



Nigeria Infrastructure Sector Report – Q1 2026

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Introduction

The first quarter of 2026 has marked a period of significant momentum across Nigeria's infrastructure landscape. Driven by a combination of ambitious federal budgetary allocations, international financing arrangements, and private sector participation, the quarter saw notable developments spanning digital infrastructure, road and rail transport, urban mobility, maritime logistics, and the emerging green economy.

Key highlights include the continued rollout of Project BRIDGE, Nigeria's flagship broadband expansion programme backed by over \$600 million in secured World Bank, EBRD, and EU funding, structured around a private sector led fibre SPV model that remains in its preparatory phase. In the transport sector, the Federal Government proposed N3.23 trillion spend for federal roads in the 2026 budget (a 489% increase on 2024 allocations) and the allocation of N102.3 billion as counterpart funding for Phase One of the Lagos Green Line rail project. Kano State announced plans for a N1 trillion metropolitan rail system., The Nigerian Railway Corporation expanded the timetable frequency on the Abuja–Kaduna corridor from March 2026, marking a further step in the line's recovery from the 2022 terrorist attack.

On the regional and maritime fronts, the \$15.6 billion Lagos–Abidjan Highway advanced with construction targeted to commence in 2026, and President Tinubu signed a £746 million UK-backed financing agreement for the redevelopment of the Lagos ports at Apapa and Tin Can Island. The Mediterranean Shipping Company secured a 45-year concession to develop a new container terminal at Snake Island, reinforcing private sector confidence in Nigeria's maritime infrastructure. The Federal Government also announced its intention to discontinue the road infrastructure tax credit scheme, reverting to formal budgetary appropriation for all road projects.

In the clean energy, the Ajaokuta–Kaduna–Kano gas pipeline, which completed main line welding in late 2025, moved towards commissioning with first gas expected by July 2026, the Rural Electrification Agency advanced a \$750 million mini-solar grid programme targeting over 1,300 deployments nationwide, and Nigeria signed a memorandum of understanding with South Korea to establish Africa's first electric vehicle manufacturing hub.

Taken together, these developments reflect a period of heightened activity across Nigeria's infrastructure sectors. The gap between announcement and delivery nonetheless remains the defining challenge, as execution risks, funding shortfalls, and institutional capacity constraints are present across virtually every sector covered in this report, and the pace at which projects translate into operational infrastructure will determine whether Q1 2026 represents genuine momentum or a continuation of the usual pattern of ambitious planning followed by delayed execution.



Digital Infrastructure And Telecommunications

Nigeria Adopts Private-Led Fibre SPV Model for World Bank-Funded Broadband Expansion¹

Nigeria plans to deploy \$460 million from a \$500 million concessional credit approved by the World Bank through the International Development Association to capitalise a special purpose vehicle (SPV) for rolling out 90,000km of climate-resilient fibre infrastructure. The SPV is structured as an independent, private sector majority-owned entity, with government participation capped at 49%, and will operate on a wholesale, open-access basis for licensed telecommunications operators. The World Bank financing, signed on 30 December 2025, is structured on a pay-for-results model with disbursements tied to specific milestones. An initial \$6 million tranche is expected in 2026 for SPV establishment, followed by \$155 million upon operational commencement and completion of the first 5,000km of fibre, with subsequent tranches linked to 25,000km and 65,000km deployment benchmarks. In early 2026, the Federal Ministry of Communications, Innovation and Digital Economy awarded two preparatory contracts: a \$335,000 supply-chain advisory contract and a \$750,000 legal and regulatory compliance contract.

This structure reflects a deliberate shift towards a private-led, PPP-style delivery model for digital infrastructure, aimed at improving efficiency and attracting private capital while limiting sovereign control and exposure. The milestone-based, equity disbursement framework also introduces a performance-driven financing approach, which should strengthen accountability with the project company having the obligation to meet rollout targets.

From a regulatory perspective, the emphasis on open-access wholesale services could reshape market dynamics by lowering barriers for telecom operators and discouraging unnecessary infrastructure duplication. However, the success of this model will depend on effective coordination across licensing, rights-of-way, and compliance frameworks, as well as the commercial viability of fibre deployment at scale. The execution urgency is underscored by Nigeria's broadband performance to date. Broadband penetration reached only approximately 52% of the populace by December 2025, falling well short of the 70% target set under the National Broadband Plan 2020-2025. Urban penetration stands at roughly 57% against a rural figure of approximately 23%, a gap that Project BRIDGE is specifically designed to address. This reinforces the case for an open-access, infrastructure-sharing model.

