



Tinubu Reclaims Oil Revenues From Structural Leakages

PG 5



SEZ Gains Now Depend On Policy Discipline

PG 11

Legitimacy Now Priced In Daily Life, Not National Accounts

The report of global survey across 107 countries by Gallup, a global analytics and advisory firm, shows a re-definition of political legitimacy. The economy remains the most cited national problem globally, identified

by a median 23% of adults, followed by work concerns at 10%, politics and government at 8%, and security at 7%. However, **Enam Obiosio** writes that the report's central finding is not the ranking of issues but the measure-

ment logic behind them.

Citizens do not judge economic success using gross domestic product (GDP) growth or fiscal metrics. They evaluate it through lived household

conditions.

The study states people "judge national economic progress based on whether they feel secure and able to live well on their household income."

CONT. ON PG 2

Reforms Stabilise Nigeria, But Durability Remains Uncertain

By Olumide Johnson

At the recent Nigerian-American Chamber of Commerce Economic Outlook 2026 roundtable, Dr. Tayo Aduloju, the Chief Executive Officer of Nigerian Economic Summit Group (NESG), assessed Nigeria's macro-economic trajectory after recent reforms.

CONT. ON PG 7



Stablecoins Challenge Naira Control More Than Exchange Rate

By Johnson Emmanuel

The Governor of the Central Bank of Nigeria (CBN), Mr. Olayemi Cardoso, warned that rising adoption of stablecoins and private digital payment platforms could increase foreign exchange volatility and weaken monetary policy effectiveness in emerging economies.

CONT. ON PG 3

Inflation Diverges Regionally Despite National Stabilisation Narrative

By Kingsley Ani

State-level inflation data for January 2026 shows Nigeria's price pressures are unevenly distributed across the federation rather than uniformly el-

evated.

The highest inflation readings appear in Benue (22.48%) and Kogi (20.98%), classified as very high inflation zones. Most northern and southwestern states cluster between 13% and 19%, while a few southern

states record significantly lower rates, including Imo (0.61%) and Enugu (11.04%).

The dataset from National Bureau of Statistics (NBS) notes that no

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FG Recasts Creativity As Industrial Input

By Olumide Johnson

At ENEXFEST in Abuja, the Honourable Minister of State for Industry, Sen. John Owan Enoh, positioned Nigeria's creative and cultural industries as contributors to export growth, MSME ex-

pansion, and value chain development. Organisers and industry representatives reinforced the framing of creativity as an economic driver rather than a cultural sector.

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Legitimacy Now Priced In Daily Life, Not National...

CONT. FRM COVER

The same perception shift extends beyond macroeconomics. Employment dissatisfaction persists even among employed workers, and political discontent correlates strongly with institutional trust rather than ideology.

The three domains, income experience, job dignity and institutional fairness, now operate as a single legitimacy system.

DECISION HIGHLIGHT

Governance credibility has moved from macro performance to micro experience.

MEMO

The report reveals a structural change in how societies evaluate authority. Traditional governance models rested on measurable outputs, growth, employment levels, fiscal balances, security capacity. The public now evaluates governance using relational outcomes, affordability, job meaning and fairness.

This marks the transition from performance legitimacy to experiential legitimacy.

Economic legitimacy has moved from production to consumption

Governments communicate economic success in aggregate output terms. Citizens experience the economy as purchasing power. The mismatch produces credibility erosion even during statistical recovery.

The political consequence is predictable. A country can record improving indicators yet experience rising dissatisfaction because household stability is the true legitimacy currency.

Economic policy therefore functions less as a growth engine and more as a social confidence mechanism.

Labour markets now function as social contracts

The data rejects the classical assumption that employment resolves social pressure. Job availability alone does not stabilise societies. Job quality determines trust in the economic system.

Workers respond not only to wages but to dignity, stability and mobility. A labour market that expands precarious work expands anxiety rather than confidence. Employment becomes symbolic, a measure of whether the system recognises human value.

This explains why dissatisfaction remains high even in expanding labour markets. Work is evaluated morally, not statistically.

Institutional trust now determines political stability

Political dissatisfaction rises sharply where in-



stitutional confidence is weak. Citizens do not primarily react to policy ideology but to perceived fairness.

Political systems fail when procedures appear unreliable, not when policies are unpopular. Governance therefore becomes procedural legitimacy rather than ideological persuasion.

Economic stability, labour satisfaction and institutional trust converge into a single legitimacy loop. Income insecurity weakens trust, weak trust politicises economic hardship, politicisation amplifies instability.

The state is no longer judged as a planner but as a guarantor of fairness in daily life.

WHO WINS / WHO LOSES

Winners

Governments delivering visible cost-of-living stability

Firms investing in workforce productivity and progression

Institutions improving procedural transparency.

Losers

Policy strategies reliant on macroeconomic messaging

Labour markets dependent on precarious employment growth

Authorities substituting authority for fairness.

POLICY SIGNALS

Policy effectiveness will increasingly be evaluated at household level outcomes.

Employment policy must incorporate job quality metrics.

Administrative fairness becomes core economic policy rather than governance accessory.

INVESTOR SIGNAL

Political stability can no longer be inferred from macroeconomic strength alone.

Real income security and institutional trust now function as leading indicators of sovereign risk.

RISK RADAR

Reform backlash risk where statistical recovery precedes lived improvement

Social pressure risk from persistent underemployment despite job growth

Political instability risk from institutional credibility erosion even in stable economies.

DATA BOX

Economy identified as top issue: 23%

Work concerns: 10%

Politics/government: 8%

Security: 7%

Unemployed citing work as top problem: 17%

Low institutional trust roughly doubles likelihood of political concern.

Source: The World's Most Important Problem - What People Need Leaders to Hear in 2026 (World Governments Summit 2026 in collaboration with GALLUP)

Liquidity Glut Drives Massive Demand For One-Year NTBs

By Johnson Emmanuel

Nigeria's Treasury bills (NTBs) auction of February 18, 2026 drew N4.28 trillion in subscriptions against an offer of N1.15 trillion, underscoring persistent excess liquidity in the fixed income market.

Demand was heavily skewed toward the 364-day instrument, which alone attracted N4.07 trillion in bids. Despite the strong appetite, the Central Bank of Nigeria (CBN) allotted only N1.91 trillion, signalling continued yield management discipline.

DECISION HIGHLIGHT

The auction outcome reveals a market positioning for rate moderation rather than immediate yield expansion.

Investors crowded into the one-year paper even as its stop rate of 15.90 percent came in below the 182-day yield of 16.65 percent, indicating willingness to accept slightly lower returns in exchange for duration certainty.

MEMO

The latest NTB auction confirms that Nigeria's fixed income market is operating in a liquidity rich environment where portfolio managers are increasingly prioritising duration locking over yield maximisation.

The headline oversubscription of roughly 3.7 times the offer size reflects strong system liquidity, but the composition of bids is more revealing. With about 95 percent of demand concentrated in the 364-day bill, investors are clearly positioning for a medium-term rate downcycle. In effect, the market is attempting to front run future monetary easing by securing current yields for longer.

The yield curve configuration reinforces this interpretation. The 364-day bill cleared at 15.90 percent, only marginally above the 91 day stop rate of 15.80 percent and notably below the 182 day rate of 16.65 percent. Such compression typically signals expectations that reinvestment yields may trend lower over the coming quarters.

The Central Bank's selective allotment of N1.91 trillion against N4.28 trillion in bids suggests an active effort to prevent excessive downward pressure on yields. By rationing supply acceptance, the monetary



authority retains control of the short end of the sovereign curve while still absorbing system liquidity.

The under subscription at the short tenors adds another layer of insight. The 91 day and 182-day papers both fell short of their offer sizes, indicating investors currently view short duration instruments as reinvestment risk exposures in a potentially declining rate environment.

The pattern mirrors the February 4 auction, which also recorded heavy oversubscription and similar duration preference. Taken together, the data suggests institutional investors are increasingly confident that the current high yield window may not persist indefinitely.

The broader implication is that Nigeria's Treasury bills market is transitioning from a pure yield play to a duration positioning trade. Whether that positioning proves premature will depend heavily on the Central Bank's next monetary signals.

DATA BOX

- Total subscription: N4.28 trillion
- Total offer: N1.15 trillion

- Oversubscription ratio: about 3.7 times
- Total allotment: N1.91 trillion
- 364-day subscriptions: N4.07 trillion
- 364-day allotment: N1.71 trillion
- 364 day stop rate: 15.90 percent
- 91 day stop rate: 15.80 percent
- 182 day stop rate: 16.65 percent
- Prior February auction demand: N4.59 trillion

WHO WINS / WHO LOSES

The Federal Government benefits from strong funding demand and continued access to relatively stable domestic borrowing conditions. Institutional investors who secured longer duration paper at current yields also stand to gain if rates moderate as anticipated.

