

## AFRICA RISK CONSULTING

### Nigeria Monthly Briefing April 2025

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#### Nigeria Summary 22 April 2025

*United States (US) trade tariffs threaten Nigeria's economy, sending shockwaves through Nigerian exports while making commodities less competitive in US markets. Electricity Generation Companies (GenCos) threaten a nationwide blackout over debt amounting to \$2.4 billion, prompting the government to address a payment plan. Nigeria's Securities and Exchange Commission (SEC) freezes issuance of crypto licence approval for investigations as multi-agency scrutiny leaves digital asset start-ups in regulatory limbo despite previous promises. Armed Fulani herder militias kill over 150 people in multiple attacks in North central Nigeria, amid escalating resource conflicts, threatening food security.*

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#### US trade tariff impact on Nigeria's economy

**United States (US)** president **Donald Trump** (2017-2021; 2025-present) launched sweeping new trade policies on 2 April, announcing comprehensive tariff measures on all imports in a dramatic overhaul of US global trade approach. **Nigeria** was among 60 countries impacted by these reciprocal tariffs, with the US imposing a 14% duty on Nigerian goods, the second highest rate in **West Africa** after **Côte d'Ivoire**.<sup>1</sup> However, in an unexpected policy reversal, Trump declared on 9 April that countries that had not enacted retaliatory measures against US tariffs would receive temporary relief, facing only a 10% blanket tariff until July.<sup>2</sup>

The sweeping US tariff policy is sending shockwaves through the global economy. Although oil and gas exports are exempted from the tariffs, Nigeria's oil-dependent economy remains highly vulnerable to the fluctuations in global oil demand and pricing triggered by these measures. The escalating trade tensions, particularly with **China**, are fuelling global economic uncertainty, causing a significant decline in oil prices.<sup>3</sup> Since the 2 April announcement, crude oil prices have plummeted to a four-year low, hovering around \$60 per barrel.<sup>4</sup> Nigeria's 2025 national budget of \$37 billion was predicated on oil prices maintaining \$75 per barrel.<sup>5</sup> With oil revenue constituting over 80% of Nigeria's foreign exchange earnings, the current price decline threatens to exacerbate budget shortfalls and economic instability.<sup>6</sup> During a **Finance Ministry Incorporated** event in the capital, **Abuja**, on 7 April, finance minister **Wale Edun** acknowledged that "*it's the price effect, the oil price effect that may affect Nigeria,*" highlighting the government's growing concern about potential oil price deterioration and indicating that the presidential economic management team is analysing potential scenarios.<sup>7</sup>

Trump's trade policies present significant challenges for Nigeria's economy through both depressed global oil prices and obstacles to the country's non-oil exports. In a statement responding to the tariff measures, industry, trade and investment minister **Jumoke Oduwole** noted that Nigeria's exports to the US have averaged \$5 billion-\$6 billion annually over the past two years. Over 90% of these consist of crude petroleum, mineral fuels, oils, and gas products. The second-largest export category, comprising approximately 2-3%, includes fertilisers and urea (an important fertiliser), followed by

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<sup>1</sup> Premium Times, 9 Apr 2025

<sup>2</sup> BBC, 10 Apr 2025

<sup>3</sup> Zikoko, 10 Apr 2025

<sup>4</sup> DW, 14 Apr 2025

<sup>5</sup> Vanguard, 6 Mar 2025

<sup>6</sup> Premium Times, 14 Apr 2025

<sup>7</sup> Channels, 8 Apr 2025

lead, which represents roughly 1% of total exports (valued at approximately \$82m).<sup>8</sup> Nigeria additionally exports limited quantities of agricultural products including live plants, flour and nuts, which constitute less than 2% of its total exports to the US.<sup>9</sup> In 2024, Nigeria's non-oil goods exports to the US under the **African Growth and Opportunity Act (AGOA)** reached approximately ₦323.96 billion (\$201m), benefiting from tariff-free entry to the US market. Products that enjoyed duty-free access included urea, cocoa beans, refined lead, soya meals and natural rubber. Nigeria also exported cashew nuts, aluminium and various rubber products.<sup>10</sup> With these new 10%-14% tariffs, these exports become substantially less competitive in the US market and could cost Nigeria \$6 billion annually.<sup>11</sup> The timing is especially devastating, as successive Nigerian governments have struggled in their attempts to diversify the economy beyond oil dependence. The trade barrier emerges just as some businesses were gaining traction in exporting non-oil products.

