

AFRICA RISK CONSULTING

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Binance Nigeria announces plans on 5 March to halt all naira transactions amid the federal government's clampdown on cryptocurrency exchanges. The senate agrees on 12 March to suspend opposition senator Abdul Ningi over budget padding allegations he made in an interview. The Central Bank of Nigeria (CBN) donates over two million bags of fertilisers to the agriculture ministry to be distributed to farmers across the country to mitigate the surge in food prices and improve food production.

Binance Nigeria delists naira amid government's clampdown on crypto

Binance Nigeria, a subsidiary of Malta-headquartered **Binance Holdings Ltd**, announced on 5 March that it plans to halt all naira transactions, including an immediate stop to naira deposits on its platform and an ultimatum on 8 March for users to withdraw their remaining naira.¹ Although the company did not cite exact reasons for delisting the naira from its platform, the move coincided with the government's clampdown on cryptocurrency exchanges, including Binance, over alleged regulatory breaches. The federal government in February blocked access to several crypto trading platforms in Nigeria, suspecting them of facilitating illicit transactions that allegedly contributed to the depreciation of the naira.²

The government's crackdown on cryptocurrency sparked a wave of contrasting reactions from Nigerians and crypto traders with some supporting the move, while others expressed disapproval.³ Those against the government's decision argued that the ban would increase unemployment and not solve the issue of naira depreciation, while others argued that it would boost investor confidence in the country, stabilise the naira, and create opportunities for local cryptocurrencies such as the **eNaira** to flourish.^{4,5}

The federal government on 26 February detained two Binance Holdings executives, **Tigran Gambaryan** and **Nadeem Anjarwalla**, in the **Federal Capital Territory (FCT)** without any charges.⁶ Reports of the detention were followed by the **Office of the National Security Adviser (ONSA)** announcing on 29 February that they were coordinating an interagency investigation into Binance Nigeria's operations.⁷ The **Central Bank of Nigeria (CBN)** governor **Olayemi Cardoso** had earlier on 27 February raised concerns about Binance Nigeria's activities and revealed that the platform facilitated \$26 billion worth of crypto from unknown sources and users within one year.⁸ These accusations come amidst wider concerns that the company may be manipulating Nigeria's foreign exchange rate through currency speculation and rate fixing. Special adviser to the president on information and strategy **Bayo Onanuga** said during a televised programme:

*"If we don't clamp down on Binance, Binance will destroy the economy of this country. They just fix the rate."*⁹

¹ The Cable, 5 Mar 2024

² Financial Times, 22 Feb 2024

³ ICIR, 7 Mar 2024

⁴ Daily Trust, 2 Mar 2024

⁵ Punch, 10 Mar 2024

⁶ Arise News, 29 Feb 2024

⁷ Premium Times, 1 Mar 2024

⁸ The Cable, 27 Feb 2024

⁹ Channels, 28 Feb 2024

In a surprising move, the Nigerian federal government on 22 March filed charges of tax evasion against Binance Nigeria and alleged that the cryptocurrency platform aided its customers in evading taxes.¹⁰ It is uncertain how the government's recent clampdown on crypto exchange activities will impact foreign exchange, however, in the coming months, the CBN may continue to introduce new intervention policies aimed at stabilising the naira.

Opposition senator suspended over budget padding allegations

Bauchi Central senator **Abdul Ningi** granted an interview to **BBC Hausa** on 10 March during which he alleged that the 2024 budget was padded with the sum of ₦3.7 trillion (\$2.6 billion), meaning there are not detailed project allocations for this amount, and cited his own private findings on the alleged unauthorised additions to the budget.¹¹ Nigeria's 2024 budget faced controversy due to a two-month delay and accusations of incompleteness, but President **Bola Tinubu** (2023-present) pushed to finally secure passage from the national assembly by 30 December which allowed Tinubu to sign it into law on 1 January¹². This action marked a historic moment as it became the most promptly signed budget in the nation's history. However, this rapid turnaround raised questions and further controversy, with allegations of budget padding surfacing.¹³

Senator **Olamilekan Adeola** was the first to raise the motion for Ningi's suspension on 12 March during the senate's plenary session. Adeola said Ningi should be punished for "*deliberating lying*".¹⁴ Adeola noted that the only change made to the budget was an increase of ₦1.2 trillion (\$854m) from the initial ₦27.5 trillion (\$19.82 trillion) suggested, bringing the total budget to ₦28.77 trillion (\$20.73 trillion). Senator **Jimoh Ibrahim**, who supported Adeola's motion, suggested that Ningi's benefits be taken away and that he be suspended for a year. Senator **Chris Ekpeyong** proposed reducing Ningi's suspension to six months while senators **Abdulfatai Buhari** and **Sani Musa** both made additional arguments in favour of him and requested that his ban be lowered to three months.¹⁵ The senators reached a consensus and suspended Ningi for three months. Following his suspension, some socio-political organisations, including the **Arewa Consultative Forum (ACF)** have questioned the constitutionality of Ningi's suspension and recommended that, rather than suspending him, an inquiry should have been launched to determine the veracity of his claims.^{16,17}

The reports of the suspension have overshadowed the initial findings of the private investigators which Ningi alluded to during the interview with the BBC. Furthermore, the findings being reported after the budget had been signed into law showed that the senate did not have enough time to inspect the budget before it was passed. The uncertainty around its actual contents and the absence of any clear indication of the budget direction has created serious doubts about the administration's ability to effectively manage the economy.

