

FG Backs DBN Climate Finance Initiative For Nigerian MSME Transition

▶ PG 5

Nigeria Revenue Service Mandates Unified Tax ID For All Taxable Persons

▶ PG 3



IFC, Access Bank Launch \$500m Local Currency Financing Framework Across Africa

▶ PG 10



NAICOM Inaugurates Policyholders' Fund Committee To Deepen Insurance Consumer Protection

▶ PG 7



Nigerian Ports Authority Pushes Aggressive Port Modernisation Agenda Across West Africa

▶ PG 6

NUPRC Drives Coordinated Gas-to-Power Reforms Despite Persistent Energy Sector Fragmentation

PG 15

CBN Retains Interest Rate As Cardoso Prioritises Inflation Control, Investor Confidence



Mr. Olayemi Cardoso, Governor of CBN

Nigeria's monetary stabilisation strategy is increasingly evolving from emergency inflation control into a broader credibility-restoration framework aimed at defending investor confidence, stabilising the naira and rebuilding macroeconomic trust. At the latest Monetary Policy Committee (MPC) meeting in Abuja, the interventions by Governor of the Central Bank of Nigeria (CBN), **Mr. Olayemi Cardoso**, alongside market analysts and fixed-income investors, reflected a growing institutional consensus that policy consistency, positive real interest rates and disciplined monetary signalling now sit at the centre of Nigeria's economic recovery strategy. **Enam Obiosio** reports that the decision to retain the Monetary Policy Rate (MPR) at 26.50 percent ultimately framed a deeper structural question, whether Nigeria can sustainably restore price stability, attract long-term capital and support economic growth while still navigating inflationary pressures, exchange-rate fragility, fiscal con-

straints and external geopolitical shocks.

The CBN retained the MPR at 26.50 percent on Wednesday, 20 May, following the conclusion of the MPC meeting in Abuja, reinforcing the regulator's cautious monetary posture despite recent moderation signals within Nigeria's inflation cycle.

Cardoso said that the committee considered the recent increase in inflation "transitory in nature" and maintained that "the current macroeconomic environment is sufficiently robust to support a return to disinflation."

The decision follows the CBN's earlier 50 basis-point rate reduction in February, which marked the first policy easing after a prolonged tightening cycle aimed at stabilising the naira, moderating inflation, and restoring monetary credibility.

Nigeria's headline inflation rose to 15.69 percent year-on-year in April, driven partly by domestic fuel-price pressures linked to geo-

political tensions surrounding the United States-Israeli conflict involving Iran, with secondary effects on food costs.

Cardoso also argued that ongoing reforms under the federal government had reduced Nigeria's exposure to external volatility, stating that the economic effects of the Iran-linked crisis remained relatively contained due to "recent policy adjustments and macroeconomic reforms."

DECISION HIGHLIGHT

The CBN has effectively prioritised monetary credibility, exchange-rate stability, and foreign capital retention over near-term growth stimulation, signalling that inflation anchoring remains the dominant policy objective despite emerging economic pressures.

DECISION MEMO

The MPC's decision reflects a deeper institutional recalibration underway within Nigeria's monetary framework. The rate hold is not merely a pause. It is an attempt to preserve fragile macroeconomic confidence after years of policy inconsistency, exchange-rate distortions, and inflationary instability.

By maintaining the MPR at 26.50 percent, the CBN is signalling that the battle against inflation has shifted from emergency tightening toward credibility management. The committee appears increasingly concerned with sustaining confidence in the direction of policy rather than aggressively forcing additional disinflation through further tightening.

Cardoso's language was notably measured. His insistence that inflationary pressures are "transitory" suggests the MPC now views...

CONT. ON PG 2

Oyedele Flags State Tax Leakages Amid NRS N40trn Revenue Mobilisation Effort

By Kingsley Ani

The Honourable Minister of Finance and Coordinating Minister of the Economy, Mr. Taiwo Oyedele, recently in Abuja accused some state governments and Government Owned Enterprises (GOEs) of failing to deduct and remit Value Added Tax (VAT) and Withholding Tax as required under Nigeria's tax laws. He described the trend as a structural threat to fiscal fairness and voluntary compliance. Speaking through his Chief of Staff, Mr. Tolu Adegbile, at the National Workshop on Strengthening Tax Compliance Under the New Tax Regime organised by the Nigeria Revenue Service (NRS), Oyedele said that the federal government had uncovered persistent leakages weakening tax administration and distorting fiscal federalism.

Executive Chairman of the NRS, Dr. Zacch Adedeji, represented by Executive Director, Finance and Corporate Services Directorate, Mr. Muhammad Abubakar Lawal, disclosed that the agency faces a N40 trillion tax revenue target in 2026, warning that uneven compliance among states and public institutions threatens institutional credibility and revenue sustainability. Executive Director, Large Taxpayer and Government Directorate, Madam Amina Ado, added that field audits revealed delayed remittances and weak compliance structures among some sub-national entities and public institutions.

DECISION HIGHLIGHT

The NRS plans to intensify technology-driven tax administration, strengthen remittance monitoring, expand voluntary compliance frameworks, and introduce a national ranking system recognising the most tax-compliant states from 2026. Authorities also signalled stronger enforcement powers under the new tax regime while publicly prioritising col-



Mr. Taiwo Oyedele, Honourable Minister of Finance and Coordinating Minister of the Economy

laborative compliance over punitive enforcement.

DECISION MEMO

The federal government's intervention signals a deeper recalibration of Nigeria's fiscal architecture rather than a routine compliance warning. The emphasis on VAT and Withholding Tax leakages indicates concern within the fiscal authorities that revenue instability is no longer driven only by weak economic activity or oil volatility, but increasingly by institutional non-compliance within government structures themselves.

Oyedele's framing of tax as "the social contract in action" reflects an attempt to reposition taxation from an extraction mechanism into a legitimacy instrument for public finance. However, the stronger subtext is fiscal centralisation through data visibility, technology deployment, and remittance traceability. The new tax regime appears designed to

reduce discretionary leakages across Ministries, Departments and Agencies- (MDAs), GOEs), and sub-national governments that historically retained delayed remittances without immediate detection.

The NRS's N40 trillion target substantially raises the pressure on internal government revenue mobilisation. In that context, states and public institutions are no longer merely beneficiaries of federation allocations; they are being repositioned as measurable compliance actors within the national revenue ecosystem.

Adedeji's proposed "tax-compliant states" ranking introduces reputational competition into fiscal governance. While presented as a collaborative mechanism, it effectively creates a soft-performance index capable of exposing structurally weak states without immediate confrontation.

The broader implication is that Nigeria's tax reforms are shifting from legislative redesign into operational enforcement. The next phase is likely to focus less on announcing reforms and more on tracking remittance behaviour across public institutions in real time.

DATA BOX

- N40 trillion tax revenue target for 2026 by the Nigeria Revenue Service
- Leakages identified in Value Added Tax and Withholding Tax deductions/remittances
- Affected entities include states, Ministries, Departments and Agencies, and Government Owned Enterprises
- Nigeria Revenue Service introducing tax-compliant state recognition framework in 2026
- Reform focus areas: technology-driven remittance systems, voluntary compliance, audit monitoring, enforcement enhancement

CONT. ON PG 11

CBN Retains Interest Rate As Cardoso Prioritises...

CONT. FRM COVER

current price increases less as structurally demand-driven and more as externally transmitted supply shocks linked to fuel pricing and geopolitical volatility.

That distinction matters.

If inflation is perceived as structurally embedded, additional tightening becomes more likely. If viewed as externally induced and temporary, maintaining policy rates while monitoring transmission effects becomes the preferred strategy.

The decision also underscores how deeply Nigeria's monetary environment remains connected to geopolitical developments. The Iran-related tensions referenced by Cardoso reveal the extent to which global energy disruptions continue transmitting directly into domestic inflation through fuel prices, transportation costs, and food supply chains.

However, the committee's confidence also rests on broader macroeconomic developments. Recent exchange-rate reforms, tighter monetary conditions, improved reserve dynamics, and recovering foreign portfolio inflows have collectively strengthened the CBN's policy position relative to previous years.

Importantly, the rate hold arrives shortly after S&P Global Ratings upgraded Nigeria's sovereign credit outlook, effectively providing external validation for the country's ongoing reform trajectory. That timing strengthens the interpretation that the

MPC is attempting to consolidate emerging investor confidence rather than destabilise markets with abrupt policy shifts. The implications extend beyond inflation.

Nigeria's fixed-income market has increasingly become central to macroeconomic stabilisation strategy. High interest rates, while constraining credit expansion and private-sector borrowing, have simultaneously improved the attractiveness of naira-denominated assets for foreign portfolio investors.

Robert Omotunde, Director and Chief Investment Officer at MDU Capital Limited, captured this dynamic directly, stating: "For fixed income markets, the pause may support continued investor confidence in naira assets, particularly amid improving foreign portfolio inflows into government securities."

This reflects the CBN's broader balancing dilemma. Lower rates could stimulate borrowing and growth, but premature easing risks weakening the naira, accelerating capital outflows, and reigniting inflationary instability. The Monetary Policy Committee appears unwilling to take that risk yet. The broader question now is sustainability.

Nigeria's monetary tightening has improved external confidence and market signalling, but elevated borrowing costs continue exerting pressure on manufacturers, households, and private-sector expansion. The economy therefore remains suspended between stabilisation and growth constraints.

