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Global economic policy changes and implications for Nigeria

Key considerations and outlook

Perspectives
April 2025

What's inside

1 **Nigeria macroeconomic context**
- Setting the context: 2025 in perspective

2 **Key global policy changes and implications for Nigeria**
- Global policy shifts
- Impact and implications for Nigeria

3 **Economic outlook**

4 **Strategic responses by government and businesses**

1

Nigeria macroeconomic context

Dashboard of key economic indicators

GDP Growth Rate

3.40%

Period	YoY%	▲
FY 2024	**0.66%**	2023 2.74%

Exchange Rate - Official

₦1,599.3/$

Period	YoY%	▼
Apr 2025	**-16%**	Apr 2024 1,373.5/$

Exchange rate - Parallel

₦1,610/$

Period	YoY%	▼
Apr 2025	**-61%**	Apr 2024 ₦1,000/$

Market Capitalisation

₦65.71tn

Period	YoY%	▲
Apr 2025	**18%**	Apr 2024 ₦55.87tn

Oil Production

1.4 mbpd

Period	YoY%	▲
Mar 2025	**13.8%**	Mar 2024 1.23mbpd

Gross Foreign Reserves

$37.91bn

Period	YoY%	▲
Apr 2025	**17.4%**	Apr 2024 $32.29bn

Monetary Policy Rate

27.5%

Period	YoY%	▲
Mar 2025	**2.75%**	Mar 2024 24.75%

Inflation Rate

24.2%

Period	YoY%	▼
Mar 2025	**9%**	Mar 2024 33.2%

***Inflation figures for 2025 rebased by the NBS as the reference 'basket' used to calculate inflation were reweighted and the comparison period was updated from 2009 to 2024.**
***The cut-off date is 16th April. 2025**

Source: NBS, NUPRC, OPEC, CBN, FMDQ, NGX, Rate Cap, Strategy& Analysis

Increase ▲ Decrease ▼

Setting the context: 2025 in perspective (1/4)

Output dynamics	Broadly, Gross Domestic Product (GDP) remained resilient despite the triple pressure points of high inflation, exchange rate depreciation and high interest rate. Though sectoral performance varied, the services sector remained the primary driver of growth. • GDP grew by 3.40% in 2024, up from 2.74% in 2023, driven by the Financial and Insurance, Information & Communication, and Mining and Quarrying sectors which grew by 29.57%, 5.42%, and 4.85% respectively in 2024. Growth in the Financial and Insurance sector was due to the performance of the Banking subsector which grew by 30.89% due to increased interest income, deposits and retained earnings. • Growth in the Information & Communication sector was driven by the performance of the Telecommunications subsector which grew by 6.25% due to growth in digital adoption, broadband services and telecommunication infrastructure. Growth in the Mining and Quarrying sector was also due to the performance of the Petroleum and Natural Gas subsector which grew by 5.54% due to increased crude oil production and higher average prices.
Fiscal dynamics	Amid the current fiscal challenges of Nigeria, including high public debt, low revenue generation, and inflationary pressures, the 2025 budget was increased by 10.64% to ₦54.99 trillion from initial budget proposal of ₦49.7 trillion, on expectations of higher collections by the Federal Inland Revenue Service (FIRS) and Customs. However, the sharp rise in public debt due to exchange rate depreciation and new borrowings signals growing fiscal pressure. The decline in Federation Account Allocation Committee (FAAC) disbursements following lower statutory revenues further highlights the strain on public finances. • Nigeria's budget of ₦54.99 trillion was approved for 2025, indicating a 10.64% increase from initial budget proposal of ₦49.7 trillion. The increase was driven by assumptions of additional revenues from the FIRS and the Nigeria Customs Service. • Nigeria's total public debt increased by 48.58% from ₦97.34 trillion in December 2023 to ₦144.67 trillion in December 2024, driven by exchange rate depreciation and new borrowings. • Despite its public debt profile, Nigeria's Long-Term Foreign-Currency Issuer Default Rating was upgraded to 'B' from 'B-' with a stable outlook. The upgrade was driven by sustained policy reforms despite persistent domestic challenges and heightened external risks. • Federation Account Allocation Committee (FAAC) disbursed ₦1.578 trillion in March 2025, representing the third consecutive drop in monthly allocation in 2025, from ₦1.678 trillion in February and ₦1.703 trillion in January 2025. The decline is driven by a decrease in total distributable revenue including oil and gas royalty, Value-Added Tax (VAT), Electronic Money Transfer Levy (EMTL), excise duty, import duty, and Common External Tariff (CET) levies.

Source: NBS, CBN, DMO, NGX, Strategy& Analysis

Setting the context: 2025 in perspective (2/4)

Price Dynamics

Headline inflation rose from 23.18% in February to 24.23% in March 2025, driven by rising food and fuel prices. However, the official exchange rate remained relatively stable, depreciating only by 7.9% y-o-y, due to the Central Bank of Nigeria's (CBN) policy actions, including the Electronic Foreign Exchange Market System (EFEMS) launch and a $200 million forex injection to stabilise the naira and boost investor confidence.

- Nigeria's headline inflation rate increased from 23.18% in February 2025 to 24.23% in March 2025. This was primarily driven by rising food prices and a slight increase in petrol prices.
- The official exchange rate remained relatively stable, recording a marginal depreciation of 7.9% from 1,511.4/$ in April 2024 to ₦1,628.9/$ in April 2025. This relative stability reflects the impact of policy measures by the Central Bank of Nigeria, i.e., introduction of the Electronic Foreign Exchange Market System (EFEMS), which has enhanced transparency, improved liquidity, and supported more effective price discovery in the foreign exchange market.
- To stabilise the naira amid the global policy changes and the resulting market volatility, the CBN injected nearly $200 million into the forex market as part of a broader effort to support investor confidence and maintain economic stability.

Monetary dynamics

Improved external conditions and higher non-oil revenues boosted reserves, while CBN reforms strengthened FX stability and market confidence.

- CBN Net Foreign Exchange Reserves (NFER) as of December 2024 reached $23.11 billion representing a significant increase of 479.2% from $3.99 billion in December 2023. The increase was driven by improved non-oil revenues, reduction in short-term foreign exchange liabilities such as FX swaps and forward obligations. Gross reserves also reached $38.3 billion in March 2025 from $33.8 billion in 2024.
- CBN maintained the MPR at 27.5% as of March 2025. The Cash Reserve Ratios (CRR) for commercial and merchant banks were also retained at 50% and 16%, respectively. CBN may continue to maintain interest rates at 27.5% in the near term as inflationary pressures begin to ease.

Source: NBS, CBN, DMO, NGX, Strategy& Analysis

Setting the context: 2025 in perspective (3/4)

Real sector dynamics

The expansion in economic activity, as indicated by the CBN Composite Purchasing Managers Index, reflects improvement in economic activities.

- The CBN Composite PMI indicates that economic activity continued to expand for the third consecutive month in March 2025, with the index rising to 52.3 points from 51.4 in February 2025. This sustained growth was broad-based, with key sectors, Industry, Services, and Agriculture, all recording positive momentum, reflecting growing business confidence and resilience within the Nigerian economy.
- Nigeria recorded a trade surplus of ₦3.42 trillion in Q4 2024, from ₦3.64 trillion in Q4 2023, representing a 6% decline. Imports grew by 83.2% while exports rose by 57.7%.
- The Federal Government appointed a new Group Managing Director and CEO for the Nigerian National Petroleum Company Limited (NNPCL). Leadership changes were also made across key portfolios. These shifts mark a pivotal moment for Nigeria’s oil and gas sector, with promises of major reforms and improved efficiency.
- Nigeria has gazetted and transmitted its Economic Community of West African States (ECOWAS) Tariff Schedule under The African Continental Free Trade Area (AfCFTA). This implies readiness for preferential trade with 90% of tariff lines set for zero duties, boosting regional integration and positioning Nigerian goods for broader African market access.

Source: NBS, CBN, DMO, NGX, Strategy& Analysis

Setting the context: 2025 in perspective (4/4)

Global Dynamics

- **Rising protectionism**: on April 2, 2025, President Donald Trump announced the “Liberation Day Tariffs” which included a universal 10% tariff on all U.S. imports, with higher rates applied to specific countries, such as 54% on imports from China and 20% on goods from the European Union. This was introduced following earlier protectionist measures, such as a 25% tariff on steel and aluminum, as well as proposed tariffs on automobiles and other products. These actions were based on concerns about trade imbalances and the need to support domestic industries. In response, countries like China introduced retaliatory tariffs on U.S. exports. These policy changes have added to global trade tensions and increased uncertainty in international markets.
- **Ukraine-Russia stalemate**: peace talks stalled after Russia rejected a U.S. backed ceasefire proposal, prolonging the conflict and its associated geopolitical risks.
- **Middle-East escalation**: Israel launched airstrikes targeting Hezbollah in Beirut, escalating tensions across the region and raising fears of wider instability.
- **AI development**: artificial Intelligence (AI) continues to transform global power dynamics. In 2024, U.S. private AI investment reached $109.1 billion, nearly 12 times China's $9.3 billion.
- **Shift to power/renewables**: the global shift towards renewable energy is accelerating. Investments in clean energy technologies reached a record $2 trillion in 2024, driving the deployment of renewable power and energy efficiency improvements.
- **Commodity prices**: oil prices have been volatile due to geopolitical tensions and market dynamics. Commodity prices, including agricultural products and minerals, are also experiencing fluctuations due to supply chain disruptions and geopolitical conflicts.
- **Global capital market decline**: the imposition of tariffs and rising geopolitical tensions have led to significant declines in global capital markets, as stock indices across Asia, Europe, and North America have fallen, with major tech and manufacturing stocks experiencing steep losses.

Source: NBS, CBN, DMO, NGX, Strategy& Analysis

2

Key global policy changes and implications for Nigeria

Non-Exhaustive

The U.S policy postures set the tone for significant changes in 2025 and beyond

Overview of U.S. Policies in 2025

Trade

- **Reciprocal tariffs**: on April 2, 2025, the United States announced a new set of tariffs known as the "Liberation Day Tariffs." These measures were designed to reshape trade policy through reciprocal actions aimed at addressing the U.S. trade deficit. A baseline tariff of 10% was introduced on all imports, with higher rates applied to countries that run significant trade surpluses with the United States. The tariff rates will be calculated based on the level required to eliminate the bilateral trade deficit with each country. In determining these rates, the administration will consider factors such as import elasticity and tariff passthrough.
- **Tariffs on Canada and Mexico**: the U.S. imposed 25% tariffs on auto imports and parts, with exemptions for goods meeting United States-Mexico-Canada Agreement (USMCA) rules. It also reinstated a 10% tariff on Canadian energy products.
- **Increased tariffs on China**: as of April 10, 2025, the U.S. has escalated tariffs on Chinese imports, raising them to 125% in response to perceived unfair trade practices. This was followed by China's imposition of reciprocal tariffs of 84% on U.S. goods, effective April 10, 2025, intensifying the trade war between the two nations.
- **Tariffs on African countries**: U.S. imposed reciprocal tariffs of 14% on Nigeria, 30% on South Africa, 21% on Namibia, 50% on Lesotho, and 10% each on Kenya, Ghana, and Ethiopia.
- **Steel and Aluminium Tariffs**: 25% tariffs was reinstated on all steel and aluminium imports to support domestic industries and protect national security.
- **Global reactions and delays**: in response to rising diplomatic tensions and market instability, the U.S. announced a 90-day delay in full tariff enforcement for low-income and strategic partners, temporarily reversing and suspending some tariffs, including those on AGOA-eligible goods, to enable bilateral dialogue, supply chain adjustments, and reassessment of broader economic impacts.

Development assistance

- **Executive Order 14169**: President Trump signed an order titled "Reevaluating and Realigning United States Foreign Aid," initiating a 90-day pause on all U.S. foreign development assistance programs to conduct a comprehensive review.
- **Dissolution of USAID and major cuts to U.S**. foreign aid programs: the administration announced the dissolution of USAID, merging its functions into the State Department and reducing its workforce from over 10,000 to approximately 300 employees. As part of this transition, it terminated 5,800 USAID contract awards and 4,100 State Department grants, resulting in a $54 billion cut to foreign aid and causing significant disruptions to numerous humanitarian programs.

Source: BR LLP, WEF, Strategy& Analysis

Non-Exhaustive

The U.S policy postures set the tone for significant changes in 2025 and beyond

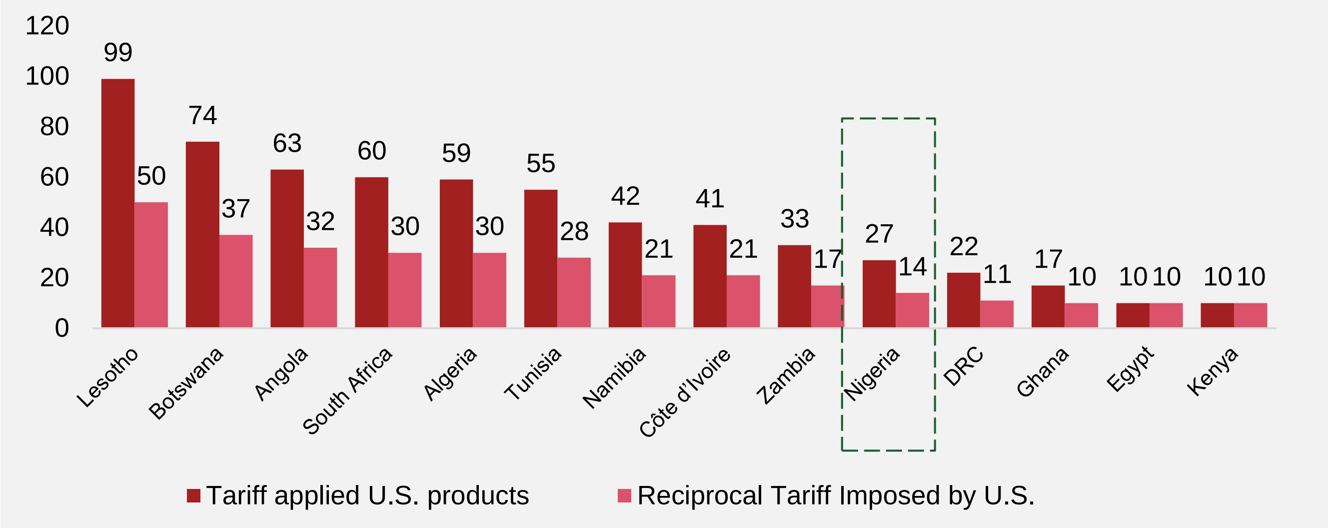
Overview of U.S. Policies in 2025

Immigration	• **Stricter visa vetting**: the President's executive order mandates stricter security screening for visa applicants and individuals already in the U.S., especially for individuals from "high-risk" countries. • **Birthright citizenship limits**: another executive order limits birthright citizenship, requiring at least one parent to be a U.S. citizen or legal permanent resident for children born in the U.S. to acquire automatic citizenship. However, the executive order limiting birthright citizenship has been blocked by multiple federal courts, and the administration is now seeking Supreme Court intervention to allow its enforcement.
Energy	• **National energy emergency**: the U.S. government declared a national energy emergency and indicated plans for increased oil and gas production. • **Lifting of LNG export restrictions**: although concerns about increased LNG exports raising domestic costs were highlighted in the previous U.S. administration, the new administration lifted the pause on LNG export facility approvals.

