

## AFRICA RISK CONSULTING

### Nigeria Monthly Briefing August 2025

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#### Nigeria Summary 21 August 2025

*President Bola Tinubu (2023-present) orders a review of deductions and revenue retentions by major revenue-generating agencies to boost public savings, improve spending efficiency, and unlock resources for growth. Nigeria's economy climbs to ₦372.8 trillion (\$243 billion) after its first rebasing exercise in over a decade, with significant growth in the non-oil sector. The Federal Inland Revenue Service (FIRS) releases a public notice confirming that it has stopped issuing tax-exemption certificates to all categories of taxpayers amid rising tax expenditure and a lack of reliable data to assess its economic impact. Indian refineries resume crude oil purchase from Nigeria following the United States (US) tariff hikes, a potential sign of a long-term bilateral relationship between India and Nigeria.*

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#### President Tinubu directs review of revenue deductions

President **Bola Tinubu** (2023–present), during the **Federal Executive Council (FEC)** meeting on 13 August, ordered a comprehensive [review](#) of all deductions and revenue retention practices by major revenue-generating agencies, as part of broader efforts to increase public revenue, strengthen investor confidence, and drive economic growth. The agencies affected include the **Federal Inland Revenue Service (FIRS)**, **Nigeria Customs Service**, **Nigerian Upstream Petroleum Regulatory Commission (NUPRC)**, **Nigerian Maritime Administration and Safety Agency (NIMASA)**, and **Nigerian National Petroleum Company Limited (NNPC)**.

Tinubu also asked for a specific review of NNPC's 30% management fee and the 30% frontier [exploration](#) deduction provided under the **Petroleum Industry Act**. He tasked the **Economic Management Team**, chairman and finance minister, **Wale Edun**, to submit actionable recommendations to the FEC on the most effective way forward. Tinubu reaffirmed that the government's target is to build a \$1 trillion economy by 2030, which requires annual growth of at least 7% starting from 2027. He referenced the **International Monetary Fund's (IMF) Article IV** report, released in July, which he said endorsed Nigeria's economic direction and emphasised the importance of investment-led growth.

Reacting to the development, **Economic Associates** chief executive, **Ayo Teriba**, stated that revenue-generating agencies are allowed to retain a percentage of their [earnings](#) as running costs, but the exact proportions have often lacked transparency. The previous administration introduced the **Treasury Single Account (TSA)** in 2015 as a centralised system to manage government revenue and curb corruption in public agencies. The [TSA](#) is designed as a unified structure of government bank accounts, allowing for the consolidation and optimal use of government cash resources.

However, the reform did not remain effective for long, as many agencies eventually reverted to old practices and retained significant autonomy over their financial operations instead of adhering to a fully centralised system. It remains uncertain whether the government plans to launch a thorough investigation into the persistent leakages in public funds during the review process. Revenue-generating agencies may argue that the centralisation and bureaucratic bottlenecks could slow down their operations, potentially undermining efficiency and making the policy counterproductive.

#### Nigeria's GDP rises to \$243 billion after rebasing

**National Bureau of Statistics (NBS)** on 23 July released Nigeria's Gross Domestic Product (GDP) figures, estimating [nominal](#) GDP at ₦372.82 trillion (\$243 billion) for 2024, using an exchange rate of

₦1,530/\$1. This marks the first GDP rebasing exercise in 11 years, following the last revision when the NBS updated the methodology for calculating Nigeria's economic output. The latest rebasing, announced in October 2024, aimed to ensure economic data more accurately reflects current realities and structural changes in the economy.

The updated growth figures reflect an expanded GDP calculation that captures a more diversified economy, incorporating the digital economy, fintech, creative industries, and the informal sector. The revision increased Nigeria's GDP by over 30% compared to the IMF's [projection](#) of \$187.6 billion, inclusive of previously unrecorded activities in the informal economy. However, despite this upward revision, Nigeria remains the fourth-largest economy in Africa, ranking behind **South Africa** (\$410.3 billion), **Egypt** (\$347 billion), and **Algeria** (\$268.9 billion).

The report stated that Nigeria recorded an average daily crude oil production of 1.62 million barrels per day (mbpd) in the first quarter (Q1) of 2025, representing an increase of 0.05 mbpd compared to the 1.57 mbpd recorded in the same period of 2024, and 0.08 mbpd higher than the 1.54 mbpd produced in the fourth quarter (Q4) of 2024.