¹ <https://punchng.com/nigeria-to-invest-460m-wbank-loan-in-fibre-infrastructure/>

FG Secures \$100 Million for Nationwide Fibre-Optic Expansion²

The Federal Government has secured \$100 million from the European Bank for Reconstruction and Development (EBRD) to support Project BRIDGE, Nigeria's nationwide fibre-optic expansion programme. This funding complements the \$500 million previously approved by the World Bank Group for the project.

In addition to the EBRD funding, the European Union has contributed a €22 million grant under a broader €45 million digital economy package, which includes €18 million for digital public services and €5 million to support the 3 Million Technical Talent (3MTT) programme.

Project BRIDGE is positioned as a cornerstone of Nigeria's digital infrastructure strategy. The combined World Bank, EBRD, and EU funding commitment totals over \$600 million, which will be significantly enhanced when the African Development Bank's \$200 million commitment is included. Successful implementation would significantly enhance broadband connectivity, support digital transformation, and expand access to high-speed internet across Nigeria, particularly in underserved and rural communities.

The multi-layered funding architecture, combining World Bank concessional credit structured on

pay-for-results milestones, EBRD co-financing, EU grant support, and ongoing DFIs engagements, represents one of the most sophisticated blended finance structures to date in African digital infrastructure. A funding and delivery model which could set a precedent for similar programmes across the continent. That said, the project remains at an early preparatory stage as the SPV is yet to be incorporated, consulting and advisory contracts are still being procured, and early rollout is not expected until Q3 2026 at the earliest. Investors and development partners should view the current funding commitments as a strong signal of institutional support.

Transport



Rail Infrastructure

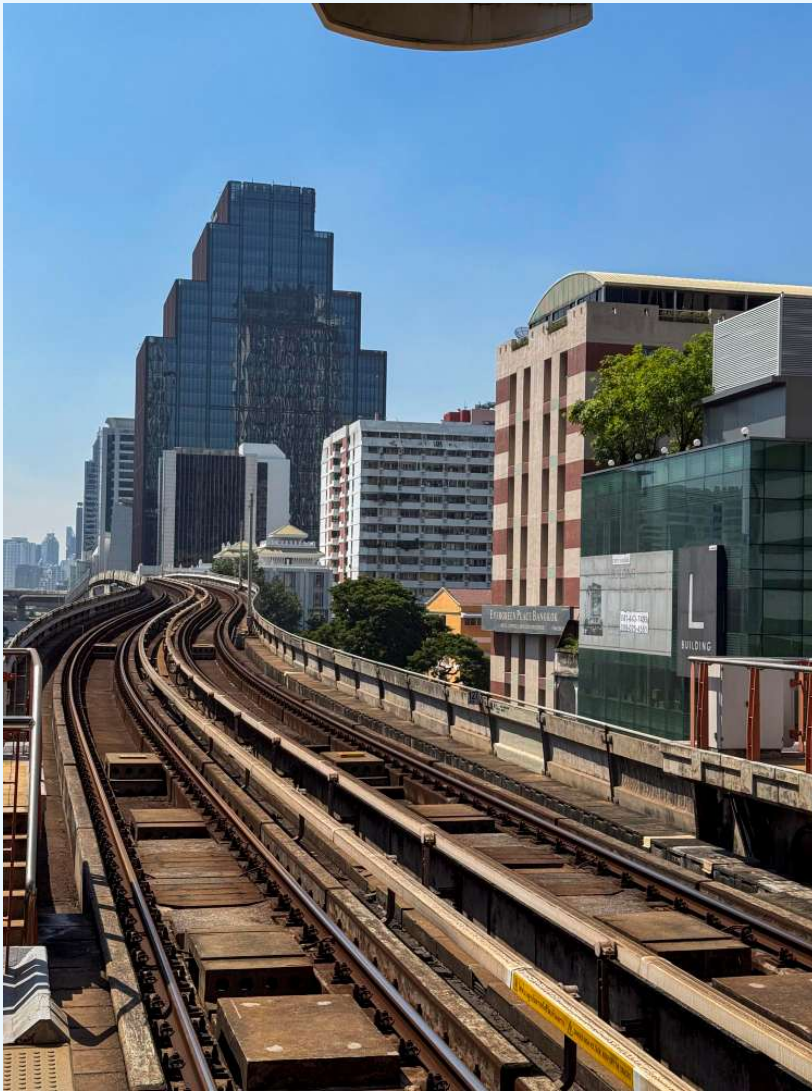
- ***FG Allocates N102.3bn to Lagos Green Line Amid Ongoing Rail Modernisation and Concession Planning***

The Federal Government has proposed N102.3 billion in the 2026 budget as counterpart funding for Phase One of the Lagos Green Line rail project, a 68 km corridor linking the Lekki Free Zone to Marina. The funds will be channelled through the Ministry of Finance Incorporated, with additional funding to be sourced from DFIs and private sector lenders. The financing structure reflects the continued use of blended structured financing arrangements for major infrastructure projects.