The MPC's current position suggests policymakers believe macroeconomic credibility remains too

fragile to justify aggressive easing, even as inflation moderates gradually.

Ultimately, the decision reinforces a larger institutional message from the CBN under Cardoso: policy consistency, investor confidence, and exchange-rate stability now take precedence over politically convenient monetary accommodation.

WHO WINS / WHO LOSES

Who Wins

- Fixed-income investors benefiting from elevated yields
- Foreign portfolio investors seeking naira-denominated returns
- The Central Bank of Nigeria through improved policy credibility
- Government securities markets attracting renewed capital inflows

Who Loses

- Manufacturers facing elevated borrowing costs
- Small and medium-sized enterprises dependent on credit expansion
- Consumers exposed to persistent financing and inflation pressures
- Interest-sensitive sectors such as housing and private investment

POLICY SIGNALS

The Central Bank of Nigeria is signalling that monetary discipline and exchange-rate stability remain central pillars of the current reform archi-

CONT. ON PG 7

Nigeria Revenue Service Mandates Unified Tax ID For All Taxable Persons

By Olumide Johnson

The Nigeria Revenue Service (NRS), in collaboration with the Joint Revenue Board (JRB), has announced the implementation of a mandatory unified Tax Identification (ID) system for all taxable persons nationwide, under Sections 6, 7, and 8 of the Nigeria Tax Administration Act 2025.

The directive, issued through a public notice recently, positions the new Tax ID as the single identity framework for taxpayer interaction across federal and sub-national tax authorities. The NRS said that the reform is designed to “consolidate taxpayer records, eliminate duplication, and ensure more efficient management of tax-related information”.

The agency stated that the system would simplify taxpayer registration, filing, and payment procedures while improving “visibility and tracking of taxpayer records”, reducing leakages, and strengthening accountability in revenue collection.

The new framework will also replace the existing Tax ID Number Validation Application Programming Interface currently used by Ministries, Departments and Agencies (MDAs), financial institutions, and validation-dependent organisations.

DECISION HIGHLIGHT

Nigeria’s revenue authorities are centralising taxpayer identity architecture into a unified digital framework aimed at synchronising tax administration across all tiers of government.

The federal government is accelerating the digitisation and centralisation of Nigeria’s tax administration architecture

DECISION MEMO

The reform signals a structural shift from fragmented tax administration toward integrated taxpayer intelligence management. By collapsing multiple taxpayer validation channels into a unified identity system, the Nigeria Revenue Service is effectively constructing a national fiscal visibility infrastructure.

The initiative addresses longstanding inefficiencies within Nigeria’s tax ecosystem, including duplicated taxpayer records, weak inter-agency coordination, fragmented compliance databases, and revenue leakages arising from disconnected tax systems.

The strategic significance extends beyond administrative convenience. A unified Tax ID framework potentially enables stronger audit capability, improved taxpayer tracking, broader informal-sector capture, and enhanced cross-verification between financial activity and



Dr. Zacch Adedeji, Executive Chairman of NRS

tax obligations.

The replacement of the legacy Tax Identification Number Validation Application Programming Interface also indicates deeper digital consolidation within public-sector revenue systems. MDAs, financial institutions, and corporate validators are effectively being integrated into a single compliance architecture.

However, the reform simultaneously expands state visibility into individual and corporate economic activity, raising future questions around data governance, enforcement capacity, cybersecurity resilience, and taxpayer privacy protections.

The move aligns with broader fiscal reform efforts aimed at widening Nigeria’s tax base amid rising debt-servicing pressure and persistent non-oil revenue constraints.

DATA BOX

- Implementing Institutions: Nigeria Revenue Service; Joint Revenue Board
- Legal Basis: Sections 6, 7, and 8, Nigeria Tax Administration Act 2025
- Core Reform: Mandatory unified Taxpayer Identification system
- Existing System Being Replaced: Tax Identification Number Validation Application Programming Interface
- Target Users:
 - Individuals
 - Enterprises
 - Business names
 - Corporate entities
- Intended Outcomes:
 - Record harmonisation
 - Elimination of duplicate taxpayer identities
 - Simplified tax filing and payment
 - Reduced revenue leakages
 - Improved tax transparency and accountability

WHO WINS / WHO LOSES

Who Wins

- Revenue authorities seeking broader compliance visibility
- Digitally compliant taxpayers benefiting from

simplified processes

- Financial institutions requiring centralised validation architecture
- State governments seeking harmonised taxpayer records

Who Loses

- Tax evaders exploiting fragmented systems
- Informal operators outside documented compliance frameworks
- Organisations dependent on legacy validation infrastructure

POLICY SIGNALS

The federal government is accelerating the digitisation and centralisation of Nigeria’s tax administration architecture. The reform also signals increasing emphasis on data-driven compliance enforcement and intergovernmental fiscal coordination.

The Nigeria Tax Administration Act 2025 appears positioned as a foundational framework for long-term tax-base expansion rather than merely procedural modernisation.

INVESTOR SIGNAL

The unified Tax ID system improves perceptions around fiscal administration modernisation and institutional revenue efficiency. For investors, harmonised taxpayer architecture may strengthen transparency, reduce compliance ambiguity, and improve long-term public revenue predictability.

However, implementation quality and interoperability across agencies remain critical to credibility.

RISK RADAR

- Cybersecurity vulnerabilities within centralised taxpayer databases
- Data privacy and surveillance concerns
- Integration failures across Ministries, Departments and Agencies
- Compliance resistance from informal-sector operators
- Potential disruptions during migration from legacy systems
- Administrative bottlenecks affecting taxpayer onboarding and validation services

A World Economy Held Hostage By War, Oil & Policy Failure

The latest downgrade of global growth projections by the United Nations (UN) should alarm every serious policymaker, investor, and government across the world. What we are witnessing is no longer a temporary economic disturbance triggered by another regional conflict. We are watching the dangerous exposure of a fragile global economic system that has become excessively dependent on unstable energy corridors, debt-driven growth, geopolitical confrontation, and policy complacency.

The UN' decision to cut global growth forecasts to 2.5 percent in 2026 and 2.8 percent in 2027 is not merely statistical adjustment. It is an indictment of a global order increasingly unable to protect economic stability from political recklessness and military escalation. The warning signs are unmistakable.

The closure of the Strait of Hormuz following the United States-Israeli war involving Iran has evolved from a geopolitical crisis into a global economic shockwave. Oil prices surged. Shipping routes became paralysed. Financial markets turned volatile. Supply chains weakened. Inflationary pressure intensified globally. Developing economies, once again, became the primary casualties.

The UN itself admitted that what began as "a blow to energy markets" has now become "a broader supply shock of uncertain scope, magnitude and duration that is rippling across the world." That statement should terrify policymakers everywhere because uncertainty itself has become one of the greatest threats to economic stability.

We must confront an uncomfortable truth. The global economy has become dangerously vulnerable to geopolitical disruption because the world failed to build resilient systems after previous crises. The COVID-19 pandemic exposed supply-chain weaknesses. The Russia-Ukraine war exposed energy insecurity. Yet little structural adjustment followed. Instead, governments continued accumulating debt, depending excessively on fragile global logistics networks, and postponing difficult economic reforms. Now the consequences are arriving simultaneously.

The fact that only 10 commercial ships recently passed through the Strait of Hormuz, compared to ap-

proximately 130 vessels daily before the conflict, illustrates how rapidly geopolitical instability can cripple global commerce. Hormuz remains one of the most strategically important energy corridors on earth. Once movement there slows, inflation spreads globally through fuel prices, manufacturing costs, transportation systems, food supply chains, and industrial production.

This is why the UN' adverse scenario projection of just 2.1 percent global growth should not be dismissed lightly. Outside the COVID-19 pandemic and the 2007-2009 financial crisis, such weak growth would rank among the worst performances of this century. The deeper problem, however, lies beyond the war itself.

The global economy is now entering an era where debt burdens, weak fiscal discipline, geopolitical fragmentation, and inflationary pressures are colliding simultaneously. Governments across developed economies spent years borrowing aggressively under ultra-low interest rates without preparing adequately for prolonged external shocks. That model is now under severe strain. Developing economies face even harsher consequences.

According to the United Nations, growth in developing countries this year is expected to remain 1.3 percentage points below pre-pandemic averages. Regions such as West Africa and Central Africa have already suffered forecast downgrades. That matters enormously because weaker growth in developing economies directly affects employment, food security, poverty levels, currency stability, infrastructure financing, and political stability. For Nigeria, the implications are deeply serious.

Nigeria remains highly exposed to global energy volatility despite being an oil-producing nation. Rising oil prices may temporarily improve government revenues, but the broader inflationary effects often overwhelm those gains domestically. Fuel costs increase. Transportation becomes more expensive. Food inflation accelerates. Industrial production weakens. Household purchasing power deteriorates.

At the same time, global financial volatility complicates access to investment capital and external financing. International investors be-

come more cautious during periods of geopolitical instability. Borrowing costs rise. Emerging-market currencies face pressure. Countries already struggling with debt servicing, including many African economies, become increasingly vulnerable.

We must also recognise that global institutions appear increasingly reactive rather than strategic. Forecast downgrades after crises emerge are no substitute for coordinated preventive economic architecture. The world remains trapped in short-term political calculations while structural vulnerabilities deepen underneath.

This is why the current moment demands more than temporary market stabilisation measures.