Meanwhile, the non-oil sector grew by 3.19% in real terms in Q1 2025, an improvement of 1.02% compared to 2.17% in Q1 2024. For the first time, real estate superseded the oil and gas to become the third-largest contributor to GDP, behind crop production and trade, and accounts for 10.78% of output, compared to oil's 5.85%. Over the same period, 37 [sectors](#) recorded growth, with standouts including metal ores at 25%, financial services at 15%, transportation at 14.5% and ICT at 7.4%. Agriculture's GDP share improved from 22.1% to 25.8% post-rebasing.

While the rebasing exercise reveals a more diversified economy, it also exposes the underperformance of industry, particularly manufacturing, which stands at 1.7%. The **Manufacturers Association of Nigeria (MAN)** [cautioned](#) against viewing the nominal GDP expansion as proof of meaningful economic progress, stressing that the revised figures mask deep-seated industrial and structural weaknesses. MAN's director general, **Segun Ajayi-Kadri**, noted that Nigeria's average real GDP growth between 2020 and 2024 was only 1.95%, far below the threshold needed to drive inclusive and sustainable development. He urged the government to treat the rebased GDP as a wake-up call to prioritise manufacturing through targeted policies and strategic infrastructure investments, for sustainable economic transformation.

While the government may view this as evidence of significant economic progress, mainly for political reasons, the statistics do not reflect the realities of ordinary Nigerians grappling with the high cost of living, unemployment, and low minimum wages.

### **FIRS halts issuance of tax exemption certificates**

The **Federal Inland Revenue Service (FIRS)** issued a public notice on 29 July announcing the discontinuation of **Tax Exemption Certificates (TECs)** for taxpayers, including Pioneer Status Incentive (PSI) companies, Non-Governmental Organisations (NGOs), and Free Zone Entities (FZEs).

FIRS executive chairman, **Zacch Adedeji**, stated that no new TECs would be issued, while existing certificates would remain valid only until their expiry dates, after which renewals will no longer be permitted. He further stressed that all claims for tax [exemptions](#) or benefits must strictly comply with relevant laws and adhere to procedures approved by the service. At the 2025 **Tax Expenditure Workshop** held in April, Adedeji noted that revenue losses from tax expenditures remain difficult to accurately quantify due to poor data coordination among relevant government agencies. He explained that many tax incentives are not adequately assessed against their actual economic impact, making it challenging to determine their true cost and leaving room for unverified expenditure figures from different quarters.

In 2021, reports estimated that government forfeited over ₦6 trillion (\$9 billion) through various tax waivers and incentives, including those under the PSI scheme and similar frameworks. Although the plan to review tax waivers has been under consideration for several years, in September 2023, the

**Presidential Tax Reform Committee** chairman, **Taiwo Oyedele**, announced that the committee would carry out a comprehensive review of tax [waivers](#). However, as of December 2024, the number of local and foreign companies exempted from remitting tax revenue to government reserves rose from 88 to 105.

The new tax reform bills, signed in June, are expected to address some challenges that may arise from the stoppage of exemption certificates, with the **Economic Development Incentive (EDI)** replacing the existing PSI, to stimulate [economic](#) growth and attract investment. However, while the discontinuation of tax waivers is expected to strengthen government revenue, it could also dampen Nigeria's appeal to foreign direct investors and impose higher tax burdens on companies. These additional costs may increase operating expenses, which businesses are likely to pass on to consumers through higher prices, further exacerbating Nigeria's already elevated inflation.

### India buys crude oil from Nigeria as Dangote imports US crude

**Indian** refiners secured more than two million barrels of Nigerian crude oil for September and October deliveries, signalling a notable shift in its purchasing patterns. The **Indian Oil Corporation (IOC)** bought one million barrels of **Agbami** crude for September [delivery](#) through a tender awarded to **Singapore**-based **Trafigura**, while **Bharat Petroleum Corporation Limited (BPCL)**, India's second-largest state refiner, purchased another one million barrels on the spot market for October delivery.