Short duration investors face reinvestment risk, while late entrants into the one year trade may encounter mark to market pressure if yields unexpectedly rise.

POLICY SIGNALS

The auction outcome reinforces the Central Bank's tight liquidity management posture.

... Challenge Naira Control More Than Exchange Rate

CONT. FRM COVER

Speaking recently at the G-24 Technical Group Meeting in Abuja, he stated: "The expansion of private digital payment platforms and stablecoins raises concerns about currency substitution and weakened monetary transmission, increased FX volatility and capital flow pressures."

He further cautioned: "Without coordination, digital cross-border payments risk becoming fragmented across jurisdictions... undermining the ability of Emerging Market and Developing Economies to safeguard monetary sovereignty."

At the same time, he acknowledged payment inefficiencies: "Today, cross-border payments remain too slow, too costly, and too fragmented... With global remittance corridors costing over 6.0 per cent... millions remain disconnected from global opportunity."

Nigeria's reforms have produced rising inflows, with remittances averaging about \$600 million monthly and projected to reach \$1 billion.

DECISION HIGHLIGHT

The Central Bank is positioning digital currency adoption as a monetary sovereignty issue rather than

purely a technological innovation issue.

MEMO

This warning reflects a deeper central banking dilemma. Digital finance solves efficiency problems faster than monetary systems can adapt.

Stablecoins function as synthetic foreign currency accounts. They allow households and firms to hold dollar-equivalent value outside the banking system while still operating domestically. In practice, this bypasses exchange rate policy rather than confronting it.

For a country managing currency stability, the risk is not just capital flight but policy irrelevance. Monetary policy works through banks, interest rates and regulated liquidity. Stablecoins operate through networks, wallets and global settlement layers. The more economic activity migrates there, the less domestic policy tools influence behaviour.

Cardoso's concern about 'currency substitution' captures this transition. Instead of dollar cash replacing naira, digital dollar equivalents embedded in payment platforms begin to dominate transactions.

The paradox is that the same technology also fixes long-standing inefficiencies. Remittances costing above six percent and taking days to settle discourage formal flows. Digital rails reduce that friction and

increase inflows, which explains the rise toward \$600 million monthly remittances.

Thus, the central bank faces a trade-off, encourage efficiency and risk sovereignty erosion, or restrict digital rails and preserve control but retain inefficiency.

Nigeria's response suggests a third path. The National Payment Stack, non-resident accounts and cross-border frameworks indicate the regulator intends to compete with private digital money rather than prohibit it.

The strategic objective becomes integration. If regulated systems become equally fast and cheap, stablecoins become less necessary as transactional substitutes.

Cardoso's concluding statement, "To shape the future of global finance, rather than be shaped by it," frames the policy direction. The central bank is moving from defensive regulation to infrastructural competition.

The implication is clear. Monetary authority in the digital era depends less on prohibition and more on providing a credible alternative network.

DATA BOX

- Remittance cost globally: over 6%
- Average monthly remittance inflow: ~\$600m

Reserves Rise, But Credibility Still Lives In Prices

We welcome numbers when they finally move in the right direction. Nigeria's foreign reserves have climbed to \$48.5 billion, the strongest level since 2013. The Central Bank's rebuilding effort has produced a steady upward curve from roughly \$40.8 billion at the start of 2025 to \$45.5 billion at year end, and now close to \$50 billion early in 2026.

On paper, this is a macroeconomic milestone. It signals improved inflows, tighter liquidity management and a stronger capacity to defend external obligations. It also revives a memory many policymakers prefer, a period when Nigeria's buffers appeared robust and confidence less fragile.

But we must be clear about what reserves mean and what they do not mean.

Foreign reserves measure a country's financial endurance. They do not measure a citizen's economic experience.

We have seen this gap before. Governments accumulate buffers and markets applaud stability, yet households feel little relief. The danger is not economic mismanagement but communication misalignment. Policymakers interpret reserves as recovery. Citizens interpret recovery as affordability.

If prices remain elevated, reserves become an abstract success.

The current accumulation cycle follows reforms in foreign exchange transparency and liquidity control. From a technical standpoint, this matters. A credible reserve position moderates currency volatility, improves import cover and reassures investors about sovereign payment capacity. These are real achievements, and they

matter for macro stability.

However, macro stability is only the first half of legitimacy. The second half is lived stability.

When people cannot directly experience improvement, economic credibility weakens even as indicators improve. A stronger reserve position does not automatically lower food costs, rent burdens or transport pressure. Yet those are the metrics by which most citizens judge whether the economy works.

We, therefore, confront a familiar Nigerian paradox, statistical recovery coexisting with social strain.

The Central Bank of Nigeria projects reserves could reach \$51 billion by the end of 2026. The projection itself is less important than what accompanies it. If reserves grow while purchasing power stagnates, the policy success risks political failure. Economic stabilization succeeds technically but fails socially.

Markets price solvency. Citizens price survival.

This distinction matters because confidence has two audiences. External investors want assurance Nigeria can meet obligations. Domestic households want assurance Nigeria can meet expectations. One responds to balance sheets. The other responds to daily transactions.

Ignoring either side produces instability.

The rebuild of reserves also reflects improved inflows rather than purely export expansion. That creates a second challenge. Buffer accumulation must translate into predictable currency conditions. Without exchange rate reliability, businesses cannot plan and wag-

es cannot hold value. Stability must be visible in everyday pricing, not only in central bank dashboards.

Otherwise, the reserves function as insurance for government but not security for citizens.

We have learned repeatedly that credibility is cumulative. Inflation shocks damage trust faster than reserve gains restore it. Each time the public hears recovery but feels pressure, the gap widens. Over time the credibility cost outweighs the financial benefit.

Nigeria therefore stands at a delicate point. The country is stabilizing financially but must now stabilize psychologically. That requires demonstrating that stronger reserves produce tangible outcomes, steadier prices, predictable currency, lower volatility and clearer planning horizons for firms and households alike.

If reserves translate into calmer markets, investment follows. If investment follows, employment strengthens. If employment strengthens, legitimacy deepens. The chain must be completed.

We should resist declaring victory too early. A higher reserve number is not the end of reform. It is evidence reform has begun to work. The true test is whether stability migrates from official statistics into household experience.

We must insist on that translation. Because economies are not judged by their strongest indicator but by their weakest daily reality.

Nigeria's reserves have returned to 2013 levels. The question is whether economic confidence will return to everyday life.

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. 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.

Enam Obiosio

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President Tinubu Reclaims Oil Revenues From Structural Leakages



President Bola Ahmed Tinubu (m) signing the Executive Order

By Olumide Johnson

President Bola Tinubu signed Executive Order 9 of 2026, formally titled 'Presidential Executive Order to Safeguard Federation Oil and Gas Revenues and Provide Regulatory Clarity, 2026.'

The Order suspends the Nigerian National Petroleum Company Limited (NNPCL) from the collection of management fees and frontier exploration allocations under the Petroleum Industry Act (PIA) framework and directs full remittance of oil and gas revenues to the Federation Account.

The Presidency states the action is grounded in constitutional authority and revenue realignment.

The official document explains: "The Executive Order reinforces the provisions of the 1999 Constitution of the Federal Republic of Nigeria, which vest ownership of mineral resources in the Federation and require that all revenues derived from those resources be paid into the Federation Account for appropriation in accordance with established constitutional and statutory rules."

It further argues the measure became necessary due to declining inflows into the Federation Account despite improved production and favourable market conditions.

DECISION HIGHLIGHT

The Presidency has moved to reverse revenue retention structures created under the Petroleum Industry Act, restoring gross remittance before deductions.

MEMO

This Executive Order is not administrative housekeeping. It is a structural confrontation with the fiscal architecture introduced by the PIA.

Under the PIA framework, NNPCL retained 30% of Federation oil revenues as a management fee on Profit Oil and Profit Gas derived from Production Sharing, Profit Sharing, and Risk Service Contracts. In addition, the company retained 20 percent of its profits for working capital and future investments. A further 30 percent of profit oil and gas was allocated to the Frontier Exploration Fund.

The Order effectively challenges the layering of these retention mechanisms.

The Presidency states: "Given the existing 20% retention, the additional 30% management fee

is considered unjustified by the Federal Government, as the retained earnings are already sufficient to support the functions NNPCL performs under these contracts."

The interpretative implication is clear. What was framed as operational flexibility has been reclassified as excessive pre-distribution retention.

This move reasserts constitutional supremacy over statutory commercial structuring. Section 44(3) of the Constitution vests ownership and derivative rights of mineral resources in the Government of the Federation. The Executive Order interprets this to mean revenue must first flow to the Federation before corporate allocations are executed.

In effect, the Presidency is saying oil revenue belongs to the sovereign balance sheet before it belongs to the operator's ledger.

