

Trade and Investment Guide: Nigeria

By the Commonwealth Enterprise and Investment Council

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Foreword

Olasupo Shasore SAN, Country Chair - Nigeria



Nigeria's remarkable potential is increasingly recognised, with international investors drawn to Africa's largest consumer market.

One of Nigeria's underrated strengths is that it is truly a Commonwealth economy, with deep commercial, institutional, and interpersonal links to other members of this global community.

In my own field, law, Nigeria has close institutional affinities with other common law jurisdictions—most of which are found in the Commonwealth. Around one-third of the world's population lives in common law or part-common law systems. Common law is typically used to litigate international commercial disputes, and many global contracts are governed by it. Thanks to the predictability of binding precedents, common law economies also tend to be better for business.

Nigeria's Commonwealth ties go beyond institutions. The English language, spoken by many millions as a commercial lingua franca, further binds Nigeria to dynamic economies like India, the UK, and Australia. A common language enables businesses in Lagos to deal directly with partners from a diverse range of countries—bridging divides and bringing people together.

There are also strong interpersonal links—commercial, cultural, and familial. Millions of Nigerians live abroad, with many thousands in the UK, Canada, Ghana, and South Africa. The growing Nigerian diaspora has often served as a vital bridge for commercial opportunity—Nigerians have taken Afrobeats and Nollywood to cities like London and Toronto, opening new markets for cultural exports. Closer to home, Nigeria enjoys vibrant cultural affinities with partners such as Cameroon and Togo.

All these links place Nigeria at the heart of the new Commonwealth—an organisation of fifty-six sovereign and equal states, cooperating for the common good. As Africa's most populous country, Nigeria is well-placed to help shape the Commonwealth, adapt to new challenges, and seize emerging opportunities.

I commend this Guide to you—it is a valuable resource, highlighting Nigeria's Commonwealth links and the opportunities for those looking to start, invest, or expand here.

Foreword

Obinna Anyanwu, Country Director - Nigeria



In my capacity as CWEIC's Country Director in Nigeria, it is my pleasure to introduce our 2025 Nigeria Trade and Investment Guide. This Guide provides a short overview of Nigeria's economy, political system, and investment environment, highlighting just some of the incredible opportunities on offer in West Africa's largest economy.

Nigeria is a key growth market for CWEIC, with diverse businesses and state government partnerships. Our network spans law, insurance, petrochemicals, and finance.

Through this Guide, we hope to deepen and broaden those links even further, bringing more business and investment to Nigeria at a time when the country still has so much to offer.

Nigeria is the most populous country in Africa, with over 220 million people—half under 18. Our oil and gas industry remains a key economic driver; Nigeria is Africa's largest exporter.

But there is more to the Nigerian story. Growth in financial services, education, technology, and creative industries—including exports like Afrobeats and Nollywood—demonstrates the entrepreneurial spirit that makes Nigerians famous worldwide.

Nigeria offers a ready market for consumer goods, with 26 free trade zones providing favourable conditions like tax exemptions and free profit remittances. As an ECOWAS member, Nigeria provides access to a 400 million-person regional market. The Nigeria Investment Promotion Commission also offers valuable advice for investors.

Nigeria's greatest asset is its people. Anyone with business experience here will attest to the vibrancy and dynamism of the business community, eager to seize opportunities from closer Commonwealth ties. Through a large and growing diaspora, we are connected to countries like the UK and Canada, with links that go far beyond commerce.

To those still unsure, I commend this Guide to you—and encourage you to visit. The vibrancy of West Africa's largest economy is unmatched.

Country Profile



Population: 236,747,130 (6th)^[1]



Capital City: Abuja



Currency: Nigerian Naira (NGN)



Official Language: English



Common Language(s): Hausa, Igbo, Yoruba



Time Zone: GMT +1



Calling Code: +234



Internet TLD: .ng

Geography and History

The Republic of Nigeria is located in West Africa, bordered by Niger to the north, Chad to the north-east, Cameroon to the east, and Benin to the west. The southern coast line lies on the Gulf of Guinea, part of the Atlantic Ocean. Nigeria covers an area of approximately 923,769 square kilometres, making it the 32nd largest country in the world. The country's geography ranges from tropical forests in the south to savannas in the central region and arid Sahel in the north.

Nigeria has a rich and complex history that dates back to ancient civilisations such as the Nok culture, which existed around 1000 BCE. The region was home to powerful kingdoms and empires, including the Hausa city-states, the Yoruba kingdoms, and the Igbo kingdom of Nri. The arrival of European traders in the 15th century, followed by British colonisation in the 19th century, significantly impacted the region's political and social structures.

Nigeria gained independence from Britain on October 1, 1960, becoming a republic in 1963. The post-independence period saw a series of military coups and a civil war from 1967 to 1970, known as the Biafran War. Nigeria transitioned to civilian rule in 1999, marking the beginning of the Fourth Republic. Since then, Nigeria has held regular elections, contributing to its democratic consolidation.



Political System

Federal Presidential Republic

Nigeria operates a federal presidential republic, characterised by a separation of powers among the executive, legislative, and judicial branches. The federal government is responsible for defence, foreign affairs, and monetary policy, as well as shipping, Federal trunk roads, aviation, railways, postal services, police and other security, regulation of labour, inter-state commerce, telecommunications, mines and minerals, insurance, national parks, national statistical systems, guidelines for minimum education systems, water resources affecting more than one state, electricity, antiquities and monuments, scientific and technological Research, technological and post-primary education, health and social welfare. All other services are delivered by state or local governments.