We need serious global reassessment of energy security, supply-chain resilience, debt sustainability, trade concentration risks, and geopolitical escalation management. The repeated assumption that markets will automatically self-correct after every disruption is becoming dangerously unrealistic. The world economy cannot continue functioning permanently on crisis management.

More importantly, African economies must stop assuming that external systems will guarantee long-term stability. The recurring pattern is now obvious. Every major global disruption disproportionately damages developing economies despite those countries contributing least to the underlying conflicts or structural failures.

Africa must therefore accelerate regional industrialisation, strengthen intra-African trade, deepen domestic capital markets, expand local refining capacity, and reduce excessive dependence on imported productive systems. Nigeria, especially, cannot afford strategic complacency.

The country must strengthen food security systems, expand domestic refining, improve logistics infrastructure, deepen manufacturing capacity, and maintain credible macroeconomic reforms capable of absorbing external shocks. The era of relying excessively on commodity exports while importing structural vulnerability is becoming increasingly unsustainable.

Ultimately, the United Nations downgrade is not merely a forecast revision. It is a warning that the world economy is becoming structurally more fragile, more inflationary, more uncertain, and more politically unstable.

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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FG Backs DBN Climate Finance Initiative For Nigerian MSME Transition

By Johnson Emmanuel

The federal government through Senior Special Assistant (SSA) to the President on Climate Finance and Stakeholder Engagement, Mr. Ibrahim Abdullahi Shelleng, on May 13 in Abuja participated in the Development Bank of Nigeria (DBN) stakeholder consultation focused on a proposed Green Climate Fund-backed facility titled, 'Unlocking Climate Finance at Scale: MSME Low Carbon Transition and Agricultural Resilience in Nigeria.' Shelleng stated that "Nigeria's climate transition depends fundamentally on empowering the enterprises that form the nation's economic backbone," noting that Micro, Small and Medium Enterprises (MSMEs) account for "over 90 percent of Nigerian businesses" but remain constrained by limited access to affordable climate finance.

The proposed DBN structure combines concessional Green Climate Fund resources with development partner co-financing and will channel funding through participating financial institutions using the bank's wholesale on-lending framework to support low-carbon investment, climate-smart agriculture, and renewable energy adoption. The consultation convened financiers, policymakers, climate specialists, and MSME representatives to validate the financing model and strengthen institutional coordination around climate capital mobilisation.

DECISION HIGHLIGHT

Nigeria is positioning the DBN as a domestic transmission platform for large-scale climate finance deployment to MSMEs through blended finance structures linked to Green Climate Fund capital.

DECISION MEMO

The consultation reflects a deeper shift in Nigeria's climate strategy from environmental positioning toward financial system integration. The emphasis is no longer solely on climate commitments, but on constructing institutional pipelines capable of absorbing and distributing international climate capital into productive sectors of the domestic economy.

Shelleng's intervention highlights a growing policy recognition that Nigeria's net-zero ambitions cannot be executed through large corporates or sovereign infrastructure projects alone. The decision to focus on MSMEs acknowledges that economic decentralisation and emissions transition are increasingly interconnected policy objectives.

The proposed blended finance structure is strategically important because it attempts to solve one of Nigeria's longstanding climate finance constraints: affordability of capital. By combining concessional Green Climate Fund resources with co-financing mechanisms, the DBN aims to reduce pricing barriers that traditionally prevent smaller enterprises from participating in renewable energy adoption, climate-smart agriculture, and low-carbon operational upgrades.

Equally significant is the institutional architecture underpinning the initiative. The DBN's status as Nigeria's first Direct Access Entity to the Green Climate Fund reduces dependence on external intermediaries and potentially accelerates capital deployment into local markets. This creates a more domestically controlled climate finance pipeline while improving Nigeria's credibility within global climate funding systems.

The consultation process itself also carries strategic value. International climate financiers increasingly prioritise countries demonstrating policy coordination, stakeholder alignment, and



Mr. Ibrahim Abdullahi Shelleng, Senior Special Assistant to the President on Climate Finance & Stakeholder Engagement

implementation readiness. Nigeria appears to be positioning institutional coordination as a competitive advantage in attracting larger climate capital allocations.

However, the success of the framework will ultimately depend on execution discipline, financial institution participation, project bankability, and whether concessional funding genuinely reaches productive MSME segments rather than concentrating around low-risk borrowers.

WHO WINS / WHO LOSES

Who Wins:

- MSMEs seeking affordable climate-transition financing
- Participating financial institutions accessing concessional climate liquidity
- Renewable energy and climate-smart agriculture sectors
- Nigeria's climate finance ecosystem through stronger institutional credibility

Who Loses:

- Conventional high-emission enterprise models lacking transition adaptability
- Financial institutions slow to develop green lending capabilities
- Informal enterprises unable to meet financing eligibility requirements
- Competing regional markets with weaker climate finance coordination structures

POLICY SIGNALS

- Nigeria is institutionalising climate finance within mainstream development banking structures
- Blended finance is becoming central to public climate investment strategy
- Climate transition policy is increasingly linked to MSME industrial transformation

- Government is prioritising domestic climate capital intermediation capacity
- Stakeholder coordination is emerging as a strategic requirement for attracting international climate funding

INVESTOR SIGNAL

The initiative strengthens Nigeria's positioning within global climate finance markets by demonstrating institutional readiness, pipeline development, and domestic implementation capacity. For development finance institutions and climate investors, the DBN framework offers a structured entry point into scalable green financing opportunities tied to productive sectors of the economy.

The focus on concessional blended finance may also improve risk-adjusted lending opportunities in sectors historically constrained by high financing costs. If effectively executed, the programme could deepen green asset creation, accelerate renewable energy financing, and support broader climate-aligned private sector expansion.

RISK RADAR

- Weak MSME absorption capacity for climate-linked financing
- Currency volatility affecting blended finance sustainability
- Slow disbursement processes within participating financial institutions
- Limited technical capacity for climate project verification and monitoring
- Risk of concessional financing concentration among larger enterprises
- Dependence on continued international climate funding availability
- Potential governance and transparency concerns around allocation efficiency

Nigerian Ports Authority Pushes Aggressive Port Modernisation Agenda Across West Africa



Dr. Abubakar Dantsoho, Managing Director of NPA

By Olumide Johnson

The Managing Director (MD) of the Nigerian Ports Authority (NPA) and President of the Port Management Association of West and Central Africa, Dr. Abubakar Dantsoho, recently used the closing session of the regional maritime meetings in Lagos to deliver what was effectively a blunt warning to African governments still operating obsolete port systems. Dantsoho argued that Africa's economic ambitions would remain largely rhetorical without urgent investment in modern ports, deep sea infrastructure, automation and technology-driven cargo systems.

Commending President Bola Ahmed Tinubu and the Federal Ministry of Marine and Blue Economy for providing policy direction, Dantsoho positioned Nigeria as the sub-region's most strategically important maritime gateway, noting that the country already accounts for over 70 percent of cargo traffic within West and Central Africa. He explained that Nigeria's market size, demographic advantage and connectivity to landlocked economies such as Niger, Chad, Mali and Burkina Faso have elevated the NPA into a regional trade anchor.

Dantsoho stated that Nigeria is currently refurbishing Apapa and Tin Can Island ports while simultaneously pursuing deeper and more technologically advanced port infrastructure capable of accommodating larger vessels and future trade volumes. According to him, the Lekki Deep Sea Port remains an important milestone, although Africa must now pursue infrastructure comparable to global maritime hubs.

"This is an industry that requires huge investment in infrastructure. You cannot make progress with obsolete facilities and still expect to receive newer and larger vessels," he said.

"You cannot have a hotel built 50 years ago and expect modern customers to continue coming without refurbishment. It is the same thing with ports."

Referencing global competition, Dantsoho pointed to Singapore's massive berth expansion projects and Guinea's reported \$20 billion deep sea port

ambition as evidence that maritime infrastructure has become a geopolitical economic weapon rather than merely a logistics asset.

DECISION HIGHLIGHT

The NPA is unmistakably signalling a transition from incremental rehabilitation to long-term maritime competitiveness strategy. Beneath the public rhetoric sits a wider institutional repositioning agenda centred on four pressure points: port modernisation, automation, regional cargo dominance and deep sea expansion.

The authority's near-90 percent automation claim, including electronic cargo systems and the Apapa electronic call-up platform, reflects an attempt to dismantle the inefficiency culture historically associated with Nigerian ports. Dantsoho's emphasis on reducing congestion around Apapa was particularly symbolic because port traffic dysfunction had long damaged Nigeria's commercial credibility and supply chain efficiency.

"Today, you can go into Apapa and leave within minutes. Before now, people spent hours and sometimes slept on the bridge because of congestion," he said.

DECISION MEMO

The deeper message from Lagos was less about port renovation and more about economic survival. Dantsoho effectively framed maritime infrastructure as the central battlefield for African competitiveness in the next phase of global trade realignment.

The patronising reality confronting slower African economies is that cargo owners, shipping alliances and global logistics operators no longer reward sentiment or geography alone. Ports now compete on draught depth, automation speed, turnaround efficiency and digital integration. Countries still operating analogue maritime systems risk gradual exclusion from high-volume international shipping networks.

Within that context, the NPA appears determined to leverage Nigeria's demographic scale and regional positioning before competing ports across the Gulf of Guinea fully mature. The authority's

strategy also aligns with broader federal government ambitions around blue economy expansion, non-oil exports and regional trade integration under the African Continental Free Trade Area (AfCFTA).