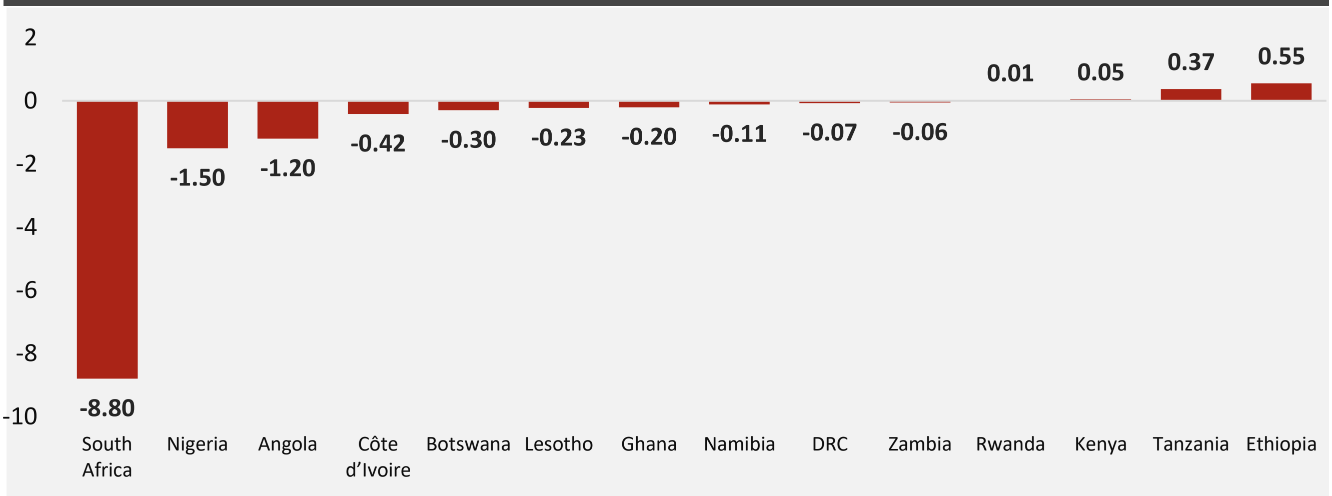
Source: BR LLP, WEF, Strategy& Analysis

The U.S. imposed reciprocal tariffs with a 90-day delay to reduce its trade deficit and support local industry, while Africa had significant trade deficits with the U.S. in 2024

U.S. reciprocal tariffs on African products vs Average tariffs applied to U.S. products (%)



U.S. trade balance in goods with African countries, 2024 ($'billion)



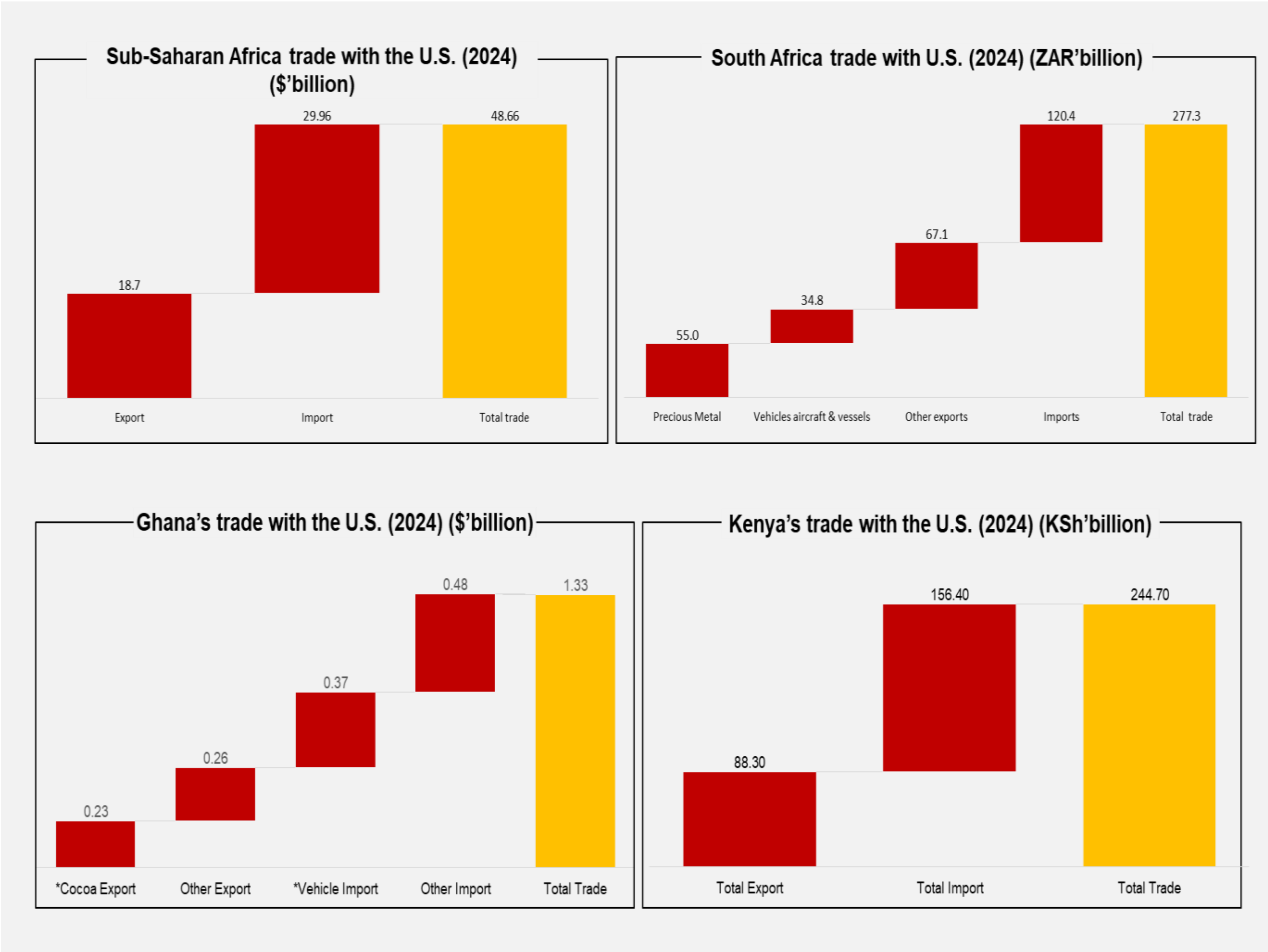
Key insights

- Many U.S. trading partners, especially in Africa applied higher tariffs on U.S. products than the U.S. did on products from Africa[1]. To address this imbalance, the U.S. has imposed reciprocal tariffs to reduce its growing trade deficit and strengthen domestic production.
- Although, in 2024 South Africa accounted for the largest U.S. trade deficit in Africa at $8.8 billion, it imposed the fourth largest average tariffs at (60%) on U.S. goods behind Lesotho (99%), Botswana (74%), and Angola (63%).
- If effected, reciprocal tariffs on goods imported from the affected countries may raise the cost of domestic goods and services for the American people as businesses may pass off the new tariffs to consumers.

[1]Reciprocal Tariff Rate (%) = [(U.S. Trade Deficit with Country) / (U.S. Imports from Country)] / 2 may be limited by its reliance on trade deficits as a proxy for unfair trade, exclusion of actual tariff and non-tariff barriers, and vulnerability to miscalculations that can inflate tariff rates.

Source: World Integrated Trade Solution (WITS), White House, Strategy& Analysis

Most Sub-Saharan Africa (SSA) countries may record increased trade deficits with the U.S. due to reciprocal tariffs on their exports



Key insights

- Total trade between Sub-Saharan Africa (SSA) and the U.S. was estimated at $46.66 billion in 2024, comprising SSA exports to the U.S. of $29.96 billion and SSA imports from the U.S. of $18.7 billion, resulting in a U.S. trade deficit of $11.26 billion.
- Higher U.S. tariffs may make SSA exports more expensive for U.S. consumers, potentially reducing demand for SSA goods like crude oil, minerals, textiles, and agricultural products. This may shrink SSA export revenues.
- Countries such as South Africa, Ghana and Kenya may be impacted due to the high volume of trade with the U.S.

Source: United States Trade Representative, GSS, KNBS, Stats SA, Strategy& Analysis

Also, the U.S.-Africa trade programme may be under threat due to the newly imposed reciprocal tariffs

AGOA

- Launched in 2000, African Growth and Opportunity Act (AGOA) is a preferential trade program that allows countries in Africa to export products to the U.S. tariff-free.

- 32 SSA countries are eligible as of 2024 to duty-free access to the US market for over **1,800** items
- Access to over 5,000 products under the Generalised System of Preferences (GSP) program.

- The products covered by the legislation include agricultural products, apparel and footwear, motor vehicle components, chemicals, wine, steel.

- AGOA has significantly impacted U.S.-Africa trade, with the total trade between AGOA qualified countries and the U.S. exceeding $44 billion in 2024 and fostering growth in sectors like apparel and textiles.

Potential implications of the U.S reciprocal tariffs

Risk of eliminating the duty-free benefits that AGOA currently provides, making African exports less competitive in the U.S. market.

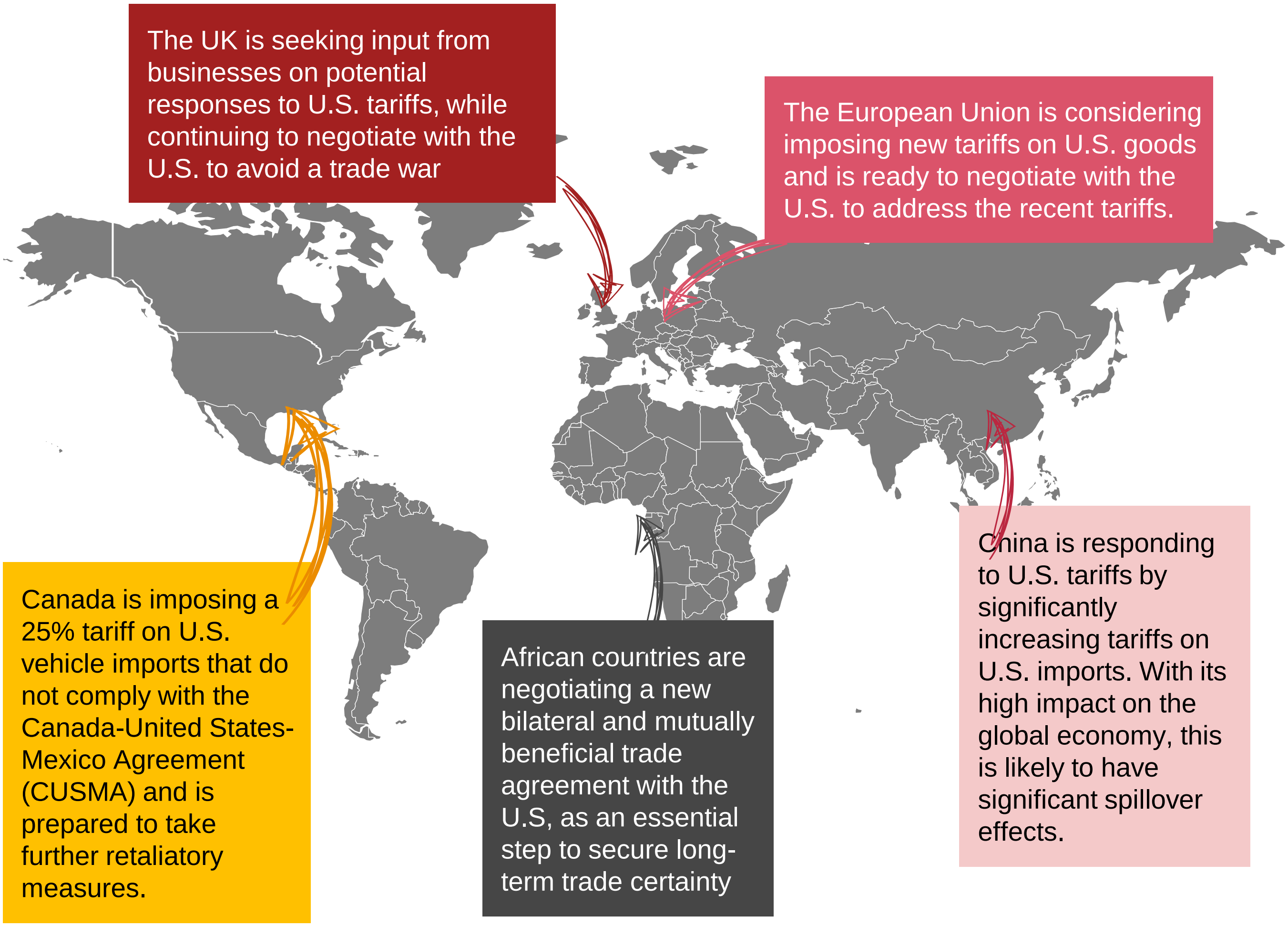
Tariffs on key sectors like textiles and apparel could raise costs, potentially reducing export volumes and impacting job creation in AGOA beneficiary countries.

Instability in U.S-Africa trade relations, which could weaken the long-term credibility and attractiveness of the AGOA framework.

African nations might accelerate efforts to forge or deepen regional trade agreements or seek new markets outside the U.S. to offset the diminished returns under AGOA.

Source: AGOA.info, Strategy& Analysis

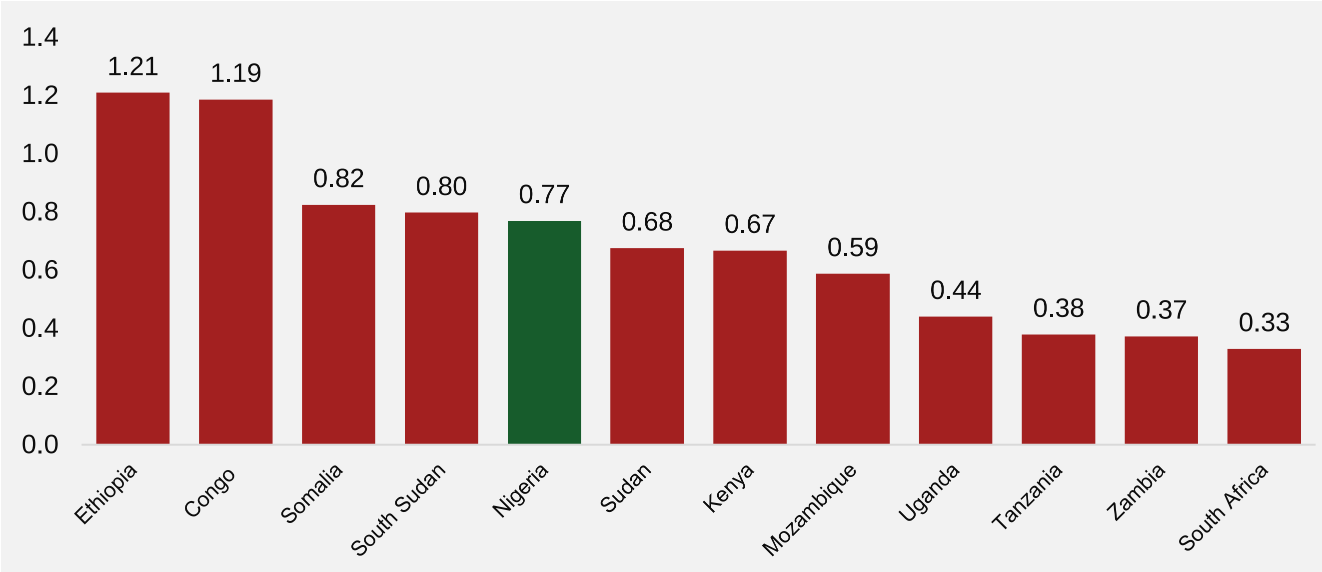
Countries are responding to U.S. tariffs with a mix of retaliatory measures, negotiations, and strategic planning