The Frontier Exploration Fund becomes particularly significant in this context. The document notes that a fund of that scale devoted to speculative exploration risks accumulating large idle balances and encouraging inefficient spending at a time when public finances are strained.

This is a fiscal reprioritisation disguised as regulatory clarification.

DATA BOX

- NNPCL retention under PIA:
- 30% management fee on Profit Oil and Profit Gas
 - 20% profit retention for working capital and future investments
 - 30% allocation to Frontier Exploration Fund
- 2025 Financials:
- Total revenue: N60.5 trillion
 - Profit after tax: N5.76 trillion
 - Statutory remittances: N14.706 trillion
- Executive Order legal basis:
- Section 5 of the Constitution
 - Section 44(3) of the Constitution

The Order also halts gas flare penalty payments into the Midstream and Downstream Gas Infrastructure Fund and clarifies regulatory delineation between upstream and midstream authorities. That suggests the Presidency views fiscal opacity as partly rooted in overlapping mandates and layered retention vehicles.

Structurally, this is an attempt to collapse par-

allel revenue channels back into a single constitutional pipeline.

The underlying political logic is equally direct. Improved production and favourable prices should increase Federation inflows. If they do not, the leak is structural, not geological.

WHO WINS / WHO LOSES

Winners:

- Federation Account beneficiaries, federal, state, and local governments
- Budget planners seeking predictable inflows
- Fiscal transparency advocates

Losers:

- NNPCL's discretionary retention autonomy
- Frontier exploration financing flexibility
- Off-budget fiscal channels created under PIA arrangements

POLICY SIGNALS

1. Constitutional primacy now overrides commercial structuring where revenue ownership is concerned.

2. The Presidency is prepared to reinterpret the PIA through executive authority pending legislative amendment.

3. Fiscal consolidation takes precedence over sectoral reinvestment autonomy.

This also signals a broader doctrine, production reform must be matched by remittance reform.

INVESTOR SIGNAL

For upstream investors, the signal is mixed.

On one hand, direct remittance enhances sovereign transparency and strengthens Federation fiscal credibility. Clearer revenue accounting improves macro confidence and sovereign risk perception.

On the other hand, altering cost recovery and retention mechanisms through executive order introduces regulatory recalibration risk. Investors will assess whether future commercial structures remain predictable or subject to political reinterpretation.

The stabilising effect will depend on whether legislative amendments codify the new framework or leave it contingent on executive discretion.

RISK RADAR

Legal Risk:

Potential conflict between the Executive Order and existing PIA provisions until statutory amendments are enacted.

Operational Risk:

NNPCL funding flexibility for frontier and capital projects may tighten, affecting long-term upstream expansion.

Political Risk:

States may welcome increased remittance, but internal sector actors may resist loss of autonomy.

Execution Risk:

Inter-agency coordination must prevent administrative bottlenecks that delay remittances.

This Executive Order marks a rebalancing moment in Nigeria's oil governance. It reframes oil revenue not as commercial throughput but as constitutional property.

Digital Taxation Shifts Compliance From Negotiation To Evidence

By Olumide Johnson

The Nigeria Revenue Service (NRS) has begun a phased rollout of an electronic invoicing regime aimed at digitising transaction reporting and tightening tax compliance. The system creates verifiable digital records between buyers and suppliers and will initially apply to large companies before expanding to smaller businesses over three years.

Authorities position the reform as administrative modernisation. Its practical effect is to convert taxation from declaration-based reporting into transaction-verified reporting.

DECISION HIGHLIGHT

Decision authority: Nigeria Revenue Service
Lead actors: NRS, accredited service providers, corporate taxpayers
Policy focus: Compliance automation and audit transparency
Decision horizon: Three-year phased implementation
Core trade-off: Compliance certainty versus operational adjustment cost

MEMO

E-invoicing is less a technology project than a behavioural reform. The system alters the default relationship between taxpayer and state by embedding tax evidence inside every commercial transaction.

Mohammed Bawa, NRS project manager, describes the operational logic: “e-invoicing provides a digital record of transactions between suppliers and buyers,” capturing item details and tax obligations.

This redefines taxation from periodic reporting to continuous verification. Under such architecture, audit becomes analytics rather than investigation.

The phased rollout reveals institutional caution. Large corporates enter first because they already operate structured accounting systems. Smaller firms follow after adaptation capacity improves. Bawa frames the transition as facilitative, stating, “Our focus for now is how to support taxpayers to see how easily they can comply.”

The phrasing indicates a compliance-psychol-



Some stakeholders at the recent NRS E-Invoicing Compliance workshop

ogy approach, recognising resistance typically arises from process disruption rather than tax liability itself.

Accredited intermediaries form the operational backbone. The NRS is outsourcing adoption friction to technology partners rather than internal bureaucracy. This signals that enforcement success depends on usability, not merely legal mandate. Digital tax systems fail when compliance cost exceeds avoidance cost.

eTranzact executive director Abubakar Achimugu positions the reform as protection rather than enforcement: “we are moving away from the manual process to digitalisation. The platform is seamless and user-friendly, regardless of your literacy level.”

The emphasis on accessibility is strategic. In-

Digital tax systems fail when compliance cost exceeds avoidance cost

formality often persists not because firms oppose taxation but because administrative complexity creates economic incentives to remain invisible.

The deeper implication is fiscal rather than technological. A real-time invoice registry collapses the space for multiple taxation disputes and arbitrary assessments. Achimugu argues it “would protect citizens from the burden of multiple taxation.”

In effect, the reform constrains both taxpayer evasion and administrative discretion. The state gains revenue certainty while businesses gain assessment predictability.

However, digitisation introduces a structural shift. Informality becomes technically expensive.

Businesses previously operating partially outside the reporting net must either formalise processes or fragment operations. The reform therefore expands the tax base less by raising rates than by narrowing opacity.

The success of the programme will not depend on software deployment but on behavioural equilibrium. If compliance becomes cheaper than avoidance, adoption will be organic. If not, firms will redesign transactions to remain outside the reporting perimeter.

WHO WINS / WHO LOSES

Winners

- Compliant firms gaining predictable tax assessments
- Government revenue forecasting and audit efficiency
- Digital payment and accounting service providers

Losers

- Cash-based informal operators
- Businesses dependent on discretionary tax negotiations
- Ad hoc local tax enforcement practices

POLICY SIGNALS

Tax reform is shifting from rate adjustment to visibility expansion. The state is prioritising traceability over enforcement campaigns, signalling a move toward data-driven fiscal administration.

INVESTOR SIGNAL

Improved revenue transparency reduces sovereign fiscal uncertainty and improves business climate credibility. Formal sector firms gain valuation stability through predictable tax treatment.

RISK RADAR

- MSME resistance due to transition cost
- Digital infrastructure reliability constraints
- Data privacy and cybersecurity exposure
- Migration of informal activity into unrecorded channels

DATA BOX

Implementation model: Phased rollout

Phase 1: Large corporates

Phase 2-3: Medium and emerging enterprises

Transition period: 3 years

System function: Real-time transaction documentation

Key partners: Accredited service providers

Operational feature: Continuous reporting rather than periodic filing

Exchange Formalises Corporate Short-Term Borrowing Market

By Jeremiah Obeche

Nigerian Exchange Limited (NGX) admitted Dangote Cement Plc's Series 1 and Series 2 Commercial Papers to trading, marking the first Commercial Paper (CP) listing on the exchange under a N500 billion programme. The combined value stood at N119.87 billion, listed on 18 February 2026.

Series 1, worth N19.95 billion, carries a 181-day tenor and matures 20 May 2026. Series 2, worth N99.92 billion, runs 265 days and matures 12 August 2026. Both were issued at discount and redeemed at par with implied yields of 17.50 percent and 19 percent.

David Adonri, Vice Chairman of Highcap Securities Limited, stated: "Dangote Cement's Commercial Paper listing on NGX signals growing sophistication in Nigeria's short-term debt market. The attractive yields of these instruments highlight strong investor appetite for high-quality, short-tenor corporate debt, and provide a benchmark for future issuances."



DECISION HIGHLIGHT

NGX converted a previously over-the-counter corporate funding instrument into an exchange-traded security. The decision shifts Commercial Papers from private liquidity arrangements into transparent market pricing infrastructure.

MEMO

The listing is not merely a corporate funding event but a market structure reform. Nigerian corporates historically relied on bank overdrafts or opaque dealer-broker CP placements. That structure concentrated pricing power within banks and limited secondary market discovery.

By migrating CPs onto a public trading venue, the exchange is attempting to standardise short-term credit risk pricing. Transparency forces credit differentiation. Strong issuers borrow cheaper, weaker issuers pay a premium or stay excluded.

Dangote Cement's participation serves as anchor collateral for the reform. A top-tier issuer reduces adoption risk for institutional investors who require liquidity assurance before allocating to a new market segment.