The situation emphasises the urgent need for government to accelerate economic diversification initiatives. Nigeria must urgently pursue regional trade integration through the **African Continental Free Trade Agreement (AFCFTA)**, which offers a strategic opportunity to decrease dependence on Western and **Asian** markets while strengthening intra-African trade relationships.<sup>12</sup> By diversifying economic partnerships and developing robust trade agreements with multiple global players, Nigeria can better navigate the unpredictable waters of Trump's trade policies.

### GenCos demand \$2.4 billion debt settlement, threatening power shutdown

**Power Generation Companies (GenCos)** issued an urgent warning that power plants nationwide are on the brink of shutdowns due to an accumulated ₦4 trillion (\$2.4 billion) debt owed by the government for electricity already generated and delivered to the national grid.<sup>13</sup> The power generation companies, represented by the **Association of Power Generation Companies (APGC)**, released a statement on 14 April titled *"Unpaid Invoices Exceeding ₦4 trillion Threatens Gencos"*, signed by **Board of Trustees (BoT)** chairman **Sani Bello**. The statement revealed that ₦2 trillion (\$1.2 billion) is owed for power supplied in 2024, alongside ₦1.9 trillion (\$1.1 billion) in legacy debts. The statement further disclosed that the GenCos received less than 30% of monthly invoices for electricity delivered to the national grid.<sup>14</sup>

GenCos stated that amid the numerous challenges plaguing Nigeria's power sector, the cash liquidity crises stand at the forefront and have severely diminished their capacity to fulfil their obligations, threatening to completely undermine the electricity value chain and sustainable improvements in power supply. The statement further detailed that the GenCos have been operating under system constraints, investor-unfriendly policies and regulations, mounting government debts without clear repayment plans, absence of firm contracts, and a market lacking security, all of which hinder future planning.<sup>15</sup> In February, power minister **Adebayo Adelabu** acknowledged this debt situation, confirming that the government owes both GenCos and Distribution Companies (DisCos) the said amount, adding that this debt burden is crippling the sector, making it impossible for GenCos to operate at optimal capacity.<sup>16</sup>

Following threats of a potential nationwide blackout, Adelabu promised to address the persistent issue, indicating that the finance ministry would pay ₦ 2 trillion (\$1.2 billion) before the year end. He emphasised that a substantial portion of the debt predates the current administration and results from the government's subsidy commitments.<sup>17</sup> Nigeria has 40 power-generating plants connected to

<sup>8</sup> Punch, 7 Apr 2025

<sup>9</sup> Punch, 7 Apr 2025

<sup>10</sup> Zikoko, 10 Apr 2025

<sup>11</sup> Vanguard, 17 Apr 2025

<sup>12</sup> Premium Times, 14 Apr 2025

<sup>13</sup> The Authority, 15 Apr 2025

<sup>14</sup> ESI Africa, 15 Apr 2025

<sup>15</sup> Premium Times, 15 Apr 2025

<sup>16</sup> Punch, 14 Apr 2025

<sup>17</sup> Vanguard, 17 Apr 2025

the national grid, which are managed by GenCos, independent power providers and the **Niger Delta Holding Company**.<sup>18</sup> The impending power generation collapse will have profound consequences for all aspects of the economy and coincides with the government's ambitions to increase power generation to at least 8,000 megawatts by 2027.<sup>19</sup>

While these threats may be intended to compel government intervention in the sector's financial crisis, they expose the considerable risks linked to capital investments in Nigeria's power sector when government involvement could obstruct returns. If these concerns are not properly resolved, the GenCos could suddenly cease power generation, damaging the country's economic growth and industrial productivity, further deteriorating the already difficult business environment.

