KEYNOTE ADDRESS
Nigeria's Next Chapter: From Reform to Returns

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PROTOCOLS

The Director-General of the Securities and Exchange Commission, Dr Emomotimi Agama; CEO of the Nigerian Exchange, Mr Jude Chiemeka; CEO of the CSCS, Mr. Shehu Shantali; other senior government officials here present; the President of the Association of Asset Custodians of Nigeria, Mr Babatunde Majiyagbe; asset managers, custodians, institutional investors, financial institutions, members of the international investment community, ladies and gentlemen.

It is a pleasure to be back with you in London. When we met about a year ago, much of our conversation was about reform - why Nigeria had to make difficult choices, and why the cost of postponement had become greater than the cost of reform. Whether we're willing and able to stay the course. A year later, the U.S. Iran conflict has tested not just our resolve but the resilience of our economy so the theme of this conference asks the appropriate next question: how do we move from reform to returns?

The debate is no longer whether Nigeria is committed to reform, we have demonstrated that willingness. The question now is how well we can convert those reforms into sustainable returns: higher investment, stronger productivity, more jobs, rising incomes and improved living standards.

Nigeria is moving from correcting the distortions of yesterday to providing returns today and creating the opportunities of tomorrow. And for investors who understand the fundamentals of a thriving economy and the foundation we are building, Nigeria is their best kept secret.

WHY REFORM WAS UNAVOIDABLE

Over many decades, our economy accumulated significant structural distortions: an unsustainable fuel subsidy, multiple foreign exchange rates, inadequate public revenues, multiple taxation and an economy that consumed more than its productive base could sustainably support.

These costs were not always visible, a subsidised exchange rate appeared cheap until businesses could no longer access foreign exchange, and fuel appeared affordable until the treasury ran out of fiscal space and resorted to unproductive borrowing and monetary financing with debt service to revenue ratio at nearly 100 percent, resources that could have funded infrastructure and health were consumed defending distortionary and unsustainable artificial prices.

We had reached the point where maintaining the status quo was itself the greatest risk. President Bola Ahmed Tinubu therefore chose reform, not because it was politically convenient, but because it had become economically expedient.

WHAT HAS CHANGED?

In three years, the Nigerian economy is showing increasing signs of resilience. Despite significant geopolitical and global headwinds, our economy grew 4.43 percent year-on-year in the second quarter of 2026, up from 3.89 percent in the first quarter (17% for the half year 2026 in U.S. dollar terms).

Reserves exceeded US$54.2 billion as of 7 September, with net reserves exceeding US$40 billion, and the exchange-rate premium has narrowed to below 5 percent. Headline inflation has moderated from a peak above 34 percent to 15.43 percent in July. Our trade surplus rose from ₦3.9 trillion in the first quarter of 2025 to ₦7.5 trillion this year, and between April 2025 and August 2026, Fitch, Moody's and S&P each upgraded our rating, S&P's upgrade to B marking Nigeria's first from that agency since 2012. Our target is to achieve investment grade before 2030.

These are important developments but macroeconomic stability is not the destination. It is the foundation. An improving exchange rate does not automatically create jobs; a rating upgrade does not automatically build factories. Our task therefore s to convert stability into investment; investment into production; production into jobs; and growth into shared prosperity. That is what moving from reform to returns means.

A MARKET ALREADY DEEPENING

Let me offer one number that speaks directly to this room. At the end of 2025, pension fund assets stood at ₦27.46 trillion; by the first half of this year, that had risen to over ₦31.48 trillion. Mutual funds and segregated wealth portfolios have crossed ₦10 trillion, and total assets under management across the Nigerian financial ecosystem are estimated at approximately ₦46 trillion (circa US$ 35 billion), up from roughly ₦40.3 trillion in 2025 (circa US$ 28 billion), a 25 percent increase.

The Nigerian Exchange has moved in step with market capitalisation rising to ₦160 trillion in August 2026, from ₦89 trillion a year earlier. That growth is also broadening across the real economy: manufacturing expanded 3.24 percent in the second quarter, more than double its pace a year earlier; agriculture grew 4.39 percent, up from 2.82 percent; and services grew 4.60 percent, up from 3.94 percent - the kind of composition that gives growth durability, and capital that in turn finances jobs, infrastructure and shared prosperity.