Adonri's reference to "a benchmark for future issuances" reflects the real policy intention. The transaction is less about Dangote funding working capital and more about creating a sovereign domestic yield curve below one year maturity. Nigeria's debt market has long had a missing middle between treasury bills and corporate bonds. This listing attempts to fill that maturity gap.

The deeper implication is banking disintermediation. Once corporates can roll short-term paper transparently, treasury desks compete directly with lenders for working capital financing. The exchange becomes a credit allocation platform rather than purely an equity venue.

DATA BOX

Programme size: N500bn
Listed amount: N119.87bn
Series 1: N19.95bn, 181 days, 17.50% yield
Series 2: N99.92bn, 265 days, 19% yield
Listing date: 18 Feb 2026
Redemption value: N1,000 per unit

WHO WINS / WHO LOSES

Winners:

- Large corporates accessing cheaper short-term funding
- Institutional investors seeking yield above treasury bills
- The exchange gaining fixed-income relevance

Losers:

- Banks dependent on short-term corporate lending margins
- Weaker corporates unable to meet disclosure standards
- Private placement dealers losing pricing opacity advantage

POLICY SIGNALS

Authorities are prioritising domestic capital market intermediation over bank balance-sheet dominance. Expect similar migration of other money-market instruments into exchange-visible structures.

INVESTOR SIGNAL

The emergence of tradable CP benchmarks introduces a private sector risk curve, improving asset allocation models for pension funds and asset managers. Investors now price corporate liquidity risk separately from sovereign risk.

RISK RADAR

Liquidity risk remains if secondary trading volumes stay thin.

Credit concentration risk emerges if issuance is dominated by top conglomerates.

Market confidence could weaken if the first default occurs before diversification develops.

The reform's success depends less on this issuance and more on whether mid-tier corporates can eventually access the platform without destabilising trust.

Reforms Stabilise Nigeria, But Durability Remains ...

CONT. FRM COVER

In his address titled 'Forecasting the 2026 Economic Horizon for Nigeria,' he stated that Nigeria has entered a decisive strategic phase following the 2024 to 2025 stabilisation reforms.

Dr. Aduloju said that the reforms have produced measurable improvements including easing inflationary pressure and stronger foreign reserves but warned they remain fragile foundations rather than completed outcomes.

He stated: "Nigeria is at a defining strategic point."

DECISION HIGHLIGHT

Policy emphasis is shifting from emergency stabilisation to consolidation. The priority moves from correcting distortions to preventing reversal.

DECISION MEMO

The remarks implicitly acknowledge that the reform era has passed its most politically difficult stage and is now entering its most economically

dangerous stage. Stabilisation fixes macroeconomic imbalances quickly, but consolidation determines whether credibility survives.

Nigeria's recent reforms reduced distortions in pricing and external balances. However, stabilisation phases typically produce temporary relief rather than permanent equilibrium. The real test is behavioural change across fiscal authorities, regulators and political actors once immediate pressure declines.

Aduloju's warning that gains are fragile signals concern about policy fatigue. Governments often retreat after initial success because consolidation delivers fewer visible benefits but imposes continuous discipline. Inflation falling and reserves rising can tempt authorities into premature expansionary decisions.

He noted that the central task for 2026 is consolidation to "lock in recent gains and mitigate the risks of policy reversal and reform fatigue."

The reference to global geo-economic tensions indicates another vulnerability. External shocks tend

CONT. ON PG 13



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Cooling Inflation Strengthens Case For South Africa Rate Pivot

By Kingsley Ani

South Africa's headline inflation moderated to 3.5 percent in January from 3.6 percent in December, according to Statistics South Africa, reinforcing market expectations that the central bank may begin easing when policymakers meet in March.

The deceleration brings inflation closer to the South African Reserve Bank's 3 percent objective and signals improving price stability, although underlying food components remain uneven.

DECISION HIGHLIGHT

The inflation print materially improves the policy optics for a rate cut, but not decisively enough to eliminate caution.

While consumer prices are now trending toward the lower bound of the target range, the Monetary Policy Committee previously held the benchmark rate at 6.75 percent, citing risks from global uncertainty and potential pressure from food and electricity costs.

The policy question is shifting from whether inflation is falling to whether it is falling sustainably.

MEMO

The January inflation outcome strengthens the technical case for monetary easing in South Africa, but the composition of price movements complicates the narrative. Headline disinflation is being driven primarily by softness in staple categories, while protein inflation is accelerating sharply.

On the surface, the trajectory is favourable. Cereals, dairy and edible oils are exerting downward pressure. White rice has recorded eleven consecutive months of deflation, and maize meal inflation has slowed markedly. Milk, dairy products and eggs remain in negative territory. These trends indicate that supply-side improvements in key staples are working their way through the consumer basket.

However, the counterweight is significant. Meat inflation surged to 13.5 percent, the highest since December 2017, with beef steak up 31.2 percent and beef mince up 28.0 percent year on year. This divergence matters because protein prices carry disproportionate



political and household sensitivity.

The Monetary Policy Committee therefore faces a classic late-cycle dilemma. Headline inflation is converging toward target, but underlying food volatility and electricity risk could easily reverse the trend. The Bank's earlier decision to keep the policy rate at 6.75 percent reflects this caution bias.

The March 26 meeting will likely hinge on whether policymakers interpret January's data as the start of a durable disinflation path or merely a favourable but fragile print. The central bank's own 2026 inflation forecast of 3.3 percent suggests it is preparing the

analytical ground for gradual easing, not an aggressive pivot.

Regionally, the contrast with Nigeria is instructive. Nigeria's inflation only edged down marginally to 15.10 percent, while its policy rate remains highly restrictive at 27 percent. The divergence underscores different stages of the inflation cycle across Africa's major economies.

For South Africa, the window for calibrated easing is opening. Whether policymakers step through it in March will depend on their tolerance for residual food and energy risks.

... Diverges Regionally Despite National Stabilisation Narrative

CONT. FRM COVER

DECISION HIGHLIGHT

Nigeria is experiencing multiple inflation regimes simultaneously rather than a single national inflation cycle.

MEMO

National inflation figures often imply a unified economic experience. This dataset contradicts that assumption.

Inflation in Nigeria has become geographically structural. Food supply routes, insecurity, logistics costs and local productivity now determine price levels more than national monetary conditions. Monetary policy operates nationally, but inflation behaves locally.

The presence of very high inflation in agrarian corridor states such as Benue suggests supply disruption rather than demand overheating. Where production regions record higher inflation than consumption centres, the problem is distribution efficiency, not excessive purchasing power.

Conversely, lower readings in some southern states indicate access to imports, port proximity and commercial density moderate price pressure. This implies exchange rate stabilisation alone cannot equalise in-

flation outcomes.

The absence of galloping inflation nationally therefore hides economic fragmentation. Nigeria's inflation is no longer just a macroeconomic phenomenon but a spatial development issue.

Uniform policy instruments will produce uneven outcomes when inflation drivers differ regionally. A rate hike addresses liquidity driven inflation but cannot repair transport insecurity or storage infrastructure deficits.

The implication is practical, monetary tightening stabilises averages while households experience locality defined price realities.

DATA BOX

Very high inflation states:

- Benue — 22.48%
- Kogi — 20.98%

High range examples:

- Adamawa — 19.19%
- FCT — 19.25%
- Oyo — 16.91%
- Lagos — 16.23%
- Rivers — 14.43%

Lower range examples:

- Enugu — 11.04%
- Ondo — 13.20%

- Imo — 0.61%

National observation:

- No state recorded galloping inflation

Source: National Bureau of Statistics (NBS).

WHO WINS / WHO LOSES

Winners:

- Urban consumption centres with diversified supply chains
- Import-connected coastal economies
- Regions with stronger logistics infrastructure

Losers:

- Agricultural production belts facing insecurity and transport costs
- Inland states dependent on long distribution routes
- Low-income households in high-inflation regions.

POLICY SIGNALS

Inflation management must shift from purely monetary response to logistics and security response. Food corridor stability is now macroeconomic policy. Regional development policy has become price stability policy.

Nigeria's inflation is no longer one number. It is a map.

CNG Transition Funded But Physically Absent Nationwide

By Johnson Emmanuel

Despite over \$2 billion in private investment commitments and multiple public allocations, Nigeria's compressed natural gas rollout has fallen short of its 2025 infrastructure targets. The Presidential CNG Initiative had projected at least 500 conversion centres and over 150 retail outlets nationwide by the end of 2025.

Programme Director, Engr. Michael Oluwagbemi, earlier announced the targets. Available records now show just over 300 conversion centres and more than 40 refuelling stations built since 2023, with limited confirmation of 2025 delivery milestones.