Beyond Lagos, the budget signals a wider push to sustain momentum across Nigeria's rail network. It includes N29.04 billion for ongoing modernisation projects such as the Abuja-Kaduna and Lagos-Ibadan lines, rehabilitation works on the Itakpe-Ajaokuta corridor, and investment in rolling stock, signalling, and security systems. Notably, other budget

² <https://www.vanguardngr.com/2026/02/fg-secures-100m-funding-for-fibre-optic-expansion/>

³ <https://nairametrics.com/2026/01/11/2026-budget-fg-proposes-n102-3bn-counterpart-funding-for-lagos-green-line-rail/>



provisions include feasibility studies and transaction advisory services for the concession of key rail corridors, including Abuja–Baro–Itakpe and Kano–Maradi, suggesting a pipeline of projects being positioned for private sector participation.

- ***NRC Increases Abuja–Kaduna Train Services from March 2026***⁴

The Nigerian Railway Corporation announced an increase in the number of train services along the Abuja–Kaduna corridor, effective 6 March 2026. The expanded service schedule should provide more travel options on the busy route, enhance operational flexibility, and capacity following disruptions caused by terror attacks and a derailment incident on the line.

The expansion of services on this corridor carries significance beyond logistics. The Abuja–Kaduna line was the site of one of Nigeria’s most high-profile security incidents in recent years the March 2022 terrorist attack on the AK-9 train, which resulted in fatalities and a prolonged hostage crisis. Service was suspended for months, with passenger confidence severely dented. The decision to not only restore but expand operations signals a degree of confidence in the improved security architecture around the line. However, passenger growth will depend on the reliability of the expanded train schedules and enhanced security.

- ***Kano Targets N1 Trillion Metro Rail to Boost Urban Mobility and Economic Competitiveness***⁵

Kano State is planning a N1 trillion metropolitan rail system to enhance urban mobility in the North’s economic hub. Governor Abba Kabir Yusuf announced that the Kano Metropolitan Rail Service will link key commercial districts, providing affordable, reliable mass transit for residents, and ease traffic congestion. The improved urban connectivity is expected to enhance productivity, reduce business costs, and strengthen investor confidence in the state.

The Kano metro rail complements the ongoing Kaduna–Kano Standard Gauge Rail, which is 53% complete and scheduled for December 2026 completion. Once operational, this 203-kilometre corridor will integrate Kano into the Lagos–Abuja–Kano rail corridor, offering a cheaper and safer alternative to road transport, reducing exposure to fuel volatility and highway insecurity. Additional regional expansion through the Kano–Maradi line will open access to Niger Republic and West African markets, restoring Kano’s historic role as a trans-Saharan trading hub.

⁴ <https://www.channelstv.com/2026/03/03/nrc-increases-trips-on-abuja-kaduna-train-services/>

⁵ <https://businessday.ng/news/article/n1trn-metro-rail-to-restore-kanos-competitive-edge/>

The combined effect of the metropolitan and inter-state rail lines is expected to redefine Kano's logistics landscape, improving supply chains, and lowering transport costs for manufacturers, agricultural exporters, and traders. There is huge potential for catalysing urban development, job creation, and investment opportunities. The funding structure blends Federal Government counterpart contributions with support from the China Development Bank. The recent constitutional amendment which moved rail development to the concurrent list allows for greater state and private sector participation, potentially accelerating delivery and expanding long-term economic impact.

Road Infrastructure

FG Proposes N3.23tn for Federal Roads, Signaling Major Push on Reconstruction and Expansion⁶

The Federal Government has proposed N3.23 trillion in the 2026 budget for the construction, rehabilitation, and dualization of federal roads, marking a dramatic increase of nearly 489% compared to 2024 allocations. The Ministry of Works plans to use the funds to accelerate completion of long-delayed highways, repair critical corridors, and advance ongoing projects inherited from previous administrations. The budgetary allocation will fund inter-state highways across all six geopolitical zones, including Abuja–Lokoja, Kano–Maiduguri, Enugu–Port Harcourt, and Lagos–Ibadan, and some strategic urban thoroughfares.