FROM FX REFORM TO A FUNCTIONING MARKET

For this audience, one of the most important changes has been in the foreign exchange market. A few years ago, investors faced more than currency risk, they faced convertibility risk, liquidity risk and policy risk. Multiple exchange rates distorted price discovery, and investors could enter the market without confidence about when or how they could exit. That is fundamentally different from ordinary currency risk: investors can price currency risk; what is much harder to price is uncertainty about whether the market itself will function.

Our reforms have therefore focused not on administratively determining a particular exchange rate, but on building a deeper, more transparent and credible market. A stable FX market is not one where the exchange rate never changes; it is one where it changes primarily for economic reasons rather than because the market has stopped functioning, and that distinction is what matters to investment.

A FUNDAMENTALLY DIFFERENT TAX ARCHITECTURE

The second major change is taxation. Two years ago, investors encountered a fragmented architecture of multiple taxes, overlapping institutions, significant compliance costs and limited VAT recovery. From January 2026, Nigeria began implementing a fundamentally redesigned tax system, not simply to raise more tax but to create a simpler, fairer and more growth-oriented economy.

Small companies are now exempt from Company Income Tax; low-income earners are protected; VAT input credits now extend to services and capital assets; the turnover-based minimum tax on capital is eliminated; and withholding tax on manufacturers has been removed. We have established stronger taxpayer protection through the Office of the Tax Ombud, and we are working with states to eliminate multiple taxation across the federation.

Our philosophy is not to tax seed but fruits, not production but profits, not poverty but wealth; value creation rather than merely transactions. For investors, tax certainty can be as important as the headline rate. An investor making a commitment needs confidence about the rules under which their investment will operate. Phase one of our reform changed the architecture. Phase two is changing the experience and providing clarity.

CAPITAL GAINS AND INVESTMENT COMPETITIVENESS

Let me address an issue that is of interest to many investors in this room - the taxation of capital gains. Our objective is not to discourage capital formation or undermine the liquidity of our capital markets, and we recognise that capital is highly mobile. We are listening carefully to concerns about the interaction between capital gains taxation, market liquidity and Nigeria's competitiveness relative to comparable markets. Our approach will remain evidence-based - where implementation reveals unintended consequences capable of discouraging real investment rather than speculation, we are prepared to make the necessary changes.

THE NEXT REFORM FRONTIER: PRODUCTIVITY

Having addressed many of the major macroeconomic distortions, the next frontier is productivity. Nigeria cannot import its way to prosperity. We must produce more of what we consume and process more of what we produce for export, across agriculture, manufacturing, mining, energy, pharmaceuticals, housing and digital technology. Our objective is not import substitution but competitiveness: businesses capable of competing with the world, not sheltered permanently from it.

That means reliable energy, efficient logistics, access to affordable finance and predictable regulation, used strategically alongside the African Continental Free Trade Area. Nigeria is not simply a market of 200 million people, we are potentially a production platform for 1.4 billion people and more. That changes the investment proposition.

FROM PUBLIC SPENDING TO PRIVATE CAPITAL MOBILISATION

Nigeria's infrastructure and development requirements are too large to be funded from government balance sheets alone. Instead of asking, “How much can the government spend?”, we should increasingly ask, “How much private capital can the government mobilise?” That means guarantees, blended finance, credit enhancement and public-private partnerships; credible pipelines of bankable projects; and converting portfolio investment into longer-term commitments, and investment announcements into actual capital formation, because an announcement does not create jobs. Capital formation does.

There is a related transition investors should watch. For a long time, the government has been a major absorber of domestic capital. When it can borrow heavily at attractive yields, financial institutions have less incentive to finance businesses carrying greater perceived risk. As fiscal conditions improve, we will progressively create more room for private-sector credit. The objective is to activate a virtuous cycle - where stronger fiscal discipline reduces government financing pressure, lower inflation creates room for lower interest rates, and more affordable capital stimulates the investment and production that in turn reinforce fiscal sustainability.

