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FG Converts Power Sector Arrears Into Market Debt

● Power Sector Debts Become Bonds -Nigeria's Bold Move To Restore Confidence

Nigeria has made a clear fiscal choice, to stop carrying power sector arrears as an invisible drag and instead force them into the open as priced, guaranteed obligations. With the issuance of a N590 billion Series 1 Power Sector Bond through NBET Finance Company Plc, the federal government has effectively converted a decade of unresolved GenCo liabilities into market debt, backed by the sovereign balance sheet. Framed under ***President Bola Ahmed Tinubu's*** *debt reduction agenda and coordinated by the fiscal authorities led by* ***Wale Edun****, the move signals a preference for financial engineering over fiscal inertia. According to* ***Enam Obiosio****, the central question for investors and policymakers alike is no longer whether the power sector's past will be paid for, but whether turning arrears into bonds will finally translate into operational discipline, improved generation performance, and an end to the cycle of recycled liabilities.*

Nigeria has moved its power sector problem from arrears to assets.

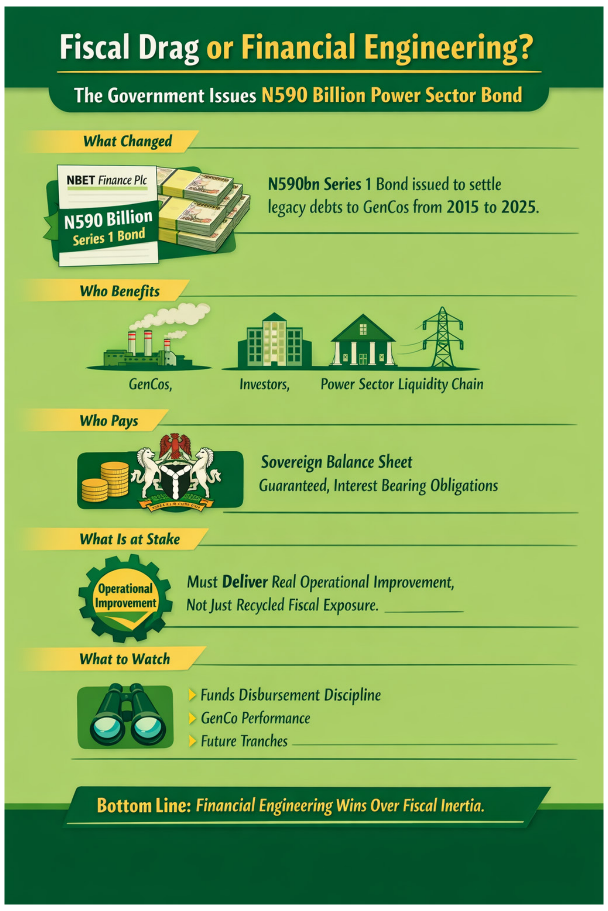
The federal government has closed a N590 billion Series 1 bond issuance, aimed at settling verified legacy debts owed to GenCos over a ten-year period. The issuance was executed through NBET Finance Company Plc, targeting institutional investors, high-net-worth individuals, retail investors, and GenCos themselves.

The bond forms part of a broader N4 trillion Multi-Instrument Issuance Programme designed to address unpaid invoices and legacy obligations that have constrained liquidity across the electricity value chain.

Structurally, the bond was issued in two tranches, cash and non-cash, through book build and private placement, at interest rates ranging between 16.75 percent and 17 percent. It carries a fixed rate, semi-annual coupon, a seven-year tenor, and has been classified as liquid assets by the Central Bank of Nigeria. The federal government guarantees the bond under the Presidential Power Sector Debt Reduction Programme.

The policy logic is straightforward. Accumulated legacy debts have weakened GenCos' balance sheets, limited maintenance and expansion capacity, and deterred fresh private investment. By securitising these obligations, the government aims to restore cash flow predictability, improve bankability, and stabilise investor expectations.

The programme was designed under the Presidential Power Sector Debt Reduction Committee, established by President Bola Ahmed Tinubu and chaired by the Honourable Minister of Finance and Coordinating Minister of the Economy, Mr. Wale Edun, with an explicit mandate to deliver a fiscally responsible settlement framework.



Market analysts, including Arthur Steven Asset Management Limited, have described the move as a strategic intervention to reduce systemic debt overhang in the power sector.

However, the conversion of arrears into bonds does not eliminate cost. It reallocates it. At interest rates of up to 17 percent, the programme increases financing costs on the sovereign side, making execution discipline and sector performance gains critical to justify the trade-off.

WHO WINS / WHO LOSES

Who Wins

- GenCos receiving debt settlement
- Investors holding FG-backed fixed-income assets
- The power sector liquidity chain

Who Loses

- Sovereign fiscal flexibility
- Future budgets exposed to higher debt-service obligations

POLICY SIGNALS

- The government is prioritising sector stabilisation over short-term fiscal optics.
- Market-based instruments are now the preferred tool for clearing structural arrears.
- Power-sector reform is being treated as a balance-sheet problem, not just a regulatory one.

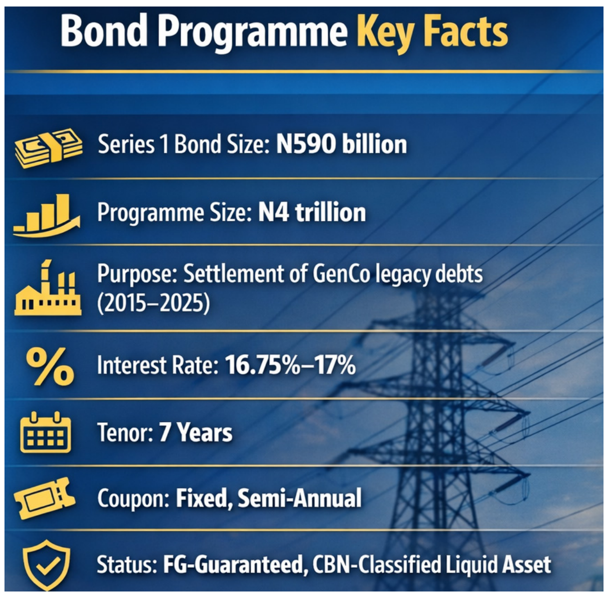
BEFORE VS AFTER

Before:
Unpaid GenCo invoices accumulating as opaque liabilities.

After:
Legacy debts transformed into transparent, tradable, sovereign-backed instruments.

RISK RADAR

- High interest-rate burden over the bond's life
- Weak transmission of liquidity to actual power generation
- Moral hazard if new arrears are allowed to reaccumulate
- Execution risk in subsequent tranches of the programme



READ MORE

Nigeria's Creativity Is Global. Its Economics Are Not
Now in 2026, the question is immediate: Will fame finally translate into jobs, income, and scale- or remain visibility without value?

Read the full Decision Memo in Pg 14

Public relation in Nigeria is entering a new phase. With the PRICE Awards, reputation is being treated as capital - measured, standardised, and competitive.

Read the feature on What the shift means for PR in 2026 in Pg 11

Copper is no longer cyclical. It is strategic. Supply is tight, demand is structural, and Africa holds leverage.
What happens next depends on policy and execution.

Read the full briefing in Pg 7

Recovery In Sight, But Nigeria's Margin Is Slim

Economic Indicators Signal Improvement, Yet The Path Ahead Remains Narrow And Uncertain

By Johnson Emmanuel

The 'Macroeconomic Outlook For Nigeria, 2026: Consolidating Macroeconomic Stability Amid Global Uncertainty', frames Nigeria as an economy that has stabilised, but not healed.

According to the report, GDP growth reached 4.23% in Q2 2025 and 3.98% in Q3 2025, marking the strongest growth momentum since 2021 and confirming that recovery was driven by policy reforms rather than oil price windfalls. Inflation declined sharply from about 34% in November 2024 to 16.05% in October 2025, supported by exchange-rate stability and attractive domestic yields that drew foreign portfolio inflows.

Yet policy restraint remains deliberate. The Central Bank of Nigeria held the Monetary Policy Rate at 27%, even as inflation declined, reflecting concerns that inflation dynamics may be understated by headline figures. Alternative inflation modelling cited in the report places inflation closer to 26%, explaining the reluctance to ease aggressively.