Executive Branch

The President of Nigeria is both the head of state and the head of government. The President is elected by popular vote for a four-year term and can serve a maximum of two terms. The President's duties include implementing and enforcing national laws, appointing cabinet members, who oversee various government ministries, serving as the Commander-in-Chief of the Armed Forces, and representing Nigeria in international affairs.

Legislative Branch

The National Assembly is a bicameral legislature consisting of the Senate and the House of Representatives. The Senate comprises 109 senators, with three senators representing each of the 36 states and one senator from the Federal Capital Territory, Abuja. The Senate is responsible for reviewing and passing legislation, confirming presidential appointments, and conducting oversight of the executive branch. The House of Representatives consists of 360 members elected from single-member districts based on population. The House shares legislative responsibilities with the Senate, including drafting and passing laws, approving the budget, and overseeing the executive branch.

Judiciary and Legal System

Judiciary

Nigeria's Judiciary is an independent arm of the government and is broadly structured as having higher courts of record and lower courts of record. The Highest court is the Supreme Court of Nigeria, followed by the Court of Appeal, the Sharia Courts of Appeal, the Federal High Court, the Customary Courts of Appeal, the State High Courts and the National Industrial Court (which exclusively tries labour and employment disputes). The lower courts of record include the magistrate, small claims and customary courts. The structure of the Judiciary reflects Nigeria's diverse legal system and legal heritage.

Legal System

Nigeria's legal system is based on a combination of English common law, customary law, and Islamic law. The Constitution of 1999 serves as the supreme legal document, outlining the structure of government, the rights of citizens, and the powers and functions of each branch of government. Key legislation includes the Companies and Allied Matters Act, the Investment and Securities Act, and various sector-specific regulations.

Business Environment

The legal system aims to provide a stable and predictable environment for business operations. Specialised courts, such as the National Industrial Court and investment arbitration mechanisms, address commercial disputes efficiently. Efforts are ongoing to streamline regulatory processes and enhance the enforcement of contracts and property rights.

Economic Overview

\$188.27B

GDP (nominal)

2

\$1.58T

GDP (PPP)

Adjusted for purchasing power3

3.2%

GDP Growth

2025 estimate4

\$806

GDP per Capita

Nominal5

\$6,790

GDP per Capita (PPP)

Adjusted for purchasing power6

\$63.1B

Exports

20237

\$69.8B

Imports

20238

The economy of Nigeria is primarily driven by the oil and gas sector, which accounts for a significant portion of GDP, government revenue, and export earnings. Nigeria is one of the largest oil producers in Africa, with its petroleum industry serving as the cornerstone of the economy. Additionally, agriculture remains a vital sector, employing a large part of the population and producing key crops such as cocoa, cassava, and yams. In recent years, Nigeria has been diversifying its economy by investing in manufacturing, telecommunications, and renewable energy.

Strong Sectors



Oil and Gas

Nigeria is one of the largest oil producers in Africa, with estimated crude oil reserves of over 37 billion barrels, second only to Libya in Africa and the tenth (10th) largest reserve in the world, and a significant natural gas reserve of over 209.26 trillion cubic feet (TCF)⁹. The sector accounts for a substantial portion of earnings. It operates a semi-consolidated market comprising of international and local oil companies, contributing to its economic output and providing employment opportunities. Overreliance on the sector has exposed the Nigerian economy to disruptions through commodity price fluctuations over the years, however, its abundant natural gas reserves support clean energy transition capabilities.



Agriculture

Agriculture is a vital sector in Nigeria, employing a significant portion of the population and contributing about 25% to the GDP while employing over 66% of the population¹⁰. Key agricultural products include cocoa, rubber, palm oil, yams, cassava and maize. The sector is essential for food security and rural development. Efforts to modernise agricultural practices and improve supply chains are ongoing, aiming to boost productivity and export potential.



Telecommunications and IT

Nigeria's telecommunications sector has seen remarkable growth over the past two decades, driven by increased mobile phone penetration and internet usage. The country boasts one of the largest telecom markets in Africa, with a rapidly expanding IT sector. Lagos is emerging as a tech hub, attracting startups and investments in fintech, e-commerce, and software development. The government's focus on digital economy initiatives is fostering further growth in this sector.



Financial Services

The Nigerian financial services sector is robust, with Lagos serving as the core financial centre. The Nigerian Stock Exchange (NSE) is one of the largest in Africa, and the banking sector is well-developed, offering a wide range of services including commercial banking, insurance and capital market operations. The sector received a \$6 billion inflow of investments and grew by 30% in 2024 and the Central Bank of Nigeria (CBN) plays a crucial role in maintaining sector's stability and promoting economic growth¹¹.

Growing Sectors & Development Areas

Growing Sectors



Manufacturing and Industry

Nigeria's manufacturing sector is diverse, covering textiles, cement, food products, and chemicals. Government industrialisation policies aim to diversify the economy and reduce oil dependence. Infrastructure investment and local production incentives are driving growth. There is substantial potential, particularly in value-added processing and assembly.



