

AFRICA RISK CONSULTING

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Nigeria Summary 23 October 2025

President Bola Tinubu (2023-present) writes to the National Assembly seeking approval to borrow \$2.35 billion in external capital to finance part of the 2025 budget deficit and refinance Nigeria's maturing Eurobonds. Central Bank of Nigeria (CBN) lowers the interest rate to 27%, marking the first rate reduction since 2020. Nigeria's economic and market reforms gain global momentum as FTSE Russell announces Nigeria's inclusion on its Watch List for possible reclassification from unclassified to frontier market status. The Nigerian Upstream Petroleum Regulatory Commission (NUPRC) approves France-headquartered TotalEnergies sale of its stake in Oil Mining Lease (OML) 118 to Exploration and Production Nigeria Limited while Nigeria secures a \$2 billion investment from United Kingdom-headquartered Shell following a Final Investment Decision (FID) on a new offshore gas project in the HI Field (OML 144).

Tinubu seeks foreign loans to fund budget and infrastructure projects

The African Development Bank's (AfDB) representative for Nigeria and São Tomé and Príncipe, **Bode Oyetunde**, confirmed on 6 October that the AfDB will provide Nigeria with a \$500m loan this year as part of a \$1 billion budget [support](#) programme aimed at backing the government's recent economic reforms. Oyetunde added board approval for the loan could happen before the end of 2025. He explained that although Nigeria initially requested \$1.5 billion, the bank agreed to extend \$1 billion over two years, disbursing \$500m in 2024 and planning another \$500m, pending board approval.

The planned loan coincides with President **Bola Tinubu's** (2023-present) request for **National Assembly** approval to raise \$2.35 billion in external borrowing to help finance the 2025 budget deficit and refinance Nigeria's maturing **Eurobonds**. Tinubu wrote that the borrowing plan includes \$1.23 billion earmarked in the **2025 Appropriation Act** to partially fund the budget shortfall, while an additional \$1.12 billion will be used to refinance a Eurobond maturing on 21 November.

Tinubu stated that the [funds](#) would be sourced through various options in the International Capital Market (ICM), including the issuance of Eurobonds, syndicated loans, bridge financing from bookrunners, or direct borrowing from international financial institutions. He added that the government expects the pricing of the new Eurobonds to align with prevailing yields on Nigeria's existing bonds in the global market, currently ranging between 6.8% and 9.3%, depending on maturity.

Tinubu also requested parliamentary consent to issue a \$500m sovereign sukuk, which will mark Nigeria's [debut](#) in the international Islamic finance market - to finance infrastructure projects, diversify the investor base, and deepen Nigeria's government securities market. He noted that proceeds from the issuance would support the development of key infrastructure projects nationwide. **Debt Management Office (DMO)** data shows Nigeria's external [debt](#) stood at \$99 billion as of June, a 2.49% increase from \$97.2 billion in March.

Analysts have questioned the necessity and transparency of the new borrowing plans, warning that Nigeria's growing debt exposure could become [critical](#) if global economic conditions deteriorate. The country's rising debt service burden risks becoming unsustainable and could further constrain funding for essential sectors such as health, education, and infrastructure.

CBN cuts interest rate as World Bank projects 4.4% economic growth

Central Bank of Nigeria's (CBN) Monetary Policy Committee (MPC) cut the benchmark interest rate by 50 basis points, from 27.5% to 27%, marking the first rate reduction since 2020. CBN governor **Olayemi Cardoso** announced the [decision](#) during a press briefing following the MPC meeting on 23 September. The move follows three consecutive decisions to hold the rate earlier this year, and six rate hikes recorded in 2024.

The decision was influenced by recent moderation in inflation by the **National Bureau of Statistics (NBS)**, which shows that Nigeria's inflation rate which fell from 21.88% in July to 18.02% in September. The NBS also reported that the economy expanded by 4.23% in real terms in the second quarter of 2025, supported by robust [growth](#) in both the oil and non-oil sectors. Cardoso stated that although inflation remains high, the monetary policies and tightening measures are beginning yield positive results as manifested in the steady ease of inflation and current stability in the foreign exchange market. He explained that the rate cut aims to consolidate these gains while maintaining economic momentum.

In addition to the rate reduction, the MPC introduced other policy adjustments, including reducing the **Monetary Policy Rate (MPR)** by 50 basis points to 27%, revising the standing asymmetric [corridor](#) around the benchmark rate to +250 and -250 basis points from +500/-100 basis points. This change is intended to enhance efficiency in the interbank market and strengthen the transmission of monetary policy.

