the decentralisation of procurement authority also places greater responsibility on accounting officers and government institutions to maintain transparency and ensure that efficiency does not compromise due process.

Beyond administrative improvements, the government is also positioning procurement as an instrument for economic development through the Nigeria First Policy.

The policy prioritises locally produced goods and services that meet international standards, with the objective of strengthening domestic industries, supporting local businesses and encouraging greater participation of Nigerian companies in government supply chains.

Beyond administrative improvements, the government is also positioning procurement as an instrument for economic development through the Nigeria First Policy

Given the size of government expenditure, public procurement has the potential to influence industrial growth significantly. When effectively implemented, a local procurement strategy can support manufacturers, create employment opportunities and reduce dependence on imported goods.

The Vice President also highlighted the approval of seven new zonal offices for the BPP as part of efforts to expand compliance monitoring and strengthen enforcement across the country.

According to him, procurement must no longer be viewed merely as an administrative requirement but as a major driver of national development.

Vice President Kashim Shettima

"Procurement is no longer simply an administrative or compliance function. It is a strategic instrument for economic growth, a driver of industrial development, a tool for promoting local content, an enabler of infrastructure delivery, a mechanism for ensuring value for money, and above all, it is an instrument of public trust," he said.

The Vice President's position reflects a broader global shift in the understanding of public procurement. In many economies, procurement is increasingly used as a policy instrument to support economic priorities, encourage innovation and strengthen public sector performance.

For Nigeria, where infrastructure gaps remain significant, ensuring that government contracts are delivered efficiently is critical to achieving sustainable development.

However, one of the major concerns affecting public expenditure has remained weak procurement planning.

Vice President Shettima identified poor planning as one of the biggest obstacles to effective budget implementation, noting that procurement activities often begin long after budgets have been approved.

"When procurement activities commence long after budgets have been approved, project designs remain incomplete, needs assessments inadequate, and market intelligence insufficient. All these delays compress implementation timelines, increase project costs and ultimately reduce the developmental impact of public expenditure," he stated.

The challenge, therefore, is moving procurement from a reactive process to a strategic function that begins alongside budget planning.

Effective coordination between finance departments, planning units, technical teams and procurement officers will be necessary to ensure that projects are properly designed, cost-effective and delivered on schedule.

Technology is expected to play a major role in this transformation.

The Vice President noted that electronic document management systems, integrated financial platforms and data analytics could significantly improve transparency, reduce processing time and limit excessive human discretion in procurement processes.

The adoption of digital procurement systems could provide stronger tracking mechanisms, improve monitoring and create clearer accountability trails across government contracts.

However, Vice President Shettima acknowledged that technology alone cannot solve institutional weaknesses without ethical leadership.

"No amount of technology can substitute for ethical leadership. No legal framework can replace personal accountability. No reform programme can succeed without leaders who consistently place national interest above personal interest," he said.

This remains one of the biggest tests facing Nigeria's procurement reform agenda. While financial savings provide an important measure of progress, the broader objective is ensuring that citizens experience better public services, completed projects and improved confidence in government institutions.

The Vice President also emphasised the critical role of permanent secretaries as accounting officers responsible for promoting financial discipline within ministries and agencies.

He described leadership as the foundation of sustainable procurement reform, stressing that government institutions must develop systems that survive beyond individual office holders.

"Leadership means ensuring that procurement planning begins early and aligns with approved budgets. Leadership means insisting on professionalism throughout the procurement cycle. Leadership means resisting undue influence, protecting institutional integrity and making decisions solely in the public interest," he said.

The success of Nigeria's procurement reforms will ultimately depend on consistent implementation, effective monitoring and the willingness of institutions to enforce standards.

The reported N1.1 trillion savings demonstrate that improvements in public spending systems can deliver measurable results. But the long-term value of the reforms will be determined by whether they translate into stronger infrastructure delivery, improved services and greater trust between government and citizens.

Nigeria's procurement reform journey is therefore not only about reducing financial leakages. It is about creating a public spending system where resources are managed responsibly and converted into meaningful development outcomes for the people.

EDITORIAL

FG Must Turn Gender Roadmap Into Economic Action

Nigeria's latest gender roadmap arrives at a defining moment when the country is searching for sustainable pathways to expand economic growth, improve productivity and create opportunities for millions of citizens. The question before policymakers is no longer whether gender equality is desirable, but whether Nigeria can continue to bear the economic cost of limiting women's full participation in national development.

The launch of the Nigeria Gender Profile and Roadmap to Equality 2030 by the African Development Bank (AfDB), the Federal Ministry of Women Affairs and Social Development, and UN Women Nigeria provides a timely framework for addressing persistent gender gaps across critical areas of the economy. In our view, however, the significance of this initiative will not be measured by the quality of the document produced, but by the seriousness with which government institutions translate its recommendations into measurable economic outcomes.

We believe Nigeria must begin to see gender equality beyond the traditional lens of social intervention. It should be recognised as an economic reform strategy capable of unlocking productivity, expanding the labour force, strengthening entrepreneurship and improving national competitiveness.

A country seeking sustainable growth cannot afford to underutilise the potential of a significant part of its population. Women constitute a major force in Nigeria's agricultural sector, small business ecosystem, professional workforce and emerging technology space. Yet, many continue to face structural barriers that limit their ability to contribute fully to economic development.

In our view, the Gender Profile and Roadmap presents government with an opportunity to address these barriers through deliberate policy actions. The focus must now shift from identifying challenges to implementing solutions that improve women's access to capital, education, skills development, technology, markets and leadership opportunities.

Nigeria's development history shows that policy creation alone does not guarantee transformation. Several well-intentioned initiatives have struggled because of weak implementation, inadequate funding and limited accountability. We therefore urge the federal government and relevant stakeholders to ensure that the roadmap is supported by clear targets, measurable indicators and consistent monitoring.

The economic argument for women's inclusion is compelling. When women have access to finance, they create businesses, employ people and contribute to household and national income. When girls receive quality education and digital skills, they become better positioned to participate in the jobs of the future.

We believe expanding women's economic participation should become a central component of Nigeria's broader reform agenda. Access to affordable financing remains one of the biggest constraints facing many women-owned businesses. Government must strengthen financial inclusion initiatives, encourage lending institutions to develop gender-responsive financing models and create stronger support systems for women entrepreneurs seeking to scale their businesses.