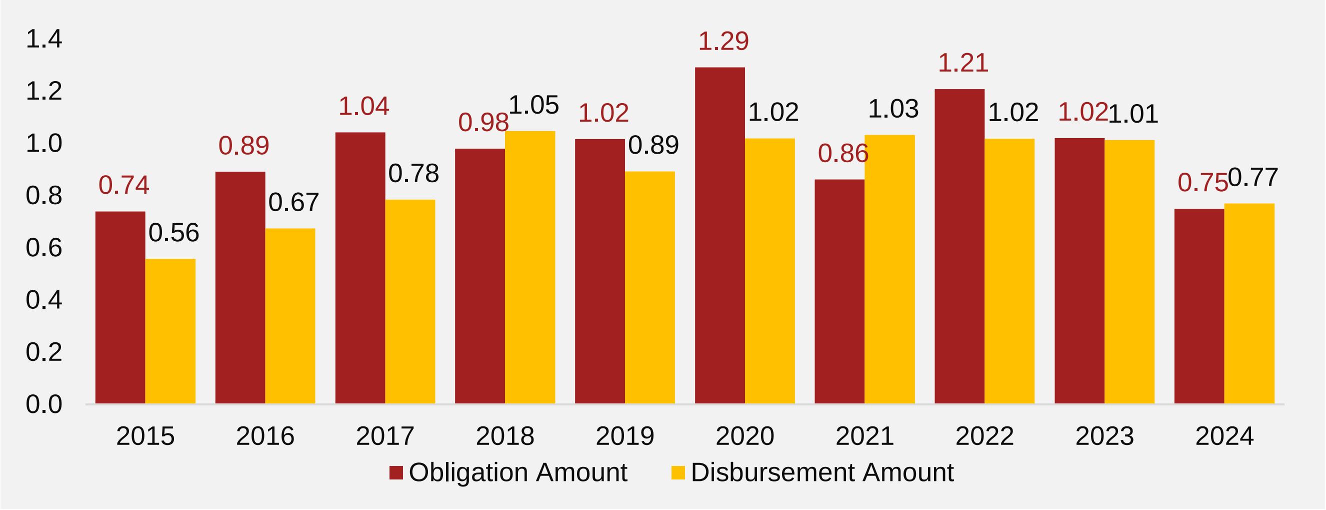
Source: Strategy& Analysis

The foreign policy posture of the U.S may lead to reduced foreign aid and development support for African countries

Top African recipients of USAID funding in 2024 ($'billion)



USAID funding to Nigeria ($'billion)



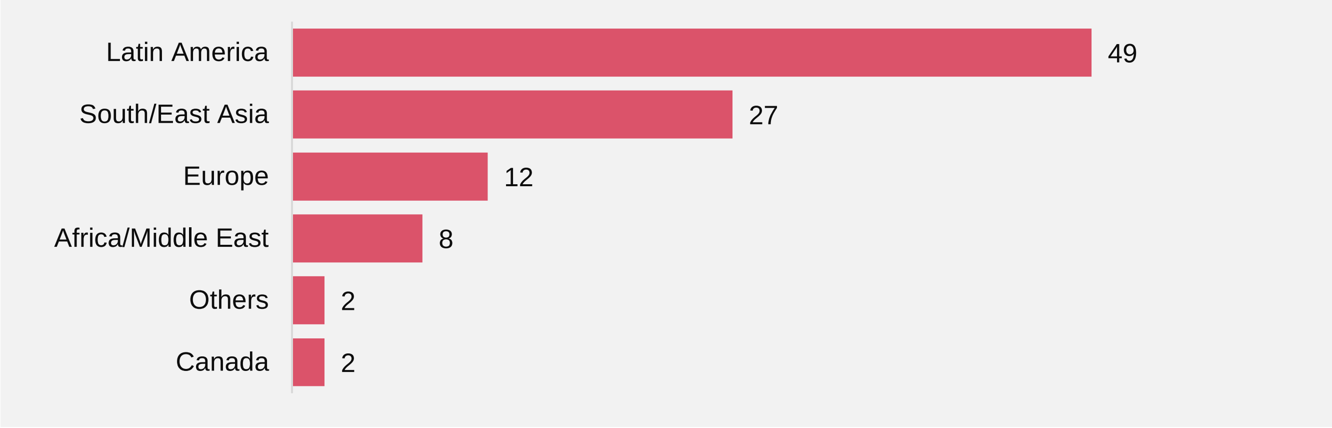
Key insights

- Nigeria received $0.77 billion in USAID disbursements in 2024, ranking fifth in Africa. Ethiopia ($1.21 billion), Congo ($1.19 billion), and Somalia ($0.82 billion) received more, largely due to humanitarian crises, conflict, and food insecurity.
- The fundings are meant to primarily support health, education, and economic development initiatives, contributing to stability and growth of the recipient countries.
- However, sectors dependent on U.S. funding, such as public health (HIV/AIDS, malaria) and security cooperation, risk disruptions in 2025 if aid declines, impacting development spending, unless alternative partnerships bridge the gap.

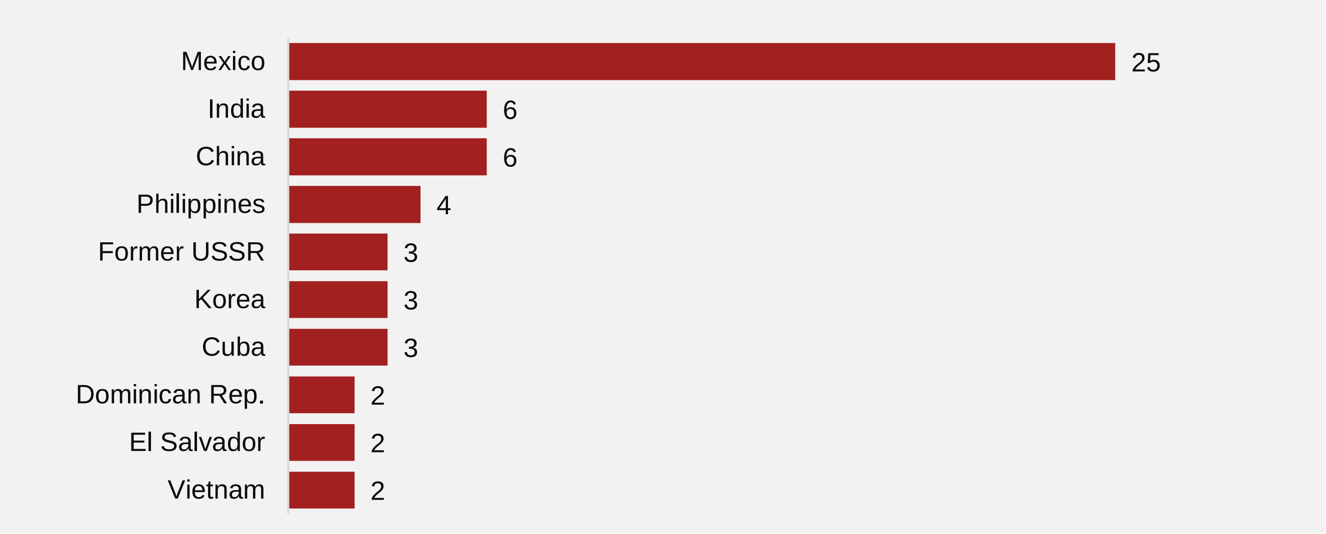
Source: U.S. Foreign Aid Department, Strategy& Analysis

Restrictive immigration policies may limit Africans, who averaged about 8% of total U.S. immigrants between 1965 and 2024

Share of immigrants to the U.S. by region (1965 - 2024) (%)



Share of immigrants to the U.S. by country (1965 - 2024) (%)



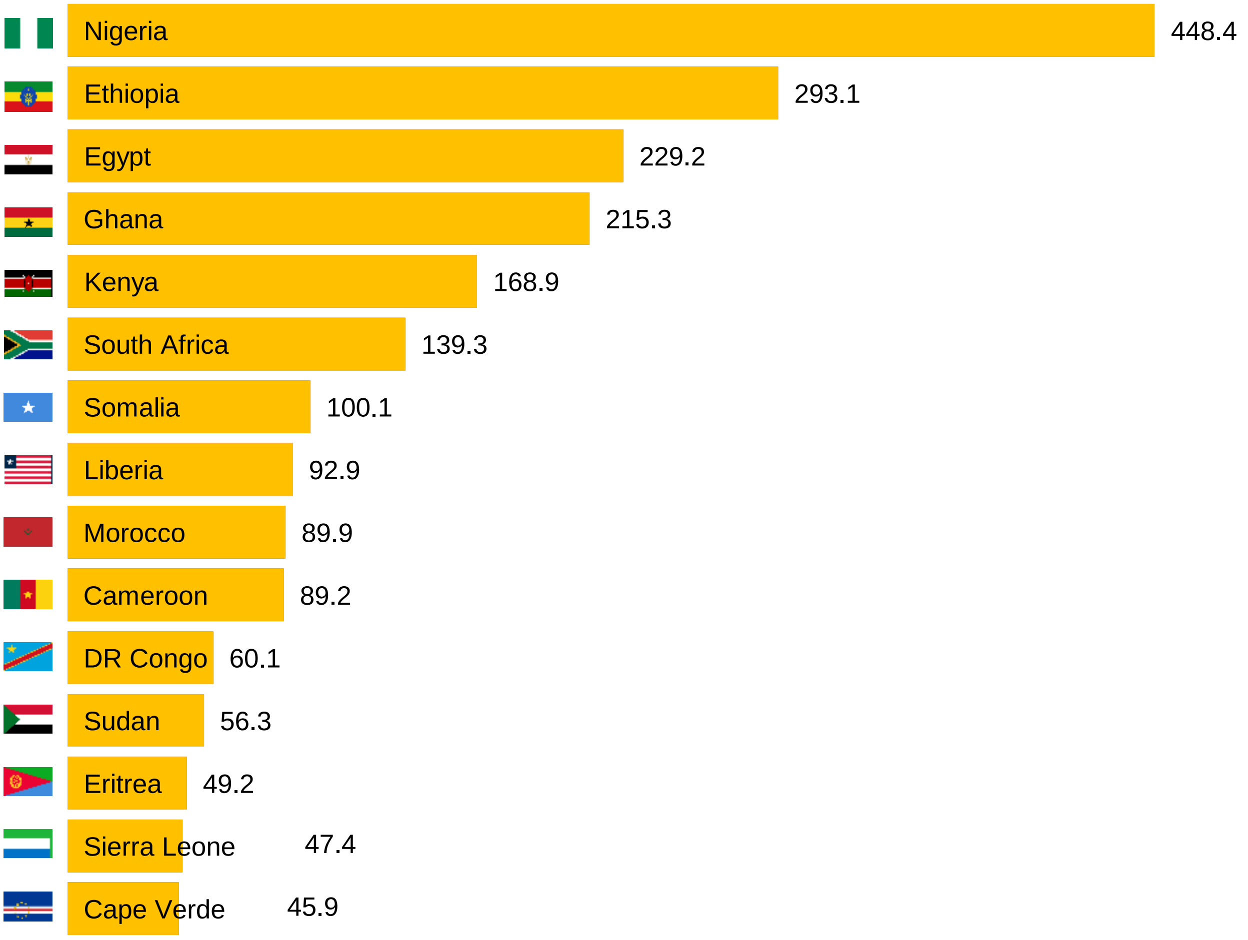
Key insights

- Africa accounted for less than 8%, on average, of total immigrants to the U.S. between 1965 and 2024. The executive order mandating stricter security screening for visa applicants and individuals already in the U.S may lead to a decline in total immigrants from Africa to the U.S.

Source: Pew Research Centre, Intelpoint, Strategy& Analysis

Nigerians may be affected by stricter immigration policies, as they comprise of about 16.3% of African-born U.S. migrants in 2022

African-born immigrants living in the USA in 2022 (Thousands)



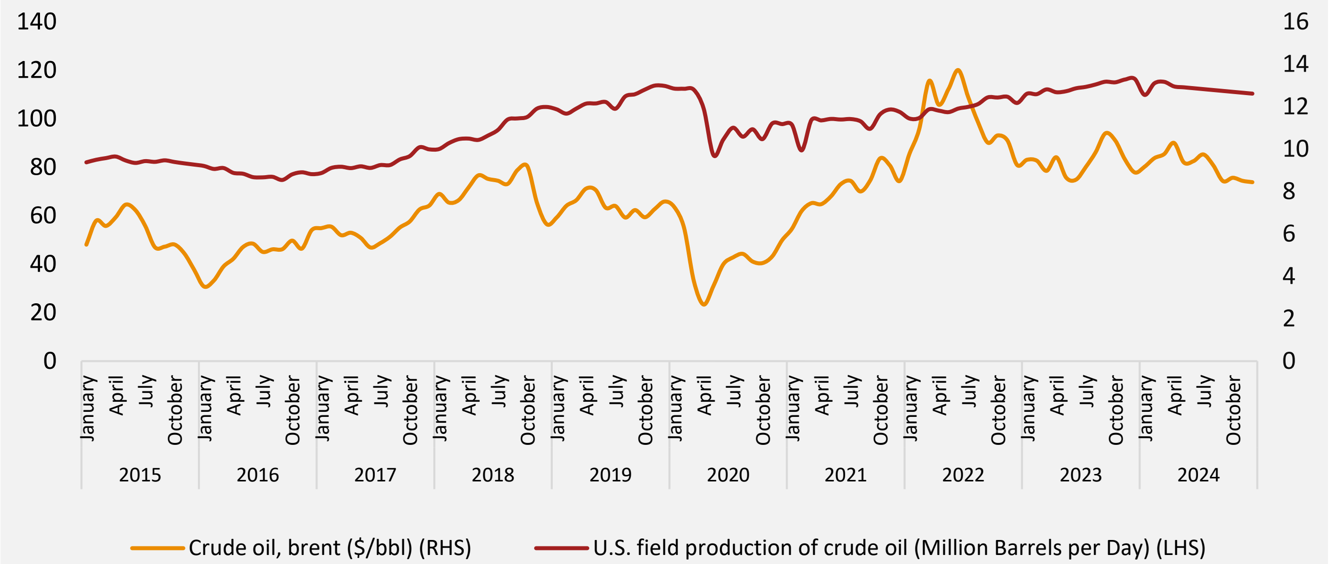
Key insights

- There was a total of 2.75 million African-born immigrant population in the U.S. as of 2022, and approximately 16.3% were Nigerians.
- In 2020, the U.S. administration expanded visa bans to include Nigeria, Eritrea, Sudan and Tanzania due to poor compliance with security intelligence sharing and high terror risk to the USA.
- Tighter immigration policies in 2025 may significantly reduce the flow of migrants to the U.S. with implications for remittance flows to Africa.

