

AFRICA RISK CONSULTING

Nigeria Monthly Briefing September 2024

Nigeria Summary 20 September 2024

The Nigerian National Petroleum Corporation (NNPC) raises petrol prices twice in September, causing frustration among Nigerians already facing a high cost of living. Islamic State of West African Province (ISWAP) coordinates an attack on Mafa village (Yobe State) on 1 September, killing at least 100 people. Flooding in Borno State kills at least 30 people and displaces over one million.

NNPC announces an increase in petrol pump prices

The **Nigerian National Petroleum Corporation (NNPC)** on 16 September announced an 11% increase in petrol prices, with consumers far north in **Borno State** expecting to pay the highest at NGN 1,019.22 (\$0.62) per litre, while those in **Lagos State** will pay the lowest at NGN 950.22 (\$0.57). This was the NNPC's second increase in September – it raised prices on 3 September from NGN 617 (\$0.40) per litre to NGN 897 (\$0.54) per litre.¹ The increases come amid an ongoing fuel shortage.

Nigerians, some represented by the trade union **Nigeria Labour Congress (NLC)**, expressed frustration and confusion, questioning why petrol prices remain volatile, especially as inflation rises. Some believe there may be corruption within the government regarding fuel pricing and its distribution.²

Adding to this frustration, the NNPC on 1 September admitted to having significant debt owing to foreign petrol suppliers after weeks of denying that it has \$6.8 billion in debt which is directly contributing to the fuel shortage.³ It is possible that NNPC raised prices to avoid further debt. President **Bola Tinubu's** (2023-present) special advisor **Bayo Onanuga** on 3 September defended NNPC's fuel hike, claiming that the budget did not allocate funds for fuel subsidy and that NNPC had been forced to carry the burden of the differential between the price of crude oil and the naira devaluation.⁴ However, NNPC's vice president **Adedapo Segun** said that the new pricing template does not reflect the free market and suggested that prices could rise even further.⁵

Oil marketers also expressed shock at the move, adding that they were not informed about the price increase. **Petroleum Products Retail Outlets Owners Association (PETROAN)** president **Billy Gillis-Harry** stated that the company was withholding critical information about the situation.⁶ The rising fuel prices and shortages are disrupting businesses across Nigeria.

There is some hope as the **Dangote Oil Refinery** is expected to start supplying petrol locally, which could help relieve the shortage and stabilise prices in the long term. Petrol from the refinery is expected to be available from 1 October, but the NNPC has said it has to buy the fuel in **United States (US)** dollars until a deal to buy in naira takes effect. Given the NNPC's financial issues, this will impact how much it can purchase from Dangote and may not offer as much relief as expected.

ISWAP attack leaves more than 100 villagers killed in Yobe State

¹ Business Day, 3 Sep 2024

² Business Day, 12 Sep 2024

³ Guardian Nigeria, 2 Sep 2024

⁴ Naira Metrics, 3 Sep 2024

⁵ This Day, 8 Sep 2024

⁶ Guardian Nigeria, 2 Sep 2024

The northeast region, which comprises six states, has been plagued by insurgents either affiliated with **Jamā'at Ahl as-Sunnah lid-Da'wah wa'l-Jihād Jamat (Boko Haram)** or the **Islamic State of West African Province (ISWAP)** for at least 15 years.⁷ The states most affected by insurgency are **Adamawa, Borno** and **Yobe States**. A recent devastating attack was orchestrated against the residents of **Mafa** village in **Tarmuwa** local government area (LGA) in Yobe on 1 September.⁸ The insurgents reportedly infiltrated the village aboard 50 motorcycles armed with rifles and rocket-propelled grenades (RPGs), killing several villagers including Muslim worshippers, as well as burning shops and houses.⁹

Local media reported that at least 150 people were killed while ISWAP claimed to have killed 130 men without listing the number of women or children killed.¹⁰ The insurgents also planted improvised explosive devices (IEDs) along several roads leading to the village to slow down soldiers' rescue efforts.¹¹ ISWAP defended its attack claiming that the villagers were working as informants for the military which led to the killing of some of its members.¹²

Vigilante villagers reportedly killed the two ISWAP commanders, **Munzir Man Shuib Imam** and **Khaled Jorro**, while they were attempting to collect taxes from the villagers.¹³ Notably, in communities ISWAP controls, civilians generally accept the taxation system and credit it for creating a business-enabling environment and providing alleged protection against attacks from rival armed groups. Such practices by insurgent groups targeting fishing and farming communities are not only operational in Nigeria's northeast but also in the northwest and some parts of the north-central states where armed bandits carry out killings and kidnappings.¹⁴

The **United Nations (UN)** resident and humanitarian coordinator for Nigeria, **Mohamed Malick Fall** said in a statement on the attack that thousands of people have fled Mafa to **Babban Gida**, the capital of Tarmuwa, and neighbouring communities. Most of the displaced are seeking shelter in the **Nayinawa** and **Kalallawa** communities of **Damaturu** LGA. Others fled to neighbouring Borno, particularly to the areas of **Gubio, Benisheik, Auno, Monguno, and Maiduguri**, placing additional pressure on these communities.

