

AFRICA RISK CONSULTING

Nigeria Monthly Briefing June 2025

Nigeria Summary 24 June 2025

Central Bank of Nigeria (CBN) directs all banks under regulatory forbearance to suspend dividend payments to shareholders, halt bonuses to directors and senior executives, and pause foreign investments. The directive aims to promote prudent capital retention and reinforce financial stability within the banking sector. Dangote Refinery announces free fuel and diesel distribution nationwide to major consumers and marketers – a move that could significantly reshape Nigeria’s fuel distribution landscape by bypassing traditional supply chains. Nigeria’s export capacity oil-backed loan from Saudi Arabia’s Aramco stalls as concerns mount over Nigeria’s ability to consistently supply the crude oil volumes needed to back the agreement. Severe flooding kills at least 153 people in Niger State, highlighting the urgent need for climate resilience and disaster preparedness across the country.

Nigeria’s central bank implements restrictions on banks under regulatory forbearance

In a circular issued on 13 June, the **Central Bank of Nigeria (CBN)** imposed immediate restrictions on banks, suspending dividend payments, executive compensation bonuses, and prohibiting investments in foreign subsidiaries or new offshore ventures.¹ The supervisory intervention aims to ensure that banks maintain sufficient internal capital to meet current and future obligations, while supporting the orderly restoration of sound financial positions.²

The directive targets banks currently benefiting from regulatory forbearance due to credit exposure challenges and violations of the single obligor limit (SOL) and would be lifted once CBN completes its verification of banks’ capital adequacy levels.³ CBN emphasised its commitment to monitoring compliance closely and collaborating with affected institutions throughout the process, reiterating that the restrictions are designed to preserve internal capital resources necessary for meeting obligations and achieving financial stability.⁴

The current directive underscores mounting concerns about capital preservation in an environment characterised by currency volatility, inflationary pressures, and significant exposure to unstable economic sectors.⁵ Several commercial banks, including Lagos-headquartered **Zenith, Access Holding, Fidelity**, and **First Bank** expressed commitment to exiting all forbearance arrangements by 30 June.⁶

This marks another instance of the CBN deploying regulatory forbearance as a supervisory tool. During the **Covid-19** pandemic in 2020, the central bank implemented similar measures, extending regulatory forbearance to all other financial institutions and mandating that all deposit money banks restructure loan terms and payment schedules for households and businesses impacted by the coronavirus crisis.⁷ Additionally, in September 2023, the CBN barred financial institutions from deploying foreign exchange revaluation profits for dividend distributions or capital expenditures,

¹ The Sun, 14 Jun 2025

² Leadership, 15 Jun 2025

³ Naira Metrics, 14 Jun 2025

⁴ Premium Times, 15 Jun 2025

⁵ News.ng, 15 Jun 2025

⁶ Punch, 19 Jun 2025

⁷ Business Day, 17 Jun 2025

mandating instead that these gains be held in a designated **Special Regulatory Reserve**.⁸ These restrictions reflect a shift in the CBN's approach from offering temporary relief measures to enforcing stricter supervisory oversight and promoting financial discipline. The timing is particularly notable as the banking sector undergoes a recapitalisation drive, with new capital requirements scheduled for phased implementation through 2026.⁹

The CBN appears to be prioritising capital preservation as a key pillar for ensuring long-term banking sector stability in the face of ongoing foreign exchange volatility, rising inflation, and growing exposure to high-risk economic sectors.