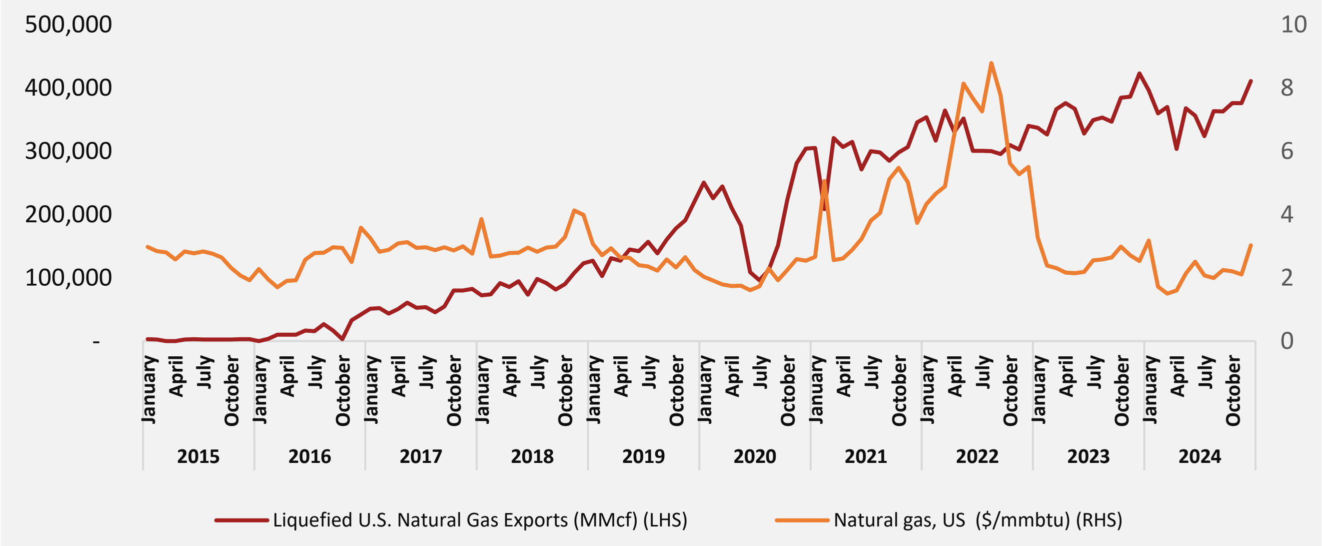
Source: Intelpoint, Strategy& Analysis

Increased U.S. energy production may lead to greater volatility in both oil and LNG prices, depending on global geopolitical events

U.S. crude oil price vs U.S. field production of crude oil



U.S. natural gas exports vs Natural gas prices

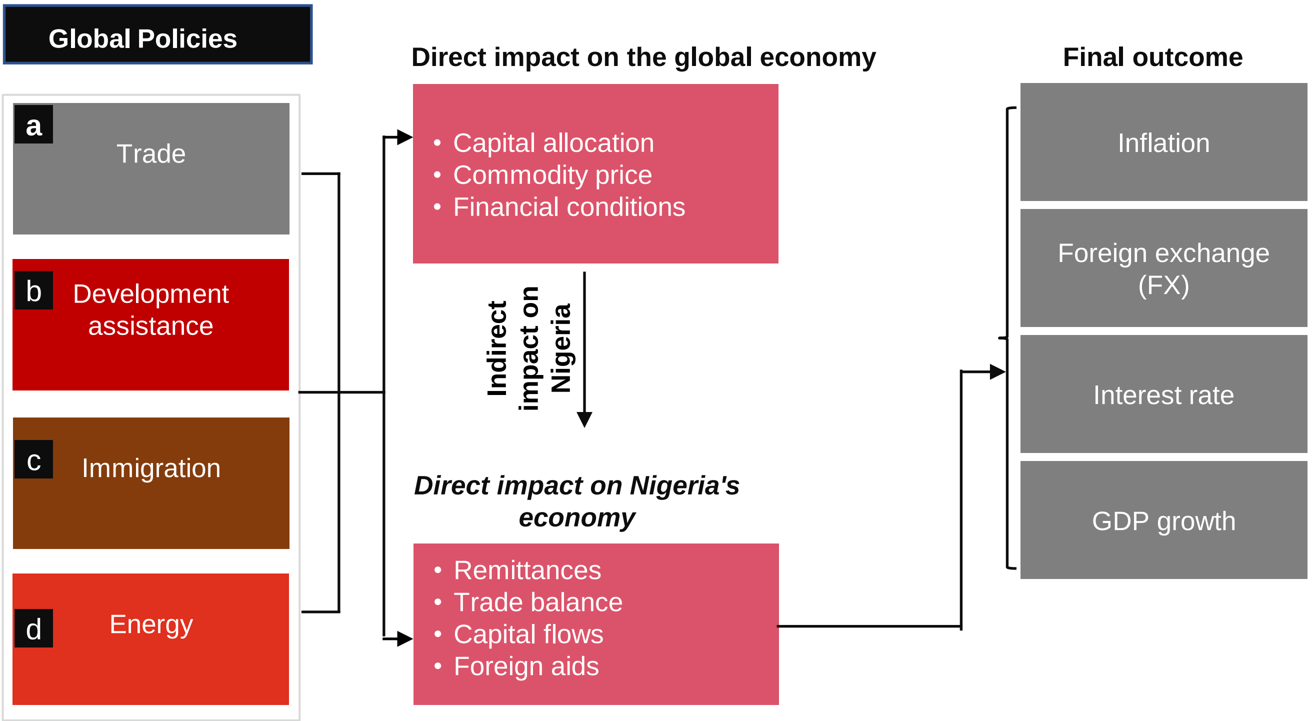


Key insights

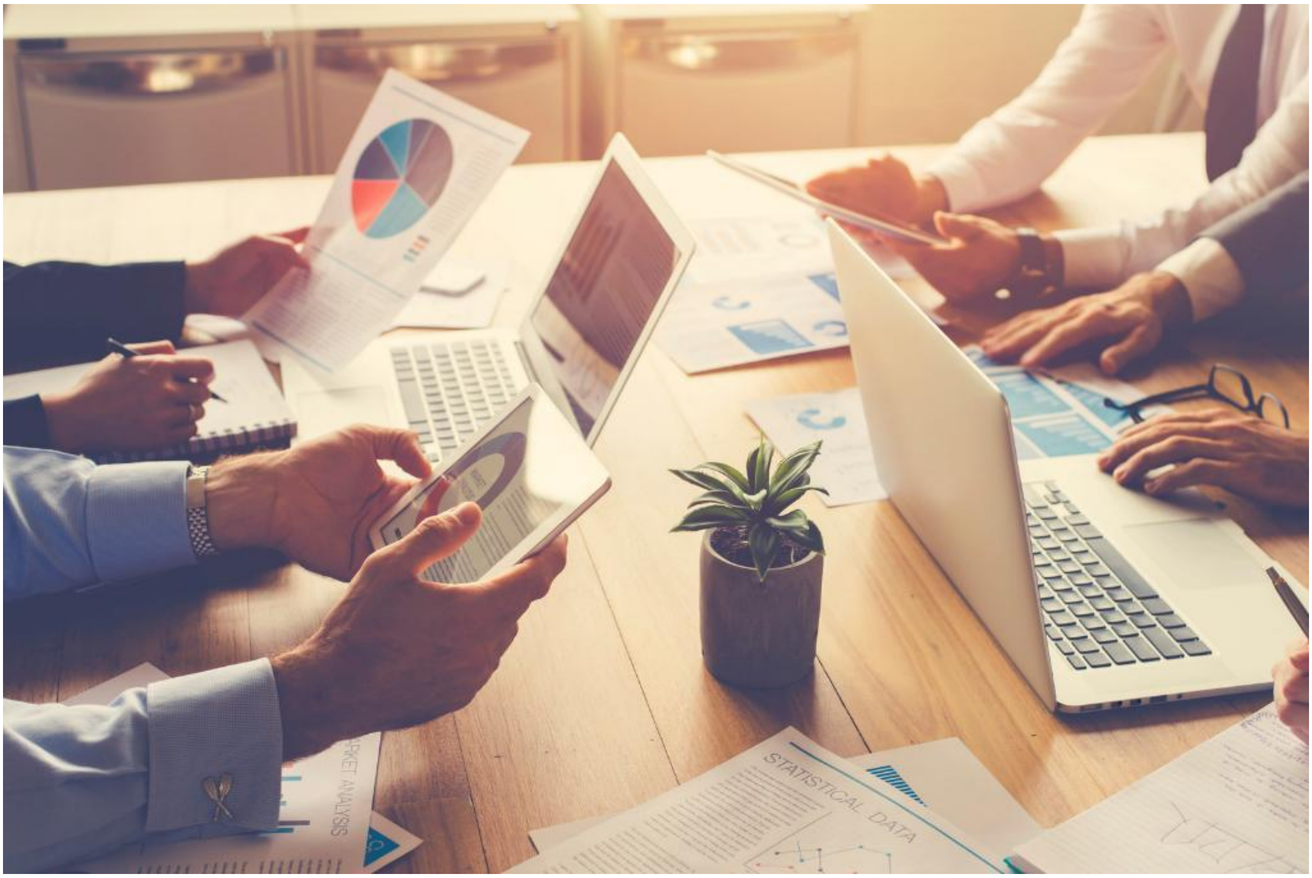
- Greater U.S. energy exports may shift the balance of supply, influencing pricing power in global oil and gas markets, possibly putting pressure on OPEC.
- As U.S. production grows, it may have a greater influence on global energy pricing trends, driving prices lower if the market perceives a consistent surplus.
- Increased energy production may lead to greater volatility in both oil and LNG prices, depending on global geopolitical events and demand fluctuations.

Source: EIA, Strategy& Analysis

Global policies have significant impact on the global economy and may impact Nigeria through direct and indirect mechanism



Source: Strategy& Analysis



Global policies may potentially impact Nigeria in four key areas

Potential impact of global policies on Nigeria

Inflation	Foreign exchange	Interest rates	GDP growth
• Nigeria's inflationary pressure may heighten in 2025 due to potential disruptions in global supply chains caused by U.S. policies.	• Nigeria's exchange rate may be under pressure from a stronger dollar due to a widening trade deficit, and global inflationary pressures.	• Interest rates in Nigeria may rise if inflation increases due to global supply chain disruptions caused by U.S. policies.	• Nigeria's GDP may slow down due to decline in capital flows, diaspora remittances and trade income due to U.S. policies on immigration, energy and tariffs.

Source: Strategy& Analysis

The potential impact of U.S. policies on Nigeria were examined under the status quo, targeted, and favourable scenario

In this scenario, the U.S. maintains its current trade, aid, immigration and energy policies.

A **Status quo scenario**

In this scenario, the direct impact of U.S' policies on Nigeria is assessed. These include the 14% higher tariffs, reduced access to trade benefits, stricter immigration rules, cuts to foreign aid, and increased energy production.

B **Targeted scenario**

In this scenario, the U.S. adopts policies that support stronger economic ties with Nigeria. This includes expanding trade preferences, increasing development assistance, and easing immigration policies.

C **Favourable scenario**

Source: Strategy& Analysis

The impact of U.S. policies on Nigeria – status quo scenario (1/2)

A Status quo – base case						
Policy lever	**Transmission mechanism**	**Drivers**	**Inflation**	**FX**	**Interest rate**	**GDP**
Trade policy	Trade balance	• U.S. protectionist policies and reciprocal tariffs may reduce global trade flows. • Nigeria exported oil and non-oil products worth ₦5.5 trillion to the U.S. in 2024. Lower demand for oil and non-oil exports lead to lower foreign exchange inflows, affecting the naira's stability and reducing GDP growth. • Import costs may rise due to disruptions in supply chains.				
	Export revenue	• Nigeria exported $1.76 billion worth of goods to the U.S. in 2024 under AGOA preferences. Reduced U.S. demand for oil and the potential loss of AGOA benefits may hurt Nigeria's trade surplus. • Declining foreign exchange inflows weaken the naira, increasing import costs and inflation.				
	Cost of import	• U.S. tariffs on China and broader trade disruptions may raise the cost of imported goods (such as machinery and raw materials), which would affect Nigerian businesses and lead to higher inflation.				
Immigration	Remittance inflow	• Stricter immigration policies may reduce the number of Nigerian workers and students in the U.S., thereby lowering remittance inflows, which help stabilise Nigeria's foreign exchange reserves and support consumer spending.				
Development assistance	Foreign aid	• A potential reduction in U.S. development aid may strain Nigeria's budget, but it would have minimal direct impact on foreign exchange reserves since most aid is earmarked for social projects.				

Positive Neutral Negative

Source: Strategy& Analysis

The impact of U.S. policies on Nigeria – status quo scenario (2/2)

A Status quo – base case						
Policy lever	**Transmission mechanism**	**Drivers**	**Inflation**	**FX**	**Interest rate**	**GDP**
Energy policy	Oil price	• Rising U.S. energy production increases global oil supply, driving down oil prices. This may reduce Nigeria's export earnings and weaken the naira.				
	Export revenue	• A prolonged period of low oil prices reduces government revenue, resulting in fiscal deficits, currency depreciation, and slower economic growth.				
	Capital flows	• The expansion of U.S. oil production may reduce its demand for Nigerian crude, thereby lowering Nigeria's foreign exchange earnings. This may reduce dollar inflows and worsen capital outflows as businesses struggle to access foreign exchange.				

Source: Strategy& Analysis

Positive Neutral Negative

The impact of U.S. policies on Nigeria – targeted scenario (1/2)

B Targeted scenario						
Policy lever	**Transmission mechanism**	**Drivers**	**Inflation**	**FX**	**Interest rate**	**GDP**
Trade policy	Trade balance	• Nigeria may face direct trade restrictions or higher tariffs on exports. With the removal of AGOA benefits, Nigeria may struggle to access U.S. markets for crude oil, agricultural, and manufactured goods.	Negative	Negative	Neutral	Negative
	Export revenue	• The U.S. imposes crude oil import bans or sanctions, eliminating a key market for Nigerian exports. Nigeria may lose vital trading partners, resulting in a sharp decline in foreign exchange inflows and significant GDP contraction.	Neutral	Negative	Neutral	Negative
	Cost of import	• Further global supply chain disruptions driven by U.S. policies such as tariffs may lead to steep price increases in Nigeria for U.S. imports. Rising costs of fuel, machinery, and food imports could trigger hyperinflation.	Negative	Negative	Neutral	Negative
Immigration	Remittance inflow	• Large-scale deportations of Nigerian workers from the U.S. may significantly reduce remittance inflows, weakening foreign exchange reserves and reducing household spending, potentially leading to a deep economic crisis.	Neutral	Negative	Neutral	Negative
Development assistance	Foreign aid	• A complete suspension of U.S. aid would negatively impact Nigeria's health, education, and infrastructure programs, worsening fiscal deficits and increasing reliance on external debt.	Negative	Negative	Neutral	Negative

Positive | Neutral | Negative

Source: Strategy& Analysis

The impact of U.S. policies on Nigeria – targeted scenario (2/2)

B Targeted scenario						
Policy lever	**Transmission mechanism**	**Drivers**	**Inflation**	**FX**	**Interest rate**	**GDP**
Energy policy	Oil price	• A surge in U.S. oil production may lead to a global oversupply, pushing oil prices below Nigeria's budget benchmark. As a result, Nigeria's export revenue may plunge, triggering severe naira devaluation.	Neutral	Negative	Negative	Negative
	Export revenue	• A fiscal crisis may emerge as oil-dependent revenues decline sharply. Increased government borrowing and investor exit lead to capital flight and severe currency depreciation.	Negative	Negative	Negative	Negative
	Capital flows	• Lower foreign exchange earnings and reduced capital inflows may occur, as businesses struggle to access foreign currency, leading to worsening capital outflows.	Negative	Negative	Negative	Negative

Positive | Neutral | Negative

Source: Strategy& Analysis

The impact of U.S. policies on Nigeria – favourable scenario (1/2)

C Favourable scenario						
Policy lever	**Transmission mechanism**	**Drivers**	**Inflation**	**FX**	**Interest rate**	**GDP**
Trade policy	Trade balance	• U.S. strengthens AGOA or offers Nigeria preferential trade agreements. This may increase export volumes, therefore improving trade balance.				
	Export revenue	• If the U.S. increases oil imports from Nigeria or encourages bilateral trade, Nigeria gains higher FX inflows, stabilising the naira and boosting GDP.				
	Cost of import	• Reduced U.S. tariffs on imports or China-U.S. trade stabilisation lowers import costs, reducing inflation in Nigeria.				
Immigration	Remittance inflow	• Relaxed visa rules for Nigerians in the U.S. allow more workers to migrate, increasing remittance inflows and supporting FX liquidity.				