Renewable Energy

Renewable energy is an emerging sector with strong growth potential. Nigeria's energy challenges create opportunities for investment in solar, wind, and hydro power. The government is promoting renewable projects to enhance energy security and support sustainable development. Public-private partnerships and international cooperation are key to advancing the sector.



Healthcare

Healthcare is a critical sector with growing demand driven by Nigeria's large and youthful population. There is a pressing need for investments in healthcare infrastructure, pharmaceuticals, and medical services. The government is working to improve healthcare delivery but the private sector's role is increasingly important in filling gaps and providing quality healthcare services.

Key Areas of Development



Infrastructure Development

The Nigerian government is prioritising infrastructure to support economic growth. Major projects include expanding transportation networks—roads, railways, and ports—and improving power generation and distribution. Public-private partnerships are encouraged to mobilise investment and expertise.



Economic Diversification

Diversifying the economy away from oil dependence is a key government objective. Initiatives to boost agriculture, manufacturing, and services aim to create a more resilient economic structure. Policies to support small and medium-sized enterprises (SMEs) and encourage local content are central to this strategy.



Digital Economy

The government is promoting the development of the digital economy to harness technology for growth. Investments in broadband infrastructure, digital literacy programmes, and supportive regulations for tech startups are driving this agenda. The goal is to position Nigeria as a leading tech hub in Africa.

Major Strengths

Large Market

Nigeria's large and youthful population of over 200 million people presents a significant domestic market with growing consumer demand. This demographic advantage offers opportunities for businesses in various sectors, from consumer goods to technology services.

Natural Resources

Nigeria is endowed with abundant natural resources, including oil, natural gas, minerals, and arable land. These resources provide a solid foundation for economic activities and export potential.

Strategic Location

Nigeria's location in West Africa makes it a strategic gateway for trade and investment in the region. The country's membership in the Economic Community of West African States (ECOWAS) facilitates access to a larger regional market.

Nigeria presents a dynamic and promising environment for business and investment, characterised by a large market, abundant resources, and strategic location. While challenges such as infrastructure deficits and security concerns exist, the government's focus on economic diversification, infrastructure development, and digital economy initiatives offers significant opportunities for growth. With continued reforms and strategic investments, Nigeria is poised to become a major economic powerhouse in Africa, attracting businesses and investors looking to capitalise on its vast potential.

Operational Challenges

Infrastructure Deficiencies

One of the primary challenges for international businesses in Nigeria is the inadequate infrastructure. The country's power supply is unreliable, leading to frequent outages that disrupt business operations and increase costs due to the need for alternative power sources like generators. Additionally, transportation infrastructure, including roads, ports, and railways, is underdeveloped and often in poor condition, making the logistics of moving goods both domestically and internationally challenging. These deficiencies can impede efficient business operations and deter potential investors.

Regulatory and Bureaucratic Hurdles

Nigeria's regulatory environment can be complex and cumbersome, posing significant challenges for international businesses. The process of obtaining necessary permits and licences is often slow and opaque, with businesses facing multiple layers of bureaucracy. Moreover, regulatory inconsistencies and a lack of transparency can lead to uncertainty and increased operational risks. Corruption remains a pervasive issue, further complicating business dealings and increasing the cost of compliance. These factors can create a daunting environment for foreign investors unfamiliar with the local landscape.

Security Concerns

Security is a concern for businesses operating in Nigeria. The country faces various security challenges, including terrorism in the north-east, militant activities in the Niger Delta, and widespread incidents of kidnapping and armed robbery. These security threats not only endanger lives and property but also disrupt business activities and supply chains. Companies often need to invest in security measures, which increases operational costs and can impact employee morale and productivity.

Operating in Nigeria presents significant challenges for international businesses, including inadequate infrastructure, regulatory and bureaucratic hurdles, and pervasive security concerns. These factors collectively create a challenging business environment that can increase costs, reduce efficiency, and pose significant risks to operations. Despite the country's vast market potential and abundant natural resources, these systemic issues require careful navigation and substantial investment in risk management. Companies considering entry into the Nigerian market must be prepared to address these challenges proactively, leveraging local expertise and robust strategies to mitigate risks and capitalise on opportunities.

Operating in Nigeria: a How-To Guide

Businesses eager to tap into the vast opportunities of the Nigerian market must adhere to the country's regulatory framework. By complying with regulations concerning business incorporation, taxation, and licensing, companies can not only navigate the complexities of the local business environment but also position themselves to fully leverage the enormous market potential and resource wealth that Nigeria offers.

Business Incorporation

The journey to establish a business in Nigeria begins with incorporation, a process that not only formalises your enterprise but also aligns it with local legal standards. Registering your company with the Corporate Affairs Commission (CAC) is the first step towards gaining legitimacy and accessing the Nigerian market's vast potential. This involves choosing a unique name, drafting foundational documents like the Memorandum and Articles of Association, and ensuring all submissions meet the regulatory criteria to secure your Certificate of Incorporation.



Reserve a Company Name

Ensure the name is unique, complies with Nigerian naming conventions, and gets approval from the Corporate Affairs Committee.



Prepare Incorporation Documents

Draft the Memorandum and Articles of Association, which outline the company's objectives, share capital, and governance rules.



Submit Application

File the incorporation documents along with a fee to the CAC. This includes the Statement of Share Capital and Nominal Capital, Notice of Registered Address, and Particulars of Directors.