Dangote Refinery to begin free fuel, diesel distribution nationwide

Dangote Refinery announced on 15 June that it will commence direct distribution of fuel and diesel nationwide to oil marketers, petrol dealers, manufacturers, telecommunications companies, aviation sector operators, and other major consumers starting 15 August.¹⁰ The refinery acquired 4,000 new Compressed Natural Gas (CNG)-powered tankers for the take-off of the initiative to ensure petroleum product delivery capacities.¹¹

Dangote framed the initiative as a key component of its broader strategy to cut logistics costs, boost energy efficiency, and promote environmental sustainability, while supporting Nigeria's economic development. The company reaffirmed its commitment to improving fuel availability and affordability, positioning these efforts as part of a wider agenda to strengthen the national economy and elevate living standards for all Nigerians.¹² In addition to delivery services, the refinery will offer credit arrangements for high-volume purchasers under bank guarantee.¹³ Small and Medium-Sized Enterprises (SMEs) are expected to benefit from the scheme, boosting government revenue streams, expanding fuel access to rural and underserved communities, and reinforcing investor confidence in Nigeria's downstream petroleum industry.¹⁴

This direct distribution model disrupts the traditional petroleum supply chain by bypassing established depot owners who have historically served as key intermediaries and product handlers. For years, independent petroleum marketers have struggled with supply bottlenecks, exorbitant depot charges, and inconsistent product availability. However, they are now well-positioned to benefit from this streamlined approach, potentially leading to lower fuel prices for consumers.¹⁵

While many Nigerians have embraced this development as a constructive intervention in the downstream petroleum sector, concerns persist about Dangote creating monopolistic conditions and establishing a strategic position that could give the company decisive influence over Nigeria's petroleum industry from refining through downstream retailing.¹⁶ The **Petroleum Products Retail Outlets Owners Association of Nigeria (PETROAN)** public relations officer, **Joseph Obele**, warned about the broader implications on stakeholder groups, particularly modular refineries whose operations and market positions face existing threats from Dangote's market dominance.¹⁷ The association expressed concern over the reduced competition, potential mass closure of depots and large-scale unemployment among truck drivers and owners.¹⁸

⁸ Business Day, 17 Jun 2025

⁹ The Sun, 14 Jun 2025

¹⁰ Dangote.com, 15 Jun 2025

¹¹ Cable, 15 Jun 2025

¹² Dangote.com, 15 Jun 2025

¹³ Premium Times, 16 Jun 2025

¹⁴ Naira Metrics, 15 Jun 2025

¹⁵ Business Day, 15 Jun 2025

¹⁶ Daily Trust, 19 Jun 2025

¹⁷ Business Day, 15 Jun 2025

¹⁸ Daily Post, 20 Jun 2025

The distribution strategy also presents significant competitive challenges for state-owned **Nigerian National Petroleum Corporation (NNPC)** and its established distribution networks.¹⁹ While Dangote's initiative appears commendable on its surface, industry regulators must examine the long-term strategic implications beyond immediate benefits, and prevent Nigeria's petroleum market from falling under the control of a single entity, given the pivotal role that fuel pricing plays in the country's broader economic structure and the potential risks of concentrated market power in the sector.

Nigeria's export capacity delays \$5 billion loan from Saudi Aramco

A \$5 billion crude-for-loan agreement between **Nigeria** and **Saudi-Arabia** owned **Aramco** has reportedly encountered significant obstacles, with negotiations stalled due to unstable oil prices and concerns about Nigeria's capacity to deliver the required crude oil volumes.²⁰ The agreement originated from discussions between **President Bola Tinubu** (2023-present) and Saudi Crown **Prince Mohammed bin Salman** (2017-present) at the **Saudi-African Summit** in November 2023.²¹

The proposed facility was designed to alleviate Nigeria's financial pressures while expanding Saudi Arabia's engagement, but negotiations have advanced at a slow pace.²² Media has reported that the talks have included multiple unconfirmed Gulf banks and at least one African financial institution, though lenders are growing increasingly cautious about Nigeria's track record of meeting oil delivery obligations, especially given the country's history of production shortfall.²³ The loan structure would require Nigeria to guarantee a minimum of 100,000 barrels per day (bpd) of crude oil over a prolonged timeframe, but Nigeria's production performance remains deeply problematic, with output consistently falling short of targets. April production figures showed the country produced just under 1.5 million bpd, significantly below its ambitious 2 million bpd target for 2025.²⁴