Flooding claims at least 30 lives and displaces a million others in Borno

Heavy rainfall has continued to impact Borno, killing at least 30 people and displacing one million people. The **Nigerian Meteorological Agency (NiMET)** forecasted in February that Borno will be one of the three states to witness early rains this year, predicting that the rains would start in May and range from 430 mm to 806 mm.¹⁵ The first bout of heavy rainfall on 22 July resulted in flash floods that destroyed 265 shelters, affecting 4,444 individuals across 906 households camping around the **Dikwa** and **Mafa** LGAs¹⁶. Another hour of heavy rainfall on 6 August led to the damage of 243 shelters, impacting 2,862 individuals across 600 households at several internally displaced camps within the Dikwa and **Kala/Balge** LGAs.¹⁷ Borno continued to experience higher-than-usual rainfall through August into September.

On 10 September, heavy rainfall affected the capital of Borno – **Maiduguri** - and some parts of Jere LGA.¹⁸ However, this instance was worse as the **Alau Dam** in the neighbouring **Konduga** LGA breached its banks overnight, following structural damage and continued heavy rains in **Bama**,

⁷ VOA, 3 Sep 2024

⁸ Daily Trust, 3 Sep 2024

⁹ The Guardian, 3 Sep 2024

¹⁰ Wassim Nasr, 12 Sep 2024

¹¹ HumAngle, 4 Sep 2024

¹² Daily Trust, 3 Sep 2024

¹³ Zagazola via X, 3 Sep 2024

¹⁴ Africa Defense Forum, 13 Aug 2024

¹⁵ NiMET, 20 Feb 2024

¹⁶ IOM, 24 Jul 2024

¹⁷ IOM, 12 Aug 2024

¹⁸ The Guardian, 10 Sep 2024

Dambo and **Gwoza** LGAs. The last time Alau Dam overflowed was in 2012 with at least 3.8 million people displaced.¹⁹ The floods resulted in at least 30 fatalities with one million people displaced state-wide.²⁰

Hundreds of buildings, including the correctional facility in Maiduguri were submerged with reports of missing persons.²¹ The flood also led to some wild animals, including crocodiles and snakes, escaping from their enclosures at the state-owned zoo. The recent flooding incident in parts of Jere, including Maiduguri, highlights the need for businesses to conduct environmental risk assessments to mitigate the impact of flooding that can disrupt business activities for a long period.

Flash floods are also a common occurrence in Nigeria due to the heavy rainfall recorded in six out of twelve months of the year nationwide. All 36 states despite their location on the equator have recorded different levels of flooding. One of the causes of this type of incident has been linked to the lack of a functional drainage system and in most cases, the inability of the government to maintain infrastructure in place through proactive measures despite budgetary allocations. Short-term solutions like dredging of sandy gullies to create makeshift drainages have been inadequate in solving the long-standing issue which is expected to worsen, as global warming alters weather patterns worldwide.

Planner

2 Oct 2024 **Lagos (Nigeria) Nigeria Innovation Summit (NIW)**

3-4 Oct 2024 **Abuja (Nigeria) Nigeria Climate Change Forum**

8-9 Oct 2024 **Lagos (Nigeria) West African Clean Energy & Environment Trade Fair & Conference**

8-10 Oct 2024 **Lagos (Nigeria) Nigeria Hydrocarbon Measurement Conference**

15-16 Oct 2024 **Lagos (Nigeria) Finnovex West Africa 2024**

15-17 Oct 2024 **Lagos (Nigeria) Nigeria Energy Exhibition and Conference 2024**

24 Oct 2024 **Abuja (Nigeria) Peoples Democratic Party (PDP) National Executive Committee meets**

Chronology

19 Sep 2024 **Abuja (Nigeria) Reuters. United States (US)-headquartered Coca-Cola Company** announces plan to invest \$1 billion in its Nigeria operations over the next five-year period;

19 Sep 2024 **Abuja (Nigeria) The Cable. World Bank** is set to approve a \$1.5 billion loan to the federal government by 26 September which aims to improve economic stability and resource mobilisation capacity;

19 Sep 2024 **Abuja (Nigeria) Daily Trust. The Central Bank of Nigeria (CBN)** announces plans to continue enforcing the controversial cybercrime levy at 0.005% on all electronic transactions under its new guidelines for the 2024/2025 fiscal year;

19 Sep 2024 **Abuja (Nigeria) Business Day. Nigerian Export Promotion Council (NEPC)** data shows non-oil exports increased by 6.26%, bringing total revenues to \$2.7 billion in the first half of 2024;

19 Sep 2024 **Abuja (Nigeria) The Nation. A coalition of civil society organisations under the National Civil Society Council of Nigeria (NCSCN)** raise concerns over the escalating tensions between **Dangote Refinery** and the **Nigerian National Petroleum Company (NNPC)**;

