

THE WAVERLEY SERIES

NIGERIA

An Insight of Investment, Trade and Economy

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For Advisory & Partnership

LORD WAVERLEY

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NIGERIA — AT A GLANCE

Capital	Abuja
Real GDP growth	4.43% in the second quarter of 2026, up from 3.89% in the first quarter; the IMF projects 4.1% growth for the full year
Inflation	Eased to a range of roughly 15.4-15.9% in 2026, a substantial decline from earlier crisis-era peaks, though still elevated
Foreign reserves	Crossed \$54 billion according to the president's own recent remarks, up from \$45.4 billion at the end of 2025
Capital markets milestone	FTSE Russell reclassified Nigeria from Unclassified to Frontier market status, effective 21 September 2026
Oil sector	Production approaching and at times exceeding 1.8 million barrels per day; active drilling rigs risen from about 14 in 2023 to more than 60; over \$8 billion in major Final Investment Decisions recorded since 2023
Key reforms since 2023	Fuel subsidy removal and foreign exchange liberalisation, which reshaped the investment landscape while contributing to near-term inflationary pressure and higher living costs
Security situation	The second quarter of 2026 was described as Nigeria's most violent three-month period in at least three decades; a mass abduction of roughly 600 people from mosques in Niger State occurred in August 2026; the US and Nigeria launched a joint military operation against Boko Haram and ISWAP in the northeast in May 2026
US relations	Nigeria is subject to partial US travel and immigration restrictions effective 1 January 2026, citing Boko Haram and ISWAP activity, even as the same US proclamation described Nigeria as an important strategic partner against terrorism
Governing framework	President Bola Ahmed Tinubu, in office since May 2023 under his 'Renewed Hope Agenda,' currently campaigning for re-election amid growing public scrutiny of the security situation alongside touted economic progress

Nigeria's economy delivered genuine, verifiable progress this year: GDP growth accelerating to 4.43% in the second quarter, inflation easing into the mid-teens, external reserves crossing \$54 billion, and a landmark FTSE Russell upgrade to Frontier market status taking effect this week. President Tinubu has personally courted major new investment this month, from a Paris meeting with media mogul Vincent Bolloré to addressing the diaspora at Nigeria's first dedicated investment conference. This economic momentum unfolds against a genuinely severe and worsening security crisis: the second quarter of 2026 was described as Nigeria's most violent three-month period in at least three decades, punctuated by the mass abduction of roughly 600 people from mosques in Niger State and a joint US-Nigeria military operation against Boko Haram and ISWAP in the northeast. Investors should weigh Nigeria's genuine economic reform momentum directly against a security environment that now affects multiple regions of the country and has become a central issue in Tinubu's own re-election campaign.

1. INVESTMENT & FDI

A landmark capital-markets upgrade and high-profile presidential investment diplomacy this month reflect genuine, broadening international confidence in Nigeria's reform trajectory.

FTSE Russell's March 2026 Semi-Annual Country Classification Review reclassified Nigeria from Unclassified to Frontier market status, effective 21 September 2026, a milestone Central Bank-linked officials have directly credited to reforms implemented over the preceding two years. President Tinubu held extensive talks in Paris on 18 September 2026 with Vincent Bolloré, whose Bolloré Group holds interests in Canal+, MultiChoice and Universal Music Group; the group confirmed plans to deepen investment in Nigeria's film, entertainment and fibre-optic infrastructure sectors, building on Canal+'s completed acquisition of MultiChoice in July 2026. Separately, Tinubu told the Africa CEO Forum in Kigali that Nigeria is on course to attract nearly \$20 billion in foreign direct investment in 2026, attributing this to reforms including foreign exchange liberalisation, though this figure represents the president's own projection rather than independently verified data. The Coca-Cola System's previously announced \$1 billion investment over five years, following \$1.5 billion invested in the preceding decade, continues as a specifically cited vote of confidence in the Nigerian economy.

- **A genuine, independently verified capital-markets milestone:** the FTSE Russell Frontier market reclassification represents concrete, third-party recognition of Nigeria's improved market infrastructure and macroeconomic conditions, distinct from any government's own characterisation of its reforms.
- **A concrete, named investment commitment in the creative economy:** the Bolloré Group's confirmed plans, tied directly to its existing MultiChoice and Canal+ interests, represent a specific, verifiable investment development rather than a general expression of interest.
- **A presidential FDI projection requiring independent verification:** the nearly \$20 billion 2026 FDI figure originates from President Tinubu's own remarks rather than a published, independently audited data source, and should be treated as a government projection pending confirmation.
- **Continued follow-through on a multi-year consumer-sector commitment:** Coca-Cola's \$1 billion pledge, building on a documented \$1.5 billion invested over the prior decade, reflects sustained, multi-year consumer-goods sector confidence distinct from newer, one-off investment announcements.