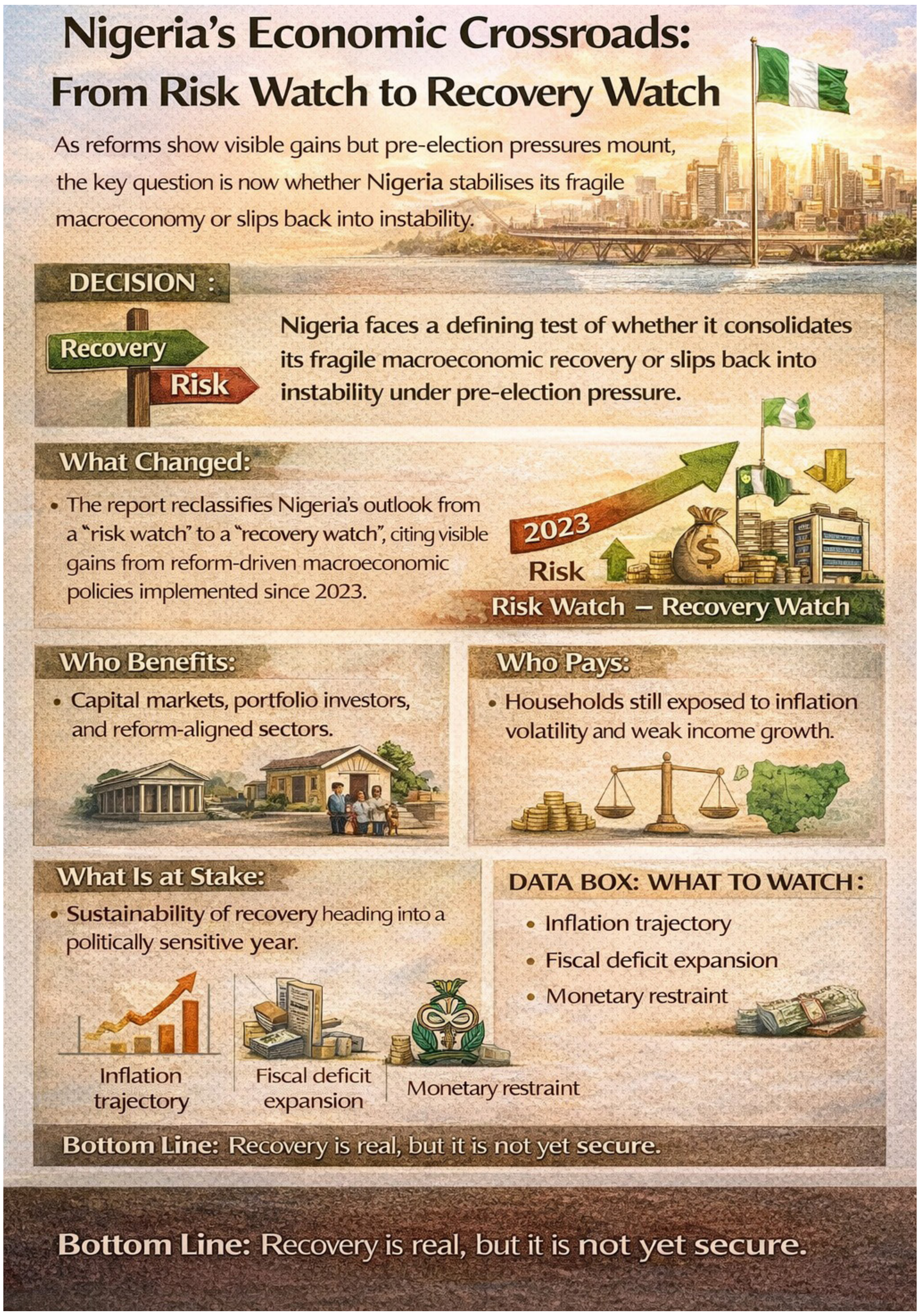
The fiscal side presents equal tension. Oil prices are expected to hover around US$60–US$65 per barrel in early 2026, broadly aligning with the budget assumption of US$64, but rising expenditure and election-related spending risk widening the deficit. If oil revenues weaken or spending accelerates, pressure will shift to the fixed-income market through higher yields and debt-service costs.

The decision confronting policymakers is whether discipline can survive politics.

DATA BOX

- GDP growth: 4.23% (Q2 2025), 3.98% (Q3 2025)
- Inflation: ~34% (Nov 2024) → 14.4% (Nov. 2025)
- MPR: 27% (held)
- Oil price outlook: US$60–US$65/bbl

Source: Macroeconomic Outlook For Nigeria, 2026: Consolidating Macroeconomic Stability Amid Global Uncertainty'



Africa's Growth Is Accelerating, Nigeria's Leverage Is Geopolitical

Nigeria and Africa face a critical test in converting shifting geopolitics into durable economic advantage.

What Changed:
Global trade has shifted from multilateralism toward bilateralism and regionalisation, reshaping Africa's growth pathways.

Who Benefits:
Mineral-rich and geopolitically adaptive economies.

Who Pays:
Countries locked into old trade and currency structures.

What Is at Stake:
Africa's position in global supply chains.
Bottom Line:
Geopolitics has become an economic input.

The report situates Africa's 2026 outlook within a fractured global order.

Global greenfield investment declined 17% in H1 2025, reflecting geopolitical tensions and supply-chain fragmentation. Yet Africa is emerging as a beneficiary of new strategic alignments, particularly around critical minerals and regional trade.

African growth reached 3.8% in 2025, up from 3.5% in 2024, and is projected to rise to 4.1% - 4.3% in 2026. Sahel economies, unshackled from former currency and trade arrangements, are expected to grow 6% - 8%, while COMESA countries benefit from rising global demand for solid minerals and rare earths.

Nigeria's geopolitical signal is explicit. By opening oil and gas sales to non-dollar currencies, Nigeria has shifted trade dynamics and influenced peer economies such as South Africa, Angola, and Egypt. This move, alongside Africa's growing role in mineral supply agreements, positions the continent as a strategic rather than peripheral player.

Africa's challenge is execution. Infrastructure gaps, political instability, and uneven institutional capacity could dilute these gains.

Nigeria Turned the Corner On Stability As Multilateral Verdict Is About Who Benefits Next

- **Stability Returns, But Households And Markets Face Uneven Benefits**

By Olumide Johnson

Late-2025 and early-2026 multilateral assessments converge on one conclusion: Nigeria has exited macroeconomic instability, but not social strain.

Across analyses by the World Bank, International Monetary Fund, Central Bank of Nigeria, and rating agencies including Fitch Ratings, Nigeria's reform package, anchored on fuel subsidy removal, FX market reforms, and fiscal consolidation, has restored investor confidence and improved macro signals.

Growth projections for 2026 cluster between 4.1% and 4.68%, with the World Bank projecting around 3.8%, driven by services such as ICT, banking, transport, and an oil-sector rebound. The Nigeria Development Update released in late 2025 recorded 4.23% GDP growth in Q2 2025, the strongest in years, supported by oil, ICT, and services.

External indicators have also improved. Trade surpluses widened, reserves rose, and Nigeria recorded improved access to foreign exchange. These shifts underpin recent credit-rating upgrades by Moody's Investors Service, Fitch, and S&P Global Ratings, signalling confidence in Nigeria's reform trajectory.

But the multilateral verdict is not celebratory.

Although, inflation is moderating, real wages have declined, and poverty has increased. World Bank reports note that despite growth, Nigeria now accounts for a significant share of Sub-Saharan Africa's poor. The IMF explicitly warns that without deeper structural reforms, productivity gains and poverty reduction will remain elusive.

Fiscal accounts reveal another tension. The 2026 budget framework projects significant expenditure, with debt servicing consuming a large share of revenue, limiting fiscal space for social and capital spending. The CBN's January 2026 outlook cautions that large domestic debt could tighten liquidity, even as stability is preserved.

Sectorally, the picture is uneven. Subsidy reforms are improving oil-sector efficiency and NNPC's finances. Non-oil sectors, particularly ICT and banking, benefit from stability and improved input access. Agriculture is expected to recover from flood disruptions, but food inflation remains a binding constraint on household welfare.

In response, the government has pivoted toward inclusion. World Bank support includes a US$500 million FINCLUDE project approved in December 2025 to expand MSME access to finance. Social safety-net programmes, including direct benefit transfers, are being scaled to reach millions. Multilateral advice consistently stresses food security, fiscal efficiency, infrastructure investment, and private-sector collaboration as the channels through which reform gains must flow to households.

The decision Nigeria faces in 2026 is not whether reforms were necessary. It is whether their benefits will be broadly shared.

DATA BOX

- 2026 GDP growth projections: ~4.0%–4.7%
- World Bank 2026 forecast: ~3.8%
- Q2 2025 GDP growth: 4.23%
- Inflation: Moderating at 14.4% in November.
- FINCLUDE MSME financing: US$500 million
- Core reform pillars: FX reform, subsidy removal, fiscal consolidation

WHO WINS / WHO LOSES

Who Wins

- Banks and ICT firms
- Oil-sector operators
- Portfolio investors and creditors

Who Loses

- Low-income households
- Fixed-income earners
- Food-dependent consumers

SECTOR SCORECARD

- Oil & Gas: Improving efficiency
- Banking & ICT: Growth beneficiaries
- Agriculture: Recovering, but fragile
- Infrastructure: Under-invested relative to needs

POLICY SIGNALS

- Multilaterals support Nigeria's reform direction.
- Growth alone is no longer the benchmark, inclusion is.
- Fiscal discipline will persist, limiting quick relief.
- Social protection and food security are now central to reform credibility.

BEFORE VS AFTER REFORMS

Before:
FX dislocation, subsidy burden, eroding investor confidence.

After:
Macro stability restored, growth resumes, poverty pressure intensifies.

RISK RADAR

- Inflation persistence
- Debt-service crowding-out
- Weak poverty transmission
- Reform fatigue and social backlash

We Must Understand That Stability Is Not the Destination Yet

We have come to believe that Nigeria's greatest economic mistake is not poor policy design, but impatience.

We rush outcomes. We celebrate signals before they mature. We mistake movement for arrival. And each time we do this, we weaken the very progress we claim to have made.

As we step into 2026, Nigeria is in a rare position. The economy is no longer spinning out of control. Growth has resumed. Inflation is no longer accelerating. The exchange rate is no longer unanchored. Capital is cautiously returning. Confidence, once broken, is being slowly repaired.

But we are convinced that this is the most dangerous phase of recovery, because this is the point where discipline is hardest to sustain.

Stability feels like relief. Relief invites relaxation. Relaxation, in Nigeria's history, often precedes reversal.

What we have today is not prosperity. It is not comfort. It is not inclusion. It is control. And control is only valuable if it is protected long enough to be transformed into something more durable. That distinction matters deeply.

Nigeria's economy is growing again, but growth alone has never been our real problem. We have grown before while unemployment rose. We have expanded output while poverty deepened. We have posted impressive numbers that failed to change how people lived.

The current recovery risks repeating that pattern if we misunderstand what it represents. Stability is not success. Stability is permission. Permission to plan. Permission to invest. Permission to reform deeply rather than react emotionally. Permission to rebuild institutions instead of improvising policy. The danger in 2026 is that we confuse this permission for completion.

Inflation has fallen sharply from its peak, but prices remain painfully high. Food costs still dominate household decisions. Real wages have not recovered. Consumption is constrained. For millions of Nigerians, daily life still feels like crisis management.

This does not mean reform has failed. It means reform has not finished its job. And it will not finish itself.

The hard truth is that macroeconomic stabilisation creates winners long before it creates comfort. Financial markets stabilise first. Capital flows return before jobs do. Asset prices respond faster than household welfare. This is not unique to Nigeria. It is the nature of adjustment. But Nigeria's social fabric is thin. The tolerance window is narrow. And political pressure will intensify as 2026 progresses.

We are not worried about whether Nigeria knows what to do. The policy direction is clear. Fiscal consolidation, tight monetary policy, exchange-rate realism, and structural reform have restored order. The challenge is whether Nigeria can resist undoing this order under pressure.