Obtain Certificate of Incorporation

Upon approval, the CAC issues this certificate, officially recognising the business entity.

Obtaining a Tax Clearance Certificate

Navigating the Nigerian tax landscape requires obtaining a Tax Clearance Certificate (TCC), an essential document that proves your business's fiscal responsibility and compliance with the Federal Inland Revenue Service (FIRS). The TCC is not just a formality; it's a gateway to numerous business activities, from bidding for government contracts to securing loans or even processing visa applications for expatriates. Regularly filing returns, paying due taxes, and applying for this certificate annually are critical to maintaining good standing and leveraging the opportunities within Nigeria's economic framework.



Register with FIRS

Ensure your business is registered with the Federal Inland Revenue Services (FIRS) for tax purposes.



File Annual Returns

Businesses must file annual tax returns, detailing income, expenses, and tax liabilities.



Pay Due Taxes

Make all necessary tax payments. Non-compliance can lead to penalties.



Apply for Tax Clearance

Post-filing and payment, apply for a Tax Clearance Certificate from FIRS, which is valid for one year and necessary for various business transactions.

Securing Licences and Authorisations

To operate seamlessly within Nigeria, securing the appropriate licences is imperative. Each sector, from manufacturing to telecommunications, has specific licensing requirements administered by various regulatory bodies like NAFDAC for pharmaceuticals or the Nigerian Communications Commission for telecom services. Understanding and obtaining these licences ensures that your business activities are not only legal but also optimised for market entry and growth. This process involves identifying the right licences, preparing extensive documentation, and often navigating through what can be a time-consuming approval process, all aimed at setting your business up for success in Nigeria's bustling commercial scene.



Identify Required Licences

Depending on the sector (e.g., manufacturing, import/export, telecom), identify all relevant federal, state, or local government licences.



Prepare Documentation

Gather all necessary paperwork including business incorporation certificates, tax documents, and sometimes environmental impact assessments.



Application Submission

Submit applications to the appropriate regulatory bodies, which could include the Nigerian Communications Commission for telecom services or NAFDAC for pharmaceuticals.

How to Process Licences

Nigeria offers significant opportunities for businesses; regulatory compliance and a focus on risk management can deliver significant rewards. Companies poised to enter the Nigerian market should be ready to embrace these challenges with proactive measures, harnessing local expertise and implementing robust strategies to not only mitigate risks but to seize the numerous opportunities presented by Nigeria's long-term growth outlook. This guide is designed to provide investors with practical, actionable insights, empowering them to thrive within Nigeria's dynamic business environment.

Approval Requirements for Priority Sectors



Agriculture

Requires land use consents, environmental clearances.



Manufacturing

Needs approval from the Standards Organisation of Nigeria (SON) for product standards compliance.



Oil and Gas

Involves permissions from the Department of Petroleum Resources (DPR) and adherence to local content laws.

Estimated Timelines

- Routine Licences: Might take 2-6 weeks.
- Specialised or Sector-Specific Licences: Could extend from 2 months to over a year due to additional scrutiny or requirements.

Necessary Documentation

Application forms, proof of incorporation, tax clearance certificates, business plans, sometimes proof of financial capability, and environmental impact assessments for certain sectors.

Trade and Investment: Institutional Landscape

For those intending to invest in Nigeria, familiarity with a number of key federal institutions is a must.

Government Departments and Trade Promotion Agencies

Ministry of Industry, Trade and Investment

Oversees policies and programmes related to industrial development, trade promotion, and investment attraction. The ministry works to enhance the business environment, support SMEs, and facilitate trade and investment.

Address: Old Secretariat, Area 1 Garki, FCT, Nigeria

Email: into@fmiti.gov.ng

Ministry of Petroleum Resources

Oversees the oil and gas sector, including policy formulation, regulation, and development. The ministry promotes investment in the petroleum industry and ensures sustainable exploitation of resources.

Address: Block D, NNPC Towers, Herbert Macauley Way, Central Business District, FCT, Nigeria

Email: info@petroleumresources.gov.ng

Ministry of Communications, Innovation and Digital Economy

Oversees the ICT sector, promoting digital transformation and investment in telecommunications and IT. The ministry works to enhance connectivity, digital skills, and ICT infrastructure.

Address: Federal Secretariat Complex Phase I, Annex III, Shehu Shagari Way, FCT, Nigeria

Email: info@fmcide.gov.ng

Nigeria's Free Trade Zones

Nigeria has a number of special 'free trade zones', governed by different rules, which are designed to be favourable to investors. A free trade zone is a distinct economic zone in the country that confers special privileges in relation to trade and business policy for companies doing business within that zone, especially in regard to taxes. It can also be defined as a special area within a country where foreign and local companies can import materials, manufacture goods, export products, and perform services without being subject to the usual customs, tax, and labour regulations.

The primary laws regulating the FTZs in Nigeria are the Nigerian Export Processing Zone Act 1992 (NEPZ Act) and the Oil and Gas Free Zone Act (OGFZ Act). The NEPZ Act established the Nigerian Export Processing Authority (NEPZA) to licence, manage and supervise FTZs in Nigeria. NEPZA has the power to make regulations binding FTZs in Nigeria. NEPZA has also made specific regulations over the operation of specific FTZs like the Lekki Free Trade Regulations 2016. NEPZA has passed a regulation over the operation of FTZs in Nigeria known as the Regulations and Operational Guidelines for Free Zones in Nigeria 2004.

