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Nigeria officially asks South Africa's endorsement in joining two key economic blocs, aligning with its strategy to recalibrate its position on the global stage. Central Bank of Nigeria (CBN) imposes fines on two fintech companies to enforce regulatory compliance and enhance accountability in the financial sector. State-owned Port Harcourt refinery in Rivers State resumes crude oil processing after years of rehabilitation efforts and multiple missed deadlines. Nigeria's crude oil production rebounds to 1.48 million barrels per day (bpd) in November, the highest level recorded in 2024, supporting the nation's ambitious production targets for 2025.

Nigeria seeks South Africa's backing to join BRICS and G20

The Nigerian government has sought **South Africa's** support for full membership in the **G20**, **BRICS**, and the **BRICS New Development Bank (NDB)**. State foreign affairs minister **Bianca Odumegwu-Ojukwu** officially submitted the request during the Nigeria-South Africa **Bi-National Commission Meeting (BNC)** held in **Cape Town** (South Africa) from 2-4 December.¹ This diplomatic approach follows South Africa's assumption of the G20 presidency on 1 December, a platform representing the world's most significant economies. President **Bola Tinubu** (2023-present) and South Africa's President **Cyril Ramaphosa** (2019-present) presented the draft document during the BNC presidential session.² Nigeria joined BRICS as a partner country in October, alongside 12 other nations, strengthening its economic connections with the intergovernmental bloc.³

This strategic move aligns with earlier statements made by foreign affairs minister **Yusuf Tuggar** in November 2023, when he articulated Nigeria's ambition to become a full BRICS member within two years, leveraging the country's substantial economic potential and large population.⁴ The concept of a "partner country" in BRICS lacks clarity, as it does not follow the defined criteria typical of other supranational organisations.⁵ Instead, it seems to encompass emerging economies and developing nations, particularly those actively pursuing membership or being considered for potential inclusion. Notably, Nigeria, as one of **Africa's** largest economies, was widely anticipated to be a key member of BRICS during the group's earlier stages.

At the peak of its economic prominence, Nigeria's GDP reached \$509.9 billion in 2013, significantly outpacing South Africa's \$350 billion.⁶ In 2011, **Ngozi Okonjo Iweala**, then finance minister and now director-general of the **World Trade Organisation (WTO)**, argued that Nigeria possessed the fundamental qualities to join BRICS.⁷

However, the Nigerian economy subsequently transitioned from being one of the world's fastest growing to experiencing a profound economic downturn. A series of challenges and policy missteps have dramatically overshadowed what was once a vibrant and promising economic landscape. Nigeria's economic challenges began to emerge after 2015, triggered by a sharp decline in crude oil prices that led to the naira's depreciation. With crude oil sales constituting 70% of government

¹ Punch, 3 Dec 2024

² The Nation, 2 Dec 2024

³ Daily Trust, 25 Oct 2024

⁴ Vanguard, 30 Sep 2024

⁵ Premium Times, 29 Oct 2024

⁶ BBC, 6 Apr 2014

⁷ Guardian, 21 Aug 2022

revenue, the economy became particularly vulnerable. The resurgence of hostilities in the **Niger Delta** further complicated matters by reducing crude oil production. Compounding these external pressures, a series of poor economic policies, systemic policy failures, currency devaluation, escalating inflation and rising unemployment systematically eroded the economic gains achieved in preceding years.⁸

The Nigerian government is strategically recalibrating its foreign policies, seeking to reposition the country by cultivating existing and emerging alliances to revitalise its economy. Nigeria understands that core membership in global blocs like BRICS and the G20 can significantly enhance its international influence and economic prospects. Potential advantages encompass diversified global representation, novel economic cooperation channels, infrastructure financing opportunities and a more robust geopolitical standing. However, realising these aspirations demands that Nigeria dramatically elevate its social, economic and political performance beyond its current suboptimal level.