Debt makes this challenge sharper. Debt service already consumes a large share of public revenue. This limits choices. It constrains ambition. It punishes indiscipline quickly. Every additional naira borrowed at high cost reduces the space for social spending, infrastructure, and development investment.

This is why we are wary of calls for rapid easing, aggressive spending, or shortcut solutions. These are politically attractive, but economically dangerous.

Stability financed by fresh instability is not progress. It is postponement.

We are equally struck by how much of Nigeria's future growth will not be decided at the centre. The economy is quietly decentralising.

Some regions generate revenue, attract capital, coordinate policy, and plan infrastructure. Others remain dependent on transfers, reactive rather than strategic, and exposed to fiscal shocks. This divergence is already shaping investment decisions. Capital does not wait for national averages. It flows to competence.

In 2026, Nigeria will not move as one economy. It will move as several. Regions with institutional coherence will accelerate. Those without it will lag. This is not ideological. It is observable behaviour in capital flows, business formation, and infrastructure development. That reality carries consequences.

Regional inequality will widen unless deliberately managed. Political tension will rise where economic opportunity stagnates. National cohesion will be tested not by ideology, but by uneven progress. Ignoring this will not make it disappear.

Another reality that defines 2026 is the global environment. The world is no longer organised around open multilateral flows. Trade is fragmenting. Investment is strategic. Capital is selective. Geopolitics now shapes economics more directly than at any point in recent decades. This creates opportunity and risk simultaneously.

Africa is growing faster than before, partly because it sits at the intersection of global demand for energy, minerals, and alternative supply chains. Nigeria, by scale and position, matters in this environment. But opportunity does not convert itself.

Infrastructure gaps, insecurity, policy inconsistency, and weak execution can still neutralise geopolitical advantage. Being important is not the same as being prepared. This is why execution matters more than announcements in 2026.

We also believe that households are the silent arbiter of whether reform survives. Markets can tolerate volatility. Households cannot tolerate hopelessness. If food prices remain elevated, if incomes remain compressed, if employment growth lags population growth, patience will erode. Not because Nigerians reject reform, but because reform without visible progress feels endless. This is where social policy stops being charity and becomes stabilisation.

Targeted transfers, food security measures, and productivity-enhancing investments are not optional add-ons. They are the bridge between macro success and social legitimacy. Without that bridge, reform becomes politically fragile.

2026 will not reward impatience. It will reward restraint, coordination, and institutional strength. It will punish shortcuts. It will expose regions and institutions that confuse ambition with capacity. If Nigeria can hold this line, stability can harden into prosperity. If it cannot, the cycle will repeat.

We do not believe Nigeria lacks intelligence, resources, or opportunity. What we have lacked historically is endurance. Endurance in reform. Endurance in discipline. Endurance in execution. This is the year that will test whether we have learned that lesson.

EDITOR'S NOTES

Why StakeBridge Exists

Nigeria does not suffer from a lack of information. It suffers from a lack of clarity.

Every reform cycle produces volumes of data, statements, and commentary, yet ordinary readers, investors, and decision-makers are often left asking the same questions, what actually changed, who gained, who lost, and what happens next.

StakeBridge Media exists to answer those questions without noise.

We are not economists writing for economists. We are journalists who believe that policy, markets, and corporate decisions should be explained in plain language, anchored in evidence, and framed around consequences. Our reporting begins where traditional coverage often stops, at the decision point.

That is why we practise Decision Memo Journalism.

Each story asks a simple set of questions. What decision was made. Why it mattered. Who benefited. Who bore the cost. What signal readers should watch next. This structure is not a style choice. It is a discipline.

Nigeria's economy is too important for vague optimism or abstract critique. Citizens deserve reporting that respects facts without hiding behind jargon. Investors deserve context without hype. Policymakers deserve scrutiny without hostility.

StakeBridge is a bridge between data and meaning.

In this maiden edition, we did not chase headlines. We traced outcomes. We showed how inflation slowed but food prices stayed high. How FX calmed but confidence remained conditional. How reforms stabilised the system but jobs lagged behind.

This is the work we will continue to do.

Not to predict the future, but to clarify the choices shaping it.

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Tax Reform Meets Trust: Why The Tax Ombud Matters

- **As Nigeria's Tax Reforms Move From Policy To Practice, Embedding Fairness And Dispute Resolution Into Administration May Prove As Important As Raising Revenue**

By Olumide Johnson

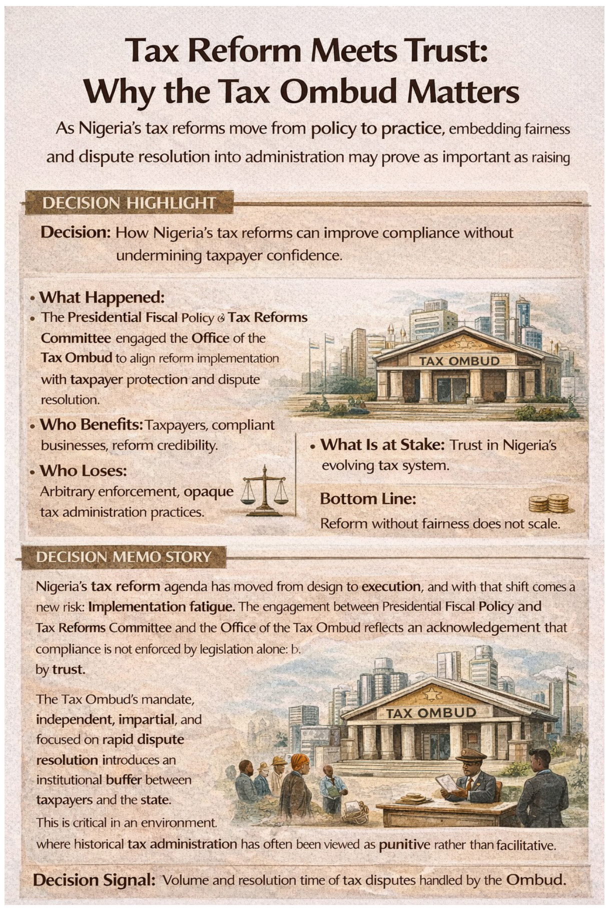
Nigeria's tax reform agenda has moved from design to execution, and with that shift comes a new risk: implementation fatigue. The engagement between the Presidential Fiscal Policy and Tax Reforms Committee and the Office of the Tax Ombud reflects an acknowledgement that compliance is not enforced by legislation alone, but by trust.

The Tax Ombud's mandate, independent, impartial, and focused on rapid dispute resolution, introduces an institutional buffer between taxpayers and the state. This is critical in an environment where historical tax administration has often been viewed as punitive rather than facilitative.

By embedding fairness, mediation, and advocacy into the reform architecture, policymakers are signalling that revenue growth must not come at the expense of legitimacy. If taxpayers believe the system is responsive, compliance becomes more durable and less coercive.

Decision Signal:

Volume and resolution time of tax disputes handled by the Ombud.



Nigeria Rewrites the Tax Map, Investors Gain Clarity, Businesses Lose Flexibility

Decision:

Nigeria faces a strategic choice between prioritising tax certainty and consolidation, or preserving flexibility through sector-specific discretion.

What Changed:

The Nigeria Tax Act, 2025 repeals and consolidates multiple legacy tax laws into a single unified fiscal framework, covering income tax, VAT, capital gains, stamp duties, petroleum taxation, incentives, and digital assets.

Who Benefits:

Investors, large corporates, tax administrators, and cross-border operators.

Who Pays:

SMEs, informal businesses, and entities previously benefiting from fragmented tax treatment.

What Is at Stake:

Predictability of Nigeria's investment climate versus adaptability for small and emerging businesses.

What to Watch:

Implementation rules, enforcement intensity, and transition provisions.

Bottom Line:

Nigeria chose order over discretion.

MEMO

The Nigeria Tax Act, 2025 marks a structural reset.

In repealing over a dozen tax statutes and consolidating them into a single Act, Nigeria eliminated legal fragmentation that had long complicated compliance, enforcement, and investor interpretation. Income tax, VAT, capital gains, petroleum taxes, stamp duties, and incentives now sit within one legislative architecture

For investors, this reduces legal ambiguity. Tax bases, definitions of income, chargeability, permanent establishment, and significant economic presence are clearly codified. For multinational firms and portfolio investors, the rules of engagement are clearer.

The trade-off is flexibility.

SMEs and informal operators now face a more formalised system with fewer grey zones. Presumptive taxation remains, but the Act strengthens the authority of tax agencies to assess income where records are inadequate. The balance of power tilts toward administration.

Nigeria has opted for fiscal coherence, even if it raises the cost of compliance for smaller players.

Nigeria Tightens the Net, Digital, Cross-Border Profits Come Into Focus

Decision:

Nigeria faces a delicate balance: aggressively taxing digital and non-resident income, or risking a chill on offshore participation.

What Changed:

The Act expands definitions of taxable income to include digital assets, electronic commerce, online services, and significant economic presence, even without physical presence.

Who Benefits:

Government revenue authorities and domestic competitors.

Who Pays:

Digital platforms, non-resident service providers, cross-border operators.

What Is at Stake:

Revenue mobilisation versus foreign participation and innovation.

Bottom Line:

Nigeria has declared digital profits taxable.

MEMO

The Nigeria Tax Act, 2025 closes long-standing gaps around non-resident taxation.

Income derived from digital services, online platforms, data transmission, cloud computing, online advertising, and digital asset transactions is now explicitly chargeable where significant economic presence exists, regardless of physical location

The Act empowers tax authorities to apply profit margins where direct attribution is unclear, ensuring minimum tax collection even in complex structures. This aligns Nigeria with global trends but raises compliance costs.

For investors, the signal is mixed. Revenue certainty improves, but operational margins may compress. Nigeria is no longer a low-friction digital tax environment.

DATA BOX

- Digital assets explicitly taxable
- Significant economic presence defined
- Profit margin attribution permitted
- Minimum tax floors introduced

Source: Federal Republic of Nigeria Official Gazette

WHO WINS / WHO LOSES

Who Wins

- Federal revenue authorities
- Domestic service providers

Who Loses

- Foreign digital firms
- Platform-based SMEs reliant on offshore services

POLICY SIGNALS

- Digital economy is now fully inside the tax net.
- Revenue mobilisation takes precedence over platform incentives.