Dantsoho's repeated references to larger vessels, deeper waters and stronger quays reveal a clear understanding that future maritime dominance will belong to countries capable of handling next-generation cargo traffic at scale. His intervention also subtly acknowledged that refurbishment alone will eventually become inadequate without entirely new port ecosystems.

DATA BOX

- Nigeria controls over 70 percent of West and Central African cargo traffic
- Nigerian Ports Authority says operations are nearly 90 percent automated
- Lekki Deep Sea Port currently operates two berths
- Guinea pursuing reported \$20 billion deep sea port investment
- Nigeria refurbishing Apapa and Tin Can Island ports

WHO WINS / WHO LOSES

Who Wins:

- Nigerian Ports Authority through stronger regional influence
- Shipping and logistics operators benefiting from faster turnaround systems
- Landlocked neighbouring economies dependent on Nigerian trade corridors
- Industrial exporters requiring modern cargo infrastructure
- Technology and maritime automation providers

Who Loses:

- Ports resisting automation and infrastructure renewal
- Smaller regional ports unable to scale capacity
- Informal logistics structures previously benefiting from congestion inefficiencies
- Competing trade corridors with weaker infrastructure financing capacity

POLICY SIGNALS

The Federal Government is increasingly treating maritime infrastructure as a strategic economic growth instrument rather than a narrow transport issue. The emphasis on deep sea ports, automation and regional integration suggests future policy support for infrastructure financing, digital port systems and private-sector maritime partnerships.

The Nigerian Ports Authority also appears positioned to become a leading execution vehicle within Nigeria's blue economy framework.

INVESTOR SIGNAL

The maritime sector is gradually emerging as one of Nigeria's most investable infrastructure corridors. Port expansion, logistics technology, industrial warehousing, inland cargo connectivity and marine services are likely to attract increased institutional and private capital interest if reforms continue.

Dantsoho's remarks were effectively a signal that Nigeria intends to consolidate itself as the dominant maritime gateway in West Africa before regional competition intensifies further.

RISK RADAR

Major risks remain substantial. Deep sea infrastructure requires enormous long-term capital commitments, policy consistency and sustained political discipline. Delays in execution, regulatory fragmentation, foreign exchange instability and weak multimodal transport connectivity could undermine competitiveness gains.

NAICOM Inaugurates Policyholders' Fund Committee To Deepen Insurance Consumer Protection

By Kingsley Ani

The National Insurance Commission (NAICOM), led by Commissioner for Insurance and Chief Executive Officer, Mr. Olusegun Omosehin, recently inaugurated the Insurance Policyholders' Protection Fund Committee under Section 212 of the Nigerian Insurance Industry Reform Act 2025 in Abuja, positioning the mechanism as a statutory consumer-protection backstop for Nigeria's insurance sector.

The event drew federal policy backing through the attendance of the Honourable Minister of Finance and Coordinating Minister of the Economy, Mr. Taiwo Oyedele as Special Guest of Honour, represented by the Permanent Secretary of the Federal Ministry of Finance. Omosehin said that the committee comprises "distinguished industry leaders and professionals of proven integrity" and described the initiative as "another bold step in protecting insurance consumers".

According to the commission, the Insurance Policyholders' Protection Fund is designed to ensure orderly resolution of distressed insurers, settle admitted but unpaid claims, and strengthen public confidence in the insurance market.

DECISION HIGHLIGHT

The NAICOM has operationalised a statutory policyholder-protection framework embedded in the Nigerian Insurance Industry Reform Act 2025, effectively introducing a formal insurance-sector safety net similar in concept to depositor-protection structures in banking.

DECISION MEMO

The inauguration signals a strategic regulatory pivot from compliance supervision toward explicit consumer-risk containment within Nigeria's insurance architecture. Historically, weak claims settlement culture, insurer distress, and prolonged liquidation processes have undermined public trust and insurance penetration in Nigeria.

By institutionalising a protection fund committee, the NAICOM is attempting to address a structural confidence deficit rather than merely a liquidity or



Mr. Olusegun Omosehin, Commissioner for Insurance

compliance problem. The mechanism potentially changes the behavioural incentives across the market. Insurers may face stronger scrutiny on solvency management, while policyholders gain clearer assurance that admitted claims may survive institutional distress.

Omosehin framed the initiative as "a decisive step toward a stable, transparent, and trusted insurance industry that places the insuring public first". That language reflects a broader regulatory recalibration under the Nigerian Insurance Industry Reform Act 2025, where market development is increasingly tied to governance credibility and consumer outcomes.

The Federal Ministry of Finance's representation at the inauguration also elevates the policy significance beyond sectoral administration. It suggests

alignment between insurance reform and wider financial-sector stability objectives under the federal government's economic reform agenda.

The practical test, however, will depend on funding adequacy, claims resolution efficiency, governance independence, and enforcement discipline. Consumer-protection vehicles in emerging markets often face credibility risks where intervention thresholds, payout timelines, and distressed-asset recoveries remain opaque.

DATA BOX

- Institution: National Insurance Commission
- Initiative: Insurance Policyholders' Protection Fund Committee
- Legal Basis: Section 212, Nigerian Insurance Industry Reform Act 2025
- Core Mandate:
 - Resolution of distressed insurers
 - Settlement of admitted unpaid claims
 - Policyholder protection
 - Confidence stabilisation in insurance markets
- Federal Representation: Federal Ministry of Finance represented at inauguration
- Regulatory Objective: Stability, transparency, consumer confidence

WHO WINS / WHO LOSES

Who Wins

- Policyholders seeking stronger claims protection
- Financially disciplined insurers benefiting from improved market confidence
- Regulators seeking deeper insurance penetration and credibility
- Institutional investors favouring stronger sector governance frameworks

Who Loses

- Weakly capitalised insurers vulnerable to stricter oversight
- Operators dependent on delayed claims practices
- Market participants benefiting from regulatory opacity

POLICY SIGNALS

The National Insurance Commission is signalling a transition toward resolution-based insurance regulation, where consumer protection becomes central to supervisory legitimacy. The move also indicates increasing convergence between insurance regulation and systemic financial-stability policy.

The Nigerian Insurance Industry Reform Act 2025 appears positioned not merely as a legislative update, but as an institutional restructuring framework for market credibility restoration.

INVESTOR SIGNAL

The development marginally improves governance perception within Nigeria's insurance sector by introducing a statutory protection architecture that could reduce confidence shocks associated with insurer distress.

For long-term investors, the reform suggests stronger regulatory intent around solvency discipline, claims accountability, and market transparency. However, credibility will depend on execution capacity rather than legislative existence alone.

RISK RADAR

- Unclear funding structure for policyholder payouts
- Potential delays in distressed-insurer resolution processes
- Governance and political-interference risks within the committee structure
- Moral hazard concerns if weaker insurers rely excessively on protection mechanisms

CBN Retains Interest Rate As Cardoso Prioritises...

CONT. FRM PG 2

ecture.

The decision also suggests increasing institutional confidence that inflationary pressures may gradually moderate without additional aggressive tightening, provided external shocks remain contained.

More broadly, the MPC appears committed to defending positive real interest rates as a mechanism for sustaining foreign capital confidence and protecting the naira.

INVESTOR SIGNAL

The rate hold reinforces perceptions of improving monetary policy consistency under the CBN. For investors, the decision strengthens confidence in Nigeria's fixed-income environment and supports expectations of continued foreign portfolio participation in government securities.

The cautious posture may also improve medium-term currency stability expectations, particular-

ly alongside improving sovereign-credit sentiment and ongoing macroeconomic reforms.

However, investors will remain highly sensitive to inflation persistence, reserve adequacy, exchange-rate management, and geopolitical spillovers affecting domestic fuel and food prices.

RISK RADAR

- Persistent inflationary transmission from global energy markets
- Exchange-rate volatility and capital-flow reversals
- Growth slowdown linked to elevated borrowing costs
- Fiscal pressures interacting with tight monetary conditions
- Weak private-sector credit expansion
- Food inflation linked to insecurity and logistics constraints
- External geopolitical shocks affecting oil prices and fuel markets
- Potential reform fatigue if social pressures intensify under prolonged tight monetary conditions



PUBLIC NOTICE!

The attention of the **Securities and Exchange Commission ("the Commission")** has been drawn to the increasing promotion of unregistered online investment schemes on social media applications and websites, including WhatsApp, Instagram, Telegram, Facebook, TikTok and other digital platforms.

Many of these investment schemes exhibit characteristics of Ponzi or Prohibited investment schemes, while some operators of such schemes also provide unauthorized investment services to members of the public.

Accordingly, the Commission hereby advises the public to refrain from investing or participating in any unregistered online investment platform or scheme promising unrealistic or guaranteed returns. Members of the public are further advised not to rely on investment advisories circulated through online platforms by persons or entities not registered by the Commission, as reliance on such advisories may expose investors to significant financial losses and fraudulent schemes.

The public is reminded that, under the provisions of the Investments and Securities Act, 2025, only entities registered by the Commission are authorised to promote investment services, provide investment advisory services or solicit funds from the public in the Nigerian capital market.

The investing public is therefore advised to **VERIFY** the registration status of any platform, company, or entity offering investment opportunities on the Commission's dedicated portal: <https://sec.gov.ng/fintech-and-innovation-hub-finport/registered-fintech-operators/> or <https://www.sec.gov.ng/cmoss> before transacting or investing with them.