CBN fines two major fintech companies over regulatory infractions

The **Central Bank of Nigeria (CBN)** levied substantial fines totalling ₦2 billion (\$1.27m) against two prominent fintech companies, **Moniepoint** and **Opay Digital Services**, citing regulatory compliance concerns. While the precise nature of the violations remains unclear, licensing appears to be a key issue underlying the penalties. The fines were imposed during the second quarter of 2024, but details only emerged in the media on 10 December, suggesting a delay in public disclosure of the regulatory action.⁹

The report stated that four additional fintech companies were penalised alongside Moniepoint and Opay, with the latter two receiving the most significant financial sanctions. The penalties emerged from a comprehensive CBN audit of the fintech sector, reflecting the institution's ongoing commitment to heightened regulatory oversight of financial technology start-ups. In recent years, the CBN has increasingly employed monetary penalties as a primary mechanism to enforce regulatory compliance and maintain financial sector discipline.¹⁰ Nigeria's fintech sector, which experienced remarkable growth with minimal regulatory intervention, is now facing increased CBN oversight as platforms like OPay and Moniepoint have scaled to serve massive user bases. OPay reports approximately 40 million customers, while Moniepoint, which processed ₦5.2 billion (\$3.3m) in transactions in 2023, has not publicly disclosed its specific user count but is recognised as a comparably significant player in the market.¹¹

The exponential growth of fintech giants like OPay and Moniepoint has brought their regulatory status under intense scrutiny. These companies have been operating predominantly under microfinance bank licences – a regulatory framework originally designed to support micro, small and medium enterprises. While these licences facilitated their rapid expansion and enabled them to serve millions of customers, they have simultaneously raised significant concerns about the adequacy of existing regulatory protections.¹² The CBN's regulatory scrutiny extends beyond licensing frameworks, with significant focus on **Know Your Customer (KYC)** compliance standards. In April, the CBN took decisive action by implementing a two-month ban on customer onboarding for multiple fintech companies, directly addressing systemic failures in customer verification processes. This regulatory intervention required fintech platforms to redesign their onboarding procedures to improve compliance and enhance regulatory adherence.¹³ Nigerians, particularly younger demographics and small business owners, have come to rely heavily on fintech platforms for financial services, viewing these innovative companies as more responsive and accessible alternatives to

⁸ Verivafrika.com, 1 Jul 2024

⁹ Techcabal, 10 Dec 2024

¹⁰ SBMintel, 11 Dec 2024

¹¹ Techcity, 11 Dec 2024

¹² Hallmark, 11 Dec 2024

¹³ Techcabal, 10 Dec 2024

traditional commercial banks. Moniepoint has remained silent in response to the regulatory report, while OPay rejected the claims as false. The measured responses from both companies indicate a strategic approach to address potential customer concerns, carefully balancing transparency with user confidence.

The significant fines imposed by the CBN mark a crucial turning point in the country's fintech regulatory landscape. These penalties highlight a shift from passive oversight to active enforcement, demonstrating the regulatory body's commitment to maintaining the integrity of the financial system.¹⁴ As fintech platforms expand their influence, the CBN is emphasising that technological innovation must not compromise compliance and customer protection.

Port Harcourt refinery resumes operations after undergoing rehabilitation...

The **National Petroleum Company Limited (NNPCL)** on 26 November announced the resumption of crude oil processing and truck loading of petroleum products at the state-owned **Port Harcourt** refinery in **Rivers State**. This follows an extended period of rehabilitation and several missed deadlines.¹⁵ During a tour of the facility with stakeholders, NNPCL CEO **Mele Kyari** described the start of these activities as a monumental achievement for Nigeria, marking a new era of energy independence and economic growth for the country. Kyari mentioned that the revamped refinery now boasts a daily production capacity of 1.5 million litres and can supply 200 fuel trucks per day.¹⁶ The Port Harcourt refinery complex, the largest state-owned facility, consists of two operational units commissioned in 1965 and 1989, with a combined crude processing capacity of 210,000 barrels per day (bpd). Currently, only the older unit, with a capacity of 60,000 bpd, has been rehabilitated, while the newer 150,000 bpd unit remains non-functional.¹⁷

