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Nigeria Office

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Welcome to Konrad-Adenauer-Stiftung's Nigeria Weekly Press Review

The weekly press review seeks to explore and keep you informed on selected issues relating to politics, business and economy, insecurity, infrastructure and development, health related issues, new trends and matters bothering on the overall situation in Nigeria.

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Naira Depreciates to N1,600 At Parallel Market, Nigeria's Foreign Reserves Have Reached an All-Time Low, IMF Urges Nigeria to Completely Remove Petrol and Electricity Subsidy, Oil Production Declines in January

Recently, the Naira has faced significant challenges despite efforts by the Central Bank of Nigeria (CBN) to stabilize it. This has exacerbated the already severe cost of living crisis and inflation within the country. Just days after reaching a historic low against the Dollar at the official market, with the exchange rate surpassing NGN 1,500 to USD 1, the Naira continues to depreciate. Despite receiving a USD 2.25 billion foreign exchange support from the AfreximBank, along with efforts to address unsettled forex obligations, the depreciation persists. The CBN has implemented various measures in an attempt to halt the decline of the Naira, yet it continues to depreciate, especially evident in the parallel market, amidst declining forex turnover. Abdullateef Aliyu, [The Daily Trust News \(February 16th\)](#) reports.

The International Monetary Fund (IMF) has revealed that Nigeria's foreign reserves hit a historic low of USD 24 billion in 2024, down from USD 33 billion the previous year. Despite experiencing a surplus in the current account during the first half of 2023, there was a noticeable decrease in reserves. Consequently, although there was a surplus in the current account, the officially reported reserves are expected to decrease to USD 24 billion in 2024 before rebounding to USD 38 billion in 2028 as portfolio inflows pick up again. However, according to data from the Central Bank of Nigeria, the country's foreign reserves were recorded at USD 33.12 billion as of February 8, 2024. Ogaga Ariemu, [The Daily Post News \(February 12th\)](#) reports.

In its Post Financing Assessment (PFA) report, the International Monetary Fund (IMF) has urged the government of Nigeria to completely phase out petrol and electricity subsidies in order to make gains on its pathway to restoring macroeconomic stability. Nigeria's liquidity-challenged power sector is currently not allowed to charge a cost-reflective tariff due to a subsidy paid on electricity by the government. Petrol subsidy removal was effected on May 29, 2023 and has worsened the living conditions of the populace. There are however debates that the federal government has partially reintroduced the subsidy. The IMF calls for a total removal of these subsidies as they are expensive

and often do not reach the most vulnerable groups. Desmond Okon, [The Cable News \(February 12th\)](#) reports.

In January, Nigeria's oil production experienced a slight decline to 1.419 million barrels per day, compared to December's 1.422 million barrels, as confirmed by the Organization of Petroleum Exporting Countries (OPEC). This drop in production exacerbates the country's revenue crisis, as it falls short of the projected benchmark outlined in the 2024 budget, which anticipated a daily output of 1.780 million barrels. The report also suggests potential discord within OPEC regarding its planned cuts to production aimed at stabilizing the oil market. Despite these challenges, OPEC has expressed the commitment to remaining proactive and united. President Bola Tinubu aims to significantly increase Nigeria's oil and gas revenue from NGN 2.23 trillion in 2023 to NGN 7.69 trillion in 2024, marking a 344% rise. However, this ambitious target can only be met if Nigeria's oil production increases to 1.780 million barrels per day. Kingsley Jeremiah, [The Guardian News \(February 14th\)](#) reports.

President and State Governors Agree to Establish State Police, Senate Meets with Security Chiefs, Federal Government and Nigeria Labor Congress Unable to Reach Agreement, Federal Government Establish Committee to Execute 'Pulaku' Initiative, Niger, Mali, Burkina Faso to Form Confederation

President Bola Tinubu and state governors reached an agreement to implement state police as a strategy to tackle the increasing insecurity across the country. This decision emerged from an urgent meeting convened by the president. The meeting, prompted by both economic challenges and the surge in insecurity nationwide, saw the participation of vice president Kashim Shettima and the minister of the Federal Capital Territory, Nyesom Wike. President Tinubu endorsed the formation of a committee comprising state governors and federal government representatives. Their task includes devising plans for the establishment of state police. It was emphasized that further discussions would be held to refine the specifics of implementing this initiative. In essence, both the federal and state governments are contemplating the feasibility of introducing state police. Johnbosco Agbakwuru and Gift Chapi Odekin, [The Vanguard News \(February 16th\)](#) report.