This unreliable output stems from several challenges including rampant oil theft, frequent pipeline vandalisms, and decades of insufficient investment in infrastructure, all of which have undermined the sector's reliability and cast doubt on the government's ability to honour long-term supply commitments.²⁵ Nigeria's capacity to take on additional oil-backed obligations is further constrained by existing commitments, with over 300,000 bpd already allocated to service previous oil-secured loans, predominantly arranged within the past five years. The situation has deteriorated with oil prices falling nearly 20% since January, requiring significantly more barrels to service the same debt obligations and intensifying fiscal pressure.²⁶

To ease the strain, the Tinubu administration issued an executive order to cut upstream production costs, to boost output and free up more oil for debt servicing but these measures may not resolve the immediate constraints on supply.²⁷ While the government remains optimistic that the deal will pull through, it may face a downward revision of the loan size or be delayed indefinitely due to Nigeria's limited export capacity.

Flooding disaster kills 153 people in Niger State

The **National Emergency Management Agency (NEMA)** confirmed that severe flooding killed 153 in the **Tiffin Maza** and **Anguwan Hausawa** communities in **Mokwa Local Government Area (LGA) (Niger State)** on 29 May. The death toll represents one of the deadliest flooding incidents in Nigeria in six decades, particularly given conflicting reports such as the **World Health Organisation (WHO)** stating more than 175 deaths.²⁸

¹⁹ Daily Trust, 19 Jun 2025

²⁰ Reuters, 10 Jun 2025

²¹ ICIR, 11 Jun 2025

²² Guardian, 10 Jun 2025

²³ Business Day, 10 Apr 2025

²⁴ Punch, 11 Jun 2025

²⁵ This Day, 11 Jun 2025

²⁶ Ecofin Agency, 12 Jun 2025

²⁷ Guardian, 10 Jun 2025

²⁸ Humangle, 31 May 2025

The flood, which submerged homes and farmlands, resulted from an eight-hour intense rainfall associated with extreme weather conditions and climate change, which overwhelmed the town's drainage infrastructures.²⁹ The flooding affected two major roads and collapsed the **Mokwa** bridge, hampering rescue efforts and making access to food and medical supplies difficult. Over 500 people were displaced, with approximately 458 households impacted and 4,534 displaced individuals crammed into overcrowded temporary shelter.³⁰

In a statement on his verified **X** platform, Tinubu expressed profound grief over the incident and promised a swift federal response to support the affected communities. He also directed the repair of the damaged Mokwa bridge, which connects the northern and southern regions and serves as a crucial access route for vehicles, particularly given the high volume of articulated vehicles transporting goods and food between the north and south region.³¹ Survivors complained of inadequate relief packages, with limited food, medicine, and sleeping supplies from NEMA. To complement government's effort, WHO stated it was working with other partners to assist authorities in scaling up emergency health responses in the affected communities and conduct a public health risk assessment to address potential epidemic-prone diseases and other health threats.³²

Earlier in April, the **Nigerian Meteorological Agency (NiMet)** and **Nigeria Hydrological Services Agency (NIHSA)**, urged governments of flood prone states to increase vigilance and implement measures to mitigate the potential impacts of high water and potential flash floods, but it appears that local authorities did not adequately respond to these flood alerts.³³ Nigeria experiences annual devastation from heavy rainfall, often compounded by poor drainage infrastructure. In September 2024, intense rains and the collapse of a dam in **Maiduguri (Borno State)** triggered severe flooding which resulted in 30 deaths and displaced millions. In November 2024, the **United Nations Office for the Coordination of Humanitarian Affairs (OCHA)** said that Nigeria had suffered one of its most catastrophic flood events in decades, recording 321 deaths and affecting 1.3 million people across 34 of the country's 36 states.³⁴

Niger has the largest landmass at over 76,363 square kilometres and relies heavily on commercial farming. Recent flooding has not only reduced crop yields for the current season but also threatens to deter replanting and future agricultural investment. With food prices already high and supply chains under pressure, further disruption could worsen the food scarcity crisis.