Source: Strategy& Analysis

Positive | Neutral | Negative

The impact of U.S. policies on Nigeria – favourable scenario (2/2)

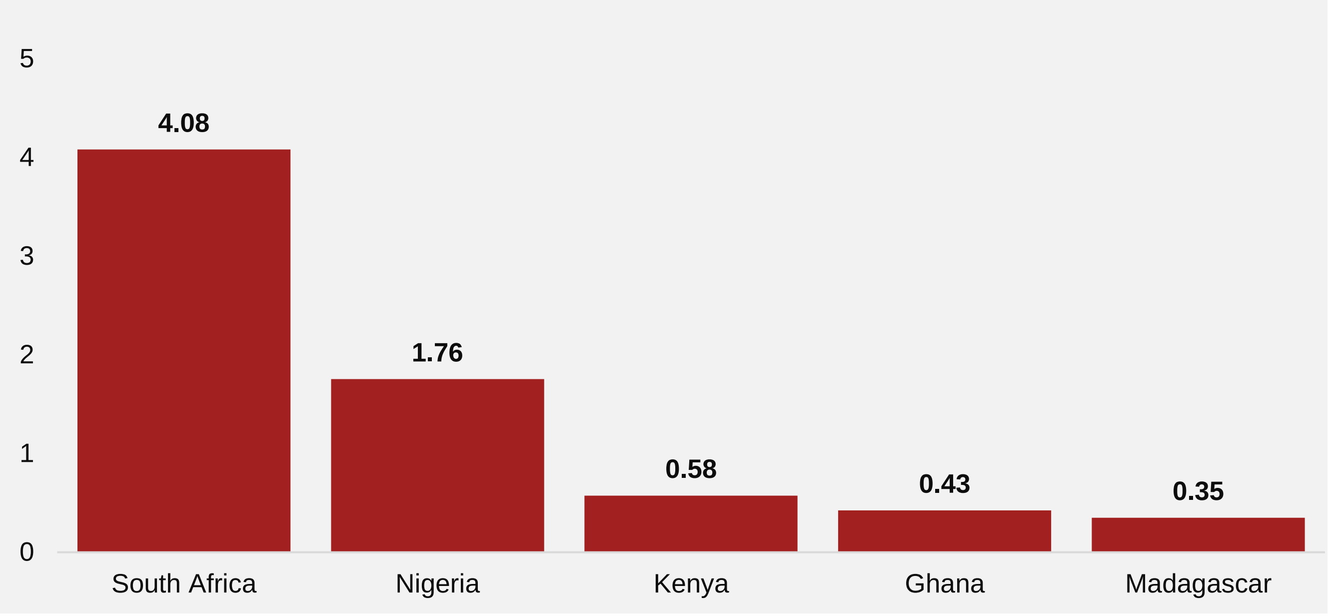
C Favourable scenario						
Policy lever	**Transmission mechanism**	**Drivers**	**Inflation**	**FX**	**Interest rate**	**GDP**
Development assistance	Foreign aid	• If U.S. development assistance increases, Nigeria benefits from health, education, and infrastructure funding, which may lead to long-term economic gains.				
Energy policy	Oil price	• If U.S. policies reduce global oil supply (sanctions on competitors, OPEC cooperation), oil prices increase, boosting Nigeria's revenue and stabilising FX reserves.				
	Export revenue	• Higher oil prices may lead to stronger GDP growth, allowing the government to fund critical projects without excessive borrowing.				
	Capital flows	• U.S. favourable policies on clean energy transition could attract foreign investment into Nigeria's renewable energy sector, supporting long-term energy security and sustainability.				

Source: Strategy& Analysis

Positive | Neutral | Negative

Nigeria may lose significant trade benefits, such as duty-free access to the U.S. market if AGOA is not renewed

Top AGOA exporters 2024 ($'billion)



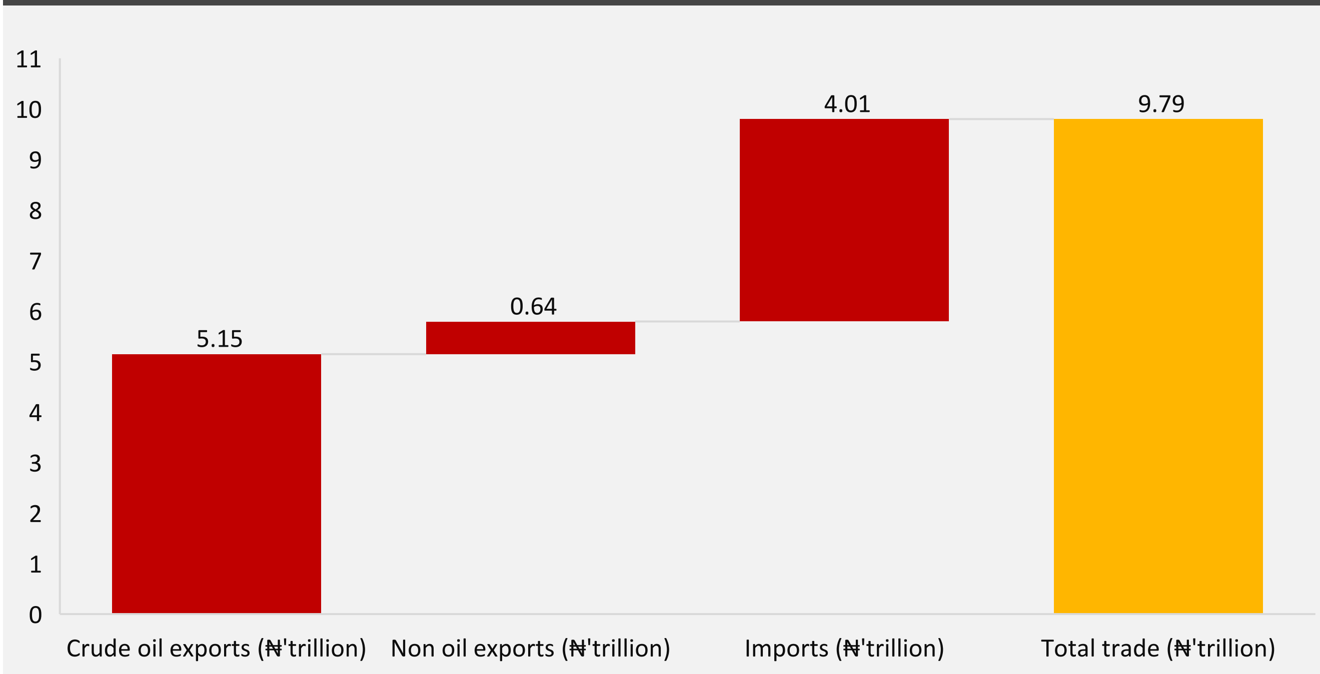
Key insights

- In 2024, Nigeria was the second-largest exporter to the United States under AGOA, exporting goods worth $1.76 billion. If AGOA is not renewed, Nigeria may lose significant trade benefits, including duty-free access to the U.S. market for key exports such as oil, and agricultural products.
- The loss of preferential trade access may reduce Nigeria's competitiveness in the U.S. market and lead to a decline in export volumes, and diminished foreign exchange earnings, particularly from oil and agricultural products that currently enjoy duty-free access under AGOA

Source: AGOA, Strategy& Analysis

U.S. plans to hike tariffs and increase energy production may disrupt trade with Nigeria, whose 2024 exports were 88.9% crude oil

Nigeria’s trade with the U.S. (2024)



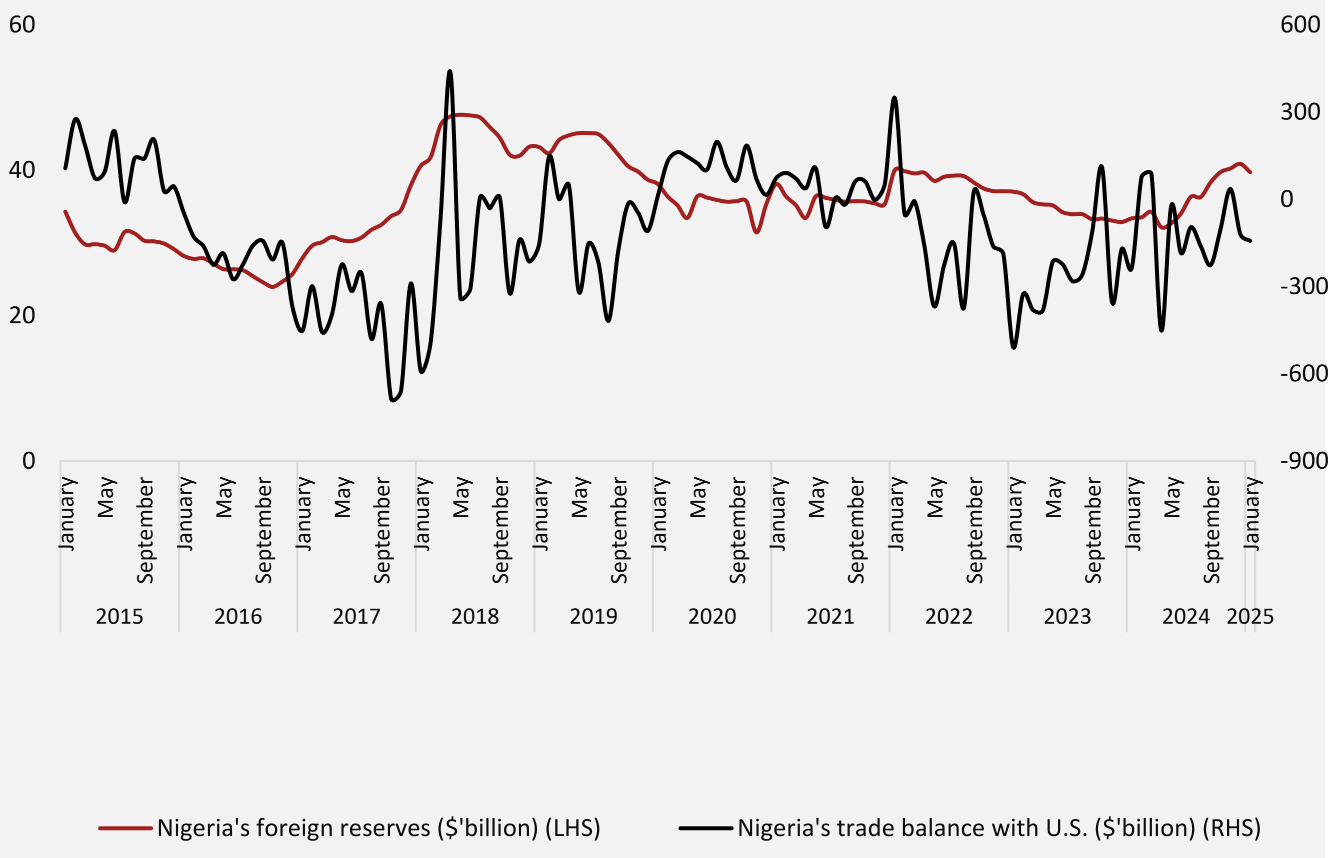
Key insights

- In 2024, the U.S. remained a major importer of Nigerian goods, with total imports valued at ₦5.79 trillion, of which ₦5.15 trillion (88.9%) was crude oil, while ₦641.8 billion (11.1%) was from non-crude oil products.
- However, rising U.S. energy production in 2025 may reduce crude oil imports from Nigeria, while the implementation of additional tariffs in Nigeria may further limit non-oil exports to the U.S.

Source: NBS, Strategy& Analysis

Nigeria's foreign reserves may decline if trade balance with the U.S. deteriorates due to higher U.S. tariffs on Nigerian exports in 2025

Nigeria's foreign reserves vs Nigeria's trade balance with U.S.



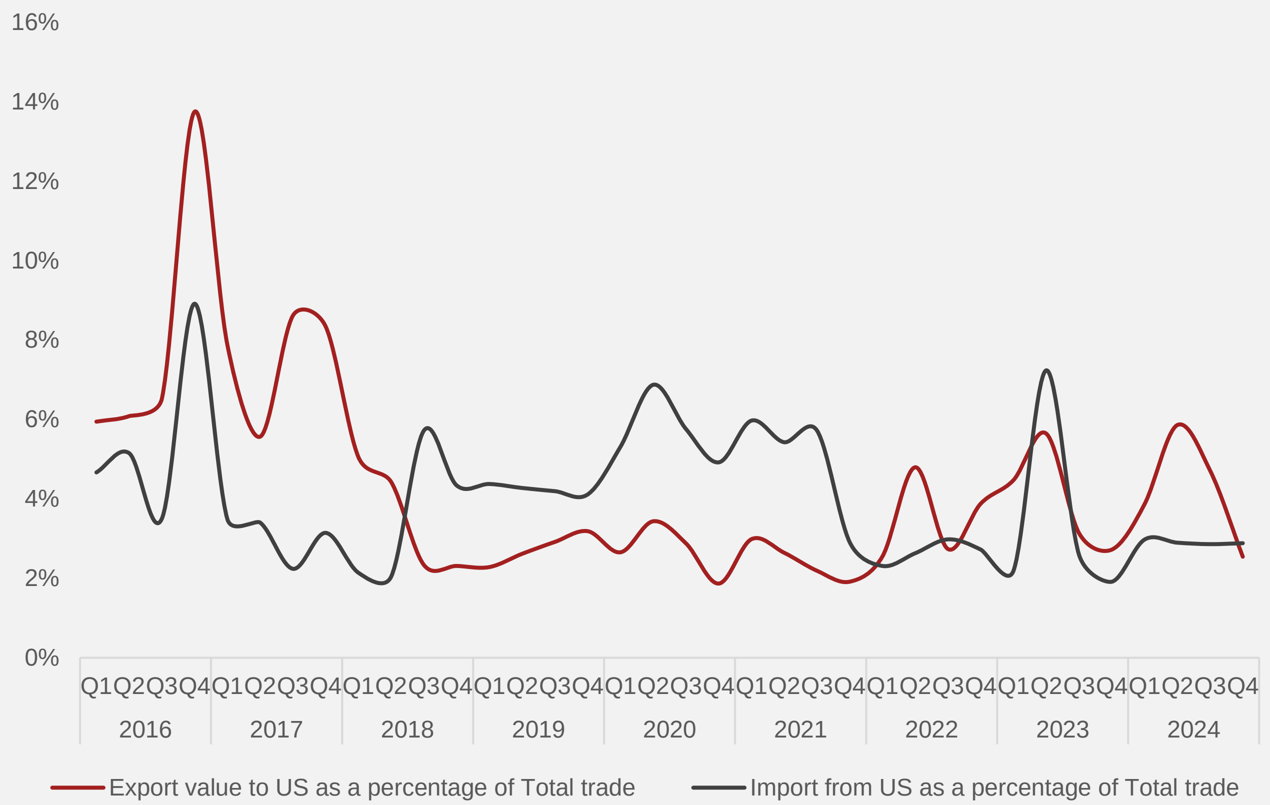
Key insights

- Nigeria's foreign reserves declined from $40.87 billion in December 2024 to $38.31 billion in March 2025, indicating capital outflows, likely driven by higher demand from foreign portfolio investors and local corporations, decrease in supply and a stronger U.S. dollar following Trump's return to office.
- Nigeria's trade balance with the U.S. improved from a deficit of $236.2 billion in January 2024 to a deficit of $143 billion in January 2025. Nigeria's trade deficit may worsen amid a potential U.S. domestic energy increase and decline in global oil prices.
- The U.S. implementation of protectionist policies may increase Nigeria's trade deficit with the U.S., leading to diversification toward alternative markets such as China and Europe.