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AFC Commits \$100m For Broader African Venture Capital Participation

By Olumide Johnson

Africa Finance Corporation (AFC) has approved up to \$100 million in commitments to Africa-focused venture capital fund managers as part of a strategy to deepen domestic institutional participation in Africa's technology financing ecosystem.

The initiative, announced amid projections that Africa's digital economy could exceed \$700 billion in gross domestic product contribution by 2050, targets African-owned fund managers and addresses persistent shortages of long-term institutional capital for technology businesses across the continent.

Samaila Zubairu, President and Chief Executive Officer of AFC, said: "Digital infrastructure is now as fundamental to Africa's transformation as roads, rail, ports and power." He added that technology infrastructure increasingly drives "productivity, payments, logistics, services, data systems and cross-border trade across the continent."

AFC confirmed initial anchor commitments to Lightrock's Africa Fund II and Future Africa's Fund III, positioning the institution across early-stage and growth-stage technology financing.



Mr. Samaila Zubairu, President/Chief Executive Officer of AFC

DECISION HIGHLIGHT

AFC is shifting from traditional infrastructure financing into strategic technology-capital intermediation, using institutional capital to strengthen African ownership within venture financing structures historically dominated by foreign investors.

DECISION MEMO

The commitment reflects a broader redefinition of infrastructure by African development finance institutions. AFC is effectively treating digital ecosystems as economic infrastructure rather

Zubairu's framing of digital infrastructure alongside transport and power infrastructure signals a policy-level convergence between technology financing and long-term economic transformation planning.

The selection of Lightrock and Future Africa also indicates a barbell strategy across scalable growth-stage ventures and earlier-stage innovation pipelines. Future Africa founder Iyin Aboyeji said AFC's participation could encourage broader institutional exposure to Africa's digital economy.

However, the initiative also introduces higher execution and portfolio-risk exposure for a development finance institution traditionally associated with tangible infrastructure assets rather than venture-backed technology models.

DATA BOX

- Commitment Size: Up to \$100 million
- Institution: Africa Finance Corporation
- Target: Africa-focused venture capital fund managers
- Priority Focus: African-owned fund managers
- Africa Startup Funding, 2025: Approximately \$3.8 billion
- Digital Economy Projection: More than \$700 billion contribution to Africa's gross domestic product by 2050
- Initial Commitments:
 - Lightrock Africa Fund II
 - Future Africa Fund III
- Investment Coverage: Early-stage to growth-stage technology financing
- Strategic Gap Identified: Underrepresentation of African pension funds and insurers in venture capital

WHO WINS / WHO LOSES

Who Wins

- African venture capital fund managers seeking anchor institutional backing
- Technology startups requiring longer-term scaling capital
- African institutional investors seeking market

validation for venture allocations

- Digital infrastructure and financial technology sectors

Who Loses

- Foreign-dominated capital structures facing gradual dilution of influence
- Underperforming local fund managers unable to meet institutional standards
- Traditional sectors competing for development finance allocation attention

POLICY SIGNALS

AFC is signalling that digital infrastructure now sits within core continental development priorities rather than peripheral innovation policy.

The move also suggests increasing institutional acceptance of venture capital as a strategic economic-development instrument rather than purely speculative finance.

INVESTOR SIGNAL

The initiative improves confidence in the long-term institutionalisation of African venture capital markets. Anchor commitments from AFC may reduce perceived credibility risk for co-investors and international allocators.

The emphasis on African-owned fund managers also strengthens the localisation narrative increasingly shaping African capital-market development.

RISK RADAR

- Venture capital volatility and elevated failure rates among startups
- Currency instability across African markets affecting returns
- Liquidity constraints in African exit markets
- Governance and execution risks among emerging fund managers
 - Potential mismatch between development finance expectations and venture-capital return cycles
 - Continued dependence on external co-investment flows despite localisation efforts

... AFC's participation could encourage broader institutional exposure to Africa's digital economy

than speculative technology exposure.

The intervention addresses a structural imbalance within African venture capital markets, where startup ecosystems have expanded rapidly while domestic pension funds, insurers, and institutional allocators remain largely absent from risk-capital participation.

Despite approximately \$3.8 billion in African startup funding recorded in 2025, much of the capital base remains externally sourced, exposing African technology ecosystems to foreign liquidity cycles, valuation resets, and geopolitical investment sentiment.

By prioritising African-owned fund managers, AFC appears to be pursuing two simultaneous objectives: retaining greater financial value within the continent and building indigenous capital allocation capacity.

IFC, Access Bank Launch \$500m Local Currency Financing Framework Across Africa

By Johnson Emmanuel

The International Finance Corporation (IFC) and Access Bank Plc recently signed a framework agreement worth approximately \$500 million equivalent in Kigali, Rwanda, to expand local currency financing across multiple African markets, targeting micro, small and medium enterprises, agribusiness, housing, and infrastructure.

The agreement was executed by Makhtar Diop, Managing Director of the IFC, and Aigboje Aig-Imoukhuede, Chairman of Access Holdings Plc, as part of broader efforts to deepen African local currency capital markets and reduce exposure to foreign exchange volatility.

Under the arrangement, financing will be deployed across Nigeria, Angola, Botswana, Central African Economic and Monetary Community markets, Democratic Republic of Congo, Ghana, Tanzania, West African Economic and Monetary Union markets, Uganda, and Zambia.

Aig-Imoukhuede said that the partnership would “support the deployment of funding at scale to MSMEs, infrastructure, agribusiness, housing, and other high-impact sectors, while helping to strengthen domestic financial markets and advance economic resilience across Africa.”

Diop stated: “African businesses grow stronger when financing is aligned with the currencies in which they operate and earn.”

DECISION HIGHLIGHT

The IFC and Access Bank Plc are attempting to structurally reduce Africa’s dependence on dollar-denominated financing by expanding long-term local currency funding architecture.

DECISION MEMO

The framework reflects a growing continental shift toward currency-aligned development finance amid persistent exchange-rate instability, dollar shortages, and rising external borrowing costs across African economies.

Historically, much of Africa’s private-sector financing has remained heavily dollar-linked despite businesses generating revenues primarily in local currencies. This mismatch has amplified repayment pressures during currency depreciation cycles, weakened balance sheets, and increased systemic

... Africa’s private-sector financing has remained heavily dollar-linked despite businesses generating revenues primarily in local currencies

financial vulnerability.

By focusing on local currency financing, the IFC and Access Bank Plc are effectively repositioning financial stability as a core development objective rather than merely a monetary policy concern.

The partnership also signals increasing recogni-



From Left: Mr. Makhtar Diop, Managing Director of IFC, with Mr. Aigboje Aig-Imoukhuede, Chairman of Access Holdings Plc, signing the agreement as others look on.

tion that African capital-market development cannot rely exclusively on sovereign borrowing or external hard-currency inflows. Deepening domestic currency liquidity and long-term lending capacity is becoming increasingly central to economic resilience.

Access Bank’s regional footprint gives the framework operational scale across fragmented African banking environments, while the International Finance Corporation provides development-finance credibility and balance-sheet strength capable of lowering perceived market risk.

The inclusion of infrastructure, housing, agribusiness, and MSMEs further suggests that the initiative is designed to support productive-sector expansion rather than short-term financial intermediation alone.

However, local currency financing frameworks remain exposed to inflation volatility, shallow domestic debt markets, policy inconsistency, and uneven monetary credibility across participating jurisdictions.

DATA BOX

- Institutions:
 - International Finance Corporation
 - Access Bank Plc
- Framework Size: Approximately \$500 million equivalent
- Signing Location: Kigali, Rwanda
- Core Financing Focus:
 - MSMEs
 - Agribusiness
 - Housing
 - Infrastructure
- Target Markets:
 - Nigeria
 - Angola
 - Botswana
 - CEMAC region
 - Democratic Republic of Congo
 - Ghana
 - Tanzania
 - UEMOA region
 - Uganda
 - Zambia
- Strategic Objective: Expansion of local currency financing and financial-market resilience

- Primary Economic Rationale: Reduction of foreign exchange exposure and exchange-rate risk

WHO WINS / WHO LOSES

Who Wins

- MSMEs requiring currency-aligned financing
- Infrastructure and housing developers
- Agribusiness operators exposed to foreign exchange pressures
- Domestic financial markets seeking longer-term liquidity depth

Who Loses

- Dollar-dependent lending structures facing reduced dominance
- Businesses reliant on speculative foreign exchange positioning
- Financial systems lacking monetary discipline or inflation stability

POLICY SIGNALS

The framework signals accelerating institutional support for local currency capital-market development across Africa. It also reflects broader policy momentum toward reducing external vulnerability tied to dollar financing dependence.

The participation of the International Finance Corporation further indicates rising multilateral preference for private-sector-led domestic financial deepening.

INVESTOR SIGNAL

The agreement improves confidence around the long-term institutionalisation of African local currency financing markets. Investors may interpret the initiative as evidence of stronger regional banking integration and increased support for productive-sector lending.

The framework may also improve opportunities in blended finance, local debt-market expansion, and infrastructure financing structures insulated from excessive currency mismatch risks.

RISK RADAR

- Inflation volatility across participating markets
- Local currency depreciation risks
- Weak domestic debt-market depth in certain jurisdictions
- Regulatory inconsistencies across regional banking systems

NSIA Expands Multi-Sector Capital Deployment Strategy



Mr. Aminu Umar Sadiq, Managing Director/ CEO of NSIA

By Ayo Susan

The Nigeria Sovereign Investment Authority (NSIA) has recently outlined a multi-sector investment strategy centred on industrialisation, services, technology and innovation, climate sustainability, and transport and logistics, positioning strategic capital deployment as a long-term economic transformation mechanism for Nigeria.