RISK RADAR

- Disputes over profit attribution
- Investor hesitation in digital sectors
- Enforcement complexity

Rural Nigeria Is Paying More For Inflation Than Urban Nigeria

• Rural Households Face Higher Inflation Pressures Than Urban Counterparts

By Kingsley Ani

The CPI breakdown highlights a widening experience gap.

In November 2025, urban inflation moderated more visibly than rural inflation. This reflects differences in consumption patterns, market access, and price transmission. Urban households benefited more from easing non-food inflation, while rural households remained exposed to food-driven price pressures.

Because rural households allocate a larger share of income to food, even modest food price increases translate into disproportionate welfare losses. The CPI confirms that food remains the single largest contributor to rural inflation.

This divergence matters for policy credibility. National averages mask distributional stress.

DATA BOX
- Inflation trend: Urban easing faster than rural
- Primary driver of rural inflation: Food prices

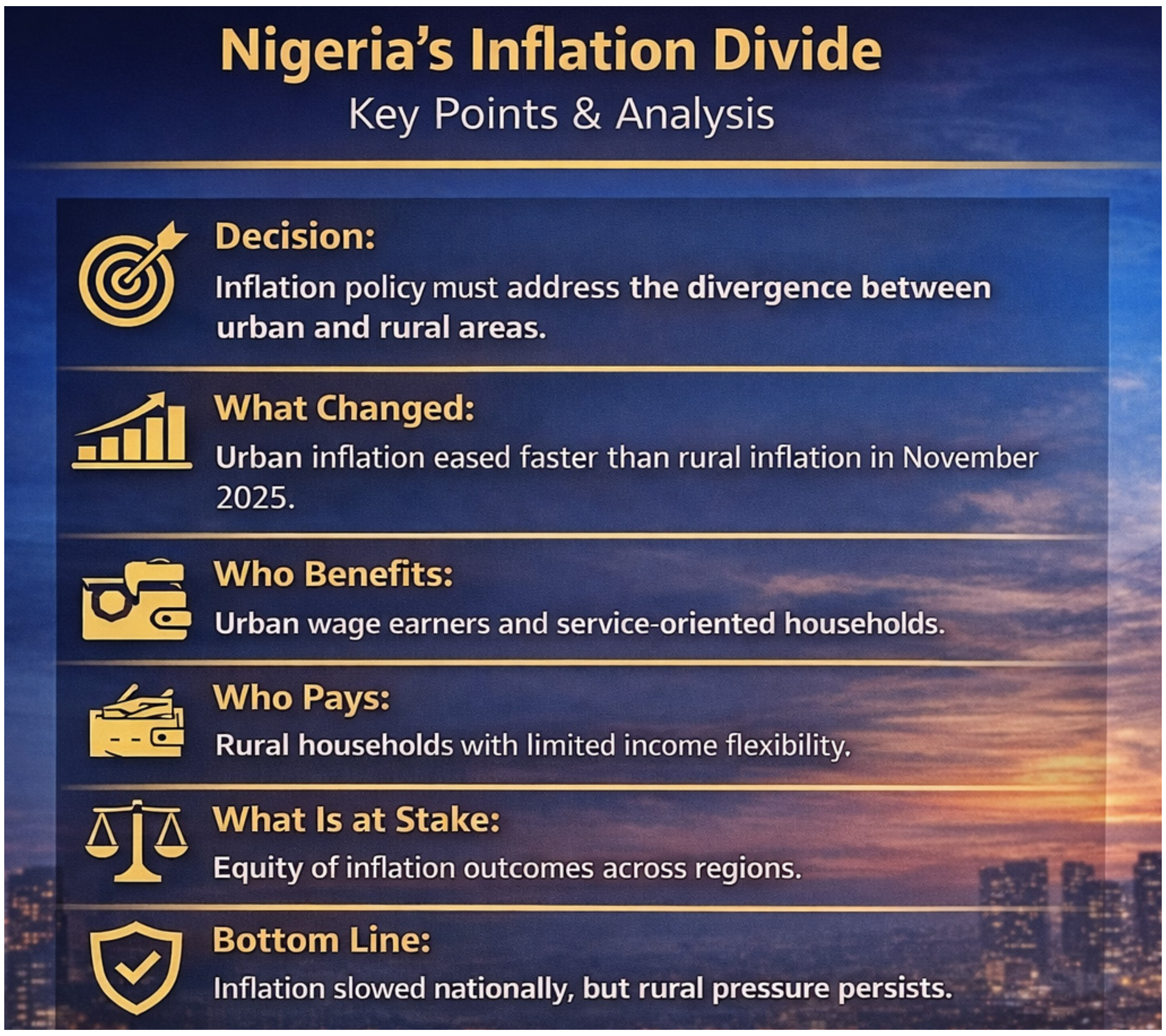
WHO WINS / WHO LOSES

Who Wins
- Urban households
- Service-sector workers

Who Loses
- Rural households
- Agricultural consumers

POLICY SIGNALS
- Inflation management has distributional consequences.
- Rural food inflation remains a binding constraint.

RISK RADAR
- Rural purchasing power erosion
- Regional inequality pressure



CPI confirms that food remains the single largest contributor to rural inflation

Core Inflation Is Cooling Faster Than Food Prices

Decision:
Whether Nigeria's inflation challenge is now structural food supply rather than broad price instability.

What Changed:
Core inflation slowed more decisively than food inflation in November 2025.

Who Benefits:
Households less exposed to food costs.

Who Pays:
Consumers reliant on staple foods.

What Is at Stake:
The effectiveness of monetary versus supply-side interventions.

Bottom Line:
Inflation is now a food problem more than a general price problem.

MEMO

The November CPI data shows a clear pattern.

Core inflation, which excludes volatile agricultural produce, decelerated more sharply than food inflation. This suggests that monetary tightening and demand compression are working more effectively on non-food prices than on food costs .

Food inflation, however, remains sticky. This points to structural issues, supply constraints, logistics, and seasonal factors that are less responsive to monetary policy alone.

The implication is that further disinflation will increasingly depend on food supply interventions rather than financial tightening.

DATA BOX
- Core inflation: Decelerating faster than food
- Food inflation: Sticky and dominant

WHO WINS / WHO LOSES

Who Wins
- Consumers of non-food items

Who Loses
- Food-reliant households

POLICY SIGNALS
- Monetary policy has done most of its work.
- Supply-side food interventions are now critical.

RISK RADAR
- Food supply shocks

Copper Has Entered A Super-Cycle, Supply Discipline Is No Longer Optional

DECISION HIGHLIGHT

Decision:
Global producers and policymakers face a critical question: treat copper volatility as a cyclical price event, or recognise it as a structural supply crisis.

What Changed:
Copper prices rose over 32% year-to-date in 2025, with COMEX futures trading near $5.35/lb after peaking at $5.85/lb in July, far above the 10-year average of about $3.12/lb.

Who Benefits:
Producers with existing capacity, holders of copper-linked assets, and countries with scalable reserves.

Who Pays:
Manufacturers, energy-transition supply chains, and late-stage project developers.

What Is at Stake:
Security of supply for electrification, energy transition, and digital infrastructure.

What to Watch:
Supply deficits, mine disruptions, and project development timelines.

Bottom Line:
Copper is no longer cyclical. It is strategic.

By Jeremiah Obeche

The Africa Export-Import Bank (AfreximBank) Research Commodity Market Updates Dec. 2025, frames 2025 as a turning point for copper markets.

Price volatility was driven initially by tactical positioning around US trade policy, which led to stockpiling in US warehouses and a subsequent correction of more than 20% when refined copper was excluded from tariffs. Yet the correction did not break the trend. Instead, prices rebounded, supported by tightening fundamentals.

According to the report, the market is now structurally tight. The International Energy Agency (IEA) warns of a potential 30% copper supply shortfall by 2035, driven by energy transition and artificial intelligence demand. The International Copper Study Group has revised its outlook from a 209,000-tonne surplus to a 150,000-tonne deficit by 2026.

Supply-side constraints are compounding. Declining ore grades, rising capital costs, long project lead times, higher smelting costs, extreme weather disruptions, and ESG-related permitting delays are slowing production growth. Events such as flooding in northern Chile and disruptions at Indonesia's Grasberg mine, which accounts for about three percent of global output, have had immediate market impact.

The report concludes that copper has become a strategic bottleneck rather than a tradable commodity.

DATA BOX
- 2025 price increase: +32% YTD
- COMEX peak (July 2025): $5.85/lb
- 10-year average price: ~$3.12/lb
- 2026 balance outlook: 150,000-tonne deficit

Source: AfreximBank Research Commodity Market Updates Dec. 2025

WHO WINS / WHO LOSES

Who Wins
- Low-cost, operating producers
- Countries with developed copper assets

Who Loses
- Downstream manufacturers
- Late-stage greenfield projects

POLICY SIGNALS
- Copper is now a strategic input.
- Supply expansion faces structural, not temporary, barriers.

RISK RADAR
- Supply shocks
- ESG permitting delays
- Weather-related disruptions

Demand Has Ceased To Be Just Green, It Is Digital, Industrial

Decision:
Copper demand now faces a crucial framing choice between being treated as energy-transition specific and being recognised as broad-based structural consumption.

What Changed:
Copper demand is being driven simultaneously by renewable energy, data-centre expansion, AI, and agricultural modernisation.

Who Benefits:
Producers with long-life assets and diversified end-markets.

Who Pays:
Industries exposed to input cost inflation.

What Is at Stake:
Affordability of electrification and digital infrastructure.

Bottom Line:
Copper demand is no longer narrow. It is systemic.

MEMO

The report broadens the copper demand narrative.

Beyond renewable energy, data-centre expansion alone could generate around 475,000 metric tonnes of copper demand by 2026. Agricultural modernisation, driven by automation, precision farming, and electric machinery, is adding further momentum.

At the same time, solar PV, wind, EVs, and transmission networks are increasing copper intensity per unit of output, particularly in emerging markets, including Africa. This convergence of demand drivers explains why price strength has persisted despite short-term corrections.