The committee also increased the **Cash Reserve Requirement (CRR)** for commercial banks to 45%, while maintaining the rate for merchant banks at 16%. In a new policy measure, the MPC introduced a 75% CRR on non-**Treasury Single Account (TSA)** public sector deposits to strengthen liquidity management.

These decisions align with the **World Bank's** 8 October [assessment](#) that noted that Nigeria's economy grew by 3.9% in the first half of 2025, reflecting signs of stabilisation driven by ongoing fiscal and monetary reforms implemented over the past two years. The World Bank attributed Nigeria's recent economic expansion to strong performance in the services and non-oil sectors, along with modest improvements in oil production and agriculture. The report also highlighted a significant improvement in the country's external position, with foreign reserves exceeding \$41 billion and the current account surplus increasing to 6.1% of GDP, supported by higher non-oil exports and reduced oil imports.

While recognising Nigeria's economic progress, the World Bank cautioned that these gains have yet to improve living conditions for most citizens. The report estimated that 139 million Nigerians are living in [poverty](#) as of 2025. To bridge the gap between macroeconomic stability and social welfare, the bank recommended a three-point strategy focused on curbing inflation, enhancing the efficiency of public spending, and expanding social safety nets.

Looking ahead, the bank's outlook for Nigeria remains cautiously optimistic. It projects economic growth to rise modestly from 4.2% in 2025 to 4.4 % by 2027, driven mainly by continued expansion in the services sector, supported by steady growth in agriculture and non-oil industries.

FTSE Russell reconsiders Nigeria's reclassification upgrade

Global index provider **FTSE Russell** has placed Nigeria on its watch list for a potential [upgrade](#) from unclassified to frontier market status. The decision follows the release of **FTSE Russell's 2025 Annual Equity Country Classification Review**, which highlighted significant progress since early 2025, including the clearance of foreign exchange backlogs and resolution of capital repatriation delays.

FTSE Russell noted that Nigeria now meets the five Quality of Markets criteria required for frontier market classification, with further evaluation scheduled for March 2026 as part of its ongoing review process. The institute [states](#) that the watch list exists to alert the wider market that in-depth engagement is taking place with a market that is being considered for a reclassification change and

provides an opportunity for investors to share their experience of operating in the market to plan for a potential classification change.

This development represents a potential turning point for Nigeria's economy, which FTSE Russell [removed](#) from the index in 2022 due to prolonged foreign exchange repatriation challenges. The move reflects investor feedback indicating improved foreign exchange liquidity under CBN's reform programme. The latest inclusion highlights progress made since the government implemented broad fiscal and monetary reforms, including foreign exchange market adjustments, fuel subsidy rationalisation, and initiatives to enhance the business environment. These measures, supported by stronger coordination among financial regulators, have improved transparency, deepened liquidity, and restored investor confidence both domestically and internationally.

Nigeria's review for a potential return to the FTSE Frontier Market Index could restore its [visibility](#) among global institutional investors and attract substantial passive inflows from funds tracking FTSE benchmarks. However, FTSE Russell noted that reclassification is not guaranteed and will depend on sustained foreign exchange stability, consistent repatriation timelines, and investor confirmation that the ongoing reforms remain durable and effective.

Oil and gas developments reflect reforms

The **Nigerian Upstream Petroleum Regulatory Commission (NUPRC)** [approved](#) a **Sale and Purchase Agreement (SPA)** allowing France-headquartered **TotalEnergies** to transfer its entire 12.5% contractor interest in **Oil Mining Lease (OML) 118**, which includes the **Bonga** field, to **Shell Nigeria Exploration and Production Company (SNEPco)** and **Nigerian Agip Exploration Limited (NAE)**.

In the agreement, TotalEnergies will transfer 10% of its stake in OML 118 to SNEPco for \$408m, while NAE will acquire the remaining 2.5% for \$102m. The NUPRC confirmed the approval was issued after reviewing documentation showing that both acquiring companies have the financial capacity and technical competence to meet their obligations.

With this acquisition, Shell will increase its stake in the Bonga field to 67.5%, further consolidating its presence in Nigeria's deepwater oil sector. The move follows the Shell's recent sale of its [onshore](#) assets to **Renaissance**, a consortium of Nigerian and foreign investors, due to ongoing security and environmental concerns (*see ARC Briefing Nigeria Mar 2025*). The Bonga oilfield, Nigeria's first deepwater project, has been a key contributor to national crude oil production since it began operations in 2005. Its continued development is viewed as essential to reversing the country's declining output, which has yet to recover to pre-pandemic levels of around two million barrels per day.