NEPZA identifies twenty-six operational free trade zones in the country:

Calabar Free Trade Zone, Cross River	Ogun Guangdong Free Trade Zone, Ogun	Green Economic Zone, Kaduna
Kano Free Trade Zone, Kano	Nigeria Aviation Handling Free Trade Zone, Lagos	Celplas Industries Free Zone, Ogun
Sebore Farms Export Processing Zone, Adamawa	Nigeria International Commerce City (Eko Atlantic), Lagos	Flour Mills of Nigeria Free Trade Zone, Lagos/Ogun
Lagos Free Trade Zone, Lagos	Enugu Industrial Park Free Zone, Enugu	GC Export Industrial Park, Kogi
Newrest Airline Services & Logistics Free Zone, Lagos	Newrest Airline Services and Logistics Free Zone, Abuja	Hydropolis FTZ, Niger
ALSCON Export Processing Zone, Akwa Ibom	Quits Aviation Services, Lagos	Alaro City Development Free Zone Company, Lagos
Snake Island Integrated Free Zone, Lagos	Dangote Industries Free Zone Development Company, Lagos	Nasco Town Free Trade Zone, Lagos
Ladol Free Trade Zone, Lagos	AHL Energy Free Trade Zone, Delta	Tinapa Free Zone & Resort, Calabar
Lekki Free Trade Zone, Lagos		Bundu Free Zone, Rivers

Benefits for Businesses in Free Trade Zones

Fiscal Benefits

Exemption from all federal, government, and state taxes, rates, and levies; repatriation of foreign capital investment and appreciation; free remittances of profits and dividends.

Employment Flexibility

Exemption from expatriate quota requirements, allowing employment of competent foreign managers.

Trade Simplification

No import or export licences required for companies established within FTZs.

Domestic Market Access

Ability to sell up to 25% of overall output (or 100% with up to 35% value addition) into Nigeria's domestic economy.

Dispute Resolution

Expeditious and equitable resolution of disputes between government and enterprises by the Authority.

R&D Incentives

20% investment tax credit on qualifying expenditure for companies engaged in Research and Development activities.

Trade Preferences

Preferential tariffs for Made-in-Nigeria goods by economic blocs like the EU.

Investment Protection

Legal guarantees and protection of foreign investments from nationalisation, expropriation, and mandatory buying by the Nigerian government.

Streamlined Approvals

One-stop approvals for all permits, operating licences, and incorporation papers.

Labour Stability

Free trade relationship between investors and personnel; no strike or lockout permitted for ten years post-commencement of operations.

Simplified Registration

Licensing of approved enterprises without complying with local incorporation under Section 54 CAMA.



Sector Snapshot: Nigeria and the Energy Transition

Traditional Energy Sector: Oil and Gas

Nigeria's energy sector is predominantly driven by its substantial oil and gas reserves. The country is one of the largest oil producers in Africa, with the petroleum industry contributing significantly to national GDP, government revenues, and export earnings. The oil sector, centred around the Niger Delta, has been the mainstay of Nigeria's economy for decades, with major international oil companies operating in the region.

To reduce dependence on imported petroleum products and add value to its crude oil, Nigeria has been working towards establishing domestic refining capacity. A significant development in this regard is the Dangote Refinery, currently under construction in Lagos. Upon completion, it will be one of the largest single-train refineries in the world, with a capacity of 650,000 barrels per day. This project aims to make Nigeria self-sufficient in refined petroleum products, reduce import costs, and create jobs.

In addition to refining, Nigeria has been investing in its natural gas sector. The country holds some of the largest natural gas reserves in the world, and initiatives like the Nigeria LNG (NLNG) project aim to harness these reserves for export and domestic use. The government is promoting gas utilisation through projects like the National Gas Expansion Programme (NGEP) and the development of gas-based industries.

Diversifying with Renewable Energy

Nigeria is diversifying its energy mix through the Renewable Energy Master Plan, focusing on solar, wind, hydro, and biomass. The Nigeria Electrification Project promotes off-grid solar solutions for rural electrification, while Solar Power Naija aims to provide 5 million households with solar systems, enhancing access for underserved communities.

The Mambilla Hydroelectric Project, set to generate 3,050 MW, highlights Nigeria's hydropower commitment. Wind energy is being explored in northern regions, and biomass projects use agricultural waste for power and waste management. The Nigerian Electricity Regulatory Commission supports private sector-led mini-grids, with companies like Lumos, Daystar Power, and Husk Power Systems deploying solar solutions. The Climate Change Act 2021 enables carbon credit trading and an Emissions Trading System to attract climate-focused investments.

Policy, Regulation, and Challenges

Nigeria's energy transition is supported by a robust policy framework to encourage investment in conventional and renewable energy. The National Energy Policy sets strategic direction, while the Nigerian Electricity Regulatory Commission (NERC) regulates the electricity sector, promoting renewable energy adoption.

The Petroleum Industry Act (PIA) of 2021 reforms the oil and gas sector, enhancing governance, attracting investment, and improving transparency and efficiency. The PIA includes provisions for environmental protection and community development, aligning with global sustainability standards.