The report notes near-term risks, including potential re-exports of US-bound cargoes and seasonal slowdowns in China. However, structurally, supply constraints and sustained demand keep the medium- to long-term outlook bullish.

Copper is now embedded across multiple growth vectors.

DATA BOX
- Data-centre demand by 2026: ~475,000 tonnes
- Demand drivers: Energy transition, AI, agriculture, electrification
- Market balance: Structurally tight

Source: AfreximBank Research Commodity Market Updates Dec. 2025

WHO WINS / WHO LOSES

Who Wins
- Diversified copper producers
- Energy-transition supply chains

Who Loses
- Cost-sensitive downstream users

POLICY SIGNALS
- Copper planning must be multi-sectoral.
- Demand growth is durable, not speculative.

RISK RADAR
- Price volatility
- Supply chain concentration

PUBLIC NOTICE!

SUSPECTED FRAUDULENT ACTIVITIES OF VOYA INVESTMENT MANAGEMENT (VIM)

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Nigerian Businesses Are Optimistic, But the Optimism Is Fragile

Optimism Returns Across Businesses, though economic footing remains uncertain

By Hannah Yemisi

The Business Expectations Survey Report, December 2025, shows a business community that is hopeful, but cautious.

The Confidence Index stood at 37.5 points in December, reflecting optimism about macroeconomic conditions. Expectations are even stronger, with respondents projecting confidence to rise to 39.0 next month, 47.6 in three months, and 52.5 in six months

All broad sectors expressed optimism, led by the industry sector at 38.7 points, followed by agriculture and services. Regionally, optimism was strongest in the North-East (51.5 points), while the South-East recorded the lowest at 27.9 points.

However, firms also identified major constraints that threaten this outlook, led by insecurity (74.0 index points), high/multiple taxes (69.9), and insufficient power supply (67.9).

The decision facing policymakers is whether to address these binding constraints quickly enough to prevent optimism from fading.

DECISION HIGHLIGHT

Decision:
Policymakers face a choice between locking in business optimism through structural fixes or assuming sentiment will sustain itself.

What Changed:
Business confidence improved across all sectors in December 2025, with the Overall Confidence Index at 37.5 points, projected to rise to 52.5 points over the next six months.

Who Benefits:
Industry, agriculture, and services firms planning expansion.

Who Pays:
Businesses exposed to insecurity, power shortages, and high operating costs.

What Is at Stake:
Whether optimism converts into actual investment and expansion.

What to Watch:
Business constraints and capacity utilisation.

Bottom Line:
Sentiment is positive, conditions are not fully supportive.

DATA BOX

- Overall Confidence Index: 37.5
- Next 6 months projection: 52.5
- Highest regional optimism: North-East (51.5)
- Lowest regional optimism: South-East (27.9)

Source: The Business Expectations Survey Report, December 2025

WHO WINS / WHO LOSES

Who Wins
- Firms with resilient cost structures
- Industry-sector operators

Who Loses
- Power-dependent businesses
- Firms operating in high-insecurity zones

POLICY SIGNALS

- Optimism alone will not sustain growth.
- Structural bottlenecks remain decisive.

RISK RADAR

- Insecurity
- Energy shortages
- Tax burden complexity

Businesses Plan To Hire, Credit Conditions Lag Behind

Decision:
Nigeria's financial conditions will determine if planned employment and expansion can be supported.

What Changed:
Firms expressed optimism about employment and expansion in January 2026, but credit access remained weak.

Who Benefits:
Agriculture and mining sectors with expansion plans.

Who Pays:
Manufacturing and services firms facing tight financing.

What Is at Stake:
Whether job creation plans materialise.

Bottom Line:
Hiring intentions are strong, financing conditions are not.

MEMO

Employment expectations improved across sectors.

The Business Expectations Survey Report, December 2025,

shows that businesses anticipate hiring more workers in January 2026. The agriculture sector recorded the highest expansion outlook, while mining and quarrying showed the highest employment plan. Manufacturing posted lower employment optimism relative to construction and agriculture

However, access to finance remains constrained. The Credit Access Index stood at just 7.8 points, significantly lower than indices for total orders (27.0) and business activity (25.3).

This mismatch highlights a key policy dilemma. Businesses want to expand, but financing conditions may prevent execution.

DATA BOX

- Credit Access Index: 7.8
- Volume of Total Orders Index: 27.0
- Volume of Business Activity Index: 25.3
- Financial Condition Index: 20.1

Source: The Business Expectations Survey Report, December 2025

WHO WINS / WHO LOSES

Who Wins
- Firms with internal funding
- Capital-light businesses

Who Loses
- Credit-dependent SMEs
- Manufacturing firms

POLICY SIGNALS

- Credit remains the weakest link in expansion plans.
- Employment optimism is conditional, not guaranteed.

RISK RADAR

- Hiring delays
- Expansion deferrals
- Rising financing costs

Capacity Is Underused, Costs Are Still High

Decision:
Whether Nigeria can raise output using existing capacity or remain constrained by operating conditions.

What Changed:
Average capacity utilisation across sectors stood below 50 percent.

Who Benefits:
Construction and agriculture sectors with relatively higher utilisation.

Who Pays:
Manufacturing and mining firms operating below optimal levels.

What Is at Stake:
Productivity gains without new capital investment.

Bottom Line:
Nigeria has idle capacity, not idle demand.

MEMO

Capacity utilisation remains modest.

The Business Expectations Survey Report, December 2025, reports average capacity utilisation at 49.8% in December 2025. By sector, construction recorded 53.1%, agriculture 50.1%, manufacturing 49.6%, while mining and utilities recorded 46.4%

Despite optimism about business activity rising to 49.0 points over the next six months, firms cited cost-related constraints, including high interest rates (67.5) and high bank charges (63.7).

The implication is clear. Output can rise without new factories, but only if costs fall.

Oando, Axxela, And The Anatomy Of Patient Capital

- **A two-decade investment journey from a modest gas play to a multi-hundred-million-dollar exit shows how disciplined capital, time, and infrastructure focus can still compound value in Nigeria**

By Ayo Susan

The exit of Helios and Sojitz from Axxela to BlueCore is less a transaction headline than a case study in capital behaviour. As articulated by Adewale Tinubu, the journey from a modest N1 million investment by Oando in 2001 to a multi-hundred-million-dollar enterprise underscores a rare but critical truth: value creation in Nigeria is possible when capital is patient and execution is disciplined.

Axxela's growth was not linear. It required years of infrastructure build-out, regulatory navigation, operational scaling, and management continuity. The transition from Oando's early gas and power focus, through Helios's scaling phase, to BlueCore's next-chapter ownership reflects a maturing capital lifecycle rather than opportunistic flipping.

This matters in a market often dominated by short holding periods and risk aversion. The Axxela story demonstrates that Nigeria can reward investors who are willing to wait, build, and professionalise assets. It also reinforces the strategic importance of gas infrastructure as a bridge fuel and industrial enabler.

Decision Signal:
Length of capital holding periods in Nigerian infrastructure assets.

Data Box

- Land rig cost, Nigeria: ~$30,000/day
- Land rig cost, India: ~$60,000/day
- Additional cost from security and evacuation: Up to $12/barrel
- CAPEX position: Among the lowest in Africa

Nigeria Is Not A High-Cost Oil Market, Security Is

Decision:
Nigeria's upstream competitiveness must be assessed either by technical service costs or by non-technical operating risks.

What Changed:
At the 14th Practical Nigerian Content (PNC) Forum in Yenagoa in December 2025, the Petroleum Technology Association of Nigeria (PETAN) stated that Nigeria's oilfield service costs are currently the lowest on the African continent, challenging the long-held perception of Nigeria as a high-cost oil and gas environment.

Who Benefits:
Indigenous service companies, project developers, and investors focused on capital efficiency.

Who Pays:
Operators exposed to security-related disruptions and inefficient contracting structures.

What Is at Stake:
Nigeria's ability to attract and retain upstream investment based on accurate cost signals.
Security costs, crude evacuation arrangements, and contract allocation practices.

Bottom Line:
Nigeria's problem is not service pricing. It is risk pricing.

Nigeria's upstream cost debate is being reframed.

Speaking at the PNC Forum, Wole Ogunsanya, President of PETAN, said Nigeria is often misclassified as a high-cost environment because total operating costs are distorted by external factors, not by the price of technical services.

According to PETAN, capital expenditure for project execution in Nigeria remains among the lowest in Africa, driven largely by the depth of indigenous capacity built under local content policies. Technical services, including drilling and field operations, are priced significantly below comparable markets. Ogunsanya cited land rig contracting costs of about $30,000 per day in Nigeria, compared with approximately $60,000 per day in India.

Local content policy was identified as a structural subsidy. By leveraging indigenous expertise, Nigeria reduces reliance on foreign technical services, lowering base project costs and compressing CAPEX across the value chain.

The cost distortion emerges elsewhere.

PETAN identified evacuation and security as the dominant drivers of inflated production costs. Pipeline vandalism and crude theft often force operators to rely on vessels or barges for crude movement, adding up to $12 per barrel to production costs. These are not technical inefficiencies, but risk premiums imposed by operating conditions.

A second distortion lies in contracting practices. PETAN noted the prevalence of portfolio or "paper" companies that secure contracts without physical assets or technical capacity, only to outsource execution. This layering effect inflates costs without adding productive value.

To correct these misalignments, PETAN disclosed ongoing collaboration with the Nigerian Content Development and Monitoring Board and NNPC Limited to benchmark Nigerian oilfield service costs against global standards, with the aim of producing more accurate cost references for future large-scale projects.

The implication is direct. Nigeria's upstream cost competitiveness already exists at the service level. What remains unresolved is the cost of operating risk.

Nigeria Professionalises Public Relations As Reputation Becomes National Capital

DECISION HIGHLIGHT

Decision:
Public relations in Nigeria faces a turning point, either remaining an informal creative practice or being repositioned as a measurable, standards-driven profession linked to national competitiveness.

What Changed:
In early December 2025, the Nigerian Institute of Public Relations launched the maiden edition of its Public Relations, Reputation, Ideas, Concepts and Excellence (PRICE) Awards, establishing a formal national benchmark for excellence in the PR ecosystem.

Who Benefits:
PR professionals, agencies, organisations, students, and Nigeria's broader reputation economy.