Source: NBS, CBN, Strategy& Analysis

Tariffs on Nigerian exports may impact FX earnings by reducing competitiveness and raising domestic production costs

Nigeria–U.S. Trade Share (%)



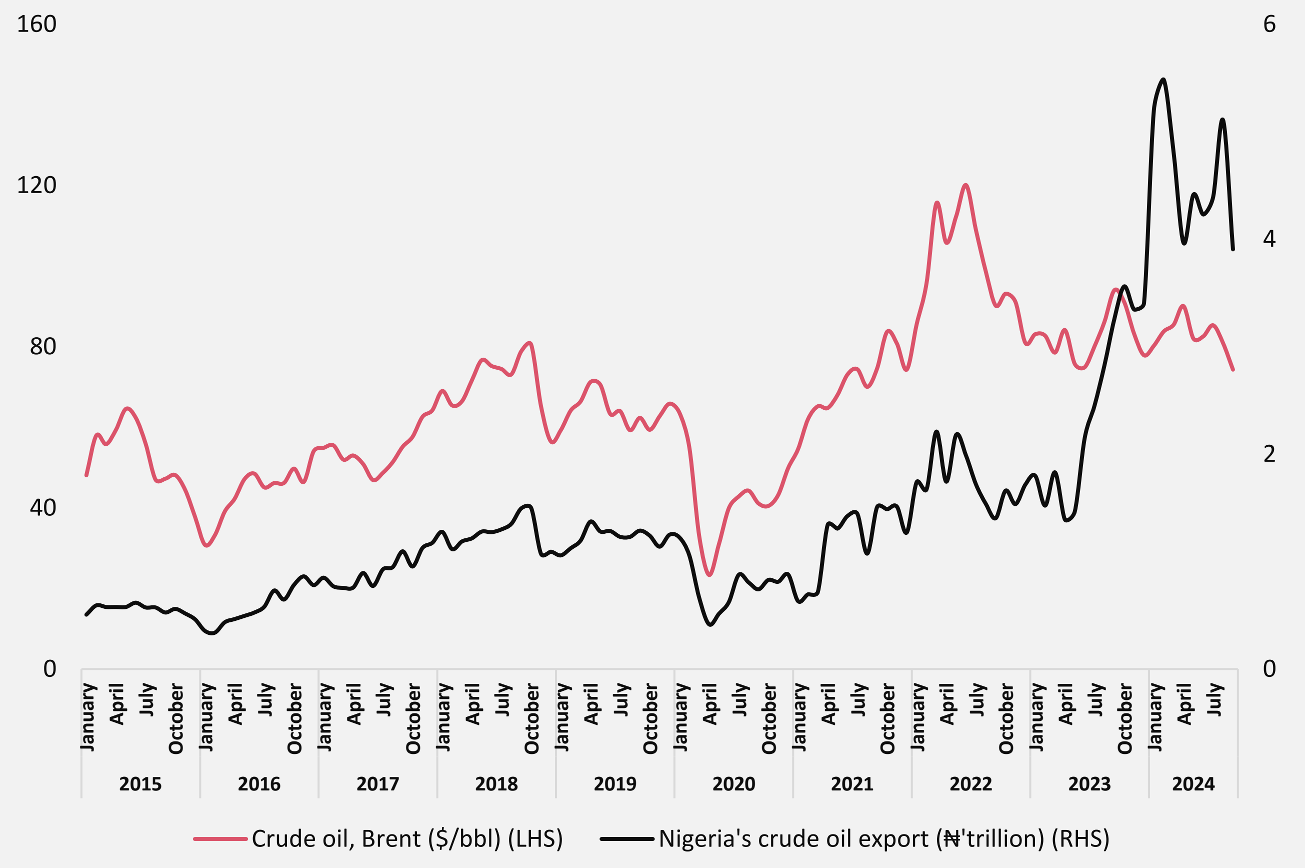
Key insights

- In 2024, exports to the U.S. averaged just 3–6%, and imports ranged between 2–3%, indicating reduced trade reliance on the U.S. over the years.
- If U.S. tariffs trigger a decline in Nigerian exports and exports to the U.S. account for 5% of total exports, Nigeria could lose approximately 1.5% of its total export value, reducing foreign exchange earnings.
- Meanwhile, a 25% tariff on U.S. goods (which make up around 3% of Nigeria's total imports) could raise the cost of imports, impacting sectors such as pharmaceuticals, agricultural inputs, and tech equipment.

Source: U.S. Department of Commerce, Strategy& Analysis

An increase in U.S. domestic oil and gas production may lower global prices, reducing Nigeria's oil revenue

Crude oil price vs Nigeria's crude oil export



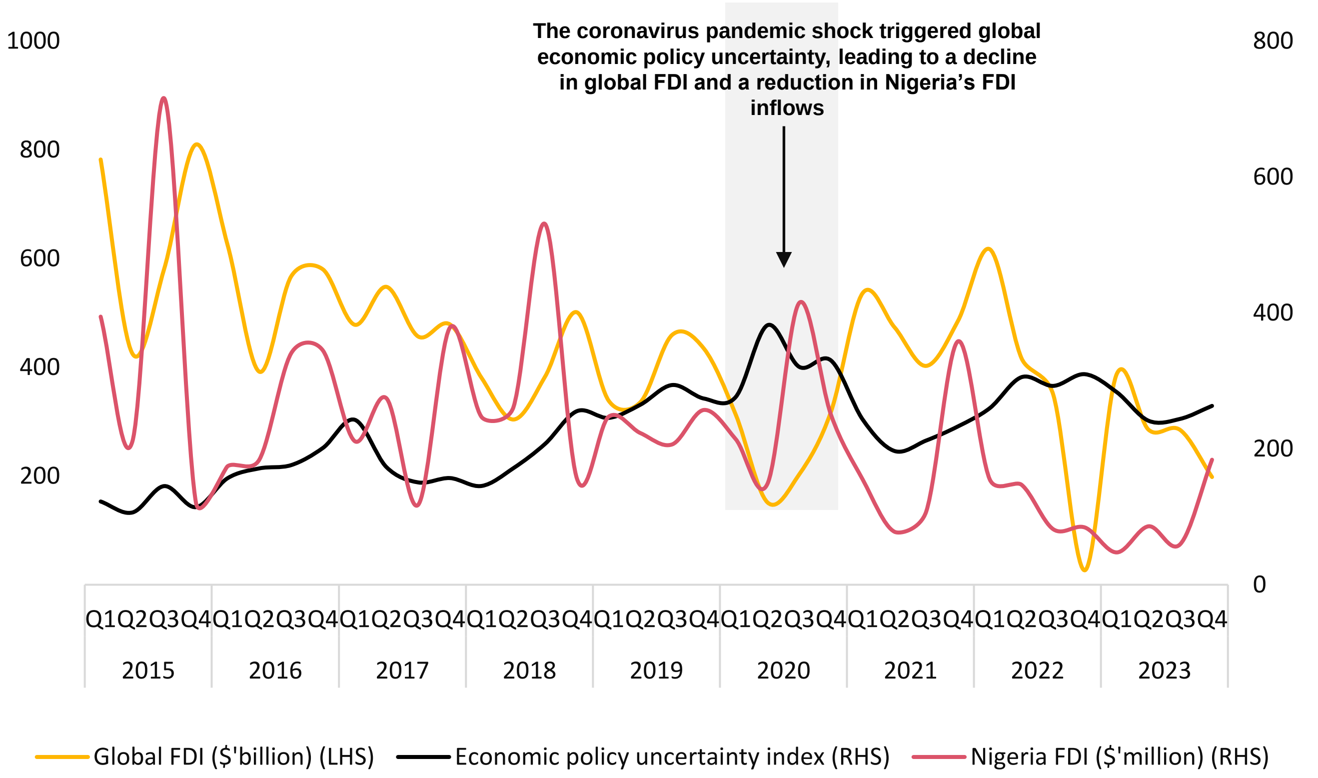
Key insights

- The U.S. administration seeks to boost domestic oil and gas production by easing regulations while simultaneously increasing tariffs and imposing sanctions on countries like Iran and Russia. However, uncertainty remains about how this policy will affect global oil prices.
- Nigeria heavily relies on oil exports for foreign exchange, which accounted for 71.4% of total export earnings, amounting to ₦55.28 trillion in 2024. A decline in global oil prices may negatively impact Nigeria's export earnings.

Source: EIA, NBS, Strategy& Analysis

U.S. trade policies may affect FDI inflows to Nigeria as multinationals reevaluate risks in emerging markets

Global FDI vs Nigeria's FDI vs Economic policy uncertainty index



Key insights

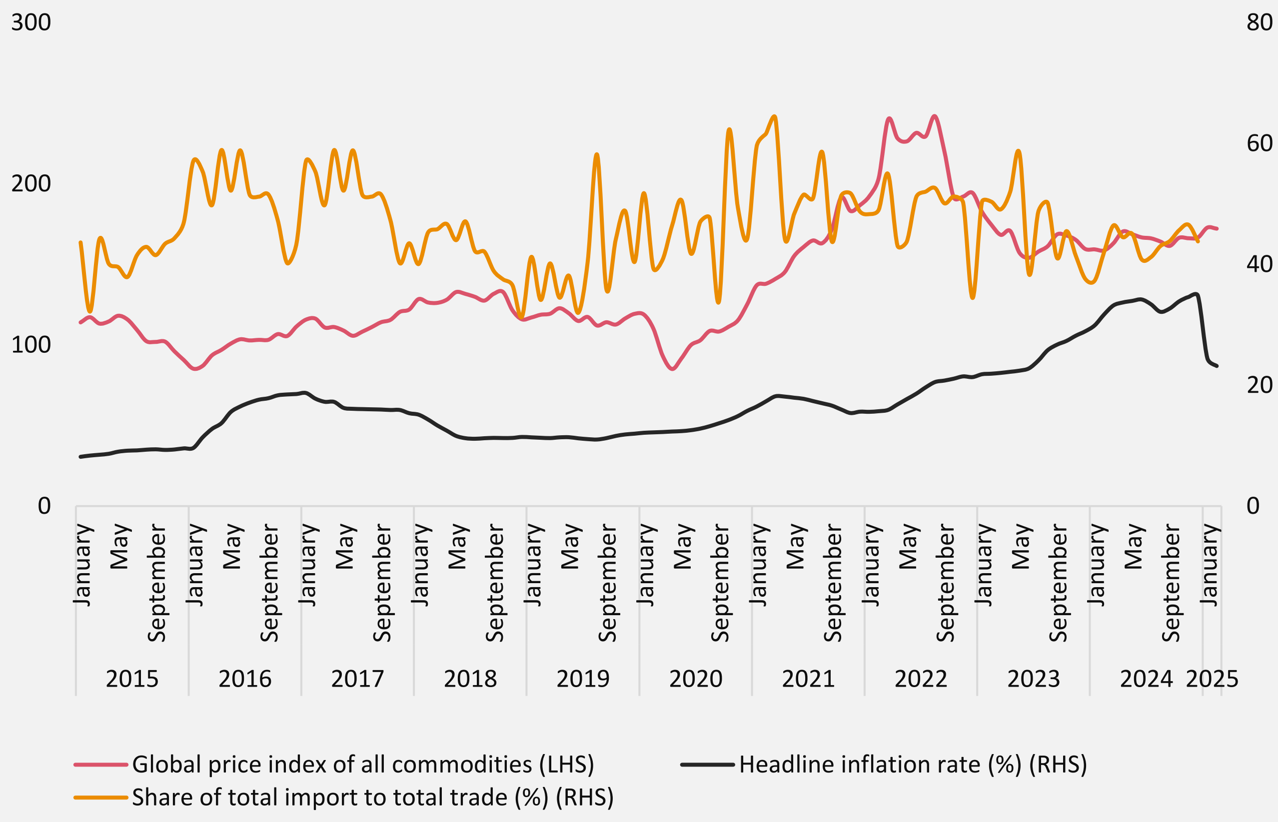
- U.S. reciprocal tariffs and protectionist trade measures may increase global economic policy uncertainty, potentially reducing global FDI flows. Investors typically become more cautious in uncertain policy environments, limiting overseas commitments. Historical events such as the 2020 coronavirus pandemic and the 2022 Russia-Ukraine war illustrate how global policy uncertainty constrains FDI flows.

- In Nigeria, this may slow FDI inflows, particularly from multinationals reevaluating their exposure to emerging markets. Sectors dependent on foreign capital, such as manufacturing and technology, may experience slower growth.

Source: UNCTAD, NBS, Strategy& Analysis

Nigeria's inflationary pressure may heighten in 2025 due to potential disruptions in global supply chains caused by U.S. trade policies

Global price index of all commodities vs share of total import to total trade vs headline inflation



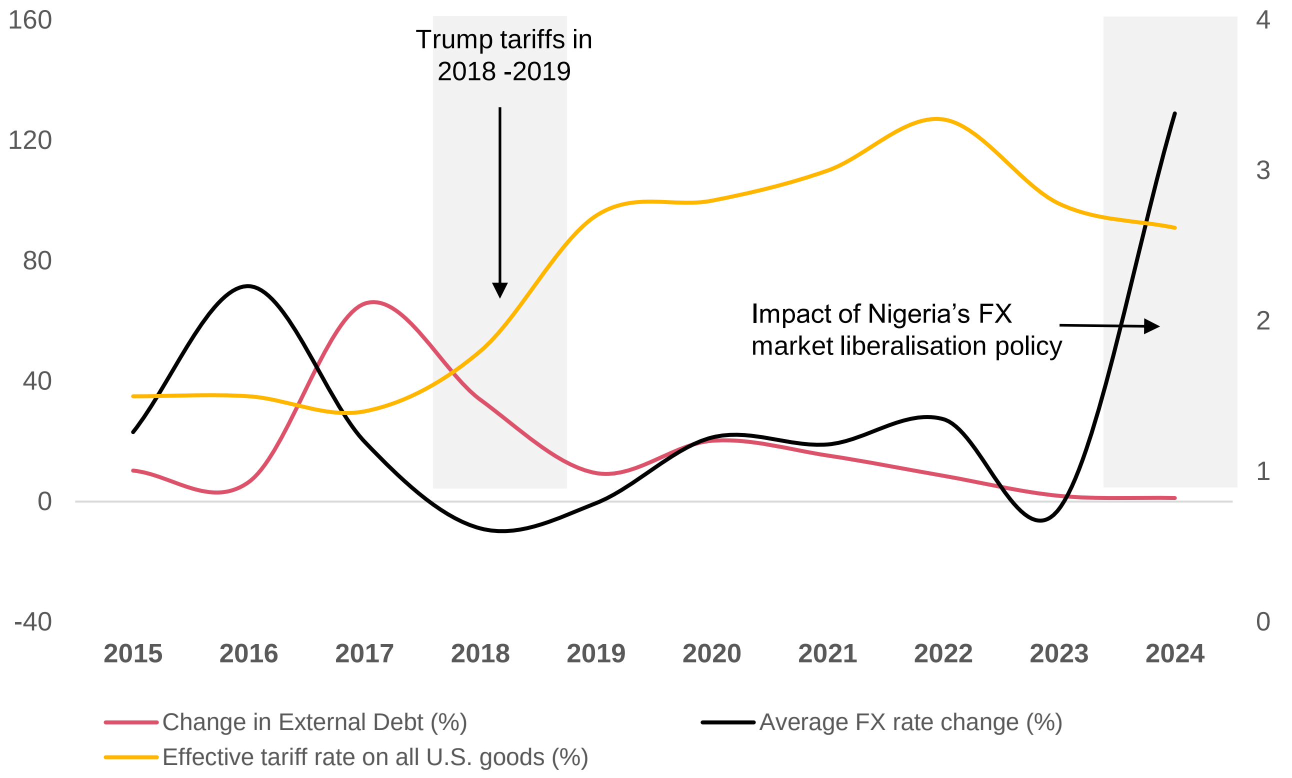
Key insights

- U.S. trade policies, including reciprocal tariffs and protectionist measures, may escalate global supply chain pressures as countries shift toward nearshoring and friendshoring to reduce uncertainties. These changes may, in turn, drive up commodity prices.
- Nigeria's import dependency remains high, with imports accounting for 43.8 percent of total trade as of December 2024, making the country vulnerable to external price shocks.
- Rising global supply chain pressures may push up global commodity prices, thereby increasing import costs and putting additional pressure on Nigeria's inflation outlook in 2025.