CBN tackles food inflation

The CBN has continued to put in place measures and policies to ensure monetary and price stability in Nigeria since the depreciation of the naira was exacerbated in 2023.¹⁸ The CBN donated 2.15 million bags of fertiliser to the agriculture ministry, valued at over ₦100 billion (\$71 m) at the current market price, to be distributed to farmers across the country to mitigate the surge in food prices and improve food production. Each bag of fertiliser is 50 kilogrammes and is expected to be distributed to the farmers for free. During the handover ceremony in **Abuja** on 6 March, Cardoso said:

"The CBN places a significant emphasis on maintaining price stability as one of its primary mandates and food prices is a crucial component of inflation, especially considering that a

¹⁰ Channels, 25 Mar 2024

¹¹ ICIR, 12 Mar 2024

¹² PLAC, 13 Mar 2024

¹³ Premium Times, 11 Mar 2024

¹⁴ Pulse, 13 Mar 2024

¹⁵ Punch, 12 Mar 2024

¹⁶ Channels, 21 Mar 2024

¹⁷ Punch, 16 Mar 2024

¹⁸ Central Bank of Nigeria, Mar 2024

*substantial portion of household expenditure in Nigeria is allocated towards food and non-alcoholic beverages.*¹⁹

The CBN through this donation is stopping its direct involvement in development finance interventions, as it stated it would in October 2023, but the central bank remains eager to support relevant organisations that possess the expertise and capacity to intervene directly.²⁰ This collaboration with the ministry aims to support efforts to improve food productivity and security, ultimately reducing food inflation and achieving price stability.²¹ The effect of this donation is expected to decrease food prices by the third quarter of 2024.²²

This donation is expected to complement the ongoing **African Development Bank (AfDB)** initiative known as ‘The National Agricultural Growth Scheme’ which is aimed at offering a 50% subsidy of all inputs to our farmers.²³ The AfDB approved a loan of \$134m in 2022 to embark on the project.²⁴ AfDB Nigeria director general **Lamin Barrow** stated that the initiative would emphasise support for five important crops: maize, rice, wheat, soya beans, and sorghum, with a particular emphasis on wheat value chains. He explained that the initiative is based on the **National Agriculture Technology and Innovation Policy (2022-27)**, which seeks to modernise Nigeria's agriculture industry in response to shifting global food systems and supply chains. The programme will supplement the AfDB's existing operations in the country, particularly the special agricultural zones.²⁵

Planner

25 Apr 2024 **Lagos (Nigeria)** The ruling **All Progressives Congress (APC)** Ondo governorship primaries

¹⁹ Business Day, 13 Mar 2024

²⁰ Cable, 13 Mar 2024

²¹ Central Bank of Nigeria, Mar 2024

²² Cable, 13 Mar 2024

²³ Business Day, 13 Mar 2024

²⁴ Channels, 4 Mar 2024

²⁵ AfDB, 18 Jul 2022

19 – 28 Apr 2024 **Ibadan (Nigeria)** Mega Trade Fair, Exhibitions and Conferences 2024 is expected to happen, with over 3,000 exhibitors from different sectors

9 Apr 2024 **Lagos (Nigeria)** International conference on AI and machine learning in finance and technology

25 Apr 2024 **Lagos (Nigeria)** International Conference on Corporate Finance and Financial Risk Management

Chronology

26 Mar 2024 **Abuja (Nigeria)** *Daily Trust*. The **Central Bank of Nigeria (CBN)** notifies bureau de change operators (BDCs) that it has sold \$10,000 to each BDC at a rate of ₦1,251 per dollar and urges them not to sell above a rate of 1.5% of the buying price;

26 Mar 2024 **Abuja (Nigeria)** *BBC*. Authorities confirm that cryptocurrency exchange **Binance** executive **Nadeem Anjarwalla**, a dual **British-Kenyan** national, has escaped custody and the country;

26 Mar 2024 **Abuja (Nigeria)** *Punch*. The **Nigerian Security and Civil Defence Corps (NSCDC)** discovers an illegal oil refinery in **Rivers State**;

25 Mar 2024 Abuja (Nigeria) *Tech Central*. South Africa-headquartered **MTN** reports a **72.3% decline in full-year profit following the devaluation of the naira in June 2023**;

24 Mar 2024 **Abuja (Nigeria)** *Financial Times*. Government officials confirm that more than 130 kidnapped children have been freed after armed men kidnapped them in **Kaduna State** two weeks ago;