Who Pays:
Practitioners and firms unable to demonstrate strategy, ethics, creativity, and measurable impact.

What Is at Stake:
The credibility, global competitiveness, and professional standing of Nigerian public relations.

What to Watch:
Execution quality of the inaugural awards and alignment with global PR standards ahead of 2026 international events.

Bottom Line:
Nigeria is institutionalising reputation management.

By Ayo Susan

The Nigerian public relations profession is being formally recast.

With the launch of the PRICE Awards, the NIPR has introduced what it describes as its premier platform for curating and celebrating excellence across the PR value chain. The awards are designed to recognise campaigns and individuals distinguished by creativity, innovation, strategy, and impact, moving recognition beyond visibility toward professional substance.

The maiden edition features 19 award categories, spanning experienced professionals, agencies, corporate and public institutions, as well as emerging talents including students. This breadth reflects an effort to define PR as a career ecosystem, not merely an agency business.

The awards ceremony, initially scheduled for December 7, 2025, was rescheduled to January 25, 2026. According to the Institute, the postponement was a strategic decision to ensure broad stakeholder participation, as end-of-year festivities commenced earlier than anticipated.

The NIPR President, Ike Neliaku, framed the rescheduling as an inclusion decision rather than a delay, reinforcing the Institute's emphasis on legitimacy and consensus. Oversight of the awards process is being handled by a 12-member organising committee, chaired by Israel Opayemi, who reaffirmed a commitment to delivering a "best-in-class" awards administration.

The PRICE Awards did not emerge in isolation.

In December 2025, the Institute inducted 448 new members during its fourth-quarter induction ceremony in Abuja, signalling continued expansion of the professional base. At the sub-national level, the Lagos State Chapter hosted the 10th Lagos Public Relations Industry Gala and Awards (LaPRIGA) on December 19, 2025, reviewing over 100 entries across 19 categories, further entrenching peer review and standards-setting within the profession.

Looking ahead, the Institute is positioning Nigeria on the global PR calendar. Preparations are underway to host the World Public Relations Forum and the African Public Relations Association Annual Conference in November 2026, placing Nigeria at the centre of continental and global conversations on reputation, communication ethics, and strategic influence.

The signal is consistent. Public relations is being repositioned as a strategic national asset, governed by standards, recognition, and international engagement.

DATA BOX

- Award platform: PRICE Awards
- Number of categories: 19
- New ceremony date: January 25, 2026
- Newly inducted members (Dec 2025): 448
- LaPRIGA entries reviewed: 100+
- Major global events planned: WPRF & APRA Conference, Nov 2026

WHO WINS / WHO LOSES

Who Wins

- Strategy-led PR professionals and agencies
- Organisations with measurable reputation outcomes
- Emerging talents entering a structured profession

Who Loses

- Ad-hoc, non-strategic PR practices
- Firms unable to demonstrate impact or ethical discipline

POLICY SIGNALS

- Professional recognition is now standards-based.
- Reputation management is being tied to national competitiveness.
- Nigeria is aligning its PR ecosystem with global benchmarks.

BEFORE VS AFTER THIS SHIFT

Before:
PR recognition largely fragmented and informal.

After:
A national, institutionalised framework for excellence and accountability.

RISK RADAR

- Execution risk in a maiden awards edition
- Perception management around judging transparency
- Pressure to sustain standards beyond the inaugural year.

Public relations is being repositioned as a strategic national asset, governed by standards, recognition, and international engagement

From Reform To Concrete: Infrastructure Becomes The Real Test Of Nigeria's 2026 Budget

By Johnson Emmanuel

The Federal Government has positioned the 2026 budget as a consolidation phase for Nigeria's reform agenda, shifting emphasis from policy correction to execution and infrastructure delivery.

According to the Minister of Information and National Orientation, Mohammed Idris, the Budget of Consolidation, Renewed Resilience and Shared Prosperity is designed to deepen reforms undertaken over the past 31 months and convert early macroeconomic stabilisation into tangible outcomes.

The N58.18 trillion proposal allocates N26.08 trillion to capital expenditure, compared with N15.25 trillion for recurrent non-debt spending and N15.52 trillion for debt servicing. Sectoral priorities include N3.56 trillion for infrastructure, N5.41 trillion for defence and security, N3.52 trillion for education, and N2.48 trillion for health.

A central policy shift embedded in the budget is the decision to end overlapping appropriations and inherited rollovers. The administration has committed to stricter discipline in budget execution, aiming to curb abandoned projects and improve fiscal credibility.

Government officials argue that early reform signals, including easing inflationary pressures, stronger external reserves, and improving investor sentiment, justify staying the course. However, the policy question now is whether capital-heavy budgets can be executed at scale, within timelines, and without slippage.

Beyond physical infrastructure, the budget integrates human capital and cost-of-living interventions, including education loans, compressed natural gas transport initiatives, and youth employment and skills programmes. These are intended to cushion households while infrastructure projects mature.

The decision challenge for 2026 is execution. Credibility will depend less on headline allocations and more on whether projects move from approval to completion.

DATA BOX (2026 BUDGET SNAPSHOT)

- Total Budget Size: N58.18 trillion
- Capital Expenditure: N26.08 trillion
- Recurrent (Non-Debt): N15.25 trillion
- Debt Servicing: N15.52 trillion
- Infrastructure Allocation: N3.56 trillion
- Defence and Security: N5.41 trillion

WHO WINS / WHO LOSES

Who Wins

- Infrastructure-linked sectors
- Investors prioritising policy stability
- Regions connected by new transport and energy assets

Who Loses

- Households awaiting near-term relief
- Fiscal space constrained by debt obligations

POLICY SIGNALS

- Nigeria is moving from reform design to reform delivery.
- Capital spending is prioritised over consumption.
- Fiscal credibility now hinges on execution discipline.

RISK RADAR

- Capital project delays
- Revenue underperformance
- Debt service crowding out development spending.

DECISION HIGHLIGHT

Decision:
Whether Nigeria should lock in fiscal discipline and infrastructure-led growth through a single, execution-focused national budget.

What Changed:
President Bola Ahmed Tinubu presented a N58.18 trillion 2026 Appropriation Bill, formally ending the practice of multiple and overlapping budgets.

Who Benefits:

- Infrastructure contractors and supply chains
- Businesses reliant on transport, energy, and logistics
- Investors seeking policy continuity and execution clarity

Who Pays:

- Fiscal buffers constrained by high debt service
- Households still exposed to near-term cost pressures

What Is at Stake:
Whether reform momentum translates into completed infrastructure and measurable welfare gains.

What to Watch:
Capital budget execution rates and project completion discipline.

Bottom Line:
Reforms are being consolidated, delivery is the real test.

Nigeria Elevates Valuation From Technical Opinion To Systemic Risk Function

Decision:
Whether estate valuation in Nigeria remains a technical professional service or becomes a regulated pillar of financial system integrity.

What Changed:
At the 2025 Membership Induction Ceremony of the Nigerian Institution of Estate Surveyors and Valuers in Lagos, the Financial Reporting Council of Nigeria formally reframed valuation as a core component of Nigeria's financial reporting and economic governance framework.

Who Benefits:
Investors, lenders, auditors, regulators, and the broader financial system.

Who Pays:
Unregistered practitioners, conflicted professionals, and firms relying on weak or non-compliant valuation reports.

What Is at Stake:
Credibility of financial statements, capital allocation decisions, and public trust.

What to Watch:
Implementation of new valuation regulations and enforcement actions beginning in 2026.

Bottom Line:
Valuation is no longer advisory. It is consequential.

MEMO
Nigeria's valuation profession has been put on notice.

Addressing 539 newly inducted members of NIESV on December 4, 2025, Rabiu Olowo, Executive Secretary and CEO of the FRC, said the role of estate surveyors and valuers has expanded beyond asset pricing into the heart of Nigeria's financial reporting architecture.

According to the FRC, valuation reports now carry direct legal, financial, and national implications. Poor valuation, Dr. Olowo warned, does not remain a private professional error. It creates systemic risk, distorts investment decisions, and erodes confidence in published financial statements.

Accuracy, he stated, is compulsory, not discretionary.

Inductees were explicitly directed to uphold the highest standards of ethics and integrity, avoid conflicts of interest, rigorously document assumptions, and challenge unreliable or incomplete information. These requirements were framed not as best practice, but as professional obligations tied to public trust.

The warning was reinforced with regulatory action.

The FRC announced the development of a Valuation for Financial Reporting Regulation, described as a landmark framework designed to align valuation practice with global standards. The regulation is scheduled to enter effective application in 2026 and will restrict the preparation of valuation reports for financial statements to registered professionals only, targeting the elimination of unregistered and unqualified practitioners.

Under the FRC's Directorate of Valuation Standards, the Council will begin active inspection and monitoring of valuation practices. This marks a shift from passive standard-setting to direct supervision and enforcement, with accountability explicitly tied to the responsibilities accepted at induction.

The signal is clear. Nigeria is tightening the integrity chain that links asset values to financial statements, capital markets, and public confidence.

DATA BOX

- Inducted professionals: 539
- Regulator issuing directive: Financial Reporting Council of Nigeria
- New framework: Valuation for Financial Reporting Regulation
- Effective enforcement timeline: 2026
- Oversight body: Directorate of Valuation Standards

POLICY SIGNALS

- Valuation is now treated as a financial stability input.
- Professional ethics are being enforced through regulation, not exhortation.
- Compliance will be monitored, not assumed.

BEFORE VS AFTER THIS SHIFT

Before:
Valuation largely treated as a technical support service.

After:
Valuation positioned as a regulated determinant of financial credibility.

RISK RADAR

- Transition risk for firms using non-compliant valuers
- Enforcement capacity pressure on regulators
- Increased liability exposure for professionals

2026: How Global Tech Shifts Could Become A Big Lift For Nigeria

By Ogbuefi O. Emelike

Technology is no longer advancing in straight lines. Across the global economy, innovation is accelerating simultaneously on multiple fronts, reshaping how businesses operate and how citizens access services. Artificial intelligence is being embedded into everyday operations, cybersecurity has moved into the boardroom, connectivity is expanding beyond traditional networks, fintech regulation is tightening, and investment capital is returning with sharper discipline.