This level of spending underscores the government's renewed focus on road infrastructure as a driver of trade, mobility, and economic growth. By combining new construction with dualization, emergency repairs, and rehabilitation, the budget reflects a comprehensive approach to addressing both capacity constraints and the deteriorating state of existing corridors. Notably, the inclusion of significant external financing for projects such as the Lafia Bypass and Makurdi–9th Mile dualization reflects the increased use of blended funding arrangements to deliver large-scale infrastructure.

The ambitious scale of the programme, however, raises practical considerations around execution. Effective project delivery will require coordinated oversight, timely release of funds, and robust contractor performance management to prevent stalled or abandoned projects. While the proposed budget positions road infrastructure as a national priority, the ultimate impact will hinge on the government's capacity to translate allocations into completed, operational highways across the country.



⁶ <https://punchng.com/federal-roads-spending-soars-489-to-n3-23tn/>

\$15.6bn Lagos–Abidjan Highway Corridor to Boost Regional Trade⁷

The Lagos–Abidjan Highway is a proposed 1,028-kilometre transnational coastal corridor stretching across five West African countries–Nigeria, Benin, Togo, Ghana, and Côte d'Ivoire. The proposed six-lane dual highway forms part of the wider Dakar–Lagos coastal route within the Trans-African Highway Network. Construction is expected to commence in 2026, with completion targeted around 2030. The corridor aims to enhance connectivity among some of West Africa's largest and most economically dynamic cities.

The project, with an estimated cost of \$15.6 billion, has received significant financial backing, including €600 million from the African Development Bank, €103 million from the Japan International Cooperation Agency (JICA), and €6.4 million from the Global Environment Facility. Early-stage technical and feasibility support of \$25 million was also provided by the AfDB. The highway will cover 82 km in Nigeria, 127 km in Benin, 90 km in Togo, 520 km in Ghana, and 144 km in Côte d'Ivoire.

The Lagos–Abidjan Highway is designed to facilitate trade, reduce logistics costs, and boost industrial growth across the region. It will connect major ports, industrial hubs, urban centres, and rural areas, benefiting an estimated 70 million people. The corridor is expected to drive inclusive economic growth, support industrialisation, and create regional hubs for agriculture, manufacturing, and mining.

However, there are considerable execution risks as the project will involve coordination of construction timelines, procurement standards, and land access across five sovereign jurisdictions each with distinct regulatory, environmental and fiscal regimes present substantial governance challenges. Furthermore, whilst the total project cost is estimated at \$15.6 billion, only a fraction of this sum has been formally committed by development finance institutions, leaving a significant financing gap. Previous iterations of the corridor concept have stalled at the planning stage. The history of multi-country infrastructure projects in West Africa suggests project execution and delivery will be determined as much by political alignment between participating governments as by the availability of financing.

FEC Approves N427 Billion for Ibadan–Ife–Ilesha Road Reconstruction⁸

The Federal Executive Council (FEC) has approved N427 billion for the reconstruction of the Ibadan–Ife–Ilesha road, a major corridor linking key cities in southwestern Nigeria. The funding will cover 103 kilometres of dualized carriageway, with urgent attention to collapsed sections which should improve road safety and stimulate economic activity along the route.

The reconstruction of the Ibadan–Ife–Ilesha corridor is part of a broader federal effort to upgrade southwestern Nigeria's road network. The budgetary allocation for the corridor reflects the government's willingness to commit significant resources to completing longstanding projects. This road corridor has had a checkered history so effective contractor oversight and milestone-based disbursement will be essential to avoiding a repetition of past delays.

The FEC also approved several other major federal road initiatives, including the Kano–Kongolam road, the Abuja–Lokoja road, the Keffi–Nasarawa–Toto–Abaji road (Phase 2), and the Suleja–Minna road, as well as N5.6 billion for consultancy on the design and costing of the Carter Bridge in Lagos. The Carter Bridge, originally constructed in 1901, is a colonial-era crossing that has long served as a critical link in Lagos's road network and is now scheduled for demolition and reconstruction.

NRS Chairman Announces Intended Discontinuation of Road Infrastructure Tax Credit Scheme⁹

The Executive Chairman of the Nigeria Revenue Service (NRS), Zacch Adedeji, announced in February 2026 that the Federal Government intends to discontinue the Road Infrastructure Development and Refurbishment Investment Tax Credit Scheme (RITCS), which was established under Presidential Executive Order No. 007 of 2019. The NRS will revert to the formal budgetary appropriations for all road infrastructure projects. No official circular, order or gazette, has been published and ongoing road projects under the scheme will be completed.