Transport operators highlight practical constraints. Audu Maiturare of the National Union of Road Transport Workers said: "Our members like the idea of cheaper fuel, but drivers cannot risk being stranded. If stations are only available in a few corridors, nationwide adoption will be slow. Infrastructure must come first before enforcement or pressure to convert."

Abuja transporter, Ben Ngilari added, "Until refuelling points are reliably available across states, large fleet migration will remain limited."

When asked about performance data, Finance Ministry adviser Dr. Ogho Okiti said, "I think those who received the money should be able to tell you what they received."

DECISION HIGHLIGHT

Government prioritised investment mobilisation before nationwide infrastructure execution capacity.

MEMO

The programme illustrates a recurring policy sequencing problem, Nigeria often funds transition programmes faster than it can physically deploy them. The CNG strategy was designed as both subsidy relief and energy transition mechanism after petrol deregulation, but adoption economics depend on geographic reliability rather than price advantage.

The CNG strategy was designed as both subsidy relief and energy transition mechanism after petrol deregulation, but adoption economics depend on geographic reliability rather than price advantage

A transport fuel network behaves differently from power generation or telecom expansion. Users cannot partially depend on it. A driver either trusts availability nationwide or remains with petrol. This makes coverage density more important than aggregate investment value.

about 50 stations, 193 centres

WHO WINS / WHO LOSES

Winners:

Early corridor operators benefiting from limited competition



The institutional responses suggest fragmented accountability. Agencies redirect data requests while infrastructure metrics remain unclear. Okiti's comment effectively transfers performance verification back to implementing entities, signalling absence of a single accountable execution authority.

Operational bottlenecks reported by industry operators, import delays, equipment shortages, regulatory approvals and financing gaps for small conversion centres, reveal that the constraint is logistical rather than financial. The initiative therefore faces a credibility gap. Funding commitments signal intent but infrastructure density determines behavioural change.

The policy risk now is adoption inertia. Early adopters face route planning uncertainty, discouraging fleet migration. Without transport sector conversion, the macroeconomic objective, reducing petrol imports and easing foreign exchange pressure, cannot materialise regardless of capital deployed.

DATA BOX

Private investment commitments: over \$2bn

Projected investment by 2027: \$5bn

Government funding: N100bn (2023), N130bn (2024), N225bn (2025)

Target: 500 conversion centres, 150 retail outlets by 2025

Actual since 2023: over 300 conversion centres, 40+ stations

Initial baseline (2025 announcement period):

Gas suppliers positioned for future adoption
Equipment importers and contractors during pilot phase

Losers:

Transport operators facing operational uncertainty

Consumers expecting immediate transport cost reduction

Government credibility on transition execution timelines

POLICY SIGNALS

Authorities are transitioning from subsidy removal policy to infrastructure delivery phase. Performance evaluation is shifting from funding volume to operational coverage.

INVESTOR SIGNAL

Capital availability is not the binding constraint in Nigeria's energy transition. Execution capacity and coordination risk now dominate project viability assessment.

RISK RADAR

Adoption risk if infrastructure density remains uneven

Institutional risk from fragmented implementation accountability

Macroeconomic risk if petrol demand persists despite investment.

Energy transition success will depend on station visibility rather than funding announcements.

SEZ Gains Now Depend On Policy Discipline

By Hannah Yemisi

Nigeria's Special Economic Zones (SEZs) recorded about \$500 million in export earnings and generated over 20,000 direct jobs in 2025. Economists now warn that sustaining the performance depends less on new incentives and more on regulatory stability.

Attention is shifting from announcing industrial outcomes to preserving the policy conditions that produced them.

MEMO

The SEZs have become a controlled experiment in Nigerian industrial policy. Inside the zones, stability exists; outside them, uncertainty persists. The recent export and employment figures demonstrate what manufacturing responds to when policy risk is reduced.

Dr. Muda Yusuf, Chief Executive of Centre for the Promotion of Private Enterprise, frames the immediate risk: "The challenge now is ensuring that policy changes, particularly around taxation and regulatory oversight, do not dilute the advantages that attracted investors in the first place."

The warning suggests the zones' success is conditional rather than structural. Investors are reacting to rules, not geography.

SEZs function by compressing transaction costs. Dr. Felix Echekeoba, Nigerian academic economist, explains they "provide a practical mechanism for achieving export diversification because they lower production and transaction costs. However, scale is critical. The contribution is still modest relative to the size of the economy."

This distinction matters. The zones prove feasibility but not yet transformation. They are proof of concept, not proof of industrialisation.

The next constraint is integration. Dr. Paul Nkwo, another Nigerian academic economist, asks: "Are local suppliers benefiting? Are skills being transferred? Are domestic firms integrating into global value chains?"

Without domestic linkages, zones operate as enclaves. Exports rise, but national productiv-



ity barely shifts.

Nigeria's policy risk emerges precisely at this transition point. Fiscal reforms under consideration could modify incentives that underpin the zones' attractiveness. Yusuf cautions that if incentives "are granted with one hand and withdrawn with another, capital would simply move to more stable jurisdictions."

Capital mobility turns policy inconsistency into immediate relocation rather than gradual decline.

The broader structural issue is industrial credibility. Nigeria seeks manufacturing investment under continental trade competition. Investors compare not incentives but reliability of incentives. Stability becomes the competitive advantage.

The zones therefore expose a paradox. Nigeria does not lack industrial potential; it lacks policy duration. The SEZ framework works because it isolates investors from national regulatory volatility. Extending that stability beyond

the zones becomes the real reform challenge.

DATA BOX

- Export earnings (2025): \$500 million
- Direct jobs: 20,000+
- Licensed free trade zones: 30+
- Enterprises operating: 500+
- Manufacturing share of GDP: ~8-10%

WHO WINS / WHO LOSES

Winners

- Export-oriented manufacturers operating within stable regulatory frameworks
- Foreign investors seeking predictable operating environments
- Logistics and processing firms inside the zones

Losers

- Domestic firms outside structured industrial clusters
- Workers and suppliers excluded from value chain integration
- Government revenue ambitions if incentives change unpredictably

POLICY SIGNALS

Industrial policy effectiveness depends less on incentives and more on continuity. The state must transition from creating protected zones to becoming a predictable jurisdiction.

INVESTOR SIGNAL

Nigeria is investable where policy is ring-fenced. Expansion of capital depends on whether national regulations begin to resemble zone regulations.

RISK RADAR

- Fiscal reforms altering incentives
- Weak local supply chain integration
- Infrastructure reliability gaps
- Policy reversals reducing competitiveness
- Capital relocation to alternative African hubs

DECISION HIGHLIGHT

Decision authority: Federal Government of Nigeria and regulatory agencies

Lead actors: NEPZA, fiscal authorities, industrial policymakers

Policy focus: Stability of incentives and regulatory predictability

Decision horizon: Medium-term industrialisation phase

Core trade-off: Reform adjustments versus investor certainty

Gas Expansion Targets Demand Credibility Beyond Ambition



By Ayo Susan

The Nigerian National Petroleum Company Limited (NNPCL) announced plans to increase domestic gas supply by 1.8 billion cubic feet per day (bcf/d) in 2026. The increase will come from NNPC Upstream Investment Management Services adding 1.496bcf/d and Nigerian Exploration and Production Limited contributing 223.6mmscf/d.

The programme forms part of the Gas Master Plan, targeting national output of 10bcf/d by 2027 and 12bcf/d by 2030, aimed at meeting rising demand across LNG, power generation, industrial parks and compressed natural gas usage.

Engr. Bayo Ojulari, Group Managing Director of NNPC, said: "The plan is designed to deliver the presidential mandate of increasing national production to 10bcf/d by 2027 and 12bcf/d by 2030, while catalysing over \$60 billion in new investments across the oil and gas value chain by 2030."

DECISION HIGHLIGHT

Government energy strategy is shifting from oil revenue dependence to domestic gas industrialisation, using supply expansion targets as the anchor for investment mobilisation.

MEMO

The announcement reflects a familiar pattern in Nigerian energy policy, ambitious production targets preceding market reforms. Gas output expansion historically fails not because of geology but because of demand chain dysfunction, especially in power sector payment discipline.

The hub-based model attempts to solve a structural inefficiency. By clustering assets into 23 priority hubs, infrastructure duplication may decline and project bankability may improve.

However, supply expansion alone does not create a market. Gas producers invest only when payment reliability exists across the value chain.

Ojulari's emphasis on governance, incentives and funding implicitly acknowledges this constraint. The requirement for "competitive fiscal and commercial incentives" indicates Nigeria still prices gas below risk-adjusted capital thresholds, particularly in deepwater development where capital intensity is high and payback periods long.

The reference to power sector reform is critical.