### SEC authorities delay issuance of crypto licences

Nigeria's **Securities and Exchange Commission (SEC)** has postponed the issuance of new provisional licences to cryptocurrency start-ups under its **Accelerated Regulatory Incubation Programme (ARIP)**, citing the necessity for more thorough compliance assessment and due diligence processes.<sup>20</sup> During a virtual stakeholder engagement organised by the **FinTech Association of Nigeria (FintechNGR)**, SEC director general **Emomotimi Agama** acknowledged the delay and expressed regret to applicants awaiting regulatory feedback.<sup>21</sup> Although the SEC had previously pledged to expedite licences for crypto start-ups, the current delay represents a significant setback for digital asset companies that had been anticipating faster approvals. No specific timeline has been provided regarding when the approval process will resume. Since launching ARIP in June 2024, only two Nigerian exchanges – **Quidax** and **Busha** – received provisional licences in August.<sup>22</sup> This development creates renewed uncertainty for digital asset start-ups seeking legitimate entry into Nigeria's developing cryptocurrency sector.

The SEC's licensing delays are linked to the complexities involved in coordinating between multiple government agencies. Regulation of Nigeria's cryptocurrency sector requires collaboration between not only the SEC but also the **Economic and Financial Crimes Commission (EFCC)**, the **Nigerian Financial Intelligence Unit (NFIU)** and the **Office of the National Security Adviser (ONSA)**. The extensive multi-agency coordination has considerably delayed the issuance of provisional licences, leaving numerous start-ups, especially those waiting for ARIP applications to reopen, trapped in regulatory uncertainty.<sup>23</sup>

The extended regulatory silence, despite being essential for addressing risks such as money laundering, terrorist financing and fraud detection, threatens to impede innovation in a sector positioned for significant growth. Numerous cryptocurrency companies now find themselves navigating a period of regulatory ambiguity, unable to advance their operations without formal authorisation.<sup>24</sup> The **Investment and Securities Act (2025)**, signed into law by President **Bola Tinubu** (2023-present), categorises cryptocurrencies as securities, bringing them under the SEC's regulatory oversight. This legal recognition establishes the foundation for a more structured cryptocurrency ecosystem that may finally be emerging as Nigeria advances toward financial innovation.<sup>25</sup> The coming months will be crucial in determining whether the country can establish itself as a credible centre in the digital asset landscape.

<sup>18</sup> Tribune, 14 Apr 2025

<sup>19</sup> Business Day, 17 Apr 2025

<sup>20</sup> Tech Cabal, 14 Apr 2025

<sup>21</sup> Regtech Africa, 15 Apr 2025

<sup>22</sup> ITpulse, 15 Apr 2025

<sup>23</sup> Regtech Africa, 15 Apr 2025

<sup>24</sup> Tech Cabal, 14 Apr 2025

<sup>25</sup> Regtech Africa, 15 Apr 2025

## Gunmen kill over 150 people in herder-farmers conflict in North-central Nigeria

**Fulani** armed herders' militia killed over 150 people in the north-central states of **Plateau** and **Benue** between early and mid-April. On the night of 2 April, gunmen on motorcycles launched coordinated assaults on several villages – including **Hurti**, **Josho**, and **Dafo** – in the **Bokkos** Local Government Area (Plateau State), killing 52 residents. Hurti village head **Maren Aradong** reported that the attackers burned down 383 houses and looted food and other valuables.<sup>26</sup> Two weeks later, on 13 April, gunmen struck again, this time in **Zikke** village, **Bassa** Local Government Area, killing 54 people. The assailants razed homes, looted properties and left widespread destruction in their wake.<sup>27</sup>

State governor **Caleb Mutfwang** announced new security measures in response to the wave of violence, in a broadcast on 16 April. The measures include a ban on night grazing, the transport of cattle by vehicle after 19:00, and the use of motorcycles between 19:00 and 06:00 across the state. These restrictions are expected to be reinforced until further notice and are intended to curb the activities of armed herders.<sup>28</sup> Following the same pattern, multiple attacks occurred in parts of **Oturkpo**, **Ukum** and **Logo** Local Government Areas in Benue State, resulting in at least 56 fatalities between 13 and 15 April, prompting many residents to flee their homes due to fears of further violence amid limited security presence.<sup>29</sup>