The refinery was closed in March 2019 for the initial phase of repairs after the government enlisted the services of **Italy**-based **Maire Tecnimont** to oversee the facility's review, with **Eni Oil Company** acting as the technical adviser.¹⁸ In 2021, the former administration approved ₦600 billion (\$1.5 billion) for its rehabilitation.¹⁹ By December 2023, the NNPCL announced the project's mechanical completion and initiated the flare start-up process for the refinery.²⁰

President Bola Tinubu, in a statement issued by his special adviser on information and strategy, **Bayo Onanugu**, commended the NNPCL on its achievement. Tinubu recognised the crucial role of former president **Muhammadu Buhari** (2015-2023) in initiating the comprehensive rehabilitation of all the refineries and expressed gratitude to the **African Export-Import Bank** for its confidence in financing this critical project.²¹

Nigeria owns four refineries: two in Port Harcourt, one in **Warri (Delta State)**, and another in **Kaduna (Kaduna State)**. However, these facilities have remained largely non-operational for many years despite multiple **Turn-Around-Maintenance (TAM)** initiatives. The prolonged inactivity of the refineries has compelled Nigeria to rely entirely on imported petroleum products for domestic consumption, significantly straining the country's foreign reserves. The resumption of refinery operations is expected to lessen Nigeria's dependence on fuel imports and ease the foreign exchange pressures associated with importation. Additionally, it addresses concerns regarding the monopoly of the downstream sector by the privately-owned **Dangote Refinery**. Given Nigeria's daily fuel consumption of at least 40 million litres and Dangote's increase in production to 30 million litres in October, the commencement of operations at the Port Harcourt refinery will effectively meet local

¹⁴ Techcity 10 Dec 2024

¹⁵ Business Day, 26 Nov 2024

¹⁶ Punch, 27 Nov 2024

¹⁷ Premium Times, 26 Nov 2024

¹⁸ Daily Brief, 01 Dec 2024

¹⁹ PM News, 2 Dec 2024

²⁰ Tribune, 22 Dec 2023

²¹ Daily Trust, 26 Nov 2024

demand and end the perennial fuel scarcity.²² Revitalising the Port Harcourt refinery marks a significant milestone in strengthening Nigeria's energy security and fostering economic growth. It also opens the possibility for other dormant refineries to become operational soon.

... as Nigeria increases crude oil production output

The **Nigerian Upstream Petroleum Regulatory Commission (NUPRC)** on 11 December reported a substantial increase in the country's crude oil production, rising to 1.485 million barrels per day (bpd) in November from 1.33 million bpd in October. The latest production data represents a significant rebound in drilling performance, achieving the highest production level since April 2021. The uptick is particularly crucial for Nigeria's oil-dependent economy, potentially providing a much-needed boost to national revenue streams and economic stability.²³ When including condensate production, Nigeria's total oil output reached 1.69 million bpd in November, a notable increase from 1.53 million bpd in October. Despite this significant improvement, the production volume remains below the 1.5 million bpd quota allocated to Nigeria by the **Organisation of Petroleum Exporting Countries (OPEC)**, indicating ongoing challenges in fully maximising the country's petroleum production potential.²⁴ Petroleum minister **Heineken Lokpobiri** emphasised that OPEC's decision to maintain Nigeria's oil production quota at 1.5 million bpd aligns strategically with the country's ambitious target of achieving 2.06 million bpd in total oil output by 2025, including condensate production.²⁵

The initiative, originally launched by the government in October, represents a critical strategic effort to bolster Nigeria's economic sustainability. Oil revenue remains a fundamental pillar of the national economy, serving as a primary source of government revenue and a key contributor to foreign exchange earnings. Complementing the NUPRC report, OPEC's latest monthly report, released on 11 December, confirmed Nigeria's continued leadership as Africa's largest oil producer. Nigeria maintained its top position in November by significantly outperforming other African nations, with **Algeria** producing 908,000 bpd and the **Republic of Congo** generating 268,000 bpd.²⁶