The thematic framework, presented through the Authority's investment materials, identifies targeted interventions across manufacturing, mining, energy, economic zones, healthcare, financial market infrastructure, digitalisation, climate finance, and logistics infrastructure. The NSIA stated that the strategy is aimed at "delivering long-term economic transformation through targeted, strategic capital deployment".

Within industrialisation, the Authority said it seeks to "generate employment, reduce reliance on imports, and enhance value addition to Nigeria's natural resources"; while the technology and innovation portfolio focuses on "digital infrastructure, scalable technology solutions, and innovation-driven initiatives".

The climate and sustainability pillar integrates environmental, social, and governance considerations into investment decisions, while the transport and logistics segment prioritises ports, aviation infrastructure, and storage capacity.

DECISION HIGHLIGHT

The NSIA is consolidating its sovereign capital strategy around productive-sector infrastructure, digital transformation, and climate-linked economic resilience rather than passive portfolio allocation.

DECISION MEMO

The framework reflects a strategic evolution in sovereign wealth deployment from stabilisation-oriented investment management toward developmental state-capital intervention.

Rather than concentrating primarily on financial asset preservation, the Nigeria Sovereign Investment Authority appears increasingly positioned as a domestic economic transformation vehicle targeting structural productivity gaps across industrial, digital, and logistics ecosystems.

The industrialisation component directly addresses Nigeria's longstanding import-dependence problem. By prioritising manufacturing, mining, energy, and economic zones, the Authority is effectively aligning sovereign investment capital with local production expansion and supply-chain localisation objectives.

The services and technology pillars suggest recognition that economic competitiveness increasingly depends on intangible infrastructure, including digital systems, financial-market architecture, human capital, and innovation ecosystems. The inclusion of talent development and digitalisation also reflects a broader state-backed response to global technolog-

ical restructuring.

Equally significant is the integration of climate and sustainability into core investment allocation. This signals movement beyond symbolic environmental positioning toward climate-adjusted capital deployment frameworks increasingly demanded by global institutional investors and multilateral financing structures.

The transport and logistics component further indicates an emphasis on reducing structural inefficiencies constraining domestic commerce and regional trade integration.

Collectively, the thematic structure positions the NSIA less as a conventional sovereign wealth custodian and more as a strategic national-capital allocator operating at the intersection of infrastructure, industrial policy, and long-horizon economic competitiveness.

WHO WINS / WHO LOSES

Who Wins

- Domestic infrastructure developers
- Manufacturing and industrial operators
- Technology and innovation ecosystems
- Climate-finance aligned projects
- Logistics and transport infrastructure investors

Who Loses

- Import-dependent supply-chain structures
- Sectors unable to meet sustainability or governance thresholds
- Passive capital-allocation models competing for sovereign funding attention

POLICY SIGNALS

The Nigeria Sovereign Investment Authority is signalling stronger alignment between sovereign capital deployment and industrial policy objectives. The framework also reflects increasing institutional emphasis on productivity enhancement, local value addition, and digital competitiveness.

The integration of climate-linked investment themes suggests growing policy convergence between sovereign wealth strategy and environmental-transition financing priorities.

INVESTOR SIGNAL

The Authority's thematic diversification improves visibility around Nigeria's long-term infrastructure and productive-sector priorities. For investors, the strategy creates clearer signalling around sectors likely to attract blended finance, sovereign co-investment, and institutional support.

The explicit focus on digitalisation, logistics infrastructure, and climate resilience may also improve alignment with global infrastructure and sustainability capital flows.

Oyedele Flags State Tax Leakages Amid NRS N40trn...

CONT. FRM PG 2

- Workshop venue: Abuja
- Organiser: Government Business Group, Government and Large Taxpayers' Directorate of the Nigeria Revenue Service

WHO WINS / WHO LOSES

Who Wins:

- Highly compliant states likely to gain reputational advantage and stronger federal alignment
- Technology and tax administration service providers supporting compliance automation
- Federal fiscal authorities seeking predictable non-oil revenue streams
- States with already-digitised treasury and remittance systems

Who Loses:

- States and Government Owned Enterprises reliant on delayed remittance practices
- Institutions operating opaque treasury struc-

tures

- Sub-national entities exposed by comparative compliance rankings
 - Agencies vulnerable to retrospective audits and tax debt recovery actions

POLICY SIGNALS

- Federal authorities are prioritising tax administration efficiency over new tax-rate increases
- Fiscal federalism is being reinterpreted around reciprocal compliance obligations
- The new tax framework favours centralised monitoring with decentralised responsibility
- Technology-driven tax transparency is becoming a core economic governance tool
- Public institutions are increasingly being treated as taxable accountability entities, not merely state actors

INVESTOR SIGNAL

The development reinforces Nigeria's medium-term shift toward non-oil revenue consolidation

and institutional revenue formalisation. For investors, the emphasis on tax predictability, remittance transparency, and technology-led administration suggests a gradual strengthening of fiscal data reliability. However, it also signals a more assertive compliance environment for entities operating within government-linked ecosystems.

The policy direction may improve sovereign revenue resilience if enforcement remains consistent and politically sustainable. A stronger tax collection framework could also support debt servicing credibility and public expenditure planning over time.

RISK RADAR

- Political resistance from non-compliant states and Government Owned Enterprises
- Weak intergovernmental coordination limiting enforcement effectiveness
- Potential legal disputes over remittance liabilities and retrospective audits
- Risk of selective enforcement undermining credibility of reforms



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NIRSAL, NADF Advance Mechanisation Financing Framework For Nigerian Agriculture

NIRSAL



Nigerian Incentive-Based Risk Sharing System for Agricultural Lending

By Ayo Susan

The Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL) recently disclosed ongoing negotiations with the National Agricultural Development Fund (NADF) to scale sustainable agricultural mechanisation financing across Nigeria through a structured vendor-financing and credit-delivery framework.

According to the NIRSAL, both institutions are developing a “well-governed vendor financing framework” supported by on-lending collaborators, targeting equipment financing at an all-in interest rate of 17.5%.

The engagement also includes plans for small-equipment financing products tailored to clustered farmers and mechanisation hubs, alongside tractor operator training programmes coordinated by the NADF to support operational sustainability.

Dedicated working groups from both institutions are finalising documentation ahead of a Memorandum of Understanding signing expected in the coming weeks.

DECISION HIGHLIGHT

The NIRSAL and the NADF are attempting to reposition mechanisation access as a financing and operational coordination problem rather than solely an equipment shortage issue.

DECISION MEMO

The proposed collaboration reflects increasing institutional recognition that Nigeria’s agricultural productivity constraints are deeply linked to mechanisation deficits, fragmented rural financing systems, and weak equipment access among smallholder producers.

By combining vendor financing, concessional credit structures, and operator training within a single intervention framework, both institutions appear to be targeting the entire mechanisation value chain rather than isolated asset distribution.

The emphasis on tractor density relative to Food and Agriculture Organisation benchmarks signals concern over Nigeria’s continued dependence on labour-intensive agricultural production systems despite rising food-security pressures and population growth.

The proposed 17.5% all-in financing structure is also significant within Nigeria’s high-interest-rate environment, where conventional com-

mercial lending remains largely inaccessible to most agricultural operators. The framework may therefore represent an attempt to de-risk agricultural equipment acquisition through blended institutional coordination.

Equally important is the focus on clustered farmers and mechanisation hubs. This suggests movement away from fragmented individual ownership models toward shared-service infrastructure capable of improving equipment utilisation rates and operational scalability.

The integration of tractor operator training introduces an operational sustainability layer often absent from mechanisation programmes, where equipment deployment historically outpaced

technical support capacity.

However, the initiative’s effectiveness will depend heavily on governance discipline, repayment enforcement, equipment maintenance systems, and rural operational logistics.

DATA BOX

- Institutions: Nigeria Incentive-Based Risk Sharing System for Agricultural Lending National Agricultural Development Fund
- Core Focus: Sustainable agricultural mechanisation financing
- Proposed Financing Rate: 17.5% all-in credit structure
- Strategic Components: Vendor financing framework On-lending partnerships Tractor operator training Small-equipment financing Mechanisation hubs
- Target Beneficiaries: Clustered farmers and agricultural service operators
- Current Status: Memorandum of Understand-

ing documentation under finalisation

- Structural Concern Identified: Nigeria tractor density below Food and Agriculture Organisation benchmarks

WHO WINS / WHO LOSES

Who Wins

- Smallholder and clustered farmers seeking mechanisation access
- Agricultural equipment vendors and service providers
- Mechanisation hub operators
- Rural productivity-linked agribusinesses

Who Loses

- Informal equipment financing intermediaries
- Labour-intensive production systems vulnerable to mechanised competition
- Agricultural operators unable to meet financing or governance requirements

POLICY SIGNALS

The collaboration signals increasing policy preference for productivity-led agricultural financing rather than purely intervention-based support schemes.

The structure also reflects broader movement toward blended agricultural finance models combining risk-sharing, concessional lending, operational training, and private-sector equipment partnerships.

INVESTOR SIGNAL

The framework may improve medium-term

The proposed 17.5% all-in financing structure is also significant within Nigeria’s high-interest-rate environment, where conventional commercial lending remains largely inaccessible to most agricultural operators

confidence in Nigeria’s agricultural mechanisation ecosystem if execution credibility emerges. Investors may interpret the initiative as evidence of stronger institutional coordination around food-production efficiency and rural infrastructure financing.

