ECOFIN AGENCY · NIGERIA

Tinubu seeks $21.7bn loans for Nigeria infrastructure

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Nigerian President Bola Tinubu has submitted a request to the National Assembly for approval of $21.7 billion in new foreign borrowing to cover the 2026–2027 period, targeting investment across electricity, transportation, healthcare, and agriculture. The request represents a significant expansion of Nigeria's external financing ambitions at a moment when the country's public debt already stands at $120.93 billion as of June 2026.

The borrowing plan signals a sustained government push to close Nigeria's infrastructure gap through concessional and commercial foreign loans rather than domestic financing alone. While the article does not specify which multilateral lenders, bilateral creditors, or bond markets would supply the funding, requests of this scale typically involve a mix of World Bank facilities, African Development Bank lines, and bilateral arrangements — though none of those instruments are confirmed in this report. The legislature must still approve the request, meaning the funds remain conditional at this stage.

The IMF, according to the summary, has flagged concerns about Nigeria's debt distress risk, a factor that may complicate the pace and terms at which new facilities are arranged. Nigeria's debt-to-revenue dynamics have been under strain for several years, and any new borrowing programme will attract scrutiny from international creditors assessing the country's capacity to service obligations. That said, the government's willingness to pursue large-scale foreign financing reflects confidence that project pipelines — particularly in power and transport — can justify the liabilities.

For infrastructure-adjacent industries, the electricity and transportation allocations are the most immediately relevant. Nigeria's power sector has been the subject of repeated reform attempts, and fresh capital injections could accelerate grid expansion, generation capacity additions, or gas-to-power projects that feed upstream demand. Transportation spending, depending on its composition, could include port upgrades, rail, or road corridors that affect logistics chains for energy and extractive industries operating in-country.

At this point, no contracts, tenders, or project-level procurement processes have been announced. The borrowing request is a legislative instrument — an authorisation, not a disbursement — and project-level opportunities will only become actionable once individual facilities are approved, structured, and procurement frameworks established. Norwegian service companies should monitor how the electricity and energy infrastructure portions of the package are defined as the legislative process advances.

Why this matters to partners and clients of Saga

This is a borrowing authorisation request, not a signed facility or open tender — Norwegian companies should monitor the legislative outcome and track which electricity and energy infrastructure sub-projects emerge for procurement once funds are structured. If gas-to-power or grid projects are confirmed within the package, that could create downstream demand for engineering, equipment supply, and project services relevant to Norwegian firms with Nigerian in-country presence. Relationship-building with Nigerian project developers and EPC contractors positioned to execute on power-sector spending is the appropriate posture at this stage.

PARTNER ANGLES

- **Service:** Monitor whether energy infrastructure sub-projects within the borrowing package open engineering or operations-support tenders relevant to Nigerian market re-entry or expansion.
- **Pipeline:** Gas-to-power investments, if confirmed as part of the electricity allocation, could require pipeline or midstream infrastructure where Norwegian pipeline competence is applicable.

- **Drilling:** Increased government capital expenditure on power generation may stimulate domestic gas demand, supporting the case for continued upstream drilling activity to supply new generation capacity.
- **LNG:** If transportation or power allocations include gas infrastructure, LNG or compressed-gas distribution components could create niche opportunities for Norwegian technology providers.

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