DATA BOX

Additional supply 2026: 1.8bcf/d

NUIMS contribution: 1.496bcf/d

NEPL contribution: 223.6mmscf/d

Target 2027: 10bcf/d

Target 2030: 12bcf/d

Projected investment mobilisation: over \$60bn by 2030

Identified development hubs: 23

Gas-to-power remains Nigeria's largest stranded demand segment. Increasing production without resolving electricity distribution liquidity simply converts upstream investment into receivables exposure.

Therefore, the plan is less a production road-map and more a financing thesis. The \$60 billion investment ambition depends on converting gas demand from theoretical consumption into bankable cash flow.

WHO WINS / WHO LOSES

Winners:

- Industrial manufacturers reliant on stable energy supply
- Gas processing and infrastructure contractors
- Investors in LNG and CNG value chains

Losers:

- Oil revenue dependence if transition accelerates
- Power distribution companies unable to meet payment obligations
- Projects dependent on administratively priced gas

POLICY SIGNALS

Authorities are attempting to reposition gas as Nigeria's transition fuel and domestic industrial backbone. Future energy policy may prioritise utilisation economics over export revenue maximisation.

INVESTOR SIGNAL

Investment viability hinges less on reserves and more on contract enforceability. Capital will follow if gas sales become creditworthy rather than politically priced.

RISK RADAR

Primary risk is power sector liquidity failure undermining gas payment security.

Secondary risk is fiscal terms remaining uncompetitive for deepwater gas.

Tertiary risk is demand projections overstated relative to infrastructure readiness.

Production targets alone do not unlock gas economies. Payment certainty does.

The requirement for "competitive fiscal and commercial incentives" indicates Nigeria still prices gas below risk-adjusted capital thresholds, particularly in deepwater development where capital intensity is high and payback periods long

At G-24 Edun Flags Global Finance Reset As Key To Capital Access

By Olumide Johnson

The Honourable Minister of Finance and Coordinating Minister of the Economy, Mr. Wale Edun, has warned that outcomes from the 2026 G-24 Technical Group Meeting would materially influence capital access and investment flows for emerging economies.

Nigeria recently hosted the high-level meeting in Abuja, positioning the country at the centre of discussions on development finance, debt sustainability and global growth dynamics across emerging market and developing economies.

DECISION HIGHLIGHT

Edun is pushing for structural reform of the global financial architecture rather than incremental adjustments.

He warned that the global economy is experiencing “measured resilience but constrained ambition,” arguing that the Bretton Woods system must be renewed to reflect today’s multipolar realities. He stressed that resilience without deeper reform will not deliver inclusive growth.

The minister also cautioned that tightening global financial conditions continue to leave emerging economies facing elevated borrowing costs and refinancing pressures.

DECISION MEMO

Edun’s intervention signals Nigeria’s attempt to reposition itself within the evolving global development finance debate, but the effectiveness of this diplomatic push will depend heavily on whether multilateral reform momentum actually materialises.

The minister’s framing of the global outlook as “measured resilience but constrained ambition” is analytically significant. It acknowledges that while headline macro indicators in advanced economies have stabilised, the transmission to emerging markets remains uneven. His argument that the Bretton Woods system must evolve after 80 years reflects a growing consensus across the Global South that representation and financing mechanisms lag current geopolitical realities.

Edun’s concerns about capital costs are grounded in hard numbers. External public debt service reached 487 billion dollars in 2023, while global merchandise trade growth is projected at just 0.5 percent for 2026. These metrics support his contention that the traditional engines of convergence are weakening.

The Central Bank of Nigeria (CBN) Governor, Mr. Olayemi Cardoso, reinforced the structural constraint from a payments perspective. He warned that cross border systems remain “too slow, too expensive and too fragmented,” stressing that “if people cannot move money easily, affordably and safely across borders,



Mr. Wale Edun, Honourable Minister of Finance and Coordinating Minister of the Economy

..... they cannot fully participate in modern economic life.” With remittance corridors still costing over six percent on average and settlement delays stretching several days, the friction is both financial and developmental.

Cardoso’s emphasis that payment reform is “not merely technical, but a macroeconomic and development priority” aligns with Edun’s broader financing concerns. Together, the positions suggest Nigeria is advocating a dual track reform agenda, cheaper capital and more efficient financial plumbing.

Dr. Iyabo Masha, Director and Head of the G-24 Secretariat, highlighted a cautionary macro layer, warning that global resilience remains “fragile and insufficient to guarantee convergence.” Her reminder that the world remains “a dollar world” underscores the structural asymmetry facing emerging markets dependent on external financing.

However, the policy challenge is clear. While calls for Bretton Woods reform are politically resonant, actual governance changes at the IMF and World Bank historically move slowly. Nigeria’s immediate capital access conditions will likely continue to depend more on domestic macro credibility than on near term multilateral restructuring.

The strategic value of hosting the G-24 meeting therefore lies less in immediate financial relief and more in agenda setting and coalition building within the Global South.

DATA BOX

- External public debt service (2023): 487 billion dollars
- Global remittance cost average: over 6 percent
- Projected global trade growth (2026): 0.5 percent

- Monthly remittance inflows to Nigeria: about 600 million dollars
- Expected remittance potential: 1 billion dollars monthly
- G-24 membership: 29 countries
- Confirmed delegates for Abuja meeting: about 45

WHO WINS / WHO LOSES

Emerging market governments stand to benefit if multilateral financing terms improve or payment frictions decline. Nigerian financial institutions and diaspora channels could also gain from more efficient cross border systems.

Highly indebted sovereigns remain vulnerable if reform momentum stalls. SMEs dependent on cross border payments continue to bear the highest transaction costs.

POLICY SIGNALS

Nigeria is aligning itself with a broader Global South push for reform of the international financial architecture. The emphasis on payments modernisation signals increasing recognition that financial infrastructure is now a core development variable.

The discussion also reinforces the government’s focus on domestic resource mobilisation and tax reform as complementary buffers against external financing volatility.

INVESTOR SIGNAL

For investors, the messaging highlights Nigeria’s intent to remain engaged in multilateral reform conversations while strengthening domestic financial channels such as diaspora remittances.

However, near term capital flow conditions will likely remain driven by global risk sentiment and Nigeria’s domestic macro trajectory rather than G-24 outcomes alone.

RISK RADAR

- Several structural risks remain in focus.
- Bretton Woods reform timelines are typically slow and politically complex.
- High global interest rates continue to elevate sovereign spreads.
- Cross border payment inefficiencies still constrain trade participation.
- External debt servicing pressures remain elevated for EMDEs.
- Global trade fragmentation could weaken export led growth paths.

The critical test will be whether diplomatic advocacy at the G-24 translates into tangible financing relief for emerging economies within a reasonable policy horizon.

Reforms Stabilise Nigeria, But Durability Remains ...

CONT. FRM PG 7

to test reform credibility. If domestic policy institutions are weak, external volatility quickly reopens macroeconomic instability.

His concluding emphasis on “macroeconomic stability, structural transformation, and institutional strengthening” shows the NESG’s interpretation of reform success. The objective is not short-term growth recovery but credibility accumulation. Without institutional reinforcement, reforms remain episodic interventions rather than a policy regime.

DATA BOX

- Reform phase referenced: 2024–2025 stabilisation
- Current phase proposed: 2026 consolidation

Primary outcomes cited: easing inflation pressures, stronger foreign reserves

Target horizon: sustainable accelerated growth before decade end

WHO WINS / WHO LOSES

- Winners:**
 - Long-term investors dependent on policy credibility
 - Export-oriented sectors benefiting from stability
 - Domestic producers if structural transformation persists

Losers:

- Short-term political spending agendas
- Rent-seeking actors benefiting from policy distortions
- Speculative currency positioning

POLICY SIGNALS

Economic management is moving from crisis response to institutional discipline. Future credibility will depend less on new reforms and more on resisting reversal pressures.

INVESTOR SIGNAL

Investors should watch consistency rather than announcements. Returns will correlate with policy endurance rather than reform volume.

RISK RADAR

Primary risk is reform fatigue leading to fiscal or monetary easing before structural adjustments mature.

Secondary risk is global trade and geopolitical shocks testing reserve buffers.

Nollywood Recognition Highlights Economic Asset, Not Cultural Ceremony

By Ovio Peters

Filmmaker, Femi Odugbemi, who plays many roles in the Nigerian creative sector, received the Creative Industry Excellence Award at the Nigeria-American Chamber of Commerce Economic Outlook Roundtable 2026, presented in the presence of policy and economic officials including Alhaji Sheriff Balogun, President and Chairman of Council of the Nigeria-American Chamber of Commerce; Dr. Michael Ervin, Political and Economic Chief, U.S. Consulate General Lagos; Dr. Tayo Aduloju, Chief Executive Officer of the Nigerian Economic Summit Group; Dr. Tope Fasua, Special Adviser to the President on Economic Matters; and Dr. Ikenna Nwosu, Chairman of the NACC Programming Team.