Nigeria's energy transition offers opportunities like job creation, energy security, and environmental benefits but faces challenges such as inadequate infrastructure, regulatory hurdles, and funding constraints. The government addresses these through public-private partnerships, international cooperation, and reforms to foster an investment-friendly environment.

Currency volatility and foreign exchange shortages pose risks to energy investments. To attract sustainable finance, Nigeria has issued sovereign green bonds, channelling proceeds into renewable energy and climate-resilient infrastructure projects.

The oil and gas sector grapples with host community tensions in the Niger Delta, worsened by oil theft, illegal bunkering, and pipeline vandalism. The Nigerian Gas Flare Commercialisation Programme (NGFCP) aims to monetize flare gas and reduce emissions, aligning with global climate commitments.

Nigeria is diversifying its energy sector by expanding refining capacity, leveraging natural gas reserves, and investing in renewables. Strategic initiatives and policy reforms aim to ensure a sustainable energy future, aligning with global energy transition trends while meeting domestic energy needs.



Sector Snapshot: Nigeria's Education Sector

Nigeria's education sector is one of the largest in Africa, serving a diverse and rapidly growing population. It includes primary, secondary, and tertiary institutions such as universities, polytechnics, and colleges of education. The government has made efforts to improve access, enhance quality, and align education with economic needs.

Recognising education's pivotal role in national development, the government has steadily increased investment in the sector. The Universal Basic Education (UBE) programme, launched in 1999, aims to provide free, compulsory basic education for every Nigerian child. Funding has focused on building and renovating schools, supplying learning materials, and training teachers.

At the tertiary level, the government is expanding and upgrading universities and other institutions. Initiatives like the Tertiary Education Trust Fund (TETFund) support infrastructure, academic research, and quality improvement. Establishing new universities and polytechnics, reflects a strong commitment to widening access to higher education

Private investment plays a vital role in supporting government efforts in education. The private sector has established numerous institutions, from primary schools to universities and vocational centres. Private schools are often seen as offering higher quality education, driving demand among middle and upper-class families.

International providers have also entered the market, setting up private universities and partnering with local institutions to introduce global best practices and enhance graduate employability.

Nigeria's growing population and demand for quality education create strong opportunities for investors. Investments in private schools, higher education, and vocational training can deliver solid returns while boosting human capital.

To attract private investment, the government has introduced incentives such as tax breaks, land access, and support for public-private partnerships (PPPs). Foreign investment is also encouraged through joint ventures and collaborations with international institutions.

Investment Opportunities in Education



Private Schools and Higher Education

Growing middle-class demand expands private primary, secondary, and higher education, seeking globally recognized degrees and certifications. Demand for international curricula, such as British, American, and International Baccalaureate programmes, is increasing among urban families, spurring the growth of international schools.



Vocational and Technical Training

Nigeria's economy requires a skilled workforce to support its industrial and technological advancement. Investing in vocational and technical training centres can address this skills gap, providing specialised training in fields such as information technology, engineering, and healthcare.



EdTech and Digital Learning

The COVID-19 pandemic accelerated the adoption of digital learning solutions. There is a substantial opportunity for investors in educational technology (EdTech), including online learning platforms, e-learning content, and educational software that can enhance teaching and learning experiences.



Educational Infrastructure

Investing in educational infrastructure, like modern classrooms, labs, and libraries, enhances learning environments and attracts students. Equipping labs, libraries, and ICT centres supports science, technology, and digital literacy. Upgrading water, sanitation, and power in schools improves health and safety, especially in rural areas. Public-private partnerships and government funding should meet modern learning needs.



Teacher Training and Development

Quality education is heavily dependent on the quality of teaching. Investing in teacher training programmes and professional development can improve educational outcomes and make educational institutions more attractive to parents and students.

While Nigeria's education sector offers many opportunities, investors must navigate challenges such as regulatory hurdles, infrastructure deficits, and regional disparities in quality and access. However, the government's commitment to reform, along with a young and growing population, makes Nigeria attractive for educational investment.

It is a dynamic, growing market with vast potential for private investment. Public and private collaboration is essential to address challenges and harness growth opportunities. By investing in education, investors contribute to building a skilled workforce—crucial for Nigeria's long-term economic prosperity and development.



Sector Snapshot: Nigeria's Technology Sector

Nigeria's tech sector, often referred to as "Silicon Lagoon," is rapidly emerging as a key driver of economic growth and innovation. The country boasts a dynamic and youthful population, a rising middle class, and increasing internet penetration, all of which contribute to a vibrant tech ecosystem. Lagos, the commercial hub, is at the heart of this digital revolution, hosting numerous tech start-ups.

Government Support and Digital Infrastructure

The Nigerian government recognises the transformative potential of the tech sector and has been actively promoting policies to foster its growth. Initiatives like the National Digital Economy Policy and Strategy (2020–2030) and the Nigerian Start-up Act aim to create a conducive environment for tech innovation and entrepreneurship. Government investments focus on expanding digital infrastructure, promoting ICT education, and supporting innovation hubs and tech parks.

Improving internet access is key for the tech sector. The National Broadband Plan aims for 70% broadband by 2025, boosting digital services. Government programmes also fund tech start-ups and small businesses.

Private Investment and Tech Hubs

Private investment has been a cornerstone of Nigeria's tech sector growth. Venture capital firms, angel investors, and international tech companies are increasingly investing in Nigerian start-ups, attracted by the sector's potential for high returns. Notable tech hubs, such as Yaba in Lagos, have become incubators for innovation, producing successful start-ups that are gaining international recognition.