¹⁹ Relief Web, 10 Sep 2024

²⁰ Nigerian Tribune, 14 Sep 2024

²¹ Premium Times, 16 Sep 2024

18 Sep 2024 **Abuja (Nigeria) Punch**. The **Central Bank of Nigeria (CBN)** to hold its 297th **Monetary Policy Committee (MPC)** meeting on 23 and 24 September;

18 Sep 2024 **Abuja (Nigeria) The Cable**. The federal government unveils \$56m advanced supervisory control and data acquisition (SCADA) technology to monitor national power grid performance;

18 Sep 2024 **Lagos (Nigeria) Reuters**. The **Nigeria Hydrological Services Agency (NIHASA)** warns of potential flooding in 11 states after neighbouring **Cameroon** plans to release water from **Lagdo Dam**;

17 Sep 2024 **Abuja (Nigeria) Business Day**. The **Central Bank of Nigeria (CBN)** says it will maintain orthodox monetary policy tools, instead of direct quasi-fiscal interventionist activities, for implementing monetary policies in 2025;

15 Sep 2024 **Rivers (Nigeria) The Cable**. Violence breaks out during the **Ijaw Youth Council (IYC)** eastern zone election leaving several dead in **Port-Harcourt (Rivers State)**;

15 Sep 2024 **Abuja (Nigeria) Bloomberg**. State-owned **Nigerian National Petroleum Company (NNPC)** begins shipping gasoline from **Dangote Refinery**;

14 Sep 2024 **Abuja (Nigeria) Punch**. The **Nigerian Air Force (NAF)** special forces kills bandit kingpin, **Halilu Sububu** alongside his foot soldiers in **Zamfara State**;

13 Sep 2024 **Abuja (Nigeria) Daily Trust**. The federal government approves the rollout of Compressed Natural Gas (CNG) for vehicles at NGN 230 (\$0.14) per litre amid the rising price of petrol;

12 Sep 2024 **Abuja (Nigeria) Al Jazeera**. Authorities confirm severe flooding caused by the **Alau Dam** in **Borno State** has killed at least 30 people and affected over one million;

12 Sep 2024 **Lagos (Nigeria) Vanguard**. **Nigeria Customs Service (NCS)** says that the rising rate of smuggling of petroleum products out of the country is a major factor affecting foreign exchange availability;

9 Sep 2024 **Abuja (Nigeria) Punch**. **Department of the State Service (DSS)** operatives arrest **Nigeria Labour Congress (NLC)** president **Joe Ajaero** at the **Nnamdi Azikiwe International Airport** alleged criminal intimidation, conduct likely to cause breach of public peace, and malicious damage to property;

8 Sep 2024 **Niger (Nigeria) Premium Times**. A petrol tanker explosion kills at least 48 people along **Bida-Agale-Lapai**-road in **Niger State**;

3 Sep 2024 **Abuja (Nigeria) Reuters**. President **Bola Tinubu** meets with **China's** President **Xi Jinping** who says he will encourage more powerful companies to invest in Nigeria;

2 Sep 2024 **Abuja (Nigeria) Channels**. President **Bola Tinubu** appoints new board members for the **Bank of Industry (BOI)** and **Mansur Muhtar** emerges as the board chairman;

2 Sep 2024 **Abuja (Nigeria) BBC**. A trial begins for ten people charged with treason in connection with the anti-government protests that took place in August, with the death penalty possible if they are convicted;

31 Aug 2024 **Abuja (Nigeria) Premium Times**. State-owned **Nigerian National Petroleum Company (NNPC)** says it is seeking private companies to operate and maintain the **Warri Refining and Petrochemical Company (WRPC)** and **Kaduna Refining Petrochemical Company (KRPC)**;

31 Aug 2024 **Lagos (Nigeria) Premium Times**. **PZ Cussons Nigeria** reports its first annual loss since 2020 in the financial year which ended 31 May amid naira depreciation;

30 Aug 2024 **Niger (Nigeria) Punch**. Flooding destroys 89 houses and seven people are reported missing following heavy rains in **Mashegu** and **Magama** local government areas (LGA) in **Niger State**;

29 Aug 2024 **Abuja (Nigeria)** *RFI*. Nigeria and **Niger** sign an agreement to strengthen security collaboration;

24 Aug 2024 **Abuja (Nigeria)** *Al Jazeera*. Police confirm gunmen have freed 20 medical students kidnapped on 15 August in **Benue State**.

22 August 2024 **Abuja (Nigeria)** *Premium Times*. **Nigeria Data Protection Commission (NDPC)** says the federal government fined **Fidelity Bank Plc** NGN 555.8m (\$338,639) for data breaches;

22 Aug 2024 **Abuja (Nigeria)** *Business Day*. Bandit kills at least 10 farmers in **Shiroro (Niger State)**;

21 Aug 2024 **Abuja (Nigeria)** *Reuters*. Industry monitor **IIR Energy** says **Dangote Refinery** is undergoing test runs for gasoline production with full operations expected by mid-September.

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 or call + 44 (0) 20 7078 4080

Follow us on Twitter: [@ARCBriefing](https://twitter.com/ARCBriefing)

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)