The same urgency must apply to human capital development. A technology-driven economy requires a skilled workforce, and Nigeria cannot achieve digital competitiveness while millions of girls and women remain excluded from opportunities in science, technology, engineering and mathematics (STEM).

Beyond government, the private sector must also play a stronger role. In our view, companies should recognise that gender inclusion is not simply a corporate responsibility obligation. It is a business advantage that improves innovation, expands talent opportunities and strengthens organisational performance.

The alignment of the Gender Profile and Roadmap with Nigeria's National Development Plan 2026–2030 provides an opportunity to integrate gender considerations into economic planning, industrial policies, investment decisions and employment strategies.

We urge policymakers to ensure that the roadmap does not become another policy milestone celebrated at launch but forgotten during implementation. Its success will depend on whether it changes the realities faced by women in communities, workplaces and markets across the country.

Nigeria's ambition for stronger economic growth, improved productivity and inclusive prosperity requires the participation of everyone. Women are not merely beneficiaries of national development programmes. They are investors, entrepreneurs, workers, innovators and leaders whose contributions are essential to building a stronger economy.

In our view, turning the Gender Roadmap into economic action is not a concession to women. It is a strategic investment in Nigeria's future. The country's growth ambition will remain incomplete unless women are placed at the centre of the economic transformation agenda.

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 storytelling 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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Customs Cuts Vehicle Duties By Half, Targets N11tn Revenue Amid Fiscal Pressure

By Jennete Ugo Anya

The federal government's decision to slash import duties on vehicles has placed Nigeria's automobile market at the centre of a broader economic balancing act, as the administration seeks to reduce the cost of vehicle ownership while maintaining an ambitious revenue target for the Nigeria Customs Service (NCS).

Under the 2026 fiscal policy measures, import duty on used vehicles has been reduced from 15 percent to five percent, while duties on brand-new vehicles have been cut from 20 percent to 10 percent.

The policy, announced by the Comptroller-General of Customs, Mr. Adewale Adeniyi, during the defence of the service's 2026 budget proposal before the House of Representatives Committee on Customs and Excise, represents one of the government's latest interventions aimed at easing trade barriers and stimulating economic activities.

But beyond the immediate relief expected by vehicle importers and consumers, the tariff reduction presents a critical question for policymakers: can lower duties expand trade volumes enough to compensate for the potential decline in revenue from vehicle imports?

Mr. Adeniyi acknowledged this concern while presenting the service's outlook for 2026, noting that while some fiscal measures are expected to improve revenue collection, the reduction in vehicle tariffs could have an opposing effect.

"We have the new excise tariff, which is provided in the 2026 fiscal policy. We believe that these measures will increase our revenue collection," he told lawmakers.

"Conversely, during the same tariff measures that were given to us, tariffs on vehicles and levies on vehicles have been reduced significantly. For used vehicles, the tariff has been reduced from 15 percent to five percent, and for brand-new vehicles, from 20 percent to 10 percent. So, we believe that this is something that may also negatively affect revenue."

The reduction comes at a time when the cost of acquiring vehicles in Nigeria has risen sharply due to foreign exchange pressures, inflation, and high import-related charges. For many Nigerians, vehicle ownership has increasingly become a financial burden, particularly as transportation costs continue to contribute significantly to household expenses.

By lowering import duties, the government appears to be responding to long-standing concerns from businesses and consumers who have argued that excessive tariffs encourage informal trade channels and make vehicles unnecessarily expensive.

However, lawmakers questioned whether the new tariff regime would be enough to discourage importers from using neighbouring countries' ports, where traders have historically sought cheaper clearance alternatives.

For used vehicles, the tariff has been reduced from 15 percent to five percent, and for brand-new vehicles, from 20 percent to 10 percent. So, we believe that this is something that may also negatively affect revenue

During the committee session, Alex Mascot, a member representing Abia State, challenged the service on the effectiveness of the policy.

"If five percent has been reduced from the fee that is paid when you import goods into the country, why then do people still move their goods to Cotonou?" he asked.

The lawmaker argued that beyond tariff reduction, the government must address wider concerns around port efficiency, clearance procedures, and competitiveness, which have contributed to cargo diversion.

Responding, Mr. Adeniyi explained that implementation of the revised tariff structure began in May, stating that the service was also pursuing technology-driven reforms to improve trade facilitation.

For the Chairman of the House Committee on Customs and Excise, Leke Abejide, the reduction represents a positive development for Nigerians who have consistently demanded lower import duties.

He described the policy as a reflection of the administration's responsiveness to public concerns and commended President Bola Tinubu's approval of the measure.

While reducing vehicle tariffs may create short-term revenue concerns, the service is entering 2026 with a higher revenue ambition. The agency has projected N11.074 trillion in revenue collection for the year, a significant increase from its 2025 performance.

According to Mr. Adeniyi, the service generated N7.258 trillion between January and December 2025, exceeding its target by N1.153 trillion, representing an 18.89 percent increase.

The strong performance, however, was achieved despite several government policies that reduced customs collections. These included the suspension of excise duty on telecommunications services, the continued suspension of the proposed green tax introduced in 2023, and incentives aimed at encouraging local production of healthcare products.

The Customs boss also highlighted the impact of the government's Compressed Natural Gas (CNG) and electric vehicle initiatives, which reduced import-related revenue in those sectors as part of efforts to promote cleaner energy alternatives.

Another major factor affecting collections was the volume of imports granted exemptions through various government concession programmes.

Mr. Adeniyi disclosed that imports valued at N34.538 trillion benefited from revenue waivers in 2025. Petroleum products accounted for 56.40 per cent of the concessions, military imports represented 40.52 percent, while Import Duty Exemption Certificates and other qualifying imports accounted for the remaining 3.08 percent.

Despite these challenges, the service believes automation and stronger enforcement mechanisms will provide the foundation for achieving its 2026 target.

The agency plans to accelerate the deployment of the Unified Customs Information System, also known as B'Odogwu, to automate customs operations and improve efficiency. It will also expand post-clearance audits, strengthen compliance monitoring, extend the Authorised Economic Operator programme, deploy geospatial technology, and intensify joint border patrol operations to tackle smuggling.