The Nigerian Senate held a nine-hour closed-door meeting with security chiefs on Tuesday. During the meeting senators were briefed by the security chiefs regarding the ongoing efforts to tackle insecurity. The Senate highlighted the significant progress made by security agencies in recent days, resulting in the elimination and apprehension of numerous criminals. Present at the meeting were the inspector general of police, the national security adviser, minister of finance, minister of state for defense, minister of police affairs and the minister of interior. The Senate afterwards announced intentions to mandate the registration of all Nigerians as a measure to combat the prevailing insecurity within the country. With the objective to prevent the infiltration of foreign criminals into Nigeria. Samson Atekojo Usman, [The Daily Post News \(February 14th\)](#) reports.

A meeting held between the federal government (FG) and organized labor on Monday night failed to reach an agreement, thus unable to prevent the planned strike by the Nigeria Labor Congress (NLC) and Trade Union Congress (TUC). Concurrently, the Association of Master Bakers and Caterers of Nigeria issued a warning that they would also go on strike by February 27, 2024 if the FG didn't fulfill the agreement made with them in 2020. The NLC and TUC had given a 14-day nationwide strike notice to the FG on February 8 due to the government's failure to implement agreements made in October 2023. In a joint statement, it was lamented that despite the passage of time, many of these critical agreements remained unfulfilled or inadequately addressed, indicating a disregard for the welfare and rights of Nigerian workers and citizens. Henry Falaiye et. al., [The Punch News \(February 14th\)](#) report.

The federal government has established a committee to execute the Pulaku initiative. This initiative aims to tackle the underlying causes of insurgency, banditry and poverty in the northern region through non-kinetic methods. In July 2023, vice-president Kashim Shettima emphasized that resolving the crisis in the north-western region requires a combination of military and non-military strategies. The states set to benefit from this initiative include Sokoto, Kebbi, Benue, Katsina, Zamfara, Niger and Kaduna. During the inauguration, Shettima emphasized that the Pulaku initiative represents a national commitment to address a threat that has fueled distrust and conflicts across communities and state boundaries. He clarified that the initiative is not intended to favor any specific group or region and the selected states were

chosen deliberately. Ayodele Oluwafemi, [The Cable News \(February 14th\)](#) reports.

The governments of Niger, Mali and Burkina Faso have announced their intention to establish a confederation after deciding to withdraw from ECOWAS. This decision was prompted by their dissatisfaction with what they perceive as unjust and inhumane sanctions imposed on them. The idea to form a confederation was proposed during a meeting in November 2023. Additionally, they suggested expanding the objectives of the Alliance of Sahel States (AES) in terms of diplomacy and economic development. The AES was established in September 2023, shortly after the coup in Niger. ECOWAS stated its commitment to continue engaging in dialogue with the leaders of these countries. Chiamaka Okafor, [The Premium Times News \(February 16th\)](#) reports.

Insecurity: Bandits Kill Two Officers, Two Others and Abduct 40 In Zamfara, Gunmen Storm Mosque, Kill Worshippers, Abduct Several in Katsina, Terrorists Kill 9 Traders in Katsina

Bandits have murdered two police officers, two civilians and kidnapped at least 40 individuals in Zamfara. According to locals, the bandits stormed the town firing their weapons recklessly to instill fear among the residents. While the police command acknowledged the attack, the exact number of individuals who were abducted was not specified. [The Vanguard News \(February 14th\)](#) reports.

Attackers instilled fear throughout Katsina, targeting a mosque, residences and causing casualties and kidnappings. The assailants entered the mosque and opened fire on worshippers, resulting in casualties. One witness described the attackers' sudden and indiscriminate gunfire. Three people were killed and four sustained injuries. Dunamis Ogalah, [Daily Post News \(February 16th\)](#) reports.

At least nine local traders were killed on Sunday when terrorists attacked motorists returning from a weekly market in Katsina state. Several other traders were wounded by the terrorists who also burnt down two buses. While security agents deposited eight bodies evacuated from the scene of the incident, a passenger has been declared missing with residents unsure whether he was abducted or killed as his corpse had not been seen. Mohammed Babangida, [Premium Times News \(February 12th\)](#) reports.

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