For Nigeria, 2026 presents a narrow but meaningful window. The challenge is not whether technology will advance, but whether global shifts can be aligned with local realities to deliver productivity, inclusion and long-term growth.

Artificial intelligence sits at the centre of this transition. Globally, AI has evolved from isolated pilots into foundational business infrastructure, powering customer support, fraud detection, software development and decision-making. Enterprise adoption data from late 2025 shows that organisations treating AI as core infrastructure are already seeing cost efficiencies and productivity gains. PwC has noted that the greatest value emerges when AI is embedded in core strategy rather than deployed as standalone experiments.

This shift is increasingly visible in Nigeria. Banks, telecom operators and large retailers are using AI-driven tools to personalise services, optimise networks and improve risk management. Looking ahead, industry experts expect greater focus on domain-specific models trained on local languages and behavioural patterns, alongside stronger demand for explainable and auditable AI systems that can withstand regulatory scrutiny. Gartner has warned that AI governance is becoming non-negotiable as systems grow more autonomous and interconnected.

Governance is therefore emerging as a defining theme. AI oversight has moved beyond technical teams to the boardroom, with global advisory firms listing AI governance, security-by-design and human oversight among top priorities for 2026. Nigerian enterprises are likely to face similar expectations as regulators and customers demand transparency around automated decisions. This aligns with the stance of Nigeria's data regulator, which has consistently emphasised accountability and data protection as foundations for trust in the digital economy.

Cybersecurity is another critical pressure point. As digital adoption deepens, attack surfaces expand, pushing global cybersecurity spending to record highs. Forecasts suggest further increases in 2026, driven by cloud migration, AI deployment and tighter regulation. Telecommunications firms, in particular, are committing significant resources globally to protect networks, customer data and critical infrastructure.

In Nigeria, telecom operators face additional constraints, including high power costs, infrastructure vandalism and legacy systems. Analysts warn that without sustained cybersecurity investment, service quality and trust could erode. Regulators have repeatedly stressed that network resilience and security are essential as data consumption and digital services continue to grow.

Connectivity is also evolving. While 5G rollout continues in major cities, satellite-to-mobile technology is emerging as a complementary solution for underserved areas. Advances now allow basic voice, messaging and data services to reach standard smartphones without specialised equipment. For Nigeria, this could unlock new use cases in agriculture, healthcare and education, particularly in rural communities. At the same time, it raises regulatory questions around spectrum management, pricing and consumer protection, issues that will demand policy clarity in 2026.

Fintech, long one of Nigeria's most dynamic technology sectors, is entering a more regulated phase. New rules are reshaping licensing, reporting and compliance, aiming to reduce fraud and protect consumers. While these changes may raise operating costs and slow experimentation, regulators argue they are necessary to sustain confidence in a growing digital financial system. Industry observers expect closer bank-fintech partnerships and more deliberate product rollouts as a result.

Investment conditions are also shifting. After a difficult funding environment in 2023 and 2024, African tech funding showed signs of cautious recovery in 2025, supported by local investors, corporate venture capital and alternative financing such as venture debt. Although large deals remain scarce, funding volumes are stabilising, with Nigeria retaining a significant share of West Africa's tech investment.

Investors are now more selective, prioritising revenue generation, governance and clear paths to profitability. For founders, 2026 is shaping up as a year where sustainability matters more than rapid expansion.

Beyond mainstream sectors, climate technology, agritech and digital public infrastructure are gaining policy and funding attention. Governments and development partners are backing solutions that address food security, climate resilience and digital identity, areas where technology can deliver measurable social impact.

Taken together, the picture that emerges is not one of a single breakthrough, but of alignment. Countries that combine infrastructure investment, smart regulation, skills development and private-sector collaboration are likely to extract the most value from global technology shifts. For Nigeria, the opportunity in 2026 is substantial, but the margin for error is small. The year is likely to distinguish between ecosystems that merely adopt technology and those that shape it to serve national development goals.

DATA BOX

Global Tech Shifts Shaping 2026

- Artificial Intelligence: Moving from pilots to core enterprise infrastructure
- Cybersecurity: Rising global spend driven by AI, cloud adoption and regulation
- Connectivity: 5G densification and emerging satellite-to-mobile services
- Fintech: Tighter licensing, reporting and consumer protection rules
- Investment: Selective recovery, focus on revenue, governance and profitability

Implication for Nigeria:

Execution, regulation and infrastructure alignment will determine whether global tech trends translate into inclusive growth or missed opportunity.

Beyond Fame: What Nigeria's Creative Economy Must Fix In 2026

- **As Nigeria Looks Toward 2026, The Creative Economy Stands At A Crossroads. Global Visibility Has Been Achieved. What Comes Next Is Structural**

By Ovio Peters

As 2026 approaches, Nigeria's creative economy faces a defining question. The issue is no longer whether Nigerian creativity can compete globally. That has been settled. The question now is whether the country can build the infrastructure, capital frameworks, and policy coherence required to turn creative success into broad-based economic value.

Industry voices increasingly agree that the next phase of growth will not be driven by talent alone. It will be driven by systems.

Femi Odugbemi, filmmaker and voting member of the Academy of Motion Picture Arts and Sciences, frames the challenge around three pillars: infrastructure, capital, and policy coherence. Without progress across all three, Nigeria risks plateauing at global relevance without domestic impact.

The infrastructure gap is the most visible constraint. While Nigerian music, film, and theatre have built global audiences, the country lacks the physical spaces to fully monetise that demand at home. Rebuilding the National Theatre in Lagos marked an important symbolic step. But one venue cannot carry a national industry.

Across much of the country, there are no large-scale, purpose-built theatres, concert halls, exhibition centres, or live-performance venues capable of hosting high-capacity events. This limits touring, regional engagement, and spillover benefits for hospitality, transport, and local commerce. A nationwide concert tour by artists such as Burna Boy, Davido, or Asake remains logistically impractical, not because of audience demand, but because the infrastructure does not exist.

This is not a cultural problem. It is an economic one. Cultural infrastructure is not a vanity project. It is an enabler of value chains that include tourism, hospitality, logistics, retail, and employment. Cities such as Port Harcourt, Calabar, Enugu, Uyo, Kaduna, and Kano remain structurally excluded from large-scale creative commerce despite deep pools of talent and demand.

Public–private partnerships will be essential. Large venues cannot be built or sustained by government budgets alone, nor can they rely purely on private capital without regulatory clarity and risk-sharing frameworks. While the Ministry of the Creative Economy has previously announced infrastructure development plans, the industry is watching closely to see whether 2026 marks the transition from announcements to execution.

Digital infrastructure presents a parallel challenge. Indigenous streaming platforms remain strategically important, but not as replicas of Netflix, Disney, or YouTube. Their value lies in cultural specificity, IP protection, and regional and diaspora reach. For Nigerian platforms to survive and scale, they must adopt diversified revenue models that go beyond subscriptions, including licensing, partnerships, live experiences, and data-driven distribution.

Capital remains the quiet constraint. Creative businesses in Nigeria are often expected to formalise, scale, and comply at the same pace as traditional sectors, without access to patient financing or risk-adjusted capital. Production companies, studios, and creative SMEs operate with short-term funding, limited credit access, and weak balance sheets. This limits experimentation, reduces bargaining power, and concentrates income among a narrow elite.

Policy coherence is the missing link. The new tax framework designed by the federal government aims to broaden compliance and increase revenue. But applied too rigidly or too early, it risks constraining creative SMEs before they reach viability. A time-bound, incentive-led, tax-free incubation window for creative enterprises would support formalisation, job creation, and long-term tax contribution, rather than stifling growth at inception.

The broader risk is structural imbalance. Nigeria has exported culture at scale, but captured limited value. Visibility has grown faster than income stability. Employment remains largely informal, project-based, and volatile. Without deliberate intervention, the creative economy risks becoming an exposure engine rather than a sustainable economic pillar.

Yet the opportunity remains substantial. Few countries possess Nigeria's depth of talent, cultural influence, and global reach. If infrastructure is built, capital structures deepened, and policy aligned with sector realities, creativity will do the rest.

2026 can be pivotal. The foundations laid now will determine whether Nigeria's creative economy matures into a serious employer, exporter, and contributor to GDP, or remains a globally admired but domestically underpowered sector.

Decision Signal:

Growth in creative-sector income relative to output and visibility.

CBN Holds At 27%, Stability Chosen Over Speed

By Kingsley Ani

The November 2025 MPC meeting was not about growth. It was about control.

Despite seven consecutive months of decelerating inflation, the Committee resisted calls to ease aggressively. Headline inflation fell to 14.45% in November 2025, food inflation declined sharply to 11.08%, and core inflation eased to 18.04%. Yet all remained in double digits

The MPC judged that the lagged effects of earlier tightening had not fully transmitted. Maintaining the MPR at 27.0% was designed to consolidate gains, not test them. The corridor adjustment was technical, not directional.

The message to markets was deliberate: disinflation remains fragile, and policy patience will be enforced.

DATA BOX
- MPR: 27.0% (retained)
- Headline inflation: 14.45% (Nov 2025)
- Food inflation: 11.08% (Nov 2025)
- Core inflation: 18.04% (Nov 2025)
- PMI: 56.4 (Nov 2025)

Source: NBS

DECISION HIGHLIGHT

Decision:
Whether to begin easing monetary conditions or hold policy tight to lock in disinflation.

What Changed:
The MPC retained the Monetary Policy Rate at 27.0%, but adjusted the asymmetric corridor to +50 / −450 basis points, signalling caution rather than stimulus.

Who Benefits:
FX markets, portfolio investors, and inflation credibility.

Who Pays:
Borrowers, SMEs, and rate-sensitive sectors.

What Is at Stake:
Sustaining disinflation momentum without choking growth.

What to Watch:
Headline, food, and core inflation trends; FX stability; credit transmission.

Bottom Line:
The CBN chose certainty over acceleration.

WHO WINS / WHO LOSES

Who Wins
- FX markets
- Fixed-income investors
- Inflation credibility

Who Loses
- SMEs
- Credit-dependent households
- Rate-sensitive manufacturers

POLICY SIGNALS
- Disinflation is the primary mandate.
- Monetary easing will be gradual and evidence-led.