The projected N11.074 trillion revenue target will come from several sources, including N5.542 trillion contribution to the federation account, N1.491 trillion in non-federation revenue, N2.773 trillion from import VAT, and N1.266 trillion from free-on-board collections.

To support these activities, the service has proposed a N1.235 trillion expenditure plan for 2026. The budget includes N421.70 billion for personnel costs, N307.77 billion for overheads, and N565.93 billion for capital projects.

NCC Mobilises Nigerian Students To Safeguard Telecoms Infrastructure As Digital Economy Expands

Dr Aminu Maida, Executive Vice Chairman and Chief Executive Officer of NCC

By Musa Ibrahim

The Nigerian Communications Commission (NCC) has called on Nigerian students to take an active role in protecting telecommunications infrastructure across the country, warning that the growing threat of vandalism, theft and destruction of network facilities could undermine Nigeria's digital transformation efforts.

The commission described telecommunications infrastructure as a critical national asset that supports education, research, innovation, economic activities and access to digital services, urging students to become partners in protecting the systems that power the country's digital economy.

The Executive Vice Chairman and Chief Executive Officer of NCC, Dr Aminu Maida, made the call during a courtesy visit by the newly elected leadership of the National Association of Nigerian Students (NANS) to the commission's headquarters in Abuja.

Represented by the Director of Public Affairs at NCC, Mrs Nnenna Ukoha, Dr. Maida congratulated the newly elected NANS President, Akinteye Babatunde, and members of the association's executive council, while commending the peaceful transition of leadership within the student body.

He said the continued relationship between NCC and NANS was built on dialogue, mutual respect and constructive engagement, expressing confidence that the new leadership would strengthen the partnership.

According to him, students remain important stakeholders in Nigeria's telecommunications ecosystem because they are among the largest users of digital services for learning, communication, entrepreneurship and innovation.

He encouraged the student body to participate actively in NCC's stakeholder engagement activities, including public consultations on regulatory policies and consumer protection initiatives, to ensure that the concerns of young Nigerians are reflected in policy decisions.

Beyond connectivity challenges, Dr. Maida highlighted infrastructure protection as one of the major concerns affecting the quality and reliability of telecommunications services in Nigeria.

He identified vandalism of telecom facilities, theft of fibre optic cables and network equipment, destruction of infrastructure and right-of-way disputes as some of the factors limiting efficient service delivery.

The NCC boss urged NANS to support public awareness campaigns aimed at educating students on the importance of protecting telecom facilities located within and around educational institutions.

"Telecommunications infrastructure remains the backbone of Nigeria's digital economy and plays a crucial role in learning, research, innovation and communication. Students can support national efforts aimed at protecting telecommunications infrastructure through awareness and responsible civic engagement," Dr. Maida said.

The call comes at a time when Nigeria is increasingly relying on digital infrastructure to support economic growth, financial inclusion, online education and technology-driven businesses. The expansion of broadband services, digital platforms and emerging technologies depends heavily on the availability and security of telecom networks.

For universities and other higher institutions, reliable telecommunications infrastructure has become essential for virtual learning, academic research, digital libraries and collaboration with global institutions. Any disruption to these facilities affects not only communication services but also education and productivity.

Industry stakeholders have repeatedly identified infrastructure security as a key requirement for achieving improved service quality. While telecom operators continue to invest billions of naira in network expansion, persistent damage to infrastructure remains a challenge that requires collective responsibility.

By engaging Nigerian students, the NCC is seeking to build a new generation of digital citizens who understand that telecom facilities are not merely commercial assets but national infrastructure that supports everyday activities.

Nigerian Stocks Lead Global Market Rally As Reforms, FX Stability Restore Investor Confidence

By Majeed Salaam

Nigeria's equities market has emerged as the best-performing stock market globally in dollar terms this year, overtaking South Korea's equities market as investors respond positively to economic reforms, improved foreign exchange liquidity and renewed confidence in the country's financial assets.

According to a Bloomberg report, Nigeria's benchmark stock index has delivered a 67 percent return in dollar terms since the beginning of 2026, placing it ahead of South Korea's Kospi index, which recorded a 66 percent gain during the same period.

The performance places the Nigerian Exchange (NGX) at the top among 92 global equity markets tracked by Bloomberg, marking a major turnaround for a market that has faced years of investor concerns around currency instability, liquidity challenges and macroeconomic uncertainty.

South Korea, which had previously led the global ranking, lost its position after the Kospi entered a technical bear market this week, declining 22 percent from its June 19 peak as investors reassessed the outlook for artificial intelligence-related stocks.

The South Korean won has also weakened by about five percent against the dollar this year, adding pressure to foreign investor returns.

Nigeria's improved market performance, however, has been supported by domestic economic factors, including policy reforms, stronger oil prices and increased foreign exchange availability. The naira has appreciated by about four percent against the dollar since January, improving the outlook for investors seeking exposure to Nigerian assets.

The rally reflects growing investor optimism that ongoing economic adjustments are beginning to create a more stable environment for businesses and financial markets.

Financial services companies listed on the NGX have been among the strongest drivers of the market's performance. Bloomberg reported that Fortis Global Insurance Plc delivered returns of about 1,400 percent in dollar terms this year, highlighting the strong performance recorded by some Nigerian financial stocks.

Unlike South Korea's market growth, which has been largely driven by technology and artificial intelligence-related companies, Nigeria's equity market expansion has been powered mainly by broader macroeconomic improvements and renewed investor appetite for domestic assets.

The development comes as international market institutions continue to reassess Nigeria's investment classification. S&P Dow Jones Indices recently placed Nigeria on its 2027 watchlist for a possible reclassification to frontier market status, a move that could attract increased foreign investment if the country meets the required conditions.

S&P said Nigeria's regulatory environment had improved but noted that consistency in policy implementation and operational resilience would remain important factors before any reclassification decision.

Similarly, FTSE Russell deferred a decision on Nigeria's return to its Frontier Market Index, citing the need for further assessment of the impact of the country's transition to a T+1 settlement cycle on international investors.

The improved performance of Nigerian equities reflects a changing perception of the country's investment landscape. For several years, foreign investors had been cautious due to challenges around currency repatriation, exchange rate volatility and economic uncertainty.