The mechanisation-hub approach could also expand opportunities in agricultural services, leasing models, equipment maintenance, and rural logistics.

RISK RADAR

- Loan repayment and credit-default risks
- Weak rural maintenance infrastructure for equipment fleets
- Governance and procurement transparency concerns
- Currency volatility affecting imported machinery costs
- Inadequate operator training scalability
- Potential politicisation of equipment allocation frameworks
- Infrastructure deficits affecting mechanisation deployment efficiency

MultiChoice Shifts Beyond Showmax Into Premium Streaming, Digital Payments

By Ovio Peters

MultiChoice Group is repositioning its growth strategy away from the discontinued Showmax model toward premium Internet streaming and digital payments, despite retaining dominance in Africa's broadcasting market with 14.5 million subscribers. The company is now concentrating on DStv Stream, its decoder-free premium streaming platform, and Moment, its payments business, as pressure intensifies on traditional satellite television operations.

The transition follows Canal+'s broader restructuring influence over MultiChoice's streaming operations after years of losses associated with Showmax's mobile-first expansion model. Originally launched as DStv Now before a July 2023 relaunch, DStv Stream provides more than 150 live channels, SuperSport, news networks, and on-demand programming through Internet delivery without requiring satellite infrastructure.

According to MultiChoice's 2024 report, DStv Stream's standalone subscriber base grew 139 percent after the relaunch, with more than 90 percent of new users reportedly never having subscribed previously to MultiChoice services.

DECISION HIGHLIGHT

MultiChoice is abandoning scale-first streaming economics associated with Showmax in favour of a premium, higher-yield digital ecosystem built around Internet television subscriptions and embedded payment infrastructure.

DECISION MEMO

The strategic shift reflects a broader recalibration underway across global media businesses, where subscriber quantity is increasingly becoming less important than revenue quality, retention economics, and platform efficiency.

Showmax represented MultiChoice's attempt to compete directly in the mass-market streaming economy dominated by global platforms dependent on large-scale user acquisition and expensive content spending. That model proved structurally difficult within African markets characterised by lower consumer spending power, fragmented broadband penetration, and high content acquisition costs.

DStv Stream changes the commercial logic entirely. Rather than chasing mass mobile audiences at thin margins, MultiChoice is concentrating on higher-income consumers already familiar with premium sports and entertainment content. By removing decoder and satellite installation requirements while preserving premium pricing, the company is effectively digitising its traditional pay-TV model rather than replacing it outright.

The importance of Moment, its payments business, extends beyond transaction processing. Embedded payments infrastructure potentially allows MultiChoice to deepen customer monetisation, reduce churn friction, manage subscription recovery more efficiently, and create recurring digital payment ecosystems tied directly to entertainment consumption.

Canal+'s influence appears central to the restructuring logic. The consolidation away from overlapping streaming products suggests increasing pressure for operational discipline, lower platform duplication, and improved capital allocation efficiency. The emphasis is no longer on competing broadly with global streaming giants, but on defending profitable regional market niches anchored around sports rights, localised content, and existing brand loyalty.

The strategy also reflects recognition that Afri-



ca's digital transition may favour hybrid premium ecosystems over purely mass-market subscription models. Consumers unwilling to invest in hardware installations remain reachable through broadband delivery, but only where content exclusivity justifies premium pricing.

DATA BOX

- MultiChoice subscriber base: 14.5 million
- Streaming platform focus: DStv Stream
- Secondary growth segment: Moment payments business
- Showmax status: discontinued/shuttered model
- DStv Stream relaunch: July 2023
- DStv Stream offering:
 - 150+ live channels
 - SuperSport network
 - News channels
 - On-demand content
- DStv Stream standalone subscriber growth: 139 percent post-relaunch
- New customer ratio: 90 percent reportedly new

MultiChoice is concentrating on higher-income consumers already familiar with premium sports and entertainment content

to MultiChoice ecosystem

- Strategic pivot: premium Internet television and embedded digital payments

WHO WINS / WHO LOSES

Who Wins:

- Higher-income consumers seeking flexible premium streaming access
- MultiChoice if premium subscriber economics improve profitability
- Broadband and Internet infrastructure providers benefiting from streaming demand
- Canal+ through operational consolidation and

capital efficiency gains

Who Loses:

- Low-income streaming audiences priced out of premium offerings
- Legacy satellite installation ecosystems facing gradual disintermediation
- Mass-market streaming strategies dependent on scale without pricing power
- Competing regional broadcasters lacking digital transition infrastructure

POLICY SIGNALS

- African media economics are shifting from hardware-dependent broadcasting toward Internet-delivered ecosystems
- Profitability is increasingly prioritised over raw subscriber growth
- Embedded financial services are becoming integral to digital media monetisation
- Regional media firms are consolidating around premium content defensibility rather than broad streaming competition
- Broadband access is becoming strategically linked to entertainment market expansion

INVESTOR SIGNAL

MultiChoice's repositioning suggests a more disciplined capital allocation strategy focused on monetisable premium audiences rather than loss-intensive scale expansion. The pivot may improve margin resilience if DStv Stream successfully converts premium sports and entertainment demand into stable recurring digital revenue.

The integration of payments infrastructure also introduces potential long-term fintech optionality, particularly around subscription recovery, embedded billing, and recurring consumer payment behaviour. For investors, the shift signals that MultiChoice increasingly sees itself as a digital platform business rather than purely a satellite broadcaster.

However, the sustainability of the model remains heavily tied to premium content exclusivity, broadband affordability, and consumer spending resilience across African markets.

RISK RADAR

- Rising broadband costs limiting streaming adoption across lower-income markets
- Continued foreign exchange pressure on content acquisition and technology infrastructure
- Intensifying competition from global streaming platforms
- Sports broadcasting rights inflation weakening margin sustainability

NUPRC Drives Coordinated Gas-to-Power Reforms Despite Persistent Energy Sector Fragmentation

By Johnson Emmanuel

The Nigerian Upstream Petroleum Regulatory Commission (NUPRC) recently called for coordinated action among gas producers, power-sector operators, and financial institutions to address Nigeria's persistent gas-to-power bottlenecks during the 2026 Gas-to-Power Sector Stakeholders' Engagement at the Afreximbank Africa Trade Centre in Abuja.

Delivering a goodwill message at the event themed 'Power Sector Sustainability: Framework Implementation Assurance,' Chief Executive of the NUPRC, Oritsemeyiwa Eyesan, urged stakeholders to abandon silo-based operations and adopt integrated execution frameworks across the gas, electricity, and financing value chains.

Eyesan stated that despite Nigeria's extensive gas reserves and multiple state-backed interventions over several decades, sector outcomes remain constrained by fragmented implementation, weak institutional coordination, and misalignment among key actors.

DECISION HIGHLIGHT

The NUPRC is reframing Nigeria's gas-to-power crisis as an institutional coordination failure rather than solely a resource or infrastructure deficit.

DECISION MEMO

The intervention reflects growing regulatory recognition that Nigeria's energy constraints are increasingly structural and transactional rather than geological. Nigeria possesses substantial natural gas reserves, yet electricity reliability, generation stability, and industrial power supply remain persistently weak.

By directly linking the gas, power, and financial sectors within a single policy conversation, the NUPRC is effectively acknowledging that isolated reforms within individual sectors have failed to produce sustainable system-wide outcomes.

The gas-to-power chain remains commercially fragile because upstream gas supply, power generation economics, transmission limitations, tariff structures, and payment discipline operate under disconnected incentive frameworks. Gas suppliers face receivables uncertainty, generation companies confront liquidity constraints, while financial institutions remain exposed to regulatory and repayment risks.

Eyesan's emphasis on "Framework Implementation Assurance" suggests a shift away from policy formulation toward execution credibility. Nigeria's energy sector has historically suffered from implementation gaps despite repeated reform cycles, privatisation efforts, and intervention programmes.

The timing is also significant. Nigeria's industrial competitiveness increasingly depends on stable domestic energy supply as manufacturers confront rising operating costs, foreign exchange pressures, and infrastructure deficits.

The broader implication is that gas monetisation strategy may now become more closely tied to domestic industrial productivity and electricity stability rather than export-oriented hydrocarbon policy alone.

DATA BOX

- Institution: Nigerian Upstream Petroleum Regulatory Commission



Mrs. Oritsemeyiwa Eyesan, Chief Executive of NUPRC

- Event: 2026 Gas-to-Power Sector Stakeholders' Engagement
- Venue: Afreximbank Africa Trade Centre, Abuja
- Theme: "Power Sector Sustainability: Framework Implementation Assurance"
- Core Stakeholders Identified:
 - Gas sector operators
 - Power sector participants
 - Financial institutions

gas supply arrangements

Who Loses

- Fragmented operators benefiting from regulatory disconnects
- Inefficient intermediaries within the energy value chain
- Businesses dependent on costly self-generation infrastructure if reforms accelerate

POLICY SIGNALS

The Nigerian Upstream Petroleum Regulatory Commission is signalling stronger integration between upstream gas regulation, electricity-market sustainability, and financial-sector participation.

The emphasis on implementation assurance indicates increasing policy focus on execution discipline rather than additional reform declarations.