2. TRADE & BUSINESS

A genuine oil-sector production recovery anchors Nigeria's trade performance, even as the security crisis directly threatens key production and logistics corridors.

Crude oil production has approached and at times exceeded 1.8 million barrels per day, with active drilling rigs rising from approximately 14 in 2023 to more than 60, and over \$8 billion in major Final Investment Decisions recorded since President Tinubu took office, according to the Minister of State for Petroleum Resources. Domestic crude supply to local refiners reached 53.7 million barrels in the second quarter of 2026, with Domestic Crude Supply Obligation performance at 97.4%, reflecting deepening integration between Nigeria's upstream and downstream petroleum segments. However, the Niger Delta continues to face elevated kidnapping risk and renewed pipeline disruption activity, directly threatening the physical infrastructure underlying this production recovery.

- **A genuine, multi-metric oil-sector recovery:** the simultaneous increase in production volumes, active drilling rigs, and major investment decisions together represent a broad-based recovery rather than improvement in a single isolated metric.

- **Growing upstream-downstream integration with direct economic implications:** the high Domestic Crude Supply Obligation performance rate directly supports local refinery utilisation and reduces Nigeria's dependence on imported refined petroleum products.
- **A direct security threat to the production recovery itself:** renewed Niger Delta pipeline disruption and kidnapping risk represent a specific, ongoing threat to the very production and logistics infrastructure driving the oil-sector recovery described above.

3. MAJOR ECONOMIC DEVELOPMENTS

Genuine macroeconomic stabilisation continues even as a severe, worsening security crisis has become a central test of President Tinubu's re-election campaign.

Speaking to Nigeria's banking sector, President Tinubu cited GDP growth of 4.43% in the second quarter of 2026, inflation easing to 15.43%, and external reserves crossing \$54 billion, declaring that 'stability has returned' and 'credibility is rising,' while cautioning that 'stability is a foundation; prosperity is a destination' and that macroeconomic stability should not be mistaken for economic prosperity. Nigeria's new tax framework, introduced as part of the reform agenda, is aimed at simplifying compliance and easing the burden on low-income earners and small businesses. Set against this progress, Nigeria's security situation has deteriorated sharply: the three months through June 2026 were described as the most violent quarter in the country in at least three decades, with insurgent and bandit targeting of civilians surging compared to the prior year. In August 2026, approximately 600 people were abducted from mosques in Niger State, prompting President Tinubu, then on a three-week European vacation, to order an army and police rescue operation; the same period saw a retired army general die in captivity after being kidnapped en route to a wedding, and more than a hundred additional travellers kidnapped in two separate northwest incidents. On 16 May 2026, the United States and Nigeria launched a joint military operation, including special forces raids and airstrikes, against Boko Haram and the Islamic State's West Africa Province in the northeast, with approximately 175 militants killed as of 19 May and no reported US or Nigerian casualties. Independent security assessment identifies five distinct conflict zones nationally: active Boko Haram and ISWAP insurgency in the northeast, with ISWAP reportedly consolidating control over rural Borno; intensifying banditry across Zamfara, Katsina and Kaduna in the northwest, averaging more than 200 kidnap victims monthly in early 2026; elevated Niger Delta kidnapping and pipeline-disruption risk; continued IPOB sit-at-home enforcement affecting Monday business operations in Anambra, Imo and Abia; and renewed communal violence in Plateau and Benue states. This deteriorating picture comes as Tinubu campaigns for re-election, with independent analysis noting his team has been notably quieter about the security situation than about economic progress.