7 <https://businessday.ng/transport/article/what-to-know-about-the-15-6bn-lagos-abidjan-highway-corridor/>

8 <https://nairametrics.com/2026/03/05/fec-approves-n427-billion-for-ibadan-ife-ilesa-road-construction/>

9 <https://businessday.ng/transport/article/fg-stops-use-of-tax-credit-for-road-projects/>

The Chairman advanced three principal justifications for the intended discontinuation. First, that the RITCS involves the application of public revenue outside the ordinary appropriations process, bypassing the Federation Account Allocation Committee (FAAC); second, that the NRS's statutory mandate under the Tax Reform Acts 2025 is limited to tax assessment and collection and does not extend to project supervision; and third, that the NRS lacks the technical and engineering capacity to verify road construction quality and costs. These justifications raise a number of legal and procedural questions that participants in the scheme and their advisers are likely to examine carefully.

On the constitutional point, questions have been raised as to whether a tax credit mechanism of this nature properly constitutes an "appropriation" for constitutional purposes. Under the scheme's structure, participants fund road construction from their own resources and are thereafter entitled to apply the cost incurred as a credit against Companies Income Tax payable, a mechanism that was authorised under Section 23(2) of the repealed Companies Income Tax Act. Tax incentives and credits are a well-established feature of Nigerian tax law, and the Nigeria Tax Act 2025 also contains provisions for economic development tax credits. On the statutory mandate and capacity point, the scheme was designed so that technical verification of road construction is performed by the Federal Ministry of Works, with interim certificates approved by the RITC Scheme Management Committee prior to the NRS issuing any tax credit certificate. Under the RITCS, the NRS's role is limited to issuing certificates upon receipt of Committee approval, which falls within its tax administration functions.

A related question concerns the legal mechanism required to effect a formal discontinuation of the RITCS. As a matter of administrative law, Executive Order No. 007 of 2019, which is an executive policy instrument, was made by the President pursuant to his constitutional executive powers and Section 23(2) of the Companies Income Tax Act. Under established principles, subsidiary legislation of this nature may only be revoked or amended by the President, the National Assembly, or a court order. A new contradictory Presidential Executive Order would therefore suffice to discontinue the scheme, but no such order has been made. The savings provisions under Section 199 of the Nigeria Tax Act 2025 and Section 146 of the Nigeria Tax Administration Act 2025 also preserve subsidiary legislation made under repealed enactments, such that the Executive Order would appear to continue in force under the new legislative framework until formally revoked. The Federal Government has indicated that the intended discontinuation will not affect existing contracted projects.



Urban Mobility and Waterways

Lagos to Deploy Electric Boats, Aiming for Lower Fares and Greener Ferry Services¹⁰

The Lagos State Government is exploring the development of new towns to address mounting pressure from rapid population growth, limited land, and overstretched infrastructure. According to Commissioner for Physical Planning and Urban Development, Dr. Oluyinka Olumide, Lagos's population of roughly 25 million occupies just 0.4% of Nigeria's landmass, placing pressure on housing, transport, and public services. The urban sprawl has contributed to overcrowding, unregulated settlements, and environmental vulnerabilities, including flooding in low-lying areas.

The proposed new towns will redistribute population growth in a planned and orderly manner, integrating modern drainage systems, climate-resilient designs, and protected corridors. By coordinating with private developers and updating operational development plans, the government intends to prevent haphazard settlements and ensure that emerging communities meet approved planning and safety standards.

The initiative will require robust institutional coordination between state planning authorities, private developers, and federal agencies responsible for trunk roads and inland waters infrastructure, without which new towns risk becoming isolated enclaves rather than functional extensions of the metropolitan economy.

Urban Planning and Development

Lagos Considers New Towns to Ease Congestion and Promote Sustainable Urban Growth¹¹

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Energy And Green Economy

AKK Gas Pipeline Nears Completion, First Gas Expected by July 2026¹²

The \$2.8 billion Ajaokuta–Kaduna–Kano (AKK) gas pipeline is moving towards completion, with the Ajaokuta–Gwagwalada segment projected to be commissioned, and first gas expected to flow by July 2026. The 614-kilometre trunkline, which has been under development since 2008 with multiple delays, reached a critical milestone in late 2025 with the completion of pipeline welding, including the technically challenging River Niger crossing. NNPC Group CEO Bashir Ojulari confirmed the achievement in December 2025, noting that completion of the main line welding had cleared the path for major connections to proceed in 2026. Once operational, the AKK pipeline is expected to deliver up to 2 billion cubic feet per day of gas to northern Nigeria, supporting power generation, fertiliser production, and gas-based industrial clusters in Kaduna, Kano, Abuja, and Ajaokuta.