21 Mar 2024 **Abuja (Nigeria)** *Daily Trust*. A **Central Bank of Nigeria (CBN)** report reveals that ₦193 billion (\$137.3m) is unaccounted for while ₦418.9 billion (\$298.1m) remains 'undoubtedly' out of total loans of ₦10.3 trillion (\$7.3 billion) disbursed as intervention funds over an unspecified period of years;

21 Mar 2024 **Abuja (Nigeria)** *Bloomberg*. **Central Bank of Nigeria (CBN)** says it has settled its backlog of valid foreign exchange claims, amounting to \$7 billion, in a bid to stabilise the market;

21 Mar 2024, **Lagos (Nigeria)** *Silverbird TV*. President **Bola Tinubu** imposes a ban on foreign official trips for ministers, heads of agencies, and other government officials with effect from 1 April;

19 Mar 2024 **Lagos (Nigeria)** *Daily Trust*. **Zenith Bank Plc** appoints **Adaora Umeoji** as group managing director/chief executive with effect from 1 June 2024;

19 Mar 2024 **Abuja (Nigeria)** *Reuters*. Vice president **Kashim Shettima** says the **Nigerian Sovereign Investment Authority (NSIA)** and local firm **North South Power (NSP)** plan to build a 20MW solar power plant as part of a 300MW project;

18 Mar 2024 **Abuja (Nigeria)** *Punch*. President **Bola Tinubu** orders a probe into the killing of 16 soldiers in **Delta State**;

18 Mar 2024 **Abuja (Nigeria)** *Silverbird TV*. At least 16 soldiers including 4 officers are killed while on a peace mission in **Delta State**;

15 Mar 2024 **Abuja (Nigeria)** *Daily Trust*. The **Nigerian National Petroleum Corporation (NNPC)** group chief executive officer **Mele Kyari** discloses that refined petroleum product importation will cease by the end of 2024;

15 Mar 2024 **Abuja (Nigeria)** *Daily Trust*. The federal government commences the process of installing 774 LG internet connections across 579 local government areas across several states in the country;

14 Mar 2024 **Abuja (Nigeria)** *Africanews*. Nigeria announces it will reopen its land and air borders with neighbouring **Niger** and lift other sanctions in compliance with the **Economic Community of West African States (ECOWAS)**;

14 Mar 2024 **Lagos (Nigeria)** *Punch*. The **Nigerian Ports Authority (NPA)** announces that containerised exports increased by 44.43% to 226,456 twenty equivalent units in 2023 compared to 156,790 in 2022;

14 Mar 2024 **Abuja (Nigeria)** *Leadership*. The federal government urges **Binance Nigeria** to provide information on its top 100 users and transaction history for six months;

11 Mar 2024 **Abuja (Nigeria)** *AFP*. International medical charity **Doctors Without Borders** warns of “catastrophic” levels of malnutrition and an escalating humanitarian crisis in northwest Nigeria;

8 Mar 2024 **Abuja (Nigeria)** *AP News*. Armed bandits kidnapped approximately 287 schoolchildren in **Kaduna State**;

6 Mar 2024 **Abuja (Nigeria)** *Punch*. Suspected Islamist insurgents kidnap 50 people from a camp for internally displaced persons in the **Gamboru** area which shares a border with **Chad** and **Cameroon**;

5 Mar 2024 **Abuja (Nigeria)** *VOA*. Courts across the country start trials against hundreds of people accused of committing crimes during the 2023 general election;

4 Mar 2024 **Abuja (Nigeria)** *Africanews*. **National Emergency Management Agency (NEMA)** announces it is increasing security at its facilities amid increased attacks by residents who are stealing food items;

1 Mar 2024 **Abuja (Nigeria)** *News24*. **South Africa**-headquartered telecoms company **MTN** says its headline earnings per share could drop between 60% and 80% owing to the depreciation of the naira against the **United States** dollar which increased operating and finance costs;

28 Feb 2024 **Abuja (Nigeria)** *Punch*. The **Central Bank of Nigeria (CBN)** vows to pursue a strict regulatory environment to reduce infractions in the banking sector;

28 Feb 2024 **Abuja (Nigeria)** *Punch*. The **Central Bank of Nigeria (CBN)** resumes forex sales to bureau de change operators marking an end to the three-year suspension;

27 Feb 2024 **Abuja (Nigeria)** *Financial Times*. **Central Bank of Nigeria (CBN)** raises the interest rate by 400 basis points to 22.75% at its first meeting since July 2023;

27 Feb 2024 **Lagos (Nigeria)** *Punch*. **FBN Holdings** becomes the most capitalised bank valued at ₦1.22 trillion (\$868.4m) ahead of **Guaranty Trust Holding Company** and **Zenith Bank**.

26 Feb 2024 **Abuja (Nigeria)** *Reuters*. Government approves a plan to merge, abandon and relocate several agencies in a bid to streamline bureaucracy and cut costs;

About Africa Risk Consulting:

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