Nigeria's Business Activity Expands For Sixth Month As Manufacturing, Others Maintain Growth

By Jennete Ugo Anya

Nigeria's business environment sustained its expansion momentum in June 2026, with manufacturing, agriculture and trade recording positive performances despite persistent challenges including limited access to finance, unstable power supply, high operating costs and insecurity.

The latest Business Confidence Monitor (BCM) Index released by the Nigerian Economic Summit Group (NESG) showed that the overall business performance index remained at 104.6 points in June, unchanged from May 2026 and marking the sixth consecutive month of expansion.

Under the BCM measurement framework, index readings above 100 points indicate expansion, while figures below the threshold represent contraction.

Although the June performance reflected continued economic activity, it showed a moderation compared with previous periods. The overall index declined from 113.6 points recorded in June 2025, indicating that businesses were still expanding but operating under tighter conditions.

The report noted that performance across sectors remained uneven, with manufacturing and trade sustaining expansion, agriculture and non-manufacturing sectors improving into positive territory, while services recorded contraction during the month.

"Manufacturing and trade remained in expansion, but registered a weaker performance relative to the previous month. Agriculture and non-manufacturing also moved into expansion in June 2026, while services contracted during the month," the report stated.

The manufacturing sector recorded 106.4 points in June, remaining above the expansion threshold despite declining from 114.1 points in May 2026 and 123.6 points recorded in June 2025.

The sector's performance reflected mixed outcomes across its various subsectors. Textile, apparel and footwear emerged as the only subsector that recorded stronger growth compared with the previous month.

General business conditions, production, demand, operating profit, financial performance, supply orders, access to credit, cash flow and employment remained within expansion territory

Food, beverage and tobacco, as well as pulp, paper and paper products, remained in expansion but recorded slower growth, while chemical and pharmaceutical products, wood and wood products, and non-metallic products moved into expansion territory during the month.

However, some manufacturing segments experienced setbacks. Cement, plastic and rubber products remained in contraction, while basic metal, iron and steel also declined into contraction.

Despite maintaining positive momentum, manufacturers continued to face structural challenges affecting production capacity and investment decisions. The NESG report highlighted limited access to credit, energy shortages, inadequate raw materials, infrastructure challenges and high rental costs as major constraints affecting businesses.

The agriculture sector recorded a stronger performance in June, with its BCM Index rising to 103.9 points from 97.5 points in May, moving the sector into expansion territory.

However, the improvement remained below the 108.9 points recorded in June 2025.

The report attributed the sector's improved performance partly to favourable seasonal conditions, noting that early harvests and sustained rainfall supported increased crop production during the month.

"Business activity moved into expansion in crop production, agro-allied, and fishing. Notably, early harvests and persistent rainfall supported increased crop output during the month," the report stated.

While crop production and related activities improved, the livestock subsector recorded contraction, with forestry also remaining in negative territory.

The non-manufacturing sector also recorded improvement, moving into expansion territory with its index rising to 106.8 points in June from 99.4 points in May.

The growth was supported by stronger activities in construction and crude petroleum, while natural gas and other non-manufacturing activities entered expansion during the period. However, oil and gas services remained under pressure and recorded contraction.

Beyond sector-specific performance, the NESG identified several business indicators that remained positive during the month. General business conditions, production, demand, operating profit, financial performance, supply orders, access to credit, cash flow and employment remained within expansion territory.

More than half of these indicators also showed stronger performance compared with May 2026, suggesting that businesses continued to demonstrate resilience despite economic pressures.

However, investment and export activities remained weak, while trade stockpiling moved into contraction. The report noted that although the cost of doing business moderated slightly, input prices remained high and continued to affect profitability.

"Firms continued to face major constraints, especially limited access to finance, power outages, high rental costs, and insecurity during the month," the report stated.

The June BCM findings present a picture of an economy showing signs of resilience but still constrained by structural challenges. While productive sectors are gradually expanding, sustaining the momentum will require stronger interventions in infrastructure, financing, energy supply and business support systems.

For policymakers, the continued expansion of manufacturing, agriculture and trade highlights the importance of deepening reforms that can reduce production costs, improve competitiveness and encourage private sector investment.

FG's Manu-Tech Innovation Pod Signals New Era For Nigeria's Universities As Production Hubs

By Anita Dennis

Dr Maruf Tunji Alausa, Honourable Minister of Education (2nd left); Dr. Alex Otti (3rd left), and others, during the launch of Manu-Tech Innovation Pod at Michael Okpara University of Agriculture, Umudike, Abia State.

For decades, Nigerian universities have largely been viewed as institutions for producing graduates and conducting academic research, with many discoveries rarely moving beyond laboratory shelves into factories, markets and industries. The federal government (FG) is now attempting to change that narrative with the launch of the country's first Manu-Tech University Innovation Pod at the Michael Okpara University of Agriculture, Umudike, Abia State.

The facility, unveiled as part of a broader education reform agenda, represents a shift in how government views higher education. Rather than seeing universities only as centres of learning, the new model positions them as engines of industrial development, technology creation, entrepreneurship and economic expansion.

At the recent official launch, Honourable Minister of Education, Dr Maruf Tunji Alausa, said Nigeria's education system must move beyond producing graduates and academic publications to creating industries, generating employment and delivering solutions to national challenges.

"Our universities must become the birthplace of innovation, manufacturing and enterprise. Education must no longer be separated from production, research from industry or knowledge from economic prosperity. That transformation begins here," Dr. Alausa said.

The Manu-Tech Innovation Pod is designed to close one of Nigeria's longstanding development gaps: the weak connection between academic research and industrial application. Across the country, universities have produced research outputs in agriculture, engineering, science and technology, but limited funding, weak industry partnerships and inadequate commercialisation structures have often prevented these ideas from becoming viable products.

The new facility seeks to create a bridge between researchers, students, manufacturers, investors and technology developers by providing an environment where ideas can move from conception to prototyping, production and commercialisation.

... Nigeria's education system must move beyond producing graduates and academic publications to creating industries, generating employment and delivering solutions to national challenges

According to the federal government, the innovation hub will integrate emerging technologies including artificial intelligence, advanced manufacturing, industrial automation, digital design, agro-processing and entrepreneurship development.