¹⁰ https://nairametrics.com/2026/01/14/lagos-to-introduce-electric-boats-to-reduce-ferry-fares-in-2026/#google_vignette

¹¹ <https://leadership.ng/lagos-plans-new-towns-to-decongest-city/>

¹² <https://www.thisdaylive.com/2026/02/27/fq-first-gas-from-2-8bn-akk-pipeline-project-expected-in-july-2026/>

FG Advances \$750 Million Mini-Solar Grid Programme for Rural Electrification¹³

The Federal Government, through the Rural Electrification Agency (REA), is advancing a \$750 million programme to deploy more than 1,300 solar mini-grids and off-grid power systems across underserved rural communities nationwide. The initiative includes 250 interconnected systems designed to supply the national grid. The REA estimates that the programme will catalyse an additional \$1.1 billion in private sector investment and provide electricity to approximately 17.5 million Nigerians within three years. The programme builds on the Distributed Access through Renewable Energy Scale-Up (DARES) project, backed by the World Bank, which has already supported the deployment of over 1,000 mini-grids, with more than 200 deployed in 2025 alone.

The emphasis on decentralised solar generation represents a pragmatic acknowledgement of the limitations of the national grid, which averaged approximately 4,300 MW of output in early 2026 against an installed capacity of 13,625 MW and estimated national demand exceeding 30,000 MW. Mini-grids sidestep the transmission and distribution bottlenecks that have undermined grid-based electrification efforts, offering a faster and more flexible route to rural energy access.

Nigeria Poised to Launch Africa's First Electric Vehicle Manufacturing Hub¹⁴

Nigeria is set to become the first African country to establish a full-scale electric vehicle (EV) manufacturing industry, following the signing of a Memorandum of Understanding with South Korea's Asia Economic Development Committee (AEDC). The partnership will build an EV assembly and production plant, with nationwide development of critical charging infrastructure.

The initiative aligns closely with Nigeria's National Energy Transition Plan (ETP) and the National Automotive Industry Development Plan (NAIDP).

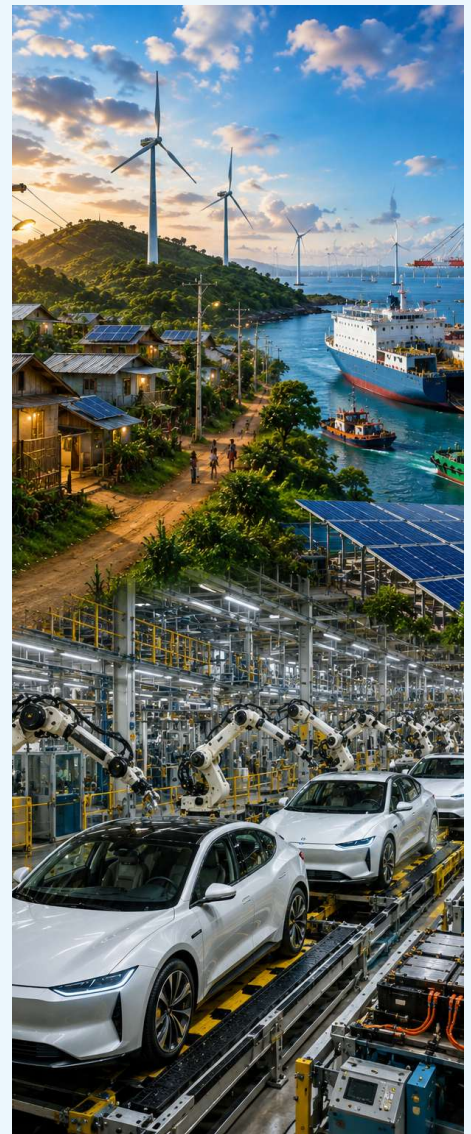
The project will be in phases, starting with vehicle assembly and scaling to full local manufacturing, targeting an annual capacity of 300,000 vehicles which could create approximately 10,000 jobs. The National Automotive Design and Development Council (NADDCC) highlighted that the project will accelerate technology transfer, human capital development, research and innovation, and attract both domestic and foreign investment, positioning Nigeria as a regional leader in green automotive manufacturing.