Although herder-farmer conflicts have long existed in the affected states, the unprecedented scale and frequency of these recent attacks indicate a deliberate and systematic campaign designed to displace communities, destabilise the region and spread fear. Local sources from the affected communities, including Mutfwang, believe the attacks are sponsored and represent part of a coordinated effort by armed herders to seize their ancestral lands.<sup>30</sup> While recent incidents have been unprovoked, clashes between nomadic cattle herders and settled farmers over land use have become increasingly frequent in central Nigeria. These conflicts often carry ethnic and religious undertones, as many herders are Muslim Fulani and many farmers are Christian.<sup>31</sup>

Environmental pressures, such as overgrazing, drought and desertification, exacerbated by climate change, have rendered large parts of northern Nigeria less viable for grazing.<sup>32</sup> As a result, herders are moving southwards in search of more fertile land, bringing both farmland and grazing areas under mounting pressure from climate change and population growth, and fuelling deadly disputes over increasingly scarce resources.<sup>33</sup>

Nigeria's central region holds critical importance for the nation's food security, serving as a major hub for large-scale agriculture and food production. A wide variety of crops produced in this area feeds millions across the country. However, the recent wave of violence and attacks in this region poses a serious threat to agricultural activity and, by extension, to national food security.<sup>34</sup> Government reactionary short-term measures such as curfews, temporary military deployments, and the inability to identify, apprehend and prosecute these attackers continue to encourage further violence, food security, economy, and the well-being of its population. The government must intervene promptly and decisively to address the fundamental causes of this persistent violence to achieve lasting reconciliation and peaceful coexistence.

<sup>26</sup> Barnabasaid, 9 Apr 2025

<sup>27</sup> Amnesty International, 14 Apr 2025

<sup>28</sup> Vanguard, 17 Apr 2025

<sup>29</sup> DW, 20 Apr 2025

<sup>30</sup> Channels, 14 Apr 2025

<sup>31</sup> France24, 20 Apr 2025

<sup>32</sup> DW, 20 Apr 2025

<sup>33</sup> The Defense Post, 14 Apr 2025

<sup>34</sup> Business Day, 13 Apr 2025

## Planner

3 May 2025 **Kano (Nigeria) Communication Technology and New Media Conference**  
 6 May 2025 **Lagos (Nigeria) Nigeria Power Outlook Conference**  
 12 May 2025 **Abuja (Nigeria) CITN Annual Tax Conference**  
 17 May 2025 **Benin (Nigeria) Mental Health Conference**  
 20 May 2025 **Lagos (Nigeria) DigiBank Summit and Awards**  
 22 – 23 May 2025 **Lagos (Nigeria) Regtech Africa Conference**  
 22 - 23 May 2025 **Lagos (Nigeria) Africa Air Forces Forum**  
 2027 **(Nigeria) Presidential election**

## Chronology

22 Apr 2025 **Abuja (Nigeria) *New Telegraph***. Nigeria and **South Africa** sign a **Memorandum of Understanding (MoU)** to promote Nigeria's solid minerals sector;

22 Apr 2025 **Abuja (Nigeria) *Punch***. Solid minerals development ministry reports it generated ₦6.96 billion (\$4.2m) in mining fees and registered 118 new private mineral buying centres in the first quarter of 2025;

22 Apr 2025 **Lagos (Nigeria) *Punch***. **Nigerian National Petroleum Company Limited (NNPC)** reports it generated ₦336.37 billion (\$209m) from crude oil sales in the first quarter of 2025, with **Dangote Petroleum Refinery** accounting for over 32% of the transactions, while the remaining sales were made to foreign refiners;

21 Apr 2025 **Abuja (Nigeria) *Arise News***. Foreign capital inflows into Nigeria increased to \$2.06 billion in January 2025, marking a 31% rise from \$1.57 billion in December 2024;

21 Apr 2025 **Abuja (Nigeria) *BusinessDay***. **Centre for the Promotion of Private Enterprises (CPPE)** calls for withdrawal of the **Raw Materials Research and Development Council (RMRDC) Bill** currently before the **National Assembly**, warning that its provisions could lead to adverse and unintended consequences for exports, Nigerian exporters, manufacturers, and overall manufacturing activities;