During its 38th OPEC and non-OPEC ministerial meeting on 5 December, the organisation extended Nigeria's oil production quota of 1.5 million bpd through 2026.²⁷ However, Nigeria continues to face significant obstacles in fully realising its production potential, primarily due to persistent crude oil theft and extensive pipeline vandalism, with the **Niger Delta** region bearing the brunt of these challenges. To tackle these systemic issues, a comprehensive approach is necessary. This includes strengthening regulatory frameworks, investing in critical infrastructure, and fostering strategic collaborations with private sector stakeholders and international partners.²⁸

What to watch out for in 2025

The economic challenges confronting Nigeria in 2024 are poised to extend into 2025, driven by multiple issues. The nation's inflation rate, which reached 33.88% in October, is expected to be moderately high, making it a primary concern. The inflationary pressure will be driven by recurring challenges such as currency inflation, food inflation due to insecurity and climate change impacts, high energy costs and an elevated logistics cost. Nigerian citizens approach the potential economic recovery with measured optimism, anticipating that the government's ambitious economic reforms implemented over the past two years might finally begin to yield tangible benefits in 2025, though this expectation is tempered by a realistic understanding of the profound economic headwinds facing the country.

²² The Cable, 29 Oct 2024

²³ Business Day, 11 Dec 2024

²⁴ The Cable, 11 Dec 2024

²⁵ Naira Metrics, 11 Dec 2024

²⁶ Tribune, 11 Dec 2024

²⁷ Vanguard, 6 Dec 2024

²⁸ Ask Nigeria, 6 Dec 2024

Nigeria's political landscape in 2025 appears relatively stable, with the ruling **All Progressive Party (APC)** consolidating its power and demonstrating improved internal cohesion compared to the opposition. Significant political developments are anticipated, as opposition parties engage in strategic discussions to potentially form a unified "mega party" ahead of the 2027 presidential elections. These emerging political realignments may be undermined by ethnic and religious affiliations, reflecting the inherent dynamics of Nigeria's political system.

Planner

9 Jan 2025 Abuja (Nigeria) **International Climate Change and European Law Conference**
 17 Jan 2025 Abuja (Nigeria) **International Revenue Management Conference**
 21-22 Jan 2025 Abuja (Nigeria) **NAS Annual Scientific Conference**
 28-29 Jan 2025 Abuja (Nigeria) **Nigeria Climate Change Forum**
 30 Jan 2025 Abuja (Nigeria) **International Society for Business Ethic Conference (ICSFBE)**
 2027 (Nigeria) **Presidential election**

Chronology

12 Dec 2024 Abuja (Nigeria) *Naira Metrics*. The **Senate** issues an arrest warrant for Abuja-headquartered construction company **Julius Berger Plc** managing director **Peer Lubash** requiring his appearance before the Senate Committee on Works, following the company's alleged failure to respond to previous summons concerning abandoned projects, despite receiving funds;

11 Dec 2024 Abuja (Nigeria) *Arise News*. Aviation minister **Festus Keyamo** inaugurates the **Nigeria Civil Aviation (NCAA) Flight Data Centre (FDC)** in Abuja to enhance safety regulations in the nation's aviation sector;

11 Dec 2024 Lagos (Nigeria) *Punch*. **Dangote Petroleum Refinery** and **Cameroon** based **Neptune Oil** announced their first export of petrol to Cameroon, marking a significant step in regional energy integration and cooperation;

11 Dec 2024 Lagos (Nigeria) *Punch*. Sustainable energy solutions provider **Winock Solar** signs a partnership agreement with **China**-based clean energy company **Cola Solar** to supply solar generators to 100 million Nigerians within the next five years;

11 Dec 2024 Abuja (Nigeria) *Naira Metrics*. **International Monetary Fund (IMF)** mission chief for Nigeria, **Axel Schimmelpfennig** pays a courtesy visit to budget minister **Abubakar Atiku Bagudu** in Abuja, expressing support for Nigeria's economic reforms and ongoing development initiatives;