The choice of Umudike as the location for the pilot project also reflects a deliberate attempt to connect university innovation with existing economic strengths. Abia State is home to the Aba manufacturing cluster, one of Nigeria's most recognised centres of indigenous enterprise and small-scale manufacturing.

The government believes the partnership between university research and Aba's industrial ecosystem can create a new pathway for local manufacturers to adopt modern technology, improve productivity and compete in wider markets.

Dr. Alausa described the initiative as a strategic partnership involving the FG, the United Nations Development Programme (UNDP), the Tertiary Education Trust Fund (TETFund), Michael Okpara University of Agriculture, Umudike and other stakeholders committed to strengthening Nigeria's innovation ecosystem.

He said the project aligns with President Bola Ahmed Tinubu's Renewed Hope Agenda, which identifies education reform, innovation, industrialisation, youth empowerment and economic diversification as critical drivers of national development.

Beyond the immediate benefits to the university community, the government sees the Manu-Tech Innovation Pod as part of a larger plan to reposition Nigeria's economy from one driven mainly by consumption and raw material exports to one based on production, technology and value addition.

The Honourable Minister noted that the initiative would support local manufacturing, enhance the processing of agricultural and mineral resources, create quality jobs and improve the competitiveness of Nigerian products within the African Continental Free Trade Area (AfCFTA).

"This is not just a university facility. It represents a national model that will be replicated across Nigeria's geopolitical zones based on their comparative economic strengths," Alausa said.

The planned expansion of similar innovation hubs across the country could create a network of regional technology and manufacturing centres. Each hub would focus on the economic opportunities unique to its location, allowing universities to become more connected to local industries and development priorities.

For instance, universities in agricultural regions could focus on food processing and agricultural technology, while institutions in industrial areas could concentrate on manufacturing, automation and engineering solutions.

The initiative also complements the Federal Ministry of Education's Nigeria Education Sector Renewal Initiative, which focuses on strengthening STEMM education, technical and vocational training, digital transformation, quality assurance and other areas critical to preparing young Nigerians for the future economy.

The government is equally expanding support for student innovators through programmes such as the Student Venture Capital Grant Programme, which aims to help young entrepreneurs transform research ideas into businesses. The Diaspora BRIDGE Programme is also expected to strengthen connections between Nigerian universities and global researchers.

However, the success of the Manu-Tech Innovation Pod will depend on sustained investment, effective management and strong private sector participation. Similar innovation initiatives in the past have struggled when research institutions lacked funding, industry partnerships and commercial pathways.

For the facility to deliver on its promise, universities must move beyond academic recognition and embrace entrepreneurship, technology transfer and market-driven research. Industries, on their part, must become active partners rather than distant beneficiaries of university discoveries.

Senate Clears Lafarge Acquisition By Chinese Investor, Says Nigerian Shareholders' Stake Protected

Senate Chamber

By Kingsley Benson

The Senate has approved the proposed acquisition of Lafarge Africa Plc by Chinese firm Huaxin Pan-African Investment Company, ruling that the transaction can proceed provided all regulatory requirements and Nigerian laws are fully observed.

The upper chamber also assured Nigerian investors that their 16.19 percent equity stake in the cement company would remain protected despite the change in ownership structure.

The resolution followed the adoption of the report of an ad hoc committee chaired by the Senate Minority Leader, Senator Abba Moro, which reviewed concerns surrounding the proposed acquisition, including issues relating to ownership, national interest and the position of Nigerian shareholders.

The investigation, initially commenced in December 2025 by the Senate Committee on Capital Market, was later transferred to the Moro-led committee for a broader assessment of the transaction.

Presenting the committee's findings, lawmakers said the acquisition was primarily a transfer of ownership between foreign investors rather than a takeover of a wholly Nigerian-owned company.

According to the report, Lafarge Africa's majority shareholder is a foreign entity seeking to transfer its interest to Huaxin, meaning the transaction would not alter the ownership rights of Nigerian minority shareholders.

"The transaction is essentially a transfer of ownership from one foreign investor to another," the committee stated, adding that the interests of Nigerian shareholders would remain unaffected.

The Senate directed all relevant regulatory agencies involved in the approval process to continue monitoring compliance with existing laws and ensure that the transaction aligns with Nigeria's investment regulations.

The committee noted that major regulatory institutions, including the Securities and Exchange Commission (SEC), Corporate Affairs Commission (CAC), Federal Competition and Consumer Protection Commission (FCCPC), Nigerian Investment Promotion Commission (NIPC) and the Bureau of Public Enterprises (BPE), had reviewed aspects of the acquisition and found it consistent with applicable regulations.

The lawmakers also said available evidence showed no immediate national security concerns associated with the proposed deal.

Beyond ownership considerations, the committee viewed the acquisition as an opportunity to attract foreign direct investment, strengthen Nigeria's industrial sector and support economic growth.

... Lafarge Africa's majority shareholder is a foreign entity seeking to transfer its interest to Huaxin, meaning the transaction would not alter the ownership rights of Nigerian minority shareholders

The acquiring company, according to the report, has indicated plans to inject additional capital into Lafarge's operations in Nigeria and other African markets, a move expected to support expansion, improve competitiveness and create employment opportunities.

The Senate dismissed concerns that the acquisition could create a new pattern of foreign dominance in Nigeria's cement sector, noting that Lafarge already operates within an industry where foreign participation is established.

The report stated that Lafarge currently controls about 18 percent of Nigeria's cement market and that the transaction would maintain, rather than introduce, foreign majority ownership in the sector.

The committee further disclosed that assurances had been provided regarding the protection of workers during the transition period, in line with directives issued by the FCCPC.

Worker protection has remained a key consideration in major corporate acquisitions, with regulators increasingly requiring acquiring companies to maintain employment stability and protect stakeholder interests.

The committee also highlighted the continued involvement of Holcim through its partnership with Huaxin, noting that the arrangement would support corporate governance standards consistent with international practices.

With Nigeria seeking increased capital inflows to support industrial expansion, the Senate said responsible foreign investment remains critical to strengthening strategic sectors such as cement manufacturing.

The lawmakers concluded that Huaxin's investment plans could stimulate economic activities, deepen foreign direct investment and contribute to job creation.