Source: UNCTAD, Strategy& Analysis

U.S. trade tariffs may strengthen the U.S. dollar against the naira, increase FX pressures and consequently worsen Nigeria's foreign debt

Change in Nigeria in external debt vs Change in Average FX rate vs *Effective tariff rate on all U.S. goods



Key insights

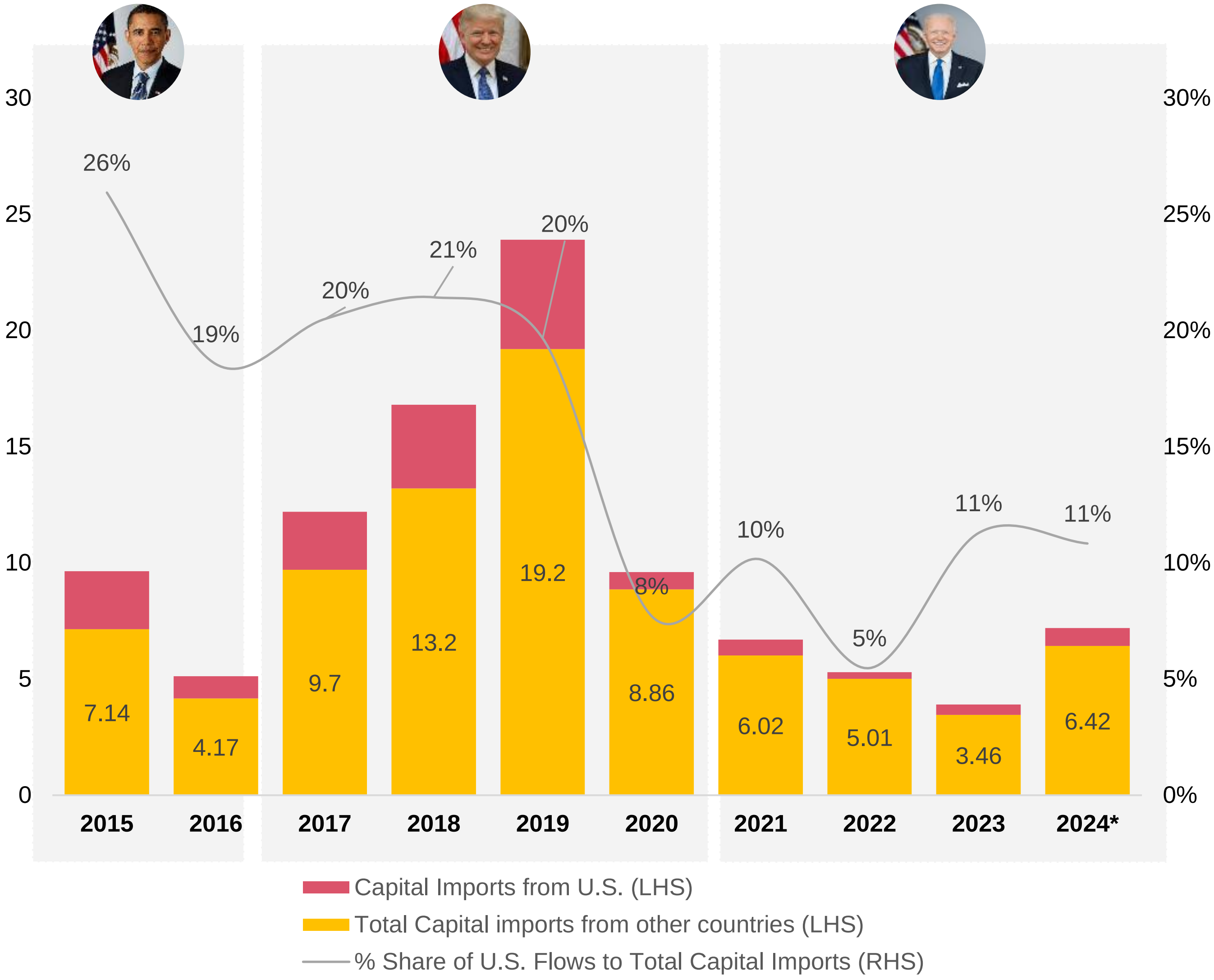
- Implementation of new tariffs may reduce U.S. trade deficits, potentially supporting strengthening of the dollar against other currencies especially for emerging economies like Nigeria with huge external debt as risk aversion may drive capital flows to the U.S. economy.
- While the impact of higher U.S. tariffs on Nigeria remains largely theoretical, a stronger dollar could exert pressure on the naira, affecting exchange rates and contributing to inflationary pressures. This, in turn, may influence monetary policy decisions and tighten overall financial conditions in Nigeria.
- As the Nigerian government intensifies efforts to reduce reliance on external debt financing, potential disruptions in global trade present significant risks of foreign exchange pressures, which could impact the sustainability of Nigeria's external debt.

- Effective Tariff on all U.S. goods is calculated as total duties collected expressed as a percentage of total duties, taxes and fees collected. An upward or downward trend in the "may reflect alterations in the rates of duty applied, changes in the composition of imports from year to year, or changes in the prices of imported commodities

Source: U.S. Department of Commerce, Strategy& Analysis

Uncertainties about U.S. policy direction may cause distortions for capital flows to Nigeria

U.S. Capital importation ($'billion)



Key insights

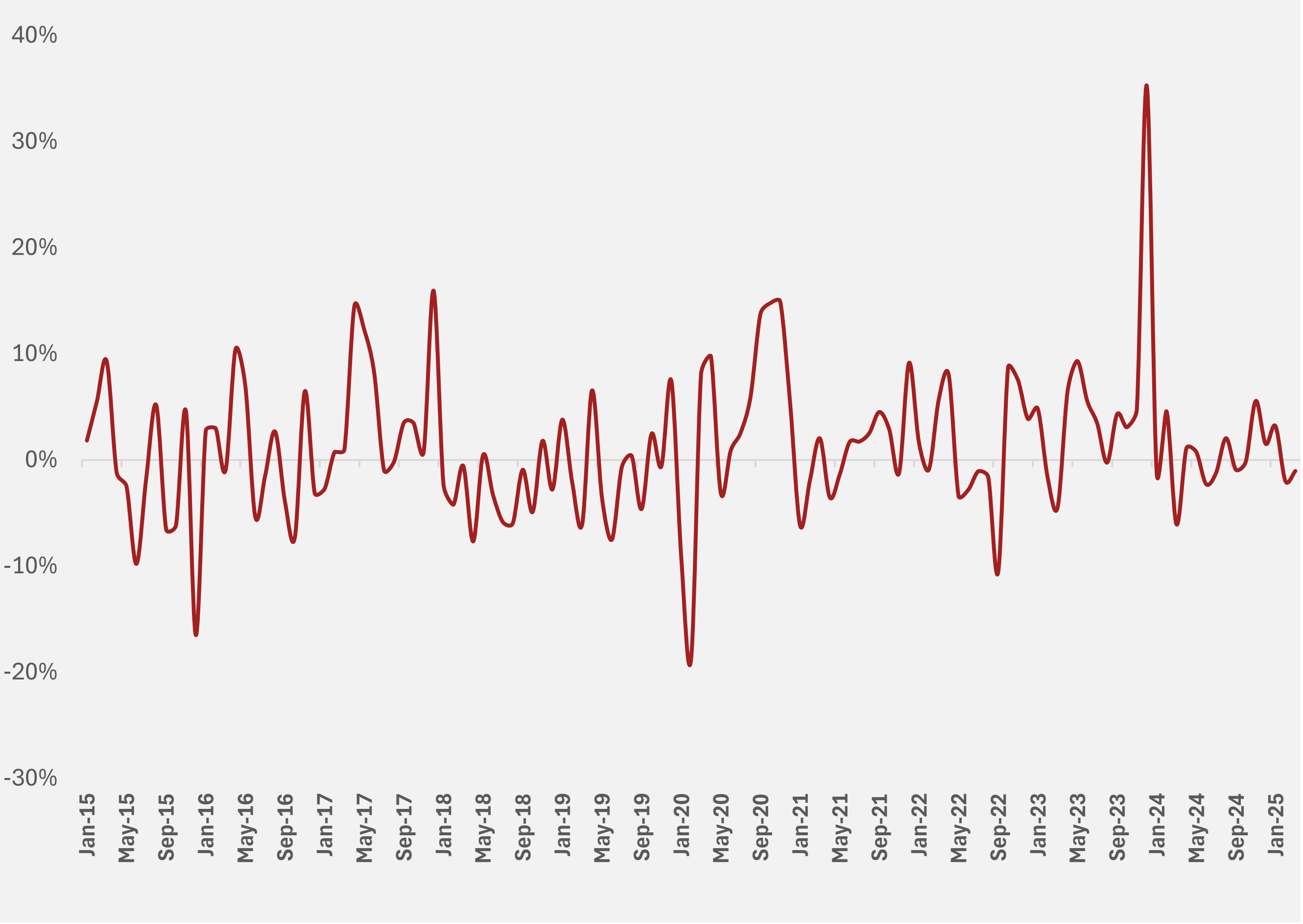
- As of Q3 2024, capital flows from the U.S. to Nigeria reached $334.7 million, marking a 24% decrease from the $442.7 million recorded in 2023.
- Although the share of U.S. flows as a percentage of total capital flows to Nigeria was 5%, uncertainties about U.S. policy direction may cause capital flows to Nigeria to decline.

Source: NBS, Strategy& Analysis

*Data is as of Q3 2024

In the short term, NGX volatility may persist as U.S. trade policy uncertainty keeps foreign investors cautious

Change in Monthly Average ASI (%)



Key insights

- After the US tariff announcement on April 2, 2025, investors lost ₦659 billion on April 7 as the All-Share Index (ASI) dropped by 1.23%, marking the first decline in months. Key stocks like Oando and Honeywell Flour Mills fell by 10% and 9.98%, respectively.
- Despite earlier gains in 2025, the market's year to date return decreased to +1.25%, reflecting growing investor unease about Nigeria's vulnerability to global shocks.
- In the short term, the NGX may remain volatile due to lingering uncertainty around U.S. trade policies causing foreign investors to remain cautious.

Sources: NGX, investing.com, Strategy& Analysis

A few of the sectors that might be affected by the newly imposed U.S. policies include oil and gas, agriculture, manufacturing, and more

Sectors	Potential impact of U.S. policies
Oil & Gas	• The oil and gas sector is exempted from the reciprocal tariff, but if the U.S. increases its domestic oil production, it could reduce demand for Nigeria's oil, which makes up 88.9% of exports. This may impact the sector's revenue generation. • In addition, if US increases oil production, it may also lead to a decline in global oil prices, further affecting Nigeria's oil industry.
Agriculture	• The 14% U.S. reciprocal tariff on Nigerian exports may cause Nigerian products to be less competitive in the U.S. market. With higher prices, demand is likely to fall, leading to reduced export volumes and lower earnings for farmers and exporters. • This may lead to a loss in annual export revenue. According to the Manufacturers Association of Nigeria (MAN) the tariff could erase approximately ₦2 trillion from Nigeria's agricultural annual exports.
Manufacturing & Industrial Goods	• The newly imposed tariff could raise global supply chain costs, contributing to higher global inflation. For an import-dependent country like Nigeria, this would increase the cost of imported inputs, thereby driving up production and operational expenses for local manufacturers and further worsening domestic inflation.
Automotive	• The U.S. announced 25% tariff on vehicle imports could indirectly affect Nigeria's auto market. Nigeria relies heavily on used car exports from the U.S. Higher tariffs may lead to increased vehicle prices locally. • This situation could worsen inflationary pressures and make car ownership less accessible for many Nigerians.

Sources: Strategy& Analysis

3

Economic outlook

Key issues for consideration in 2025

Global political economy + Megatrends in transition
- Global political transitions
- Global trade
- AI + ESG

Broader fiscal policy focus: going beyond revenue generation
- Debt sustainability
- Monetary policy alignment
- Achieving macro stability

Security and social stability
- Security bottlenecks
- Social protection
- Shocks mitigation

Disciplined monetary policy: sustaining the momentum
- Foreign Exchange stability
- Price stability
- Interest rate

Stimulating productivity to drive real sector growth: needs for stabilisation and protection of domestic economies
- Priority sectors
- Addressing the multiple shocks
- Funding

Attracting investments (foreign and local)
- Driving capital inflows
- Creating enabling environment
- Capital deepening

Consumers' uncertain pathway to spending recovery, pressured by economic shocks
- Inflationary pressures
- High poverty rate
- Enhanced conditional transfer

Sources: Strategy& Analysis

Updates to the key issues outlined in our 2025 economic outlook (1/2)

Key issues	Our outlook	Key updates
Broader fiscal policy focus: going beyond revenue generation	• Nigeria's 2025 fiscal policy may prioritise debt sustainability, fiscal consolidation, and economic stability beyond revenue generation • Key strategies include tax reforms, privatisation, balanced spending, and stronger monetary-fiscal coordination to curb deficits, manage inflation, and drive growth.	• Four significant tax reform bills proposed by the President have been passed, marking a substantial step towards overhauling the country's tax system. • An appropriation bill of ₦54.99 trillion was signed into law for 2025, representing a 99.96% rise from the 2024 budget of ₦27.5 trillion and 10.64% from initial budget proposal of ₦49.7 trillion
Disciplined monetary policy: sustaining the momentum	• Nigeria's 2025 monetary policy must maintain tightening to curb inflation, stabilise FX, and restore investor confidence while ensuring liquidity to support growth. • Balancing inflation control with credit access is key to sustaining economic stability.	• The MPC maintained a conservative stance, keeping the MPR at 27.5% and all key policy rates unchanged, emphasising a cautious stance amid early signs of easing inflation. • In Q3 2024, Nigeria's capital importation saw a 91.35% increase from $654.65 million in Q3 2023. • Nigeria’s Net Foreign Exchange Reserves (NFER) rose significantly to $23.11 billion from the $3.99 billion in 2023. • In response to mounting economic pressures, the Central Bank of Nigeria (CBN) injected $200 million into the foreign exchange market to stabilise the naira.
Attracting investments (foreign and local)	• Nigeria's 2025 investment strategy must boost FDI through structural reforms and sustain FPI growth via market-friendly policies. • Enhancing returns on local assets and ensuring macroeconomic stability are key to attracting both foreign and local investments.	• The Investment and Securities Act (ISA) 2025 was signed into law, introducing key reforms to strengthen Nigeria’s capital market, enhance investor protection, regulate digital assets, and improve market transparency • The Federal Government appointed Bashir Bayo Ojulari as the new Group Managing Director and CEO of NNPCL, along with other key leadership positions, signifying a transformative phase for Nigeria's oil and gas sector.