21 Apr 2025 **Lagos (Nigeria) *Punch***. **Manufacturers Association of Nigeria (MAN)** reports that unsold finished goods amounted to ₦2.14 trillion (\$1.2 billion) in 2024, attributing this to weakened consumer demand, rising production costs, and declining purchasing power;

21 Apr 2025 **Rivers (Nigeria) *Punch***. **Onne Multipurpose Terminal** in **Rivers State** hosts a 6,606-foot vessel named **Kota Carum**, the largest to berth at the terminal;

21 April 2025 **Abuja (Nigeria) *Naira Metrics***. The total value of currency outside Nigeria's banking system rose to ₦4.6 trillion (\$2.8 billion) in March, accounting for 91.9% of the ₦5 trillion (\$3 billion) in total currency in circulation during the period;

21 Apr 2025 **Abuja (Nigeria) *Naira Metrics***. Aviation ministry denies reports claiming it has finalised a long-term concession agreement for the **Akanu Ibiam International Airport** in **Enugu State**;

20 Apr 2025 **Abuja (Nigeria) *Naira Metrics***. Abuja-based **Legend Internet Plc** will list its 2 billion ordinary shares by introduction on the main board of **Nigerian Exchange Limited (NGX)** on 24 April;

16 Apr 2025 **Abuja (Nigeria) *Punch***. **Economic and Financial Crimes Commission (EFCC)** launches an investigation after digital assets platform **CryptoBank Exchange (CBEX)** allegedly defrauded investors of over ₦1.3 trillion (\$810m);

15 Apr 2025 **Piarco (Trinidad and Tobago)** *Arise News*. **Nigerian** aviation minister **Festus Keyamo** and his **Republic of Trinidad and Tobago** counterpart, works and transport minister **Rohan Sinanan**, sign a Bilateral Air Services Agreement (BASA);

14 Apr 2025 **Abuja (Nigeria)** *Punch*. Environment ministry discloses that 30 states and the **Federal Capital Territory (FCT)** will experience significant flooding between April and November;

12 Apr 2025 **Abuja (Nigeria)** *African Review*. **Federal Government** and **Japan International Cooperation Agency (JICA)** sign two key agreements totalling \$30m to boost start-up entrepreneurs in Nigeria;

11 Apr 2025 **Abuja (Nigeria)** *Daily Trust*. **House of Representatives** committee on **Customs and Excise** pledges to investigate the reported diversion of imported finished goods from various ports to **Free Trade Zones (FTZs)**, a practice that allegedly cost Nigeria over ₦1.5 trillion (\$934m) in revenue in a single year;

4 Apr 2025 **Abuja (Nigeria)** *Naira Metrics*. **World Bank** says it is planning a \$10.50m grant to Nigeria aimed at boosting the technical capacity of the **Central Bank of Nigeria (CBN)** and modernising the country's domestic payment infrastructure;

2 Apr 2025 **Abuja (Nigeria)** *Punch*. President **Bola Tinubu** removes **Mele Kyari** as the group chief executive officer (GCEO) of state-owned **Nigerian National Petroleum Company (NNPC) Limited**, appointing **Bashir Ojulari** as the new GCEO;

30 Mar 2025 **Abuja (Nigeria)** *Vanguard*. **House of Representatives** announces that its Public Accounts Committee (PAC) recovered \$14.2m (₦21.4 billion) from four oil and gas companies in its ongoing investigation into financial discrepancies in the sector;

26 Mar 2025 **Abuja (Nigeria)** *Punch*. **World Bank** practice manager for **West and Central Africa**, **Johan Mistiaen**, says Nigeria needs annual investment of \$10m-\$15m in its statistical infrastructure to significantly improve performance and align with **Mexico, Colombia** and **South Africa**;

25 Mar 2025 **Lagos (Nigeria)** *Naira Metrics*. **Germany**-based fair trade exhibition **Fair Trade Messe** senior project manager **Freyja Detjen** reports that Nigeria invested \$304m in food and packaging technology in 2023, securing its position as the second-largest investor in **Africa** in this sector;

25 Mar 2025 **Lagos (Nigeria)** *Punch*. **Dangote Petroleum Refinery** announces that it exported over 2 million barrels of jet fuel to the **United States** in March;

### About Africa Risk Consulting:

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