This disaster underscores the escalating threat of extreme weather events linked to climate variability and emphasises the urgent need for effective early warning systems, timely action, resilient infrastructure, and comprehensive disaster risk reduction strategies in Nigeria.³⁵

Planner

8 Jul 2025 **Lagos (Nigeria) Nigeria Energy Conference**
 9 – 10 Jul 2025 **Abuja (Nigeria) National Cyber Security Conference**
 10 Jul 2025 **Lagos (Nigeria) BusinessDay CEO Conference**
 8 Jul 2025 **Abuja (Nigeria) Africa Climate Change Conference**
 10 –11 Jul 2025 **Abuja (Nigeria) Africa Social Impact Summit**
 8 Nov 2025 **Anambra (Nigeria) Anambra State** governorship election
 2027 **(Nigeria)** Presidential election

²⁹ Business Day, 8 Jun 2025

³⁰ Channels, 4 Jun 2025

³¹ Vanguard, 31 May 2025

³² Cable, 2 Jun 2025

³³ Vanguard, 8 Jun 2025

³⁴ Humangle, 31 May 2025

³⁵ Reliefweb, 3 Jun 2025

Chronology

- 23 Jun 2025 **Abuja (Nigeria)** *Naira Metrics*. Finance minister, **Wale Edun** discloses that Nigeria's revenue increased to ₦6.9 trillion (\$4 billion) in first quarter 2025 from ₦ 5.2 trillion (\$3 billion) in the same period in 2024;
- 23 Jun 2025 **Abuja (Nigeria)** *Premium Times*. **Economic and Financial Crimes Commission (EFCC)** arrest two former executives of stated-owned **Nigerian National Petroleum Corporation (NNPC) Limited** over alleged fraud of \$7.2 billion meant for refinery maintenance;
- 23 Jun 2025 **Abuja (Nigeria)** *The Nation*. **World Bank Group**-affiliated **International Finance Corporation (IFC)** says it invested \$5 billion in Nigeria in 2024 to bridge infrastructure gap in critical sectors;
- 22 Jun 2025 **Abuja (Nigeria)** *Cable*. **Nigeria** and **Benin** sign a bilateral agreement to strengthen economic partnership;
- 19 Jun 2025 **Abuja (Nigeria)** *Tell News*. **Senate** uncovers ₦210 trillion (\$135 billion) in fraud in stated-owned **Nigerian National Petroleum Corporation (NNPC) Limited's** audited financial reports from 2017 - 2023;
- 23 Jun 2025 **Abuja (Nigeria)** *Arise*. **Presidential Enabling Business Environment Council (PEBEC)** commences a nationwide campaign to sensitise on the ease of doing business.;
- 18 Jun 2025 **Abuja (Nigeria)** *Arise*. Government introduces the concessionary gas pricing framework for Compressed Natural Gas (CNG), to make gas accessible and cheaper for the autogas industry;
- 21 Jun 2025 **Abuja (Nigeria)** *News Diary*. Nigeria partners with the **Japan International Cooperation Agency (JICA)** to launch an innovation hub valued at \$11.2m;
- 18 Jun 2025 **Abuja (Nigeria)** *Punch*. **National Assembly** transmits four tax reform bills to President **Bola Tinubu** for assent;
- 20 Jun 2025 **Abuja (Nigeria)** *Thisday*. **United Kingdom (UK)** confirms that Nigeria will continue to enjoy duty-free access on 99% of total goods exported to the UK market under the **Developing Countries Trading Scheme (DCTS)**;
- 12 Jun 2025 **Lagos (Nigeria)** *Naira Metrics*. **Aliko Dangote** steps down as the chairman of the board of directors of **Dangote Sugar Refinery** and appoints **Arnold Ekpe** as his replacement;
- 9 Jun 2025 **Abuja (Nigeria)** *Thisday*. President **Bola Tinubu** signs an executive order to lower project costs, attract investors, and enhance revenues in the oil and gas sector;
- 1 Jun 2025 **Lagos (Nigeria)** *Foundation for Investigative Journalism*. **Socio-Economic Rights and Accountability Project (SERAP)** files a lawsuit against stated-owned **Nigerian National Petroleum Company (NNPC) Limited** over failure to remit ₦ 500 billion (\$322m) to the to the Federation Account between October and December 2024;
- 24 Jun 2025 **Ovwian-Aladja (Nigeria)** *This Day*. Government says it is seeking to revive the **Premium Steel and Mines Limited** in Ovwian-Aladja (**Delta State**) to operate at full capacity;
- 9 Jun 2025 **Abuja (Nigeria)** *Leadership*. State-owned **Nigerian National Petroleum Company (NNPC) Limited** records ₦5.89 trillion (\$322 billion) revenue and ₦784 billion (\$505m) profit after tax in April;
- 9 Jun 2025 **Abuja (Nigeria)** *Leadership*. Nigeria's total foreign trade reaches ₦36 trillion (\$23 billion) in first quarter of 2025, driven by an increase in non-oil exports;
- 31 May 2025 **Abuja (Nigeria)** *Proshare*. **United States** based **Moody's** upgrades Nigeria's Credit rating from "Caa1" to "B3", citing significant improvements in the country's external and fiscal position;