Nigeria has seen significant investments in fintech, e-commerce, edtech, healthtech, and agritech. Companies like Flutterwave, Paystack, and Interswitch in the fintech space have revolutionised payment systems and attracted substantial funding. Similarly, e-commerce platforms like Jumia have expanded digital marketplaces, driving growth in online retail.

Investment Opportunities in Technology



Fintech

Nigeria's fintech sector is one of the most vibrant in Africa, driven by a high demand for digital financial services. Investment opportunities abound in mobile payments, digital banking, lending platforms, and blockchain technology.



E-commerce

The rise of online shopping and digital marketplaces offers significant potential. Investments in logistics, supply chain management, and digital payment solutions can support the growth of e-commerce platforms.



Edtech

With a large youthful population and increasing internet penetration, edtech solutions that offer online learning, digital classrooms, and educational content are in high demand.



Healthtech

Nigeria's healthcare sector is ripe for digital transformation. Opportunities exist in telemedicine, health management systems, and medical supply chain innovations, aiming to enhance healthcare delivery and access.



Agritech

Leveraging technology to improve agricultural productivity is critical for Nigeria's economy. Investments in agritech can support innovations in precision farming, supply chain management, and market access for farmers.



Digital Infrastructure

Investing in the development of digital infrastructure, such as data centres, broadband networks, and smart city projects, can drive the digital economy and support the growth of tech enterprises.

To attract and retain tech investment, the Nigerian government has introduced supportive measures such as the Startup Act, tax incentives, and funding programmes like the Technology Development Transfer and Promotion Fund. Public-private partnerships and collaboration with global tech players help expand infrastructure and drive innovation. Despite its potential, the sector faces challenges including regulatory uncertainty, infrastructure gaps, and cybersecurity risks, which requires joint efforts across government, private sector, and international partners. With a young, tech-savvy population and growing investor interest, Nigeria's tech sector offers strong opportunities for digital transformation and economic growth.

Nigeria in the Commonwealth and the Wider World

Nigeria, a leading African economy, maintains a diverse network of economic, investment, and trade partnerships globally. These relationships are crucial for Nigeria's growth and integration into the global economy. Key partnerships include those within the Commonwealth, regional affiliations like ECOWAS and the African Union (AU), and non-regional partners such as the United States, China, and the European Union.

Commonwealth Partnerships

Nigeria's Commonwealth membership fosters significant trade and investment, benefiting from the 'Commonwealth Advantage' of lower trading costs. Key partners include the United Kingdom, Canada, South Africa, and India.

United Kingdom

The UK is one of Nigeria's largest trading partners. Exports include crude oil and agricultural products. British companies are prominent trade partners in the oil gas industry and investors in education.

India

India is a major importer of Nigerian crude oil. Bilateral trade also includes pharmaceuticals and machinery. Indian companies like NIPCO, Conoil, Tata Africa Services among others.

South Africa

South Africa has substantial investments in Nigeria's telecommunications, financial and media sectors, with the likes of MTN, Standard Bank and MultiChoice, respectively.

Canada

Canada's trade includes machinery, agricultural products, and technology. Canadian investments are notable in mining, oil and gas, and infrastructure projects, supported by the Canada-Nigeria Trade Council.

Nigeria's trade and investment flows within the Commonwealth are substantial and growing, primarily exporting crude oil, agricultural products, and natural gas, and importing machinery, electronics, and pharmaceuticals.

Non-Regional and Non-Commonwealth Partnerships

United States

The United States is a significant partner for Nigeria in terms of trade, investment, and development assistance. The trade relationship primarily involves Nigerian exports of oil and gas, while the U.S. exports machinery, agricultural products, and technology to Nigeria. American companies are also major investors in Nigeria's energy, technology, and consumer goods sectors. The U.S.-Nigeria Binational Commission (BNC) fosters co-operation in areas such as energy, security, and economic development.

China

China has emerged as one of Nigeria's largest trading partners and investors. The relationship is marked by substantial Chinese investments in infrastructure, energy, and telecommunications. China is also a major exporter of machinery, electronics, and manufactured goods to Nigeria. The Belt and Road Initiative (BRI) has further deepened economic ties, with numerous projects aimed at enhancing Nigeria's infrastructure and connectivity.

European Union

The European Union is an important trade and investment partner for Nigeria. Key exports to the EU include oil, gas, and agricultural products, while the EU exports machinery, chemicals, and transportation equipment to Nigeria. The EU supports Nigeria through development assistance programmes focused on governance, health, and education. The Economic Partnership Agreement (EPA) between the EU and West African countries, including Nigeria, aims to enhance trade relations and economic integration.

Regional Partnerships

Economic Community of West African States (ECOWAS):

Nigeria is a founding member of ECOWAS, a regional political and economic union with a present membership of 12 West African countries. ECOWAS aims to promote economic integration, stability and development in the region. Key economic features include:



Free Trade Area: Reduces trade barriers among member states for goods and services under the ECOWAS Trade Liberalization Scheme (ETLS) to the point of elimination of customs duties and non-tariff barriers.



Customs Union: Harmonises tariffs on imports from non-member countries with a Common External Tariff (CET).