However, they emphasised the need for continued regulatory oversight to ensure that strategic national assets are protected while maintaining an investment-friendly environment.

The approval of the Lafarge acquisition marks another major foreign investment decision in Nigeria's industrial sector, coming at a time when policymakers are balancing the need for external capital with concerns around local participation, economic security and long-term national interests.

World Bank Maintains Nigeria's Lower-Middle Income Status As Restructurings Target Economic Upgrade

By Majeed Salaam

Nigeria will remain classified as a lower-middle-income economy in the World Bank's 2027 fiscal year classification, maintaining its position within a category that reflects a gross national income (GNI) per capita range of $1,176 to $4,635.

The classification was contained in the World Bank's latest income update, which groups economies based on their 2025 GNI per capita calculated using the Atlas method.

The Atlas methodology applies a three-year average exchange rate system designed to reduce the impact of currency fluctuations and provide more consistent comparisons of income levels across countries.

According to the World Bank, economies with GNI per capita of $1,175 or less are classified as low-income countries, while lower-middle-income economies fall between $1,176 and $4,635. Upper-middle-income countries have GNI per capita ranging from $4,636 to $14,375, while economies above $14,375 are classified as high-income countries.

Nigeria's continued classification as a lower-middle-income economy places it alongside other African countries including Ghana, Kenya, Côte d'Ivoire, Senegal, Cameroon, Angola and Zambia.

The World Bank also classified Nigeria as a "blend country", meaning the country remains eligible for financing support from both the International Development Association (IDA), which provides concessional financing to poorer economies, and the International Bank for Reconstruction and Development (IBRD), which supports middle-income and creditworthy developing countries.

Across Africa, the latest classification showed different movements in economic status. Cabo Verde moved from lower-middle-income to upper-middle-income status, while Togo advanced from low-income to lower-middle-income classification.

However, Namibia experienced a downgrade from upper-middle-income to lower-middle-income status.

Seychelles remains Africa's only high-income economy, while South Africa, Botswana, Mauritius, Gabon, Cabo Verde and Equatorial Guinea are among the continent's upper-middle-income economies.

Nigeria's position in the lower-middle-income category has remained unchanged since 2010, following its transition from low-income status.

The classification, which is updated annually, serves as an important benchmark for development institutions, investors and policymakers. It influences access to development financing, provides indicators of economic progress and enables comparisons of income levels across countries.

While Nigeria has maintained its current classification, the federal government has continued to pursue economic reforms aimed at improving productivity, strengthening macroeconomic stability and increasing export diversification.

The government's reform agenda includes changes in fiscal policy, monetary management and foreign exchange operations, with the objective of attracting investment, improving economic efficiency and creating conditions for sustained growth.

The challenge for Nigeria remains translating these reforms into higher productivity, stronger incomes and improved living standards that can support movement into a higher income category.

Economic analysts have noted that achieving an upward shift in income classification requires more than nominal economic growth. It depends on sustained improvements in per capita income, industrial capacity, employment creation, infrastructure development and overall economic competitiveness.

As Nigeria works towards its long-term ambition of becoming a more productive and diversified economy, maintaining lower-middle-income status provides both a measure of progress and a reminder of the structural reforms still required to reach the next stage of development.

Quotes of the Week

Vice President Kashim Shettima

Leadership means ensuring that procurement planning begins early and aligns with approved budgets. Leadership means insisting on professionalism throughout the procurement cycle. Leadership means resisting undue influence, protecting institutional integrity and making decisions solely in the public interest. Leadership means ensuring that contracts are completed on schedule, within cost and according to specification.

Dr. Aminu Maida, Executive Vice Chairman/Chief Executive Officer of NCC

Telecommunications infrastructure remains the backbone of Nigeria's digital economy and plays a crucial role in learning, research, innovation and communication. Students can support national efforts aimed at protecting telecommunications infrastructure through awareness and responsible civic engagement.

Dr Maruf Tunji Alausa, Minister of Education

Our universities must become the birthplace of innovation, manufacturing and enterprise. Education must no longer be separated from production, research from industry or knowledge from economic prosperity. That transformation begins here.

Health Commissioners Rally States, FG Behind New Push To Reform Nigeria's Healthcare System

Prof. Muhammad Ali Pate, Coordinating Minister of Health & Social Welfare

By Ahmed Ahmed

Nigeria's 36 state health commissioners and the Federal Capital Territory (FCT) have renewed their commitment to accelerating healthcare reforms through stronger collaboration, improved financing, better disease preparedness and increased private sector participation.

The commitment was made during the Second Quarterly Meeting of the Nigeria Health Commissioners' Forum (NHCF), held in Abuja recently, under the Nigeria State Health Leadership Collaborative (NSHLC), where health leaders reviewed ongoing reforms, assessed emerging public health challenges and outlined strategies to strengthen healthcare delivery across the country.

The meeting highlighted the growing importance of coordinated action between federal and state governments in addressing long-standing challenges affecting Nigeria's health sector, particularly in primary healthcare delivery, maternal and child health outcomes, health insurance coverage, workforce development and sustainable healthcare financing.

The commissioners agreed that while national policies provide strategic direction, states remain central to translating reforms into practical improvements that directly affect citizens.

A major highlight of the meeting was a strategic engagement with the Coordinating Minister of Health and Social Welfare, Professor Muhammad Ali Pate, where commissioners presented updates on reforms being implemented across their respective states and discussed ways to improve coordination between federal institutions and subnational governments.

The engagement provided an opportunity for states to share innovative approaches, identify implementation challenges and explore solutions that could accelerate progress in healthcare delivery.

The commissioners also reviewed developments in health workforce strengthening, disease surveillance, primary healthcare revitalisation and the implementation of national health priorities, emphasising that sustainable improvements require consistent collaboration across all levels of government.

Discussions focused on the Group Purchasing Framework, an initiative through which participating states have collectively aggregated pharmaceutical demand worth about N132 billion across 14 states for the procurement of 81 essential medicines and health commodities.

Beyond government coordination, the forum expanded discussions with development partners and technical organisations to ensure that external support aligns with state-level health priorities.

Engagements with the World Health Organization (WHO) focused on its proposed multi-year country strategy, strengthening health systems and advancing Universal Health Coverage, while discussions with the Sector-Wide Approach (SWAp) Office examined health financing reforms and support for the HOPE-HEALTH programme.