Sources: CBN, NBS, NUPRC, Strategy& Analysis

Updates to the key issues outlined in our 2025 economic outlook (2/2)

Key issues	Our outlook	Key updates
Consumers' uncertain pathway to spending recovery, pressured by economic shocks	• In 2025, Nigeria must strengthen social protection systems and broaden income support measures to cushion consumers from inflation shocks and prevent deepening poverty.	• Nigeria's inflation rate dropped to 23.18% in February 2025 from 34.80% in December 2024 due to CPI rebasing, offering statistical relief but not immediate reductions in living costs. • The European Union donated €46 million to Nigeria to strengthen its social protection system, focusing on improving the National Social Register and enhancing support for vulnerable populations.
Stimulating productivity to drive real sector growth: needs for stabilisation and protection of domestic economies	• To drive real sector growth in 2025, Nigeria must stabilise macroeconomic fundamentals and implement targeted interventions that improve access to affordable finance (especially for MSMEs), address energy and FX constraints, enhance infrastructure delivery, and ensure regulatory reforms (like tax reforms) promote ease of doing business.	• Nigeria's private sector showed resilience in January 2025, with the PMI at 52 down from 52.7 in December 2025 but still above the 50 no-change mark, indicating continued growth and rising business confidence.
Security and social stability	• To enhance security and social stability in 2025, Nigeria must increase investment in education, healthcare, and security, while ensuring efficient resource use to reduce poverty, boost human capital, and restore investor confidence.	• Nigeria faces overlapping crises—including banditry, communal violence, separatist movements, and low purchasing power— that heighten the risk of civil unrest.
Global political economy + Megatrends in transition	• Nigeria should strategically position itself to harness opportunities from improving global geopolitics and megatrends (such as AI, sustainability), and lower interest rates while mitigating risks from trade shifts, dollar strength, and U.S. policy uncertainty.	• Google has granted ₦2.8 billion to support Nigeria's AI talent development through programs led by Data Science Nigeria and the Federal Ministry of Communications, aiming to upskill youth, empower educators, and support AI startups.

Sources: CBN, NBS, NUPRC, Strategy& Analysis

Economic outlook for 2025

	Outlook
Broad economic growth outlook	GDP may grow marginally by 3.4% in 2025 on the back of sustained policy reforms, albeit growth prospect may be limited by elevated economic pressures.
Fiscal outlook	Fiscal sustainability concerns may remain slightly elevated, given debt servicing costs and high fiscal deficit (fiscal deficit as a percentage of GDP was 7.6% as of August 2024, exceeding the 2024 approved budget limit of 3.8%).
Inflation rate outlook	Inflation is expected to decline to 21.46% in 2025 on the back of monetary policy tightening and improving dynamics in Nigeria's foreign exchange market.
Exchange rate outlook	The exchange rate is expected to remain stable in 2025, supported by CBN Foreign Exchange reforms, which are expected to drive foreign exchange inflows.
Interest rate outlook	The CBN may likely maintain its monetary tightening stance in 2025 with elevated interest rate, focusing on achieving long-term price stability.

Fitch projects that average inflation will moderate to 21.46% in 2025. It takes the rebasing from 2009 to 2024 into consideration.

Source: PwC Global, Fitch, Strategy& Analysis

Moreover, the current wave of global policy postures may impact the economic outlook for 2025

Policies impact areas	Broad economic growth outlook	Fiscal outlook	Inflation rate outlook	Exchange rate outlook	Interest rate outlook	Drivers
Global rates and Capital Flows	↓	↓	↑	↓	↑	Tighter U.S. monetary policy attracts global capital to U.S. treasuries → capital outflows from Nigeria → pressure on naira and reserves → CBN raises rates to defend FX and anchor inflation.
Tariffs and trade access	↓	↓	↑	↓	↑	Tariffs reduce Nigeria's export competitiveness (e.g., textiles, agri-exports) → reduced non-oil FX earnings → weakens diversification push and narrows tax revenues → inflation through cost pass-through on import-linked goods.
Aid cuts and fiscal strain	↓	↓	↑	↓	↑	Aid cuts impact health, education, and infrastructure support → Nigeria fills the gap via domestic borrowing → worsening debt service ratios and fiscal deficit → could spur inflation if monetised.
Oil demand revenue and risk	↓	↓	↑	↓	↑	Reduced U.S. demand or broader OECD push for renewables → weaker oil prices → reduced FX and oil-linked fiscal revenue → fiscal tightening or risky borrowing → FX instability and imported inflation.

Source: Strategy& Analysis

↑ = Upward pressure
↓ = Negative effect

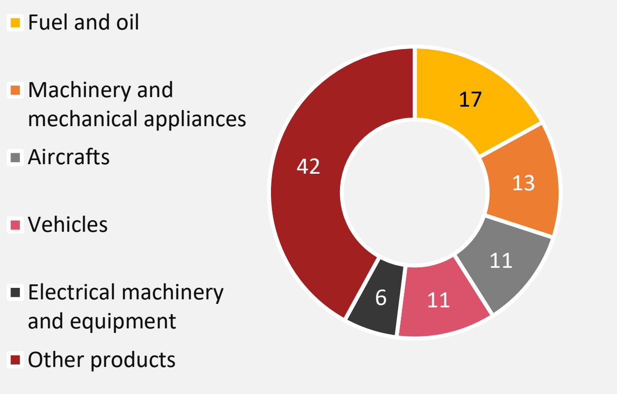
Estimated level of impacts
- **Low**
- **Moderate**
- **High**

4

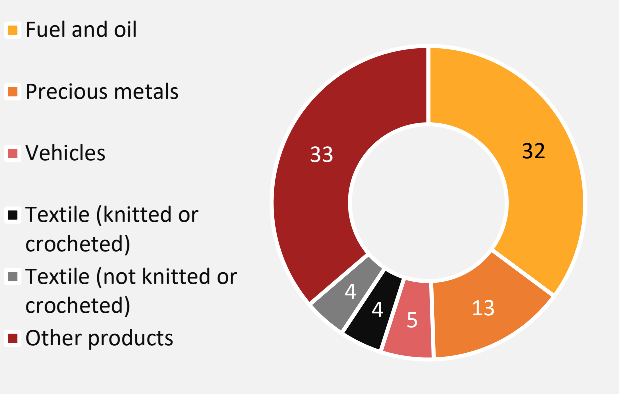
Strategic responses for government and businesses

The U.S. reciprocal tariff presents an opportunity for African countries to deepen intra-African trade (1/2)

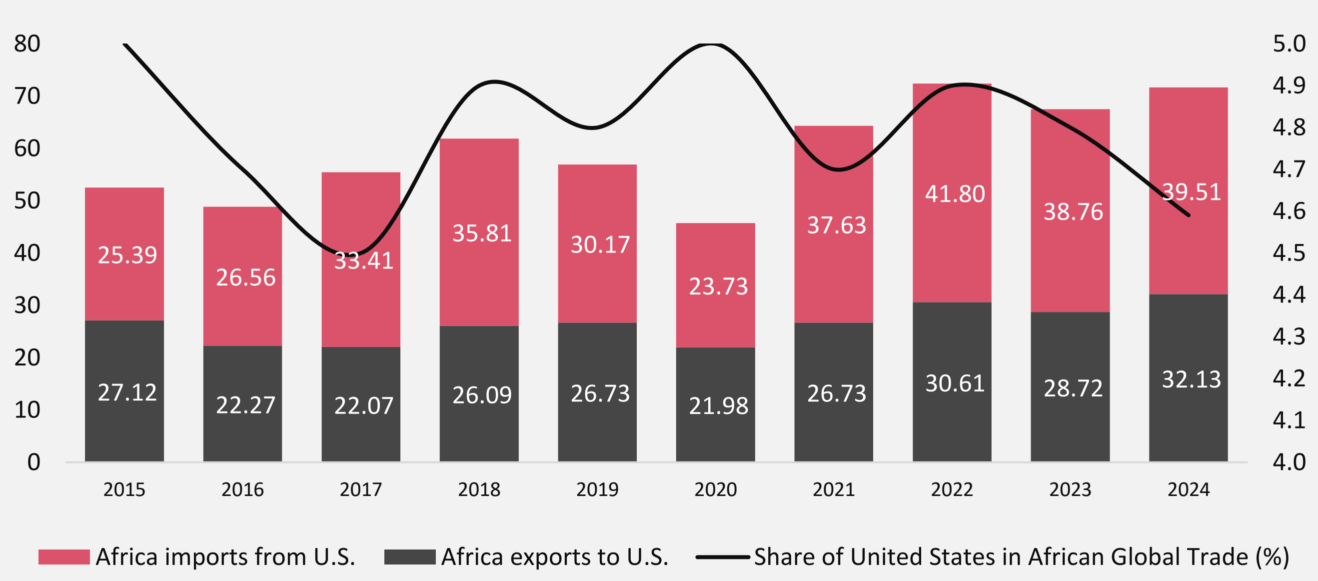
Key Africa imports from U.S. in 2023 (%)



Key Africa exports from U.S. in 2023 (%)



Africa's trade with U.S. ($'billion)



Key insights

- Africa's total trade with the U.S. increased by 6.2% to $71.64 billion in 2024 from the previous year, with a trade deficit of $7.4 billion.
- The U.S. accounted for less than 5% of Africa's global trade in 2024, indicating that the impact of reciprocal tariffs may be limited.
- Key African exports to the U.S. included fuel and oil (32%), precious metals (13%), and vehicles (5%), while major imports were fuel and oil (17%), machinery (13%), and aircraft and vehicles (11%).
- The reciprocal tariffs present an opportunity for Africa to deepen intra-continental trade and fully leverage the AfCFTA.

Source: U.S. Census.gov, Strategy& Analysis

The U.S. reciprocal tariff presents an opportunity for African countries to deepen intra-African trade (2/2)

Key considerations to maximise the AfCFTA opportunity

1

Enact other trade and industrial policies with primary focus on value-addition

2

Intensify efforts to publicise the benefits, progress, and latest updates on the AfCFTA to key stakeholders and the public

3

Expedite action on the use of AfCFTA protocols, by encouraging companies to register for export under the AfCFTA rules of origin and other export regulations

4

Synchronise their domestic trade policies with the protocols of the AfCFTA

5

Improve on treaty networks within Africa including reducing immigration hurdles

Source: Strategy& Analysis.

To navigate the economic changes, businesses should localise and secure supply chains, manage FX exposure etc.

1. **Localise and secure supply chains**	• Identify domestic or low-tariff international suppliers to minimise dependence on high-cost imports. • Build strategic inventory buffers for essential inputs to mitigate the impact of global supply chain disruptions.
2. **Manage costs and FX exposure**	• Transition to local sourcing and production where feasible to reduce reliance on the U.S. dollar. • Reprice offerings or renegotiate supplier contracts in local currency to better manage FX volatility.
3. **Rethink financing strategy**	• Limit exposure to foreign currency-denominated debt by restructuring existing loans into naira where possible. • Explore equity financing or development finance instruments to reduce FX-related interest payment risks.
4. **Embrace digital transformation and operational efficiency**	• Invest in automation, digital tools, and lean management practices to control rising operational costs. • Implement ERP systems and advanced analytics to strengthen planning, forecasting, and resource allocation.
5. **Strengthen stakeholder and regulatory engagement**	• Collaborate with industry groups and regulatory bodies to advocate for targeted incentives, waivers, and trade diversification measures.

Source: Strategy& Analysis.

Key considerations for the government (1/2)

<table>
<tr><th>Policies</th><th>Actions</th></tr>
<tr><td rowspan="4">Mitigation policy</td><td>Monetary policies</td></tr>
<tr><td>a. FX policies
i. Maintain transparent and regular communication on FX intervention plans to manage stakeholder expectations and reduce market uncertainty.
ii. CBN should continue to support naira stability through strategic dollar sales, while avoiding overuse of external reserves to ensure long-term financial sustainability.
iii. Strengthen policies to boost formal remittance inflows, particularly from key corridors like the U.S. and other major countries.
b. Inflation targeting
i. The CBN should stay committed to using monetary policy tools to manage inflation.</td></tr>
<tr><td>Fiscal policy</td></tr>
<tr><td>a. Structured and focused policy
i. Mobilise capital for economic growth through market-oriented policies and intensified investment promotion efforts.
ii. Make strategic short and long-term investments in key sectors, prioritising exports, domestic production, and job creation.
iii. Enhance reforms and ease of doing business to revive dormant local industries and position Nigeria as a hub for innovation in sectors like car manufacturing, steel production, and textiles.
iv. Promote fiscal discipline by optimising capital expenditure toward projects with the highest return on investment (ROI), streamlining public service costs, and enhancing both revenue diversification and collection efficiency.
b. Policy flexibility and responsiveness
i. Decide when and how to introduce, defer, sequence, or stagger different policies based on current economic and social conditions.
ii. Consider deferring or adjusting planned tax increases particularly those affecting vulnerable sectors to reduce financial pressure on businesses and improve liquidity.</td></tr>
<tr><td>Strategic policies</td><td>a. Strengthen partnership with the U.S.
i. Advocate for extension and improved concessions under the African Growth and Opportunity Act (AGOA) to expand Nigerian export opportunities.
b. Expand alliances beyond the U.S.
i. Promote Nigerian exports across Africa by leveraging AfCFTA to target key markets for Nigerian made goods.
ii. Explore trade agreements with more countries to reduce dependency on a few partners.
c. Boost non-oil exports and domestic production
i. Boost non-oil export by supporting agro-processing, solid minerals, and light manufacturing through targeted export incentives.
ii. Introduce incentives for producing key inputs locally, especially those previously imported from the U.S.</td></tr>
</table>

Source: Strategy& Analysis.

Key considerations for the government (2/2)

Policies	Actions
Structural policies	**a. Mobilise long-term infrastructure financing** i. Issue long-tenure infrastructure bonds to raise capital for large-scale public projects. **b. Strengthen Infrastructure Investment** i. Provide investment guarantees and legal protections to attract credible private sector participation. ii. Maintain a clear, transparent pipeline of viable projects to guide investor interest and facilitate funding. iii. Ensure infrastructure deals are structured around clear, fair risk allocation between the public and private sectors to enhance project bankability. iv. Use PPPs to build more seaports on the southern coast, especially in the Niger Delta and Southeastern states bordering the sea, similar to the Build, Own, Operate and Transfer Lekki Deep Sea Port in Lagos.

Source: Strategy& Analysis

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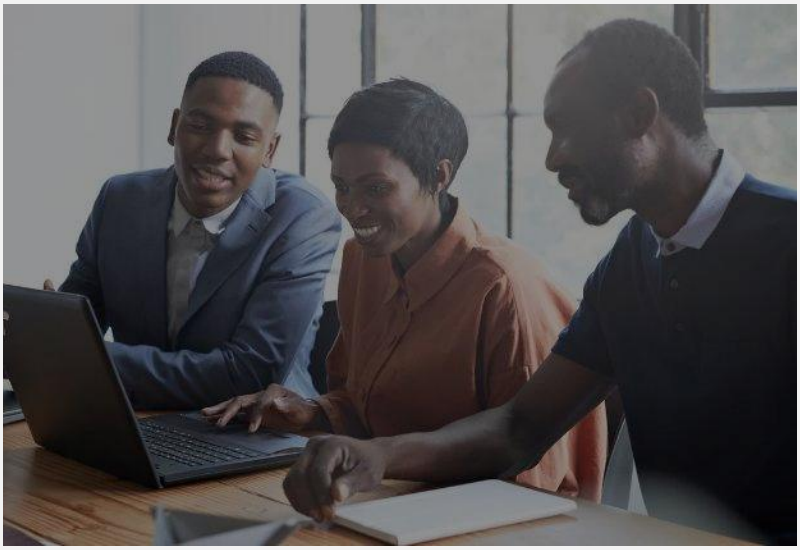

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