THE ROLE OF CAPITAL MARKETS

This is why today's conference is particularly important. The programme goes beyond macroeconomics to consider the 2026 Capital Market Master Plan, the role of the Nigerian Exchange in capital formation, the transition to a T+1 settlement cycle, and the evolving priorities of global custodians - the infrastructure required to connect global capital with Nigerian opportunity. We need a market where companies can raise equity efficiently, where pension and insurance assets have investible instruments, and where international investors can enter, custody and exit efficiently and transparently. Confidence in custody, settlement and market integrity is fundamental to the investment proposition.

THE PREJUDICE PREMIUM

There is also something I would ask of the international investment community. Nigeria, and Africa more broadly, often pays what I call the narrative cost and prejudice premium. Risk must be priced - we recognise that - but perception should not be priced as fact. Capital should neither be emotional nor patriotic; it should respond to incentives, risk, returns and certainty. The government's responsibility is not to ask you to invest as an act of goodwill, it is to make Nigeria worthy of your capital. But investors also have a responsibility to interrogate current evidence rather than inherited perceptions. We are not asking you to ignore risk. We are asking you to price the risk correctly, and don’t undervalue the opportunity.

WHAT SHOULD INVESTORS WATCH?

If you ask me what to monitor over the next twelve to twenty-four months, I would focus on three things: **inflation and the cost of capital**, since sustained disinflation will materially change the economics of private-sector financing; **private investment and productivity**, watching actual capital formation and non-oil exports rather than announcements; and **fiscal and external resilience,** the quality of government revenue, debt-service indicators and reserves. If all three continue moving in the right direction, reform will increasingly become structural rather than cyclical.

WHY NOW?

Many international investors recognise that Nigeria is changing but remain on the sidelines. This is understandable, since investors are paid to assess risk, not optimism. But there is also a risk in waiting. The question is not whether Nigeria has become risk-free; no market is. The relevant question is whether the risk-reward equation has changed - the FX architecture is different, the tax architecture is different, the fiscal direction is different, and Nigeria combines market scale, demographics, talent and access to the wider African market. The risk of entering too early must be weighed against the cost of arriving too late.

OUTLOOK: NIGERIA TOWARD 2030

Let me close this section by looking further ahead, because returns are judged over years, not quarters. Our national ambition remains a one-trillion-dollar economy by 2030, traced reform by reform rather than proclaimed by slogan, across four dimensions of return: **macroeconomic**, in continued disinflation and stronger external balances; **financial,** in deeper capital markets and better pricing of risk; **real-sector,** in investment, productivity and diversification; **and social,** in jobs, incomes and living standards.

Concretely, that means deepening reforms, enhancing economic coordination and fiscal governance, and moving key initiatives like the credit economy from design into maturity at scale; it means delivering industrial policy targets - manufacturing toward 25 percent of GDP and export volumes up 30 percent by 2028 - becoming visible in trade data; and it means Nigeria positioning itself as a production hub for a continental market of over 1.4 billion under the AfCFTA.

By the time you meet again for this event, my hope is that the conversation will have moved once more - from reform, to returns, to reinvestment, with investors who entered during this window choosing to compound their commitment rather than exit. That is the test I would like to be judged against.

CONCLUSION

The event materials describe today's conversation as Nigeria's Next Chapter: From Reform to Returns. I believe that the next chapter is already being written. When we met last year, my message was largely about why Nigeria had to reform. This year, my message is different - it's about staying the course of reform and accelerating results, the direction of the fundamentals, the new tax and investment architecture, the growth sector and new economies emerging. We are looking beyond yesterday's headlines to tomorrow's possibilities.

There will still be risks. Global uncertainty will remain, implementation will require discipline, and we will continue to make adjustments where evidence shows they are necessary. But investment has never been about waiting for perfect conditions while missing out on opportunities.

Our commitment in government is to sustain the reforms, strengthen institutions, and create an environment in which capital can earn competitive returns by financing productive economic activity. My invitation to you is equally simple: do not invest in Nigeria because we ask you to believe in us. Invest because you have examined the evidence and concluded that Nigeria increasingly deserves a place in your portfolio.

The first chapter was reform. The next chapter is 'returns'. And the returns that matter most will not only be financial, they will be measured in factories built, infrastructure delivered, exports earned, jobs created, and millions of Nigerians participating in a more productive and prosperous economy. That is the Nigeria we are building, and I invite you to be part of it.

Thank you.