The composition of presenters shifted the recognition from artistic celebration to policy acknowledgement. The event placed the creative industry within an economic governance conversation rather than a cultural showcase.



L-R: Michael Ervin, Political and Economic Section Chief, US Consulate General, Lagos; Femi Odugbemi, Nigerian filmmaker; Alhaji Sheriff Balogun, National President, Nigerian-American Chamber of Commerce (NACC), and Tayo Aduloju, Chief Executive Officer, Nigerian Economic Summit Group, during the presentation of the Creative Industry Excellence Award to Odugbemi at the NACC Annual Roundtable on Nigeria's economic outlook in Lagos, recently.

MEMO

Awards typically validate reputation. This award validated economic relevance. The presence of trade officials, economic advisers and international representatives reframed creative output as a macroeconomic variable.

Odugbemi defined the sector in functional terms, stating that creative work represents "intellectual property. It is export. It is soft power. It is employment. It is identity."

The statement maps creative activity onto measurable economic channels. Intellectual property becomes capital, export becomes foreign exchange, and soft power becomes trade facilitation.

By acknowledging figures from government, diplomatic and private-sector policy institutions, the event linked creative production to national economic strategy. The sector was discussed in the same forum as macroeconomic outlook, indicating a shift from cultural policy to industrial policy classification.

Nigeria's creative economy already behaves like a labour-intensive industry but lacks institutional monetisation frameworks. Productions generate consumption but not consistently retained earnings. The absence of structured royalty collection prevents catalog accumulation, leaving creators productive yet undercapitalised.

The policy relevance emerges in diversification economics. Oil revenues provide fiscal buffers but limited employment spread. Creative industries provide distributed employment but weak fiscal capture. The state's interest therefore lies in converting cultural output into taxable, exportable and financeable assets.

Odugbemi's remark that the sector "advances both Nigeria and global understanding" describes reputational capital. Reputational capital lowers market-entry friction for services exports, tourism and digital trade. In economic terms, narrative familiarity reduces transaction cost.

The recognition therefore signals an institutional reclassification. The creative sector is being invited into economic planning spaces not for symbolism but for measurable contribution. The next phase depends on converting recognition into financial architecture such as enforceable rights registries, royalty pipelines and securitised catalogs.

Without monetisation structure, the industry remains culturally dominant but financially shallow. With structure, it becomes a non-oil export sector.

DATA BOX

Estimated Nollywood annual contribution to GDP: ~N2.3-N3 trillion

Employment supported: over 1 million direct and indirect jobs
Global production ranking: among top three by volume

Primary export channels: streaming, broadcast licensing, diaspora distribution

Core asset: intellectual property rights

WHO WINS / WHO LOSES

Winners

- Creators owning and licensing intellectual property
- Distribution platforms aggregating African content
- Government through taxable creative exports

Losers

- Producers lacking ownership of rights
- Informal distribution networks losing exclusivity
- Financial institutions without IP valuation capacity

DECISION HIGHLIGHT

Decision authority: Market perception and policy prioritisation

Lead actors: Creative industry practitioners, economic policymakers, international partners

Policy focus: Intellectual property as economic infrastructure

Decision horizon: Long-term diversification and export strategy

Core trade-off: Cultural recognition versus industrial classification

POLICY SIGNALS

Creative industries are entering formal economic policy space. Future reforms likely emphasise copyright enforcement, royalty systems, and export financing frameworks.

INVESTOR SIGNAL

Capital flows favour content libraries and rights aggregation companies rather than single productions. Institutionalisation determines valuation.

RISK RADAR

- Piracy and revenue leakage
- Weak rights enforcement infrastructure
- Fragmented distribution monetisation

FG Eyes Trade Cost Cuts To Unlock Export Competitiveness

By Ayo Susan

The federal government has unveiled a new industrial policy targeting a 15 percent reduction in trade costs as part of a broader push to strengthen domestic manufacturing and expand export capacity.

The policy, released by the Ministry of Industry, Trade and Investment, outlines logistics upgrades, port modernisation, digital trade expansion and procurement reforms aimed at easing structural bottlenecks long flagged by manufacturers.

DECISION HIGHLIGHT

The policy links cost compression directly to export scale and industrial transformation.

Government projections aim to “support and facilitate fast-tracking of inter-state road upgrades, logistics hubs and cold-chain corridors to reduce trade costs by at least 15 percent.”

The framework also targets a 30 percent increase in export volumes by 2028 and plans to onboard 25,000 SMEs onto digital trade channels by 2026.

MEMO

The new industrial policy reflects a growing official recognition that Nigeria’s competitiveness problem is less about market access and more about structural cost friction across the trade ecosystem.

Manufacturers have consistently identified port congestion, multiple levies, inland haulage expenses and foreign exchange volatility as the primary drivers of elevated production costs. By explicitly targeting a 15 percent reduction in trade costs, the government is attempting to quantify what has historically been treated as a broad reform aspiration.

The policy architecture is directionally coherent. Planned investments in inter state road upgrades, logistics hubs and cold chain corridors address physical bottlenecks, while digital logistics management systems and e commerce onboarding target transaction inefficiencies. If executed in sequence, these measures could narrow Nigeria’s long standing competitiveness gap.

However, the credibility question is substantial. Trade cost compression is typically the outcome of coordinated multi agency execution across ports, customs, transport corridors and subnational authorities. Nigeria’s past reform cycles have often struggled at



DATA BOX

- Trade cost reduction target: 15 percent
- Export growth target: 30 percent by 2028
- SME digital onboarding target: 25,000 by 2026
- MSME contribution to GDP: 50 percent
- MSME share of employment: over 80 percent
- Imported raw materials share: 42.9 percent
- Policy tools: logistics upgrades, port modernisation, procurement preference

WHO WINS / WHO LOSES

Export oriented manufacturers, logistics providers and digitally enabled SMEs stand to benefit if cost reductions materialise. Domestic producers in priority sectors such as agro processing, textiles and construction materials may gain market share.

Import dependent trading firms could face margin pressure under stronger backward integration policies. Inefficient logistics operators risk displacement if digital systems scale successfully.

POLICY SIGNALS

The policy signals a shift from broad industrial rhetoric toward measurable cost reduction targets. It also reinforces the government’s growing reliance on procurement policy and backward integration as industrial policy instruments.

The strong MSME focus suggests future reform efforts will increasingly target enterprise level competitiveness rather than only large scale industry.

INVESTOR SIGNAL

For investors, the framework is directionally positive, particularly for logistics infrastructure, cold chain assets, industrial parks and digital trade platforms. If implementation gains traction, Nigeria’s manufacturing margin profile could improve meaningfully.

However, investors will look for early evidence of port efficiency gains and corridor upgrades before fully repricing the industrial outlook.

RISK RADAR

- Execution risk remains elevated.
- Multi agency coordination could slow implementation.
 - Port and customs reforms historically face institutional inertia.
 - Procurement preference could create price

.....

this integration layer. The policy’s own language acknowledging the need for “coherent, practical and forward-looking strategies” implicitly recognises this risk.

The mandatory procurement preference for made in Nigeria goods adds a second strategic lever. While potentially supportive of domestic industry, such measures must be carefully calibrated to avoid price distortions or quality complacency. The government’s plan to pair procurement rules with export readiness training and standards enforcement suggests awareness of this balance.

The micro, small and medium enterprise (MSME) emphasis is analytically sound. With the sector contributing about 50 percent of GDP and over 80 percent of employment, improvements in logistics efficiency and market access could have broad based economic effects. Yet onboarding 25,000 SMEs onto digital trade channels by 2026 will require significant capacity building and infrastructure reliability, particularly outside major commercial centres.

Perhaps the most structurally important element is the backward integration push. Nigeria currently imports 42.9 percent of required raw materials, a vulnerability the policy seeks to reverse through targeted domestic value addition in agriculture, minerals and oil and gas. If successfully implemented, this could materially reduce FX exposure and import dependence.

The policy is therefore conceptually robust. The decisive variable will be execution discipline across Nigeria’s historically fragmented trade infrastructure ecosystem.

... Recasts Creativity As Industrial Input

CONT. FRM COVER

The event functioned as a policy narrative platform linking artistic production with industrial competitiveness.

DECISION HIGHLIGHT

Decision authority: Federal Ministry of Industry, Trade and Investment

Lead actors: Government, creative entrepreneurs, MSMEs, industry associations

Policy focus: Integrating creative output into industrial value chains

Decision horizon: Medium-term diversification strategy

Core trade-off: Event promotion versus structural economic integration

MEMO

The policy focus is conceptual before it is fiscal. Government language is moving from supporting creative expression to utilising creative production as industrial infrastructure.

The Honourable Minister stated: “The creative economy is a sector with significant implications for the growth and development of other areas, including Cotton, Textile, and Accessories industries.”