Indian state refiners had withdrawn from the Nigerian [market](#) since 2022, favouring discounted **Russian** crude following Russia's invasion of **Ukraine**. Following pressure from US President **Donald Trump** (2025-present), and imposition of double tariff rates, India suspended Russian imports in late July to outsource crude from other sellers and previous partners. This comes as Nigeria exported 17.3 million barrels of crude, valued at \$1.34 billion, to the US between January and May 2025 (*see ARC Briefing Nigeria Jul 2025*).

While Indian refiners are stepping up purchases of Nigerian grades, the **Dangote Petroleum Refinery** is relying heavily on US imports to sustain its processing units. In July alone, the refinery imported an average of ten million barrels, citing an increasing dependence on US feedstock despite the naira-for-crude agreement with the Federal Government. **Belgium**-based data provider **Kpler** said that Dangote Refinery's crude [imports](#) surged to a record 590,000 barrels per day (bpd) in July, driven largely by US supplies overtaking Nigerian crude for the first time.

The development underscores persistent difficulties in securing reliable domestic feedstock. Dangote and other local refineries have repeatedly criticised the inadequate crude supply to their facilities under the **Domestic Crude Supply Obligations (DCSO)**. Speaking at the **West African Refined Products Pricing and Markets Development Conference** in **Abuja** in July, **Aliko Dangote** described international oil companies (IOCs) as the most [challenging](#) aspect of the refinery's operations, particularly in accessing consistent crude volumes. He noted that rather than purchasing directly from local producers on competitive terms, the refinery has often been compelled to buy from international trading firms that acquire Nigerian crude and resell it at steep premiums.

Crude supply shortages to Nigerian refineries persist despite warnings issued in February by the **Nigerian Upstream Petroleum Regulatory Commission (NUPRC)**, which threatened to [sanction](#) producers failing to comply with the DCSO. So far, the regulator appears unable to effectively enforce these provisions, resulting in continued supply gaps for local refining. This contradiction underscores the complexities of the global oil trade, where Indian refiners are re-engaging with Nigerian crude, providing Nigeria with valuable export revenues and market diversification, but the domestic refining sector continues to struggle with feedstock shortages. This re-engagement with Indian could potentially be the beginning of a long-term bilateral cooperation between both countries in trade and mineral resources development.

### Planner

6 Sep 2025 **Lagos (Nigeria) International Conference on Cybersecurity Studies**  
 16 – 18 Sep 2025 **Lagos (Nigeria) Africa Film Finance Forum**  
 25 – 26 Sep 2025 **Abuja (Nigeria) East Africa International Arbitration Conference**  
 25 – 26 Sep 2025 **Rivers (Nigeria) Africa International Conference on Clean Energy**  
 6 – 8 Oct 2025 **Abuja (Nigeria) Nigerian Economic Summit Group**  
 8 Nov 2025 **Anambra (Nigeria) Anambra State** governorship election  
 2027 **(Nigeria)** Presidential election

## Chronology

20 Aug 2025 **Abuja (Nigeria) ThisDay**. **Federal High Court** temporarily freezes four bank accounts linked to **Nigerian National Petroleum Company Limited (NNPCL)**, former group managing director (GMD) **Mele Kyari** in ongoing fraud investigations;

19 Aug 2025 **Abuja (Nigeria) Cable**. President **Bola Tinubu** removes the 5% excise duty on telecommunications services;

19 Aug 2025 **Abuja (Nigeria) DW**. Nigeria is set to impose reciprocal visa requirements on **United States (US)** citizens following new rule demanding that Nigerian applicants disclose their social media activity for the past five years;

18 Aug 2025 **Lagos (Nigeria) Vanguard**. **California-Africa Climate and Economic Partnership, (CACEP)** visits Lagos to explore opportunities in the film industry, technology, renewable energy and climate cooperation;

16 Aug 2025 **Abuja (Nigeria) Channels**. **World Trade Organisation (WTO)** is set to provide financial and technical support to 146 women in its first phase of the \$50m **Women Exporters in Digital Economy (WEIDE)** investment fund;

14 Aug 2025 **Abuja (Nigeria) Reuters**. Government approves a phased plan to refinance ₦4 trillion (\$2.61 billion) in electricity sector debt to help stabilise the nation's power industry and improve supply;

14 Aug 2025 **Lagos (Nigeria) Vanguard**. A cyber-attack on the Information Communication Technology (ICT) platform of the **Nigeria Customs Service (NCS)** disrupts clearance operations at ports across the country;