Beyond industrial development, the project aligns with broader energy transition goals, promoting EV adoption, reducing carbon emissions, and strengthening Nigeria's competitiveness in the automotive and clean energy sectors. If successfully implemented, the EV hub could serve as a template for sustainable industrialisation across Nigeria, driving employment, infrastructure development, and green innovation.

Denmark Commits to Support Nigeria's Renewable Energy and Maritime Development¹⁵

Denmark has pledged to partner with Nigeria on renewable energy and maritime development, leveraging its established expertise in wind energy, green shipping, and port management. The partnership is expected to support port modernisation, clean energy transition, and Nigeria's blue economy agenda. Denmark's engagement is notable given its status as a global leader in offshore wind development and home to major shipping and logistics companies with deep expertise in port operations. For Nigeria, the partnership offers

potential access to Danish technical know-how in areas where domestic capacity remains limited, particularly in wind energy feasibility assessment, port automation, and the development of green shipping corridors. This commitment adds to the growing portfolio of international partnerships supporting Nigeria's infrastructure and energy transition objectives, alongside existing engagements with the World Bank, EBRD, European Union, and bilateral arrangements with the United Kingdom and South Korea.



¹³ <https://businessday.ng/news/article/nigeria-launches-750m-solar-programme-to-mobilise-1-1bn-in-private-investment/>

¹⁴ <https://nairametrics.com/2026/02/01/nigeria-set-to-become-africas-first-electric-vehicle-manufacturing-country/>

¹⁵ <https://africa.businessinsider.com/local/markets/denmark-commits-dollar12bn-to-nigerias-ports-in-long-term-infrastructure-push/007qhn>

Maritime and Port Infrastructure

£746 Million UK-Backed Financing to Redevelop Lagos Ports¹⁶

President Bola Tinubu during his recent state visit to the UK, signed a £746 million (N1.4 trillion) financing agreement with the United Kingdom government to support the redevelopment of Lagos Port Complex (Apapa Quays) and Tin Can Island Port Complex, two of Nigeria's principal trading seaports. The deal addresses longstanding challenges in the maritime sector, including congestion, declining efficiency, and the diversion of Nigeria-bound cargo to better-equipped regional ports.

The financing will be provided through the UK Export Finance (UKEF) Buyer Credit Facility, coordinated by Citibank, in collaboration with the Nigerian Ports Authority (NPA) and the Federal Ministry of Finance. A portion of the loan, at least £236 million, will be directed to British suppliers, supporting the purchase of UK goods and services.

For Nigeria, the redevelopment of the Lagos ports is expected to significantly reduce vessel turnaround and cargo dwell times, replacing paperwork-heavy processes with automated systems and expanding overall capacity. According to the Sea Empowerment and Research Centre, Nigeria's ports currently experience vessel turnaround of five to seven days and cargo dwell times between 10 and 20 days, compared to regional peers like Lome and Tema, which average two to four days and seven to 10 days, respectively.

The upgraded port infrastructure is projected to enhance predictability and transparency in cargo movement, lower demurrage and logistics costs, and boost revenue generation. Adegboyega Oyetola, Minister of Marine and Blue Economy, noted that the modernisation will create significant economic benefits, improving Nigeria's competitiveness as a regional trading hub.

MSC Secures 45-Year Snake Island Container Terminal Concession¹⁷

The Mediterranean Shipping Company (MSC) has signed a 45-year concession agreement with Nigerdock, the Nigerian port operator, to develop, operate, and maintain a new container terminal at Snake Island Port in Lagos. The planned terminal forms part of MSC's over \$1 billion investment in Nigeria's infrastructure and logistics sector.

Under the agreement, MSC has also finalised an EPC contract with ITB Nigeria Ltd. and DEME Group to build the terminal which will sit on about 30 hectares. The facility will include a 910-metre quay equipped for ship-to-shore and mobile harbour cranes and will initially support a dredging depth of around 16.5 metres, with design provisions to deepen to 18 metres over time to accommodate larger vessels.

The terminal is expected to boost port capacity, reduce congestion at Lagos ports, enhance operational efficiency, and strengthen Nigeria's role as a regional shipping hub. Completion is targeted around 2028, with the project seen as a major step in expanding trade infrastructure and supporting economic activity in the maritime and logistics sectors.

The 45-year tenure of the concession is among the longest awarded in Nigeria's maritime sector, reflecting MSC's long-term confidence in the commercial viability of Lagos as a shipping hub. Strategically, the Snake Island terminal addresses a structural bottleneck as the Apapa and Tin Can Island port complexes have operated at or near capacity for years, contributing to chronic congestion with cargo dwell times averaging 18 days compared to a four-day benchmark at more efficient ports and the progressive diversion of cargo to regional competitors such as Lomé, Tema, and Cotonou. A purpose-built deep-water facility capable of accommodating larger vessels positions Nigeria to recapture lost cargo volumes and compete more credibly for West African transshipment traffic, particularly as global shipping lines increasingly consolidate around fewer, larger hub ports.