31 May 2025 **Abuja (Nigeria) Cable**. **Dangote Group** signed a memorandum of understanding (MoU) with the **Bayelsa State** government to explore investment opportunities in gas infrastructure, agro-processing, and seaport development;

29 May 2025 **Abuja (Nigeria) Thisday**. **House of Representatives** committee on solid metals denounces illegal mining practices, particularly at sites operated by **Chinese** nationals, and threatens license revocation;

26 May 2025 **Abuja (Nigeria) Punch**. Industry, trade and investment ministry in collaboration with the **United Nations Development Programme** and **Uganda Airlines**, launches the **Nigeria-East/Southern Africa Air Cargo Corridor** to strengthen export under the **African Continental Free Trade Area**;

25 May 2025 **Abuja (Nigeria) Cable**. **Nigerian Ports Authority (NPA)** partners with **China Harbour Engineering Company (CHEC)** for dredging at the **Lekki Deep Seaport** channel to enhance the port's capacity;

22 May 2025 **Bayelsa (Nigeria) Arise News**. **Shell Nigeria Exploration and Production Company Limited (SNEPCo)** says it plans to proceed with a Final Investment Decision (FID) on the **Bonga Southwest Project** by 2027;

About Africa Risk Consulting:

Africa Risk Consulting (ARC) is a pan-African consulting company that provides timely, relevant information and advice that enables its clients to take informed investment decisions and to safeguard their reputations.

ARC's core consulting services include integrity due diligence and corporate investigations, political advisory and country assessments, opportunity monitoring and reputation risk management. Most relevant to private equity firms is ARC's integrity due diligence and corporate investigations capability. Specifically, ARC offers pre-deal integrity checks to highlight red flags before negotiations start; full detailed multi-jurisdictional reputation due diligence; and supplier and senior hire vetting and repeat due diligence for compliance programmes. ARC is unique in that it offers a 10-day delivery for a routine integrity due diligence. ARC also offers a suite of corporate investigations services from immediate investigation, evidence gathering, e-discovery, forensic accounting and whistleblower support on one end to crisis media management and regular monitoring on the other.

www.africariskconsulting.com

About ARC Briefing:

ARC Briefing is ARC's essential business information service.

Companies at any stage in their Africa expansion, whether building or communicating an Africa strategy, investing directly, expanding current operations, financing other investors, doing the legal leg-work or researching the Africa growth trend, need ARC Briefing.

ARC Briefing is an information service keeping you:

- Up to date with Country Chronologies of business-critical events
- In the know via Country Briefings on political, economic, business and operating trends. Written in-country, ARC experts analyse and comment
- Ahead with Country Planner which details future elections, budgets, regulatory changes etc.

www.africariskconsulting.com

Getting in touch

Please contact us by email info@africariskconsulting.com



Africa Risk Consulting (ARC) Pty Ltd expressly forbids the collection of information and content from ARC Briefing as data to train generative artificial intelligence models.

© Africa Risk Consulting (ARC)