13 Aug 2025 **Lagos (Nigeria) Cable**. **Nigerian** Government grants a foreign carrier operation permit (FCOP) to **Air Tanzania Company Limited (ATCL)** authorising the airline to commence direct flights to Lagos;

13 Aug 2025 **Washington (United States of America) Reuters**. **United States (US)** state department approves potential sales of ammunitions, precision bombs, and rockets to Nigeria for an estimated cost of \$346m;

13 Aug 2025 **Abuja (Nigeria) Daily Trust**. **House of Representatives** probes the implementation of government's \$696m intervention programme under the **Nigeria Community Action for Resilience and Economic Stimulus (NG-CARES)**, citing concerns over the programme's lack of tangible impact on vulnerable Nigerians;

13 Aug 2025 **Abuja (Nigeria) Leadership**. **Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA)** reports a decline in fuel consumption for June, with total fuel evacuation falling to 1.44 billion litres from 1.76 billion litres in May;

13 Aug 2025 **Abuja (Nigeria) Punch**. The Compressed Natural Gas (CNG) sector attracts over \$980m in private investments in 18 months, with vehicle conversions surging from 4,000 to nearly 100,000;

12 Aug 2025 **Abuja (Nigeria) Cable.** Nigeria's daily crude oil production rose to 1.50 million barrels per day (bpd) in July, meeting its **Organisation of Petroleum Exporting Countries (OPEC)** quota for a third time in 2025;

12 Aug 2025 **Lagos (Nigeria) Leadership.** **National Sugar Development Council (NSDC)** signs agreements with four local companies to develop new sugar production facilities that will collectively add 400,000 metric tonnes to Nigeria's annual sugar output;

11 Aug 2025 **Abuja (Nigeria) Arise.** **World Bank** approves \$300m for Internally Displaced Persons (IDPs) and their host communities in the northern Nigeria, under the **Solutions for the Internally Displaced and Host Communities Project (SOLID)**;

10 Aug 2025 **Abuja (Nigeria) Punch.** Police confirm the conviction of 21 foreigners, mainly **Chinese** and **Malaysian** nationals, linked to a cybercrime in November 2024;

6 Aug 2025 **Lagos (Nigeria) The Sun.** Aviation unions demand the cancellation of the ongoing concession of airports across Nigeria, citing a lack of transparency and inclusion in the process;

6 Aug 2025 **Abuja (Nigeria) Nation.** **Nigeria Customs Service (NCS)** announces the implementation of **Authorised Economic Operator (AEO)** programme across the country from January 2026;

4 Aug 2025 **Lagos (Nigeria) Daily Trust.** **Nigeria Customs Service (NCS)** begins collection of 4% **Free On Board (FOB)** levy on imports based on the value of imported goods, including cost and transportation expenses up to the port of loading;

1 Aug 2025 **Abuja (Nigeria) Naira Metrics.** Government approves ₦68.7 billion (\$44.7m) for electricity projects in federal universities, teaching hospitals, and rural agricultural centres across the country;

31 Jul 2025 **Abuja (Nigeria) Guardian.** Government approves ₦712 billion (\$464m) for total rehabilitation and upgrade of Terminal One of the **Murtala Muhammed International Airport (MMIA)** in **Lagos State**;

30 Jul 2025 **Bauchi (Nigeria) Daily Post.** Stated-owned **Nigerian National Petroleum Company (NNPC), Limited**, drills four oil wells in **Kolmani** area (**Bauchi State**);

29 Jul 2025 **Abuja (Nigeria) Channels.** **Dangote Petroleum Refinery and Petrochemicals** withdraws its ₦100m (\$65m) lawsuit against the **Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA)**, the **Nigerian National Petroleum Company Limited (NNPCL)**, and five other petroleum companies;

27 Jul 2025 **Lagos (Nigeria) Naira Metrics.** **Dangote Cement Plc** reports a ₦520 billion (\$339m) profit after tax for the first half of 2025;

27 Jul 2025 **Abuja (Nigeria) Punch.** Government prohibits foreign currency dominated contracts for all ministries and departments, as part of new fiscal control measures outlined in the 2025 **Appropriation Act Implementation Guideline**;

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