11 Dec 2024 Abuja (Nigeria) *Business Day*. A national electricity grid collapse leads to widespread power outage;

11 Dec 2024 Lagos (Nigeria) *The Nation*. **Nigerian Ports Authority (NPA)** enters a 45-year agreement with **Nigerdock** to expand the **Snake Island Port**, an 85-hectare multipurpose facility at the **Snake Island Integrated Free Zone** in **Amuwo-Odofin LGA (Lagos State)**;

10 Dec 2024 Abuja (Nigeria) *Channels*. **Nigerian Civil Aviation Authority (NCAA)** threatens to sanction airlines that delay ticket refunds for ticket purchases;

10 Dec 2024 Abuja (Nigeria) *Vanguard*. **Germany's** President **Frank-Walter Steinmeier** visits Nigeria at the invitation of President **Bola Tinubu**, accompanied by a delegation of CEOs and high-ranking board members from some of Germany's most successful companies in the fields of IT, high-tech, and energy;

9 Dec 2024 Abuja (Nigeria) *VON*. **National Information Technology Development Agency (NITDA)** warns about a new version of the Grandoreiro malware, which targets users globally through sophisticated phishing campaigns;

7 Dec 2024 **Abuja (Nigeria)** *Nigeria Bureau of Statistics*. **National Bureau of Statistics (NBS)** announces that Nigeria generated N1.78 trillion (\$1 billion) in value-added tax (VAT) revenue during Q3 of 2024, representing a 14.16% increase compared to the N1.56 trillion (\$900 billion) collected in Q2;

6 Dec 2024 **Abuja (Nigeria)** *Cable*. The government procures 12 pre-owned Alpha jets from the **Armée de l'air et de l'espace (French air and space force)** to strengthen its military capabilities;

3 Dec 2024 **Lagos (Nigeria)** *Punch*. Senate confirms the appointment of Lt. General **Olufemi Oluyede** as **Chief of Army Staff**;

3 Dec 2024 **Lagos (Nigeria)** *The Africa Report*. Police arrest human rights lawyer and activist **Dele Farotimi** over an alleged criminal defamation petition by prominent lawyer **Afe Babalola**, following the publication of Farotimi's book, "Nigeria and its Criminal Justice System";

28 Nov 2024 **Borno (Nigeria)** *Daily Post*. Nigerian military refutes claims made by **Islamic State West Africa Province (ISWAP)** in a four-minute video for responsibility for a complex attack involving a single **Suicide Vehicle-Borne Improvised Explosive Device (SVBIED)** against soldiers in **Garin Kukawa** area, **Kukawa LGA, (Borno State)**;

27 Nov 2024 **Paris (France)** *DW.com*. **Nigeria's** President **Bola Tinubu** visits France at the invitation of President **Emmanuel Macron**, marking the first state visit by a Nigerian president in two decades;

26 Nov 2024 **Abuja (Nigeria)** *Arise News*. **Economic and Financial Crimes Commission (EFCC)** arrests former **Kogi State** governor **Yahya Bello** over allegations of money laundering, breach of trust and the misappropriation of ₦80 billion (\$51m);

26 Nov 2024 **Abuja (Nigeria)** *Punch*. **Central Bank of Nigeria (CBN)** raises the **Monetary Policy Rate (MPR)** to 27.50%, a 25-basis point increase from 27.25% in September, as part of a strategy to control inflation and stabilise the Naira;

25 Nov 2024 **Abuja (Nigeria)** *Premium Times*. **National Bureau of Statistics (NBS)** releases its Q2 2024 **Nigeria Labor Force Survey (NLFS)** results, indicating that the country's unemployment rate dropped to 4.3%, compared with 5.3% in Q1 2024;

24 Nov 2024 **Lagos (Nigeria)** *Punch*. **Dangote Refinery** reduces the fuel price from N990 (\$0.63) per litre to N970 (\$0.61) per litre for private retailers;

About Africa Risk Consulting:

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