INVESTOR SIGNAL

The push for coordinated gas-to-power alignment marginally improves long-term confidence in domestic gas commercialisation opportunities. Investors may interpret the intervention as recognition that energy-sector sustainability depends on resolving payment flows, contractual enforcement, and cross-sector coordination risks.

The framework could strengthen future investment attractiveness in gas infrastructure, embedded generation, and industrial energy projects if implementation coherence improves.

RISK RADAR

- Persistent liquidity shortfalls across the electricity market
- Weak enforcement of commercial obligations
- Regulatory overlap between energy-sector institutions
- Gas supply disruptions linked to infrastructure deficits or insecurity
- Transmission bottlenecks limiting downstream power delivery
- Policy inconsistency across successive reform cycles
- Financing constraints for long-gestation energy infrastructure projects

Nigeria possesses substantial natural gas reserves, yet electricity reliability, generation stability, and industrial power supply remain persistently weak

- Key Regulatory Concern: Fragmented implementation and weak sectoral alignment
- Strategic Objective: Integrated gas-to-power execution framework

WHO WINS / WHO LOSES

Who Wins

- Industrial users dependent on improved power reliability
- Gas suppliers benefiting from stronger payment coordination
- Financial institutions seeking clearer sector frameworks
- Power generation companies requiring stable

When Bond Traders Panic, Economies Bleed

I would always believe that the most dangerous economic crises are not the loud ones. They are the quiet signals buried deep inside financial markets long before politicians acknowledge reality publicly. Stock markets scream. Oil prices swing dramatically. Currency markets panic openly. But bond markets whisper before they explode. And when bond traders begin to lose confidence collectively, I pay attention immediately.

Right now, the bond market is sending a deeply uncomfortable message to the global economy. The warning is no longer subtle.

The world appears to be entering a dangerous phase where inflation fears, geopolitical instability, rising debt burdens, weak fiscal discipline, and political indecision are converging simultaneously. That combination is toxic for financial stability. More importantly, I believe many governments are underestimating how quickly bond market anxiety can evolve into a wider economic crisis affecting businesses, households, jobs, investments, and national development priorities.

The recent surge in United States Treasury yields should worry everyone, including Nigeria.

When the 30-year United States Treasury yield climbed above 5.2 percent, its highest level since 2007, the market was effectively announcing that investors no longer feel adequately compensated for sovereign risk under current conditions. That matters because United States Treasury securities represent the benchmark foundation of the global financial system. Once confidence weakens there, the ripple effects spread rapidly across emerging markets, commodity economies, debt markets, and capital flows.

I think many people misunderstand bond markets because they appear abstract. But bond yields affect almost everything in economic life. They influence borrowing costs, mortgage rates, business financing, sovereign debt servicing, infrastructure funding, banking liquidity, and investor risk appetite globally.

When bond prices fall and yields rise, governments must pay more to borrow money. That creates enormous fiscal pressure. For heavily indebted economies, higher yields become economically suffocating.

Ajay Rajadhyaksha of Barclays captured the problem bluntly when he said: "The developed world has too much debt, too little fiscal discipline, and no political appetite for fixing either." I agree entirely.

The developed world spent years accumulating extraordinary debt levels under ultra-low interest rate conditions. Governments borrowed aggressively because money was cheap. But that era is ending. Inflation, geopolitical fragmentation, energy disruptions, and protectionist trade policies are changing the global financial environment fundamentally. The market is beginning to realise that inflation may no longer be temporary. That is the real fear driving the bond selloff.

The Iran conflict and disruption around the Strait of Hormuz exposed how fragile global energy systems remain. Oil prices immediately became volatile because the market understood the implications instantly. Roughly one-fifth of global oil flows move through Hormuz. Any disruption there directly affects energy prices, transportation costs, manufacturing expenses, food inflation, and global supply chains.

President Donald Trump attempted repeatedly to calm markets by suggesting the conflict was close to ending. Stocks reacted emotionally. Oil occasionally retreated temporarily. But bond traders remained unconvinced. That is important.

Bond markets do not operate primarily on political optimism. They operate on long-term risk pricing. Investors are no longer simply reacting to war headlines. They are reassessing whether inflation will remain structurally elevated longer than central banks previously anticipated.

If inflation persists, interest rates remain high. If rates remain high, debt servicing costs rise sharply. If debt servicing costs rise, fiscal deficits worsen. If deficits worsen, governments borrow even more. That cycle becomes extremely dangerous. I believe this is precisely where the global economy is heading. The implications for Africa, and especially Nigeria, could be severe.

Nigeria already faces a difficult macroeconomic environment characterised by high debt servicing obligations,

exchange-rate instability, inflationary pressure, fiscal constraints, infrastructure deficits, and fragile household purchasing power. A prolonged rise in global bond yields complicates all these problems simultaneously. The first implication is capital flight pressure.

When United States Treasury yields rise sharply, international investors naturally shift capital toward safer dollar-denominated assets offering attractive returns. Emerging markets immediately become less attractive because investors can earn strong returns from relatively safer United States government securities.

Nigeria has spent the last year attempting to restore foreign investor confidence through exchange-rate reforms, tighter monetary policy, fuel subsidy removal, and fiscal adjustments. Higher global yields could partially weaken those efforts because portfolio investors become more selective during periods of global financial uncertainty. This matters enormously for the naira.

Foreign portfolio inflows have become increasingly important in supporting liquidity within Nigeria's foreign exchange market. If rising United States yields reduce appetite for emerging-market assets, pressure on the naira could intensify again despite ongoing reforms by the Central Bank of Nigeria (CBN). The second implication involves borrowing costs.

Nigeria's government already spends an alarming portion of revenue servicing debt obligations. If global borrowing conditions tighten further, refinancing existing obligations and raising fresh external capital becomes more expensive. This is where the danger becomes structural.

Some other countries, including Nigeria, require long-term capital for infrastructure, energy transition, industrialisation,

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transport systems, housing, and digital expansion. But when global bond yields rise aggressively, access to affordable development finance weakens. In simple terms, expensive global money slows national development.

I believe many African governments are entering a period where traditional external borrowing models may become increasingly unsustainable. The old assumption that international markets will always provide relatively affordable liquidity no longer appears reliable. The third implication concerns inflation itself.

Nigeria remains highly vulnerable to imported inflation because of its dependence on imported refined petroleum products, industrial inputs, machinery, pharmaceuticals, and food-related supply chains. Any prolonged geopolitical tension that sustains elevated energy prices will eventually transmit directly into domestic inflation. We already saw this dynamic during previous oil and logistics shocks globally.

Transportation costs rise. Food prices increase. Manufacturing becomes more expensive. Electricity costs climb. Consumer purchasing power weakens. Social pressure intensifies.

This is why I believe Nigeria cannot afford to treat global bond market instability as a distant Wall Street problem. It is directly connected to domestic economic stability. There is also a deeper issue many policymakers avoid discussing openly. The global economic order itself is becoming more



unstable.

For decades, globalisation helped suppress inflation through cheap manufacturing, integrated supply chains, open trade systems, and relatively predictable geopolitical relationships. That environment is changing rapidly. The world is fragmenting economically.

The United States-China rivalry continues intensifying. Trade protectionism is increasing globally. Wars and geopolitical conflicts now disrupt supply chains more frequently. Energy security has become a strategic weapon. Governments increasingly prioritise domestic resilience over global integration. All these trends are inflationary structurally.

That means central banks worldwide may struggle to return permanently to the ultra-low interest rate era that dominated after the 2008 financial crisis. If that happens, Africa faces a serious strategic challenge.

Most African development models were built around assumptions of relatively accessible global capital, development assistance, concessional financing, and commodity export revenues. But rising global borrowing costs threaten that framework fundamentally. I believe this is why conversations around African financial sovereignty are becoming increasingly urgent.

Africa cannot sustainably industrialise while remaining excessively dependent on externally priced capital and imported productive capacity. The continent must deepen domestic capital markets, strengthen pension fund mobilisation, expand local currency financing systems, and improve intra-African trade financing architecture.

Nigeria especially needs stronger domestic savings mobilisation and deeper institutional investment capacity.

The country cannot continue depending overwhelmingly on volatile foreign portfolio flows while neglecting long-term domestic capital formation. That model creates repeated cycles of instability whenever global financial conditions tighten.

The bond market warning should therefore force deeper introspection inside Nigeria's economic management system.

The government must accelerate productivity reforms rather than relying excessively on monetary tightening alone. Fiscal discipline must improve materially. Oil production stability remains critical. Domestic refining capacity must expand urgently. Export diversification can no longer remain rhetorical. More importantly, Nigeria must reduce structural vulnerability to external shocks.

That means food security matters. Energy infrastructure matters. Industrial production matters. Domestic manufacturing matters. Logistics efficiency matters. Local currency financing matters. The current global financial environment is punishing weak economic structures brutally.

Countries with fragile fiscal systems, excessive import dependence, weak productivity, and shallow capital markets will face increasing pressure if global bond volatility persists. I also think there is a psychological dimension many analysts ignore. Bond markets are fundamentally confidence markets.

Once investors begin doubting policymakers' ability to control inflation, manage debt sustainably, or maintain economic stability, restoring credibility becomes extremely difficult. Markets punish uncertainty aggressively. This explains why even positive political statements no longer calm bond investors consistently. Confidence today requires more than speeches. It requires policy credibility, fiscal discipline, institutional strength, and strategic coherence.

Nigeria's current reforms have improved certain macroeconomic signals. But the country remains highly exposed to external financial shocks because structural transformation is still incomplete. That is the uncomfortable reality.