Monetary Cooperation: Ongoing efforts to create a single currency for enhanced economic stability by 2027.



Investment Promotion: Harmonises investment regulations through initiatives like the ECOWAS Investment Code.

Within ECOWAS, **Ghana, The Gambia, Sierra Leone, and Togo** are also members of the Commonwealth.

African Union (AU):

Nigeria is a prominent member of the African Union, which comprises 55 member states. The AU aims to promote political and economic integration across Africa. Key economic features include:



African Continental Free Trade Area (AfCFTA): Creates a single continental market for goods, services, and investments.



Agenda 2063: Strategic framework for socio-economic transformation, with Nigeria key to industrialisation and growth goals.



Investment Frameworks: Provides policies to attract and protect foreign investments, fostering business environment.

The role of the Nigerian diaspora

The Nigerian diaspora, one of the largest and most widespread in the world, plays a critical role in supporting the country's trade, investment, and economic development. With millions of Nigerians residing across the globe—including in the United States, the United Kingdom, Canada, and parts of Africa, Europe, and the Middle East—this community is a significant source of financial inflows, entrepreneurial activity, and socio-economic contributions.



One of the most direct ways the diaspora contributes is through remittances. In 2022, Nigerians abroad sent an estimated \$20 billion home, making remittances one of the country's largest sources of foreign exchange, rivalling oil revenues. These funds support household incomes, education, healthcare, and small businesses, bolstering economic growth.



Diaspora Nigerians are also active investors in Nigeria's economy, often backing real estate, tech startups, and SMEs. Many have founded businesses that create jobs and transfer valuable skills and knowledge. Initiatives such as the Nigerian Diaspora Investment Trust and the Nigerian Diaspora Direct Investment Summit promote and facilitate such investments.



The diaspora also acts as a bridge between Nigeria and international markets. Many Nigerians abroad hold influential roles in multinational companies, governments, and international organisations, advocating for Nigerian products and helping attract foreign direct investment (FDI).



Knowledge and skills transfer is another key contribution. Nigerians overseas possess expertise in fields such as medicine, engineering, IT, and academia. Programmes like the Nigerian Diaspora Volunteer Programme (NDVP) enable professionals to return temporarily and build capacity in vital sectors.



Diaspora Nigerians are vocal advocates for good governance, economic reform, and improved business environments. Organisations such as the Nigerians in Diaspora Organisation offer policy recommendations, from economic matters to electoral reform.

The Nigerian diaspora is a vital national asset, contributing through remittances, investment, trade, knowledge, and policy. By engaging this global network, Nigeria boosts economic resilience, diversifies, and drives sustainable growth.

Future Outlook

Between 2000 and 2014, Nigeria's economy enjoyed robust growth, averaging over 7% annually. This was driven by favourable global conditions, macroeconomic stability, and initial structural reforms. However, from 2015 to 2022, growth rates declined, and GDP per capita stagnated due to monetary and exchange rate policy issues, rising fiscal deficits from lower oil production and an expensive fuel subsidy programme, increased trade protectionism, and external shocks like the COVID-19 pandemic.

Since a new administration took office in May 2023, Nigeria has undertaken bold reforms to stabilise and grow the economy.



The petrol subsidy was partially removed, and foreign exchange reforms unified the FX markets, leading to a market-reflective exchange rate.



To mitigate the inflationary impact on the most vulnerable, the government implemented temporary cash transfers reaching 15 million households.



Additionally, efforts are being made to tighten monetary policy and refocus the Central Bank of Nigeria (CBN) on maintaining price stability.

Continuing these reforms is crucial for Nigeria's economic recovery. As the initial shock of the reforms dissipates and macroeconomic conditions stabilise, the non-oil economy is expected to grow slowly, while the oil sector stabilises. Achieving higher growth rates will require further structural reforms. Exchange rate liberalisation should improve fiscal and external balances. Inflation is expected to decrease gradually due to tighter monetary policy and exchange rate stabilisation. Poverty rates are projected to rise in 2024 and 2025 before stabilising in 2026. However, significant risks remain if reforms stall or reverse, including weak monetary policy, petrol pricing issues, and insufficient non-oil revenue growth. Additionally, rising insecurity, climate shocks, and public dissatisfaction with inflation could hinder economic recovery.

Recent reforms provide a foundation for a new social contract for Nigeria's development. Strengthening macroeconomic fundamentals will enable further structural reforms and economic growth. This could transition Nigeria from its current low social and economic equilibrium to one with a more effective state.

Footnotes

¹ CIA World Factbook, Nigeria (2023 estimate)

² International Monetary Fund, World Economic Outlook (October 2024)

³ Ibid

⁴ Ibid

⁵ Ibid

⁶ Ibid

⁷ World Integrated Trade Solution, 2022 estimate

⁸ Ibid

⁹ Mordor Intelligence, Oil and Gas Industry in Nigeria Market Size & Share Analysis - Growth Trends & Forecasts (2025 - 2030). Source: <https://www.mordorintelligence.com/industry-reports/nigeria-oil-and-gas-market>

⁹ Oxford Business Group's Nigeria 2023 report

¹¹ Mondaq.com Financial Sector 2024 Round-Up And 2025 Forecast.

<https://www.mondaq.com/nigeria/financial-services/1577052/financial-sector-2024-round-up-and-2025-forecast>

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