The NUPRC confirmed that SNEPco and NAE will also take over all decommissioning, abandonment [liabilities](#), and host community responsibilities TotalEnergies previously held. In terms of approval, SNEPco is required to pay 5% and NAE 2% of the total \$510m transaction value as premiums for ministerial consent and processing fees.

The Shell-Agip acquisition goes beyond a change in ownership; it serves as a test of Nigeria's ability to manage international oil company (IOC) divestments while sustaining its efforts to attract new investment into the energy sector.

For TotalEnergies, the divestment is part of a broader portfolio rebalancing strategy and represents a step streamlining its [portfolio](#) and reducing debt. Although the French major has exited several onshore and shallow-water operations in Nigeria, it continues to channel investment into deepwater and gas projects. To this point, Nigeria signed a production-sharing contract (PSC) with TotalEnergies and its local partner, **South Atlantic Petroleum (SAPETRO)**, for two [offshore](#) blocks on 1 September, marking a significant step toward boosting exploration and attracting investment under the **Petroleum Industry Act (PIA)**. The blocks, awarded during the 2024 licensing round, [cover](#) about 2,000km² in the **Niger Delta Basin** and are part of the Ubeta Non-Associated Gas Project/

TotalEnergies holds an 80% operating stake, while SAPETRO retains 20%. The signing makes TotalEnergies the first international oil company to secure an exploration block in Nigeria in a decade. The closeout on **Petroleum Prospecting Licences (PPLs) 2000 and 2001** comes nine months after a bid process concluded in December 2024, introducing several firsts for Nigeria’s deepwater sector.

United Kingdom (UK)-headquartered Shell also announced a Final Investment Decision (FID) valued at \$2 billion for a new [gas](#) project in the shallow offshore **HI Field**, located in OML 144, on 14 October. The Non-Associated Gas (NAG) development is expected to produce around 350 million standard cubic feet of gas per day (mmscf/d) starting in 2028. The project will supply nearly one-third of the feedgas required for **Nigeria Liquefied Natural Gas (NLNG)- Train 7**, which aims to boost the country’s liquefied natural gas production capacity by eight million metric tonnes per year, representing a 35% increase over the current five million tonnes output.

This raises Nigeria’s total upstream investment commitments through FIDs to over \$8 billion since 2023, highlighting the impact of ongoing sector reforms and renewed investor confidence. This marks the country’s third major oil and gas [FID](#) in the past 18 months, following the Ubeta Non-Associated Gas Project and the Bonga North deepwater development.

Presidential adviser on energy, **Olu Arowolo Verheijen**, stated that the project was enabled by the administration’s targeted reforms, notably Presidential Directive 40, which established a competitive fiscal framework for onshore and shallow offshore gas investments. Verheijen emphasised that the initiative will boost Nigeria’s LNG [export](#) capacity, expand domestic LPG availability, reduce import dependence, and promote clean cooking access for millions of households. Shell’s upstream president, **Peter Costello**, added that the investment underscores the company’s long-term commitment to Nigeria’s energy sector, with a continued focus on deepwater and integrated gas operations.

This development reflects the growing effectiveness of Nigeria’s regulatory and fiscal reforms in attracting large-scale investments, particularly in the gas sub-sector. It also signals a strategic shift toward monetising gas resources for both export and domestic utilisation, positioning Nigeria as a key regional supplier while supporting energy transition goals.

Planner

6 - 7 Nov 2025 **Lagos (Nigeria) Lagos International Climate Change Summit**

6 Nov 2025 **Lagos (Nigeria) Nigerian Ports and Trade Investment Forum**

8 Nov 2025 **Anambra (Nigeria) Anambra State** governorship election

22 -23 Nov 2025 **Abuja (Nigeria) Central Bank of Nigeria (CBN) Monetary Policy Committee (MPC)** meeting

2027 **(Nigeria)** Presidential election

Chronology

21 Oct 2025 **Abuja (Nigeria) Leadership**. State-owned **Nigerian National Petroleum Company Limited (NNPCL)** confirms it remitted ₦10 trillion (\$6.8 billion) to the **Federation Account** between January and August;

21 Oct 2025 **Abuja (Nigeria) Sun**. Government targets 40% growth in **Gross Domestic Product (GDP)** by 2030, leveraging the **African Continental Free Trade Area (AfCFTA)** to expand exports, attract investments, and boost industrial productivity across key sectors;

20 Oct 2025 **Lagos (Nigeria) Business Day**. **Lagos State government**, in partnership with the **French Development Agency (AFD)**, **European Union (EU)**, and **European Investment Bank (EIB)**, launches the \$475.5m **Omi Eko Project**—an initiative designed to restructure, upscale, and modernise the waterways sector;