This reframes creativity as an upstream industrial input. Design drives manufacturing demand. Cultural

production becomes market activation for physical goods.

The emphasis on MSMEs is not incidental. Creative industries distribute economic activity across small enterprises rather than concentrating it in large firms. They function as demand generators for fabrication, tailoring, printing, logistics, and retail. The minister added the government would support entrepreneurs through policies “designed to enhance competitiveness, stimulate job creation, and strengthen value chain development nationwide.”

Isa Yusuf Sago, ENEX founder, described the economic logic more broadly, calling tourism, commerce, and the creative economy “strategic drivers of growth, employment, and global standing.”

His description implies reputational capital operates as economic capital. Visibility attracts spending. Cultural familiarity lowers trade barriers.

Muhammad Sulaiman, a member of the Society of Nigerian Artists, extended the claim by identifying the creative sector as the country’s largest employer. The statement highlights the labour intensity of the sector, but also its informality. Large employment share does not automatically translate into measured gross domestic product (GDP) or tax revenue.

The structural tension lies here. Events and festivals showcase potential output, yet industrialisation depends on repeatable monetisation. Creative activity currently stimulates commerce indirectly through

consumption, not directly through institutional revenue capture.

ENEXFEST therefore illustrates a transitional phase. Policy actors recognise creative activity as productive, but financing, intellectual property enforcement, and distribution formalisation remain incomplete. Until monetisation mechanisms mature, the sector contributes economically but accumulates limited capital.

The economic implication is clear. Nigeria’s diversification strategy increasingly relies on industries where demand precedes infrastructure. Creativity generates demand signals; industrial policy must convert those signals into manufacturing output and export receipts.

WHO WINS / WHO LOSES

- Winners
- MSMEs connected to fashion, crafts, events and tourism
 - Retail and service sectors benefiting from cultural consumption
 - Export branding and destination marketing

Losers

- Formal manufacturing lacking scale to meet induced demand
- Government revenue where activity remains informal
- Investors seeking predictable revenue streams rather than event-driven cycles

Oil Belongs To The Federation, Not The Operator



THE CLOSING BELL

With

Enam Obiosio

I have watched Nigeria's oil story long enough to recognise a familiar pattern. Whenever production rises and prices cooperate, revenues somehow fail to follow. The explanation is rarely geology and almost never markets. It is usually accounting architecture. Money is earned nationally but retained institutionally.

So, when President Bola Tinubu signed an Executive Order suspending the Nigerian National Petroleum Company Limited's management and frontier exploration fees and directing full remittance of oil and gas revenues into the Federation Account, I did not see a technical adjustment. I saw a confrontation with a structural habit.

Nigeria's oil sector has always struggled less with earning money than with agreeing where the money lives.

For decades, the national debate revolved around production volumes, pipelines, theft and price cycles. Yet the more important issue sat quietly inside fiscal plumbing. The state owned the resource, but the operating structure behaved as if ownership and custody were negotiable concepts. The operator collected, deducted, netted and transferred. Each step was legal in isolation and distortive in combination.

The Executive Order attempts to collapse that ambiguity. The finance ministry explained that the directive aims to realign oil revenue flows with constitutional provisions and prevent deductions at source. In simple terms, the Federation must receive gross revenues first before anyone explains expenses.

That principle sounds obvious until one remembers Nigeria's historical arrangement, where revenue arrived already interpreted. The state received what remained after internal calculations. The new order reverses the sequence. The government now receives first and debates costs later.

I consider this less a fiscal reform than a philosophical correction.

The 1999 Constitution is unambiguous. Mineral resources belong to the Federation, and revenues derived from them must enter the Federation Account. Over time, administrative practices evolved into parallel fiscal channels. Commercialisation of the national oil company under the Petroleum Industry Act deepened this separation. A company designed to operate commercially gradually became a fiscal gatekeeper.

The consequence was predictable. Production improved, markets strengthened, yet Federation inflows weakened. When outcomes contradict conditions, systems deserve scrutiny.

The finance ministry admitted as much, noting that declining inflows despite favourable production and prices constrained government capacity to fund education, healthcare and infrastructure. I find that sentence revealing. Nigeria's fiscal problem was not merely insufficient earnings but insufficient transmission.

Oil revenue existed before the budget saw it.

Suspending management and frontier exploration fees therefore matters beyond accounting detail. Those deductions symbolised a broader doctrine, that the operator could determine what portion of national revenue was distributable. I have always believed this inversion created a quiet constitutional tension. A

commercial entity was effectively performing pre-appropriation decisions.

The Executive Order reasserts a hierarchy. The federation owns the resource, receives the proceeds and then decides how costs are recognised.

Critics will say this weakens the commercial autonomy of the national oil company. They will argue that a company competing globally requires operational flexibility, cost recovery clarity and predictable funding streams. I understand that concern. A commercial entity cannot function as a ministry ledger.

But autonomy without fiscal clarity is not commercial discipline. It is discretionary accounting.

The numbers themselves justify intervention. The company generated N60.5 trillion in revenue in 2025, posted N5.76 trillion profit after tax and remitted N14.706 trillion in statutory payments. Those figures suggest profitability coexisted with persistent questions about net public benefit. The state was earning, yet still uncertain about earnings.

The order also halts payments of gas flare penalties into the Midstream Gas Infrastructure Fund and clarifies regulatory responsibilities between upstream and midstream authorities. I interpret these steps as an attempt to simplify a layered structure that accumulated too many fiscal pathways. Each pathway individually logical, collectively opaque.

Nigeria's oil sector has rarely suffered from absence

Executive directives can correct behaviour temporarily, but durable fiscal credibility requires statutory certainty

of law. It suffers from abundance of overlapping logic.

By establishing an inter-agency implementation committee chaired by the finance minister, the government acknowledges enforcement will be harder than announcement. Fiscal habits resist administrative correction. Institutions adapt faster than systems reform. I expect friction, because this directive challenges not only procedures but expectations built over years.

The most important element is the order's interim status pending legislative amendment. That admission is crucial. Executive directives can correct behaviour temporarily, but durable fiscal credibility requires statutory certainty. Investors, subnational governments and citizens all need assurance that revenue rules do not depend on political tenure.

If the reform stops at executive instruction, uncertainty will persist. If it becomes law, Nigeria's fiscal architecture changes fundamentally.

I believe the deeper issue is trust. Nigeria's fiscal federalism depends on predictable inflows into the Federation Account. States plan budgets based on expected distributions. When revenues arrive after internal deductions, planning becomes speculation.

The centre debates production while states debate solvency.

Direct remittance restores a common accounting reality. Everyone argues about the same number.

There is also a macroeconomic implication. Nigeria's external stability and domestic investment climate both rely on confidence in public finance transparency. Investors tolerate policy risk more easily than accounting ambiguity. They can price taxes, royalties and exchange rates. They struggle to price uncertainty about where national revenue ultimately resides.

By asserting that revenues must enter the Federation Account before allocation, the government simplifies the sovereign balance sheet. Markets interpret clarity as discipline even before outcomes improve.

Still, I remain cautious. A reform that redirects flows without improving spending discipline only relocates the problem. Fiscal transparency must lead to fiscal responsibility. If revenues become clearer but expenditures remain inefficient, credibility gains evaporate quickly.

This order therefore creates opportunity rather than achievement. Nigeria can now measure its oil earnings accurately. What it does with that accuracy determines whether reform succeeds.

I also note the timing. The administration earlier introduced cost efficiency incentives for upstream operators. Now it tightens revenue remittance. One policy reduces production cost, the other protects public share. Together they suggest a broader strategy, encourage efficiency, then secure proceeds.

If implemented consistently, that sequence could rebuild fiscal trust domestically and externally.

But consistency is Nigeria's historical challenge. Reforms often begin decisively and fade administratively. The oil sector in particular has survived decades of partial corrections. Each government addresses a symptom. Few address the accounting logic that generates the symptoms.

This Executive Order approaches that logic directly. It says the operator cannot decide distributable revenue before the owner receives revenue. That is a foundational change. I consider it overdue.

Nigeria's oil has long financed government but rarely clarified governance. We debated volumes and theft while ignoring structure. We measured barrels more carefully than balance sheets. The result was a nation perpetually unsure whether abundance translated into benefit.

Direct remittance will not solve every fiscal problem. It will not eliminate waste, corruption or political pressure. But it removes a major ambiguity, the difference between revenue earned and revenue seen. A country cannot manage what it cannot clearly observe.

I therefore support the direction while reserving judgement on execution. The principle is sound. The durability depends on legislation, enforcement and spending discipline. Reform is not declared when an order is signed. Reform is proven when behaviour persists after attention fades.

Nigeria has corrected a pipeline in its fiscal architecture. Now it must prove the pipeline carries accountability as reliably as it carries oil.