With rising concerns around global health threats, the commissioners also received a briefing from the Nigeria Centre for Disease Control and Prevention (NCDC) on the country's preparedness for Ebola Virus Disease, Bundibugyo Virus Disease and other emerging outbreaks.

The discussions focused on improving disease surveillance, strengthening laboratory capacity, enhancing emergency response coordination and developing state-level preparedness plans.

The commissioners reaffirmed their commitment to investing in early warning systems and emergency response mechanisms to protect communities from future public health emergencies.

The meeting also considered reforms aimed at improving healthcare quality through stronger regulation of health facilities. Commissioners reviewed the proposed National Health Facility Regulatory Agency Bill currently before the National Assembly, which seeks to establish a unified framework for regulating healthcare facilities through accreditation, standard setting, compliance monitoring and improved patient safety measures.

Members of the forum welcomed the proposed legislation, describing stronger regulation as essential to improving accountability, quality assurance and healthcare standards across both public and private facilities.

In strengthening healthcare supply chains, the commissioners deepened engagement with private sector stakeholders through the Sixth Annual Leadership Breakfast with the Pharmaceutical Manufacturing Group of the Manufacturers' Association of Nigeria (PMG-MAN).

Discussions focused on the Group Purchasing Framework, an initiative through which participating states have collectively aggregated pharmaceutical demand worth about N132 billion across 14 states for the procurement of 81 essential medicines and health commodities.

The commissioners expressed willingness to expand participation in the initiative by encouraging more states to establish Drug Management Agencies and join pooled procurement arrangements.

They noted that the approach could improve medicine availability, reduce procurement costs and strengthen efficiency within Nigeria's healthcare supply chain.

The forum also explored partnerships with organisations such as the Society for Family Health and Zipline to develop innovative approaches for reproductive, maternal, newborn and child health services, as well as technology-enabled solutions for last-mile healthcare delivery.

To maintain continuity in ongoing reforms, members unanimously approved a one-year extension of the tenure of the NHCF Executive Committee led by Dr Oyebanji Filani until June 2027.

The commissioners said continuity in leadership would support effective implementation of ongoing initiatives, strengthen stakeholder engagement and sustain the forum's contribution to national health sector reforms.

The meeting concluded with a renewed commitment to evidence-based policymaking, stronger governance structures, improved healthcare access and the development of resilient health systems capable of responding to present and future challenges.

NAICOM Tasks Insurers On Trust Rebuilding As Nwachukwu Emerges First Female NIA Chairman

By Ahmed Ahmed

The Nigerian insurance industry has entered a critical phase where stronger capital, regulatory reforms and improved market confidence must translate into greater public trust and wider insurance penetration, the National Insurance Commission (NAICOM) has said.

The Commissioner for Insurance, NAICOM, Mr Olusegun Ayo Omosehin, gave the charge to the Nigerian Insurers Association (NIA), urging the umbrella body of insurance companies to take the lead in rebuilding confidence among Nigerians who have historically viewed insurance with scepticism.

Mr. Omosehin spoke in Lagos during the investiture ceremony of Mrs. Ebelechukwu Nwachukwu as the 27th Chairman of the NIA, making her the first woman to occupy the position since the association was established.

He described Mrs. Nwachukwu's emergence as historic, coming at a time when the industry is undergoing major structural reforms following the signing of the Nigerian Insurance Industry Reform Act (NIIRA) 2025 and the ongoing recapitalisation exercise expected to conclude on July 31, 2026.

According to him, the reforms have provided the foundation for a stronger insurance sector, but the responsibility now rests on industry leadership to convert regulatory changes into improved services and increased confidence among policyholders.

"The foundation is set. NIIRA 2025 gave us the legal framework. Recapitalisation is giving us stronger, better capitalised institutions. Now, leadership must build," Mr. Omosehin said.

The commissioner identified trust, enforcement and innovation as three critical areas where the new NIA leadership must focus to reposition the industry and expand its contribution to Nigeria's economy.

He stressed that rebuilding public confidence must begin with improving claims management, noting that insurers must make prompt and transparent claims settlement a defining feature of the industry.

"Leadership in trust means making claims excellence a market-wide culture. Publish claims ratios and compete on service," he stated.

For an industry that has struggled with public perception challenges, especially around delayed claims settlement and limited awareness, Mr. Omosehin said insurers must demonstrate value by ensuring that policyholders experience the benefits of insurance when they need it most.

Beyond improving customer experience, he urged the NIA to strengthen collaboration with government institutions and law enforcement agencies to ensure compliance with Nigeria's six compulsory insurance classes.

The commissioner also highlighted innovation as a major pathway to expanding insurance coverage, particularly through digital platforms, microinsurance, Takaful and parametric insurance products.

Nigeria's insurance penetration remains among the lowest globally, with coverage estimated at less than one per cent of the population. Mr. Omosehin challenged the industry to develop solutions capable of reaching millions of Nigerians currently excluded from formal insurance protection.

"Unite the market, raise the bar, and expand the pie by taking insurance to the over 100 million Nigerians who have never owned a policy," he told the new NIA Chairman.

The emergence of Mrs. Nwachukwu comes at a significant moment for the industry as operators prepare for a new regulatory environment shaped by NIIRA 2025. The reform law and recapitalisation exercise are expected to strengthen insurers' financial capacity, improve corporate governance and enhance their ability to underwrite larger risks.

However, industry analysts have consistently noted that stronger balance sheets alone may not be enough to transform insurance adoption. Building consumer confidence, simplifying insurance products and improving accessibility will remain essential to achieving sustainable growth.

Mr. Omosehin reaffirmed NAICOM's commitment to risk-based supervision, stronger governance standards and consumer protection under the new regulatory framework.

Reforms Nuggets

CAC Enforces Directors' Disclosure Rule August 1

- The Corporate Affairs Commission (CAC) will commence enforcement of mandatory disclosure requirements for company directors on business letters from August 1, 2026, as part of efforts to strengthen corporate transparency, accountability and compliance in Nigeria's business environment.

- The Commission said companies that fail to comply with the directive will face sanctions in line with provisions of the Companies and Allied Matters Act (CAMA) 2020.