- 20 Oct 2025 **Washington D.C (United States)** *Naira Metrics*. **World Bank** and the **World Health Organisation (WHO)** endorse Nigeria's **Sector Wide Approach (SWAp)** model as a leading framework for sustainable health reform during the **World Bank/International Monetary Fund (IMF)** annual meetings;
- 19 Oct 2025 **Lagos (Nigeria)** *ThisDay*. **Dangote Industries Limited** retains its position as Nigeria's 'Most Valuable Brand,' for the eighth consecutive year;
- 18 Oct 2025 **Washington D.C (United States)** *The Nation*. **Central Bank of Nigeria (CBN)** and the **Angola's** central bank, **Banco Nacional de Angola**, sign an agreement to strengthen cooperation in key areas of central banking, including exchange control, financial market management, currency operations, and reserve management on the sidelines of the **World Bank/International Monetary Fund (IMF)** annual meetings ;
- 18 Oct 2025 **Lagos (Nigeria)** *The Nation*. **China International Business and Development Corporation (CIBDC)** and the **Nigeria-China Investment Club (NCIC)** sign an agreement to improve strategic collaboration and investment in critical sectors of the economy;
- 18 Oct 2025 **Abuja (Nigeria)** *Cryptopolitan*. **Central Bank of Nigeria (CBN)** sets up a working group to explore the possible adoption of stablecoins as part of ongoing efforts to support innovation in the financial sector;
- 16 Oct 2025 **Abuja (Nigeria)** *Hallmark*. Nigeria will assume chairmanship of **the Group of 24 (G-24)** from **Argentina**, from 1 November, and will unveil its Work Programme after consultation;
- 16 Oct 2025 **Lagos (Nigeria)** *The Nation*. **Dangote Group** president **Aliko Dangote**, and the **Manufacturers Association of Nigeria (MAN)**, urge government to support the **Nigeria First** policy with effective legislation and enforcement across ministries, departments and agencies (MDAs);
- 16 Oct 2025 **Washington D.C (United States)** *The Nation*. **World Bank** group president, **Ajay Banga**, says Nigeria's population will hit 368 million by 2050;
- 9 Oct 2025 **Abuja (Nigeria)** *Business Day*. The presidency rejects the **World Bank's** report that the poverty level increased to 139 million people;
- 8 Oct 2025 **Abuja (Nigeria)** *This Day*. **Nigerian Ports Authority (NPA)**, begins reconstruction of **Apapa, Tincan Island, Calabar, Warri, and Port Harcourt** ports, valued at \$1 billion, to be completed within 48 months;
- 8 Oct 2025 **Bonny (Nigeria)** *This Day*. **Nigerian National Petroleum Company Limited (NNPCL)**, **Sahara Group**, **Eroton Exploration & Production Company**, and **Bilton Energy Limited** jointly commission Nigeria's first wholly owned 2.2-million-barrel capacity Floating Storage and Offloading (FSO) vessel;
- 7 Oct 2025 **Abuja (Nigeria)** *Sun*. Government launches the \$100m **Orteva Carbon Project**, to unlock climate finance, generate carbon credits, and accelerate Nigeria's transition to a low-carbon economy;
- 6 Oct 2025 **Abuja (Nigeria)** *Daily Trust*. **House of Representatives** plans to regulate cryptocurrency and Point-of-Sale (POS) operations amid growing concerns over fraud, cybercrime, terrorism financing, and consumer exploitation;
- 6 Oct 2025 **Abuja (Nigeria)** *Premium Times*. Nigeria loses \$39.6m worth of crude oil during a three-day supply disruption by **Petroleum and Natural Gas Senior Staff Association (PENGASSAN)** following a labour impasse with **Dangote Refineries** management;
- 29 Sep 2025 **Abuja (Nigeria)** *Punch*. **Securities and Exchange Commission (SEC)** warns investors about the growing use of artificial intelligence (AI) by fraudsters to promote fake investment schemes;
- 26 Sep 2025 **Abuja (Nigeria)** *Business Day*. **Nigeria Customs Service (NCS)** exempts manufacturers bringing in raw materials, machines, and spare parts from its 4% **Free on Board (FOB)** import levy;

25 Sep 2025 **Abuja (Nigeria) Ecofinagency**. Oil unions reject **Nigerian National Petroleum Company Limited's (NNPCL)** proposal to sell parts of its equity in Joint Venture (JV) oil and gas assets;

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