RISK RADAR
- Premature easing
- Inflation relapse
- Credit stagnation

Disinflation Is Working, But the Economy Is Still Waiting

Decision:
Whether to prioritise inflation control or respond to improving growth signals.

What Changed:
Inflation slowed across all measures while growth indicators strengthened, yet policy remained tight.

Who Benefits:
Macroeconomic stability and investor confidence.

Who Pays:
The real economy, especially small businesses and consumers.

What Is at Stake:
The balance between price stability and growth transmission.

Bottom Line:
Growth improved, policy did not.

MEMO

The CBN MPC 160 Nov. communiqué presents a paradox.

On one hand, inflation decelerated for the seventh consecutive month. On the other, real GDP growth accelerated to 4.23% in Q2 2025, and the PMI reached 56.4, its highest level in five years, pointing to strong expansion prospects

Yet the MPC held firm.

The Committee explicitly acknowledged growth momentum but judged inflation risks to outweigh them. Tight policy, in its view, must complete its transmission before relief is offered.

This is a sequencing choice. Stability first, growth later.

DATA BOX
- GDP growth: 4.23% (Q2 2025)
- PMI: 56.4 (Nov 2025)
- Inflation trend: 7 months of decline
- Policy stance: Restrictive maintained

Source: CBN MPC Communique No. 160 Nov...

WHO WINS / WHO LOSES

Who Wins
- Macroeconomic managers
- External investors
- FX stability advocates

Who Loses
- Domestic producers
- Informal sector
- Consumers facing high prices

POLICY SIGNALS
- Growth alone will not trigger easing.
- Inflation outcomes dominate policy decisions.

RISK RADAR
- Growth-credit disconnect
- Reform fatigue
- Household pressure

External Confidence Is Back, the Cost Is Tight Money

The MPC communiqué reads like a report card on credibility.

Nigeria recorded a surplus current account, rising reserves to US$46.70bn, enough to cover 10.3 months of imports, and improved investor sentiment following sovereign rating upgrades and FATF delisting

The banking system remained resilient, with 16 banks achieving full recapitalisation compliance.

In this context, easing policy would have risked undermining hard-won confidence. The MPC chose to defend external stability, even at the cost of domestic credit tightness.

DATA BOX
- External reserves: US$46.70bn (Nov 2025)
- Import cover: 10.3 months
- Banks recapitalised: 16
- FX stability: Maintained

Source: CBN MPC Communique No. 160 Nov...

WHO WINS / WHO LOSES

Who Wins
- Foreign investors
- Credit rating perception
- External sector

Who Loses
- Domestic borrowers
- SMEs
- Credit-led growth sectors

POLICY SIGNALS
- External balance is a policy anchor.
- Credibility preservation outweighs short-term relief.

RISK RADAR
- Domestic backlash against tight policy
- Credit stagnation

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2026 Tax Reforms: A Test of Fairness, Trust, and Credibility

By Enam Obiosio

As Nigeria begins the implementation of its 2026 tax reforms, I am reminded that tax policy is never merely about numbers. It is about trust, survival, and the social contract between the state and its citizens. For millions of low-income workers, small business owners, and informal traders, taxation is not an abstract fiscal concept. It is a direct question of whether government understands the realities of everyday life.

The Nigerian Tax Act and the Nigerian Tax Administration Act, two of the four laws that collectively make up the 2026 tax reforms, came into force on January 1. They represent the most far-reaching attempt in years to reset how Nigeria raises revenue, who bears the burden, and how compliance is enforced. The ambition is clear. The stakes are even clearer.

Proponents of the reforms, led by Dr Taiwo Oyedele, Chairman of the Presidential Committee on Fiscal Policy and Tax Reforms, have framed the new laws as pro-poor, pro-growth, and fairness-driven. I agree that, on paper, the architecture of the reforms is a marked departure from Nigeria's historically punitive and distortionary tax regime. But I also know that in Nigeria, the distance between policy design and lived reality can be vast.

At the heart of public attention is the reform's most symbolic provision: the exemption of low-income earners from personal income tax. Under the new framework, individuals earning up to N800,000 annually, roughly N62,000 per month, will pay no personal income tax. The message is unmistakable. Government is signalling that poverty should not be taxed.

Dr Oyedele has gone further, stating that more than 90 percent of Nigerian workers will either be fully exempt from Pay-As-You-Earn or pay significantly lower rates under the new system. This is not a minor adjustment. It is a philosophical shift. For too long, Nigeria's tax system has leaned heavily on the narrow segment of visible, salaried workers while allowing large parts of the economy to remain untaxed or arbitrarily taxed.

The idea that only top earners should contribute more aligns with global best practice. Progressive taxation is not radical. It is standard. What has been radical in Nigeria is taxing low incomes while failing to deliver basic public goods in return. If faithfully implemented, this exemption could provide breathing room for households grappling with inflation, weak income growth, and rising living costs.

Beyond income tax exemptions, the reforms include deductions and reliefs that speak directly to household resilience. Pension contributions, health insurance premiums, and National Housing Fund payments remain deductible, lowering taxable income and encouraging long-term financial planning. Capital gains tax exemptions on owner-occupied homes and personal vehicles reduce the tax friction on everyday asset decisions. Compensation for loss of employment, up to N50 million, is shielded from taxation, offering a rare measure of protection in an uncertain labour market.

Taken together, these provisions suggest a reform effort that understands fragility. They acknowledge that stability cannot be built by squeezing households already under strain. I welcome this direction.

The informal sector, long Nigeria's economic shock absorber, also stands to benefit materially. Micro and small businesses have historically been subjected to multiple levies, opaque charges, and aggressive enforcement that discouraged formalisation without delivering support. Under the new regime, small companies below defined turnover and asset thresholds enjoy zero corporate income tax, zero VAT, and sharply reduced withholding obligations.

This is not generosity. It is realism. Businesses with annual turnover below N100 million and fixed assets below N250 million are not hiding vast profits. They are struggling to survive. Removing them from the tax dragnet reduces compliance stress and allows them to focus on growth, job creation, and stability. Simplified processes and unified administration could also lower the psychological barrier to compliance.

Bringing informal businesses into a fairer system holds long-term promise. Formalisation, when done properly, unlocks access to credit, insurance, and legal protection. But I must be clear. Formalisation cannot be forced. It must be earned through trust and consistency.

This is where implementation becomes decisive.

In markets and workshops across the country, optimism is cautious. A small trader in Lagos, Ms Aisha Mustapha, captured the prevailing mood when she noted that keeping more of her earnings would help families cope, but only if enforcement is sincere. I share that view. Nigerians have seen too many well-written policies undermined by selective enforcement, discretion abuse, and multiple layers of government extracting rents.

Young professionals and digital workers echo similar sentiments. Mr Emmanuel Eweje, a freelance tech worker, articulated a simple truth: people are more willing to comply when rules are reasonable and evenly applied. Nigerians are not inherently tax-averse. They are system-averse. Complexity, arbitrariness, and perceived unfairness have been the real enemies of compliance.

The expanded definition of small companies under the new law is particularly significant. By exempting qualifying firms from Companies Income Tax, Capital Gains Tax, and the development levy, the reform acknowledges scale realities in a way past frameworks did not. This could reduce the incentive for underreporting and evasion, while encouraging growth within the formal economy.

However, not everyone is convinced. The Association of Enterprise Risk Management Professionals has warned that resistance to the reforms could undermine revenue expectations for 2026. Its Director-General, Dr Olayinka Odutola, has argued forcefully that the tax law benefits everyone and that Nigeria cannot continue with a system where only about 10 million people pay taxes out of a population exceeding 200 million.

I agree with the diagnosis, but I must interrogate the prescription. Expanding the tax base is essential. But expansion without legitimacy risks backlash. Odutola is right to note that some opposition comes from elites uncomfortable with being captured by the system. That resistance must be confronted. Nigeria cannot continue to rely on a tiny compliant minority while politically connected wealth escapes scrutiny.

At the same time, I must resist the temptation to dismiss all criticism as sabotage. The controversy over discrepancies between the gazetted version of the law and the version passed by the National Assembly, even if politicised, highlights a deeper issue: trust in process. Transparency matters. Clarity matters. Governments that ask citizens to comply must first demonstrate procedural integrity.

Calls to "implement now and fix later" carry risks. While no policy is perfect at birth, grey areas should not become loopholes or tools for abuse. Engagement, clarification, and continuous refinement must be institutionalised, not treated as afterthoughts.

Beyond taxation itself, the reforms raise a broader question. What happens after households retain more income? Prof Chris Onalo of the Nigerian Institute of Credit Administration rightly points out that tax relief alone is insufficient. If money saved from tax exemptions is not matched by access to affordable credit, its growth impact will be limited. I agree. Fiscal relief must be complemented by financial inclusion.

Similarly, the real estate sector has welcomed aspects of the reform, particularly the exemption of mortgage interest from taxation. Industry voices argue this could lower effective borrowing costs and encourage home ownership. This is a sensible incentive, especially in a country with a massive housing deficit. But again, incentives work only if the underlying financial system functions.

Lagos State's decision to align its tax framework with the national reforms is a positive signal. As Nigeria's commercial nerve centre, Lagos has both the opportunity and the responsibility to demonstrate how harmonisation can reduce multiple taxation and improve fairness. If Lagos succeeds, other states may follow. If it fails, fragmentation will persist.

Ultimately, the 2026 tax reforms confront Nigeria with an uncomfortable truth. The country does not have a taxation problem alone. It has a credibility problem. Tax compliance cannot be sustained by law alone. It requires visible fairness, consistent enforcement, and a tangible link between taxes paid and public value delivered.

I believe the reforms, as designed, move Nigeria in the right direction. They shift the burden upward, protect the vulnerable, and attempt to rationalise a chaotic system. But design is only the first test. Implementation will determine whether these reforms become a foundation for shared prosperity or another missed opportunity.

As these laws take root, I will watch not only revenue figures, but behaviour. Are low-income earners truly left alone? Are small businesses spared harassment? Are elites and high earners captured fairly? Are disputes resolved quickly and impartially? Is trust being built, or eroded?

2026 will answer these questions. For now, Nigerians are watching. So am I.

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