- In a public notice issued on Wednesday, CAC stated that the enforcement would apply to Sections 304(1) and (2), as well as Section 729(1)(c) of CAMA 2020.

- The Commission explained that all companies registered under CAMA 2020, including those registered under laws repealed by the Act, are required to display specific corporate information on their official business correspondence.

- Under the directive, companies must prominently include their registered name and registered office address on all business letters and official correspondence.

- The disclosure requirement also mandates companies to publish the present first names or initials and surnames of all directors, including any former names and surnames where applicable.

- Companies are equally required to state the nationality of directors who are not Nigerian citizens.

- CAC said the enforcement is aimed at improving corporate governance standards, increasing accountability among companies and boosting confidence in Nigeria's business environment.

- "The Commission wishes to inform the general public, esteemed customers, and in particular, companies registered under the Companies and Allied Matters Act 2020 that commencing from August 1, 2026, it shall enforce the full application of the requirements of Sections 304(1) and (2) and 729(1)(c) of the Act with attendant sanctions for non-compliance," the notice stated.

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FG Must Move Nigeria Beyond Lower-Middle Income Status By Prioritising Productivity, Shared Prosperity

REFORM TALKS *with* Enam Obiosio

The World Bank's decision to retain Nigeria as a lower-middle-income economy for its 2027 fiscal year classification should not be viewed merely as a statistical outcome. In my view, it should serve as a reminder that Nigeria's economic journey is far from complete.

Yes, Nigeria has made progress. The country moved from the low-income category before 2010 into the lower-middle-income classification, reflecting years of economic expansion and structural changes. However, after 15 years in the same income category, I believe the bigger question is no longer whether Nigeria has moved forward, but why it has struggled to move faster.

The federal government (FG) must now shift the focus from economic survival to economic transformation. The priority should be moving Nigeria from a country with middle-income classification on paper to one where citizens experience higher incomes, better opportunities and improved living standards.

Income classification provides useful information about the size and direction of an economy, but it does not tell the full story of citizens' economic reality. A country can record impressive gross domestic product (GDP) figures and still have millions of people struggling with rising costs, limited employment opportunities and declining purchasing power.

This is Nigeria's current challenge.

The World Bank's classification places Nigeria among economies with a gross national income per capita between $1,176 and $4,635. While this represents progress compared with Nigeria's previous low-income status, it also highlights the distance the country must travel before joining the ranks of upper-middle-income economies.

In my assessment, Nigeria's greatest economic challenge is not the absence of resources. It is the inability to consistently convert those resources into higher productivity, competitive industries, quality jobs and improved incomes.

Nigeria has many advantages that should position it for faster economic advancement. The country has a large consumer market, abundant natural resources, a youthful population, entrepreneurial citizens and significant opportunities across agriculture, technology, manufacturing and services.

However, resources and potential do not automatically create prosperity.

Countries that have successfully moved from lower-income categories did so by building productive economies. They invested heavily in human capital, developed industries, created competitive export sectors and established systems that enabled businesses to grow.

Nigeria must now pursue a similar path.

I believe the next phase of government reforms should place productivity at the centre of economic policy. Macroeconomic stability is important, but stability alone cannot deliver prosperity. The country must build an economy that produces more, exports more and creates more opportunities for its people.

The FG's ongoing reforms, including changes in foreign exchange management, fiscal adjustments and efforts to improve the investment climate, are necessary steps. However, the real measure of success will not be found only in policy documents or international assessments.

The true test will be whether Nigerian businesses can expand, whether investors can operate with confidence, whether young Nigerians can access meaningful employment and whether households can enjoy improved economic security.

This is where government attention must deepen.

Nigeria cannot become a prosperous economy while manufacturers continue to struggle with unreliable electricity, expensive logistics, limited access to finance and high production costs. The government must accelerate reforms that reduce the cost of doing business and enable local industries to compete globally.

The manufacturing sector, in particular, must receive stronger policy attention. A country with Nigeria's population cannot rely heavily on imports while its industrial base remains underdeveloped. Industrial growth creates jobs, strengthens local supply chains and improves export capacity.

Agriculture also requires a transformation beyond subsistence production. Nigeria must move from farming for survival to building a modern agricultural economy driven by technology, processing and value addition. The country loses significant economic opportunities when raw agricultural products are exported or consumed without developing the industries around them.

> **Nigeria cannot become a prosperous economy while manufacturers continue to struggle with unreliable electricity, expensive logistics, limited access to finance and high production costs**

I also believe that human capital development must become a central pillar of Nigeria's economic strategy.

A youthful population is only an advantage when young people have the skills required by the modern economy. Investments in education, technology, vocational training and entrepreneurship must be linked to actual economic opportunities.

The FG's digital skills initiatives and technology programmes are important, but they must be integrated into a broader employment and industrial strategy that ensures skills translate into productive jobs.

Another area requiring attention is investment quality. Nigeria needs foreign and domestic investments, but the focus should not only be on attracting capital. The priority should be attracting investments that create jobs, strengthen local capacity, develop industries and contribute to long-term economic competitiveness.

A prosperous Nigeria cannot be built on consumption-driven growth alone. It must be built on production.

The World Bank's classification also provides an opportunity to examine Nigeria's relationship with population growth. The country's large population is often described as an economic advantage, and rightly so. However, population becomes an economic strength only when supported by productivity, skills, infrastructure and employment opportunities.

Without these foundations, population growth can increase pressure on resources and deepen economic challenges.

This is why the government must focus on creating an economy where citizens are not merely consumers but active participants in production and wealth creation.

The ambition to build a $1 trillion economy requires a fundamental shift in thinking. Nigeria cannot achieve that target simply through economic expansion. It must achieve it through higher productivity, stronger institutions, innovation and inclusive growth.

In my view, Nigeria's retention as a lower-middle-income economy should be treated as both recognition of progress and a call for renewed action. It confirms that reforms can move the country forward, but it also shows that the pace of transformation must increase.

The government must now pursue policies that will move Nigeria beyond classification and into genuine prosperity.

The ultimate measure of economic success is not the category assigned by international institutions. It is whether Nigerians can afford better lives, whether businesses can thrive and whether future generations inherit a stronger economy.

The World Bank label tells us where Nigeria currently stands. The responsibility before government is to build the economy that takes the country where it needs to go.

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