- **A genuine, multi-indicator macroeconomic improvement:** the simultaneous acceleration in growth, decline in inflation, and rise in reserves represents real, broad-based stabilisation rather than improvement concentrated in a single metric, directly supporting the FTSE Russell reclassification described in Section 1.
- **A notably candid presidential acknowledgment of stabilisation's limits:** Tinubu's own explicit distinction between stability and prosperity represents an unusually direct acknowledgment that macroeconomic improvement has not yet translated into broadly felt living-standard gains.
- **A security deterioration of historic severity by the government's own implicit standard:** the characterisation of the second quarter of 2026 as the most violent in three decades represents an extraordinarily severe security assessment, occurring in a period when the government has simultaneously emphasised economic recovery.
- **A specific, large-scale mass-abduction incident with direct governance implications:** the scale of the Niger State mosque abductions, and the president's decision to order a rescue operation while on vacation

abroad, together illustrate both the severity of individual incidents and questions about crisis-response positioning during an active security emergency.

- **Direct US military engagement against a specific, named threat:** the joint US-Nigeria operation against Boko Haram and ISWAP represents concrete, operational security cooperation with the United States, distinct from and running parallel to the separate US travel-restriction policy described in Section 7.
- **A geographically comprehensive security challenge spanning five distinct regions:** the specific identification of five separate conflict zones, each with a distinct threat profile, indicates that Nigeria's security challenge is genuinely national in scope rather than confined to a single traditionally troubled region.
- **A security situation now directly shaping electoral politics:** the observed gap between the government's economic messaging and its comparative reticence on security represents a specific, sourced political dynamic investors should track as the re-election campaign continues.

4. MAJOR PROJECTS & INFRASTRUCTURE

Deepwater oil and gas projects and creative-economy digital infrastructure anchor Nigeria's current major-project pipeline, even as physical security constrains project execution in several regions.

- **Deepwater oil and gas investment:** a significant portion of Nigeria's projected FDI inflows is expected specifically from deepwater projects, supported by fiscal incentives President Tinubu approved earlier in 2026 to unlock further Final Investment Decisions.
- **Fibre-optic and digital infrastructure:** the Bolloré Group's confirmed investment plans specifically include fibre-optic infrastructure alongside its film and entertainment commitments, described in Section 1.
- **Security-constrained project execution:** the five distinct conflict zones identified in Section 3 mean infrastructure and resource projects located in or transiting through the northeast, northwest, Niger Delta, southeast and middle belt each face materially different, region-specific security planning requirements.

5. CONFERENCES, FORUMS & EXHIBITIONS

Nigeria's inaugural diaspora investment conference and continued participation in major international forums this year reflect an active, multi-channel investment-promotion calendar.

- **Nigeria Diaspora Economic Conference (NIDEC) 2026, Toronto:** the maiden edition of this three-day conference, themed 'Thrive Abroad, Invest in Nigeria,' was declared open on behalf of President Tinubu, specifically targeting diaspora investment and citing Nigeria's economic recovery indicators directly to an overseas audience.
- **Africa CEO Forum, Kigali:** President Tinubu's panel remarks on Nigeria's FDI trajectory, described in Section 1, represented direct presidential engagement with a major pan-African business and investment audience.
- **2026 BRICS Summit, New Delhi:** represented by Vice President Kashim Shettima, Nigeria used this platform to call for stronger BRICS cooperation and position itself as a gateway to the African Continental Free Trade Area.

6. BUSINESS & INVESTMENT EVENTS

President Tinubu's direct engagement with domestic banking leadership and a major consumer-goods anniversary event this month underscore sustained, high-level investment-promotion activity.

- **Chartered Institute of Bankers of Nigeria engagement:** Tinubu's direct challenge to banks to convert recapitalisation into jobs and production, described in Section 3, represented substantive engagement with the domestic financial sector specifically.
- **Nigerian Bottling Company 75th anniversary event, Abuja:** President Tinubu, represented by the Secretary to the Government of the Federation, used this event to reaffirm Nigeria's openness to investment and specifically welcome the Coca-Cola System's continued commitment described in Section 1.

7. GOVERNMENT & INTERNATIONAL PARTNERSHIPS

A direct military partnership with the United States against Boko Haram coexists with new US travel restrictions citing that same insurgency, illustrating the complexity of Nigeria's current bilateral relationship.