¹⁶ <https://businessday.ng/business-economy/article/inside-the-746m-uk-nigeria-deal-to-develop-lagos-ports/>

¹⁷ <https://businessday.ng/news/article/largest-shipping-line-secures-45-year-concession-to-build-container-terminal-at-lagos-snake-island/>

Outlook: Q2 2026 To Year-end Prospects

The infrastructure developments recorded in Q1 2026 reflect a period of significant activity across Nigeria's key sectors. The central question for the remainder of 2026 is whether the announcements, budgetary allocations, and financing commitments will translate into tangible project delivery at the pace and scale required.

In the transport sector, Q2 is expected to see continued activity on several fronts. The Lagos-Abidjan Highway is a project to monitor as the project's official development timeline indicates that financing arrangements are still being finalised as at date of this note, whilst construction is officially targeted for 2026, we note Phase 1 construction is currently scheduled to commence from 2027. Commencement of physical works in 2026 is unlikely based on publicly available schedules. On the domestic front, the timely release of the N3.23 trillion federal roads allocation and the N427 billion approved for the Ibadan-Ife-Ilesa corridor will be critical to testing the government's capacity to translate budgetary ambition into on-the-ground delivery. The Lagos Green Line rail project, the Kano metropolitan rail proposal, and the expanded Abuja-Kaduna train timetable will also require early release of public funding and coordinated execution to maintain respective timelines.

The maritime sector is poised for significant activity in Q2 2026 following the signing of the £746 million UK-backed port financing agreement and the MSC Snake Island concession. Early works under the port modernisation programme at Apapa and Tin Can Island are anticipated to commence during the quarter, with the overall programme expected to run for 48 months. The success of these projects will depend not only on physical upgrades but also on addressing the wider logistics ecosystem, including port access roads, rail connectivity, and customs efficiency, which have historically undermined port performance.

In the digital and energy infrastructure space, the expected commissioning of the AKK gas pipeline's Ajaokuta-Gwagwalada segment by July 2026 could mark a transformative milestone for northern Nigeria's industrialisation prospects, though the pipeline's history of prior schedule deferrals warrants cautious optimism on the July timeline. The continued deployment of mini-grids under the DARES programme and the broader \$750 million REA initiative should expand rural electricity access and support the government's target of reaching 17.5 million additional Nigerians. Project BRIDGE, which is still in preparatory phase, will need to demonstrate meaningful progress on its institutional setup and early contractual milestones to maintain investor and development partner confidence.

Nigeria's construction industry had a growth forecast of 5.3% in 2025 and 3.1% in 2026, spurred by federal government investment in roads, rail, ports, and energy¹⁸. The broader economic outlook is more positive than previously anticipated as both the IMF and the World Bank revised their 2026 GDP growth forecasts for Nigeria upward to 4.4%, based on improvements in macroeconomic fundamentals, services sector expansion, and a rebound in agricultural output.¹⁹ However, both institutions also flagged a projected decline in global oil prices of approximately 7% in 2026 as a specific risk to Nigeria's target revenues, and the intended discontinuation of the road infrastructure tax credit scheme, which may collectively limit the pace of infrastructure spending.

Looking towards year-end, the overall trajectory of Nigeria's infrastructure sector will be shaped by the government's ability to mobilise finance, maintain policy consistency, and manage execution risk across a large and complex infrastructure projects pipeline across the geopolitical regions. The Q1 2026 record is one of considerable ambition as significant financing commitments have been secured, with blended funding plans and the institutional architecture for projects delivery is being assembled across several sectors. Whether 2026 ultimately represents a meaningful turning point in Nigeria's infrastructure development will depend on the extent to which ambitions are converted into commissioned, operational assets rather than remaining at the level of allocations and plans.

¹⁸ <https://www.globenewswire.com/news-release/2026/02/23/3242761/28124/en/Nigeria-Construction-Industry-Report-2025-Output-to-Grow-by-3-1-in-2026-After-5-3-in-2025-Driven-by-Government-Investments-in-Housing-and-Transport-Coupled-Construction-Loans-Forec.html>

¹⁹ <https://www.premiumtimesng.com/news/headlines/849391-world-bank-upgrades-nigerias-growth-outlook-to-4-4-for-2026.html>

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