- **United States:** the May 2026 joint military operation against Boko Haram and ISWAP represents genuine, operational security cooperation, even as a separate December 2025 presidential proclamation placed Nigeria under partial travel restrictions citing the same groups' activity; that same proclamation nonetheless explicitly described Nigeria as an important strategic partner in the global fight against terrorism, indicating the restriction reflects specific vetting and visa-overstay concerns rather than a wholesale rupture in the security relationship.
- **France (Bolloré Group):** the confirmed creative-economy and digital-infrastructure investment commitments described in Section 1 represent a substantial, active bilateral private-investment relationship.
- **BRICS members:** Nigeria's call for deeper cooperation at the 2026 New Delhi summit reflects a broadening, multi-directional international economic engagement strategy alongside its traditional Western partnerships.
- **IMF:** the Fund's 4.1% growth projection for 2026 and its acknowledgment of improving macroeconomic stability represent continued substantive multilateral policy dialogue.
- **World Bank:** acknowledged improvements in Nigeria's macroeconomic stability and fiscal management, per the president's own remarks, reflecting continued multilateral engagement on the reform agenda specifically.

8. SME & PRIVATE-SECTOR DEVELOPMENTS

A new, simplified tax framework and a direct presidential challenge to banks define Nigeria's current private-sector development agenda, even as the southeast's sit-at-home enforcement continues disrupting routine business operations.

Nigeria's new tax framework is specifically designed to simplify compliance and ease the burden on low-income earners and small businesses, a direct policy response to long-standing SME tax-compliance complaints. President Tinubu has separately challenged the banking sector to move beyond traditional financial intermediation and play a greater role in financing businesses, production and job creation, explicitly linking recent bank recapitalisation to this broader private-sector development goal. However, continued IPOB sit-at-home enforcement in Anambra, Imo and Abia states directly disrupts Monday business operations in the

southeast, representing a specific, recurring operational constraint distinct from the broader security concerns described in Section 3.

- **A targeted SME tax-compliance reform:** the new framework's specific focus on simplifying compliance for low-income earners and small businesses represents a concrete, near-term private-sector development measure rather than a broader, less-targeted tax policy change.
- **A direct presidential call for banks to deepen productive-sector financing:** Tinubu's explicit challenge to banks represents a clear, public benchmark against which the sector's use of recent recapitalisation proceeds can be measured going forward.
- **A specific, recurring operational disruption in the southeast:** the continued Monday sit-at-home enforcement represents a concrete, predictable business-planning constraint for companies operating in Anambra, Imo and Abia specifically, distinct from the more diffuse security risks described elsewhere.

9. NEW INVESTMENT OPPORTUNITIES / PROJECTS ANNOUNCED

Deepwater energy, creative and digital economy investment, and diaspora-targeted capital mobilisation define Nigeria's most concretely promoted new investment channels this year.

- **Deepwater oil and gas Final Investment Decisions:** the more than \$8 billion recorded since 2023, supported by newly approved fiscal incentives, represents Nigeria's most substantial current upstream investment opportunity category.
- **Creative and digital economy investment:** the Bolloré Group's confirmed film, entertainment and fibre-optic commitments represent a concrete, near-term investment channel building on Nigeria's global cultural reach through Nollywood and Afrobeats.
- **Diaspora capital mobilisation:** the NIDEC platform specifically targets Nigerians abroad as a distinct investor category, offering a structured channel for diaspora-linked capital inflows.
- **Consumer goods sector expansion:** Coca-Cola's continued \$1 billion investment commitment offers a concrete, ongoing consumer-sector investment and partnership opportunity.

SUMMARY ASSESSMENT

Nigeria's economy delivered genuine, verifiable progress this year: GDP growth accelerating to 4.43% in the second quarter, inflation easing into the mid-teens, external reserves crossing \$54 billion, and a landmark FTSE Russell upgrade to Frontier market status taking effect this week. President Tinubu has personally courted major new investment this month, from a Paris meeting with media mogul Vincent Bolloré to addressing the diaspora at Nigeria's first dedicated investment conference.

This economic momentum unfolds against a genuinely severe and worsening security crisis: the second quarter of 2026 was described as Nigeria's most violent three-month period in at least three decades, punctuated by the mass abduction of roughly 600 people from mosques in Niger State and a joint US-Nigeria military operation against Boko Haram and ISWAP in the northeast. Five distinct conflict zones now span the northeast, northwest, Niger Delta, southeast and middle belt, and independent analysis notes the government has been notably quieter about this security deterioration than about its economic achievements, even as it shapes President Tinubu's ongoing re-election campaign.

Investors should treat Nigeria's macroeconomic stabilisation and capital-markets progress as genuine and independently verified, while giving full, direct weight to a security environment whose scale and severity now affect multiple regions of the country simultaneously.