

Saudi Arabia signs deal with Nigeria on sidelines of Saudi-Africa summit

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Nigeria and Saudi Arabia on Friday agreed to a series of investment and cooperation deals, including a pledge by the Saudi government to invest in the revamp of Nigeria's oil refineries and provide financial support to sustain the government's foreign-exchange reforms.



Nigeria's President Bola Tinubu looks on after his swearing-in ceremony in Abuja. Source: Reuters/Temitade Adelaja

The agreements were reached at a bilateral meeting between Nigerian President Bola Tinubu and Saudi Crown Prince Mohammed bin Salman on the sidelines of the Saudi-Africa summit in Riyadh.

Under Tinubu, Nigeria has embarked on the boldest reforms in decades, scrapping a popular petrol subsidy and unifying the country's multiple exchange rates as part of measures "aimed at improving the ease of doing business."

But liquidity has yet to return to the official currency market with the naira quoted at a premium on the parallel market.



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Information Minister Mohammed Idris said the Saudi government pledged to make "a substantial deposit of foreign exchange to boost Nigeria's forex liquidity".

In addition, the Saudi government, through Saudi Aramco, will invest in the revamp of Nigeria's four decrepit state refineries which is expected to be completed within two- to-three years, Idris said.

Revive economy

Nigeria is seeking more investments to revive an economy plagued by foreign-currency shortages, double-digit inflation, widespread insecurity and theft of crude oil, its key export.

Africa's top oil exporter has made producing its fuels a priority for years but efforts to revamp its refineries have failed, leaving it reliant on imports.

Tinubu also assured potential Saudi Arabian investors of the safety of their investments in Africa's largest economy, as he sought to strengthen ties between the two countries, his spokesperson said earlier on Friday.

Tinubu, who was speaking at the Saudi-Africa summit in Riyadh, promised investors "some of the world's highest returns on investment," spokesperson Ajuri Ngelale said.

He also called for collaboration to combat Islamist insurgents, including Boko Haram, and other security challenges across Africa's most populous nation.

Multilateral levels

"Nigeria and Saudi Arabia have always enjoyed a special relationship at both the bilateral and multilateral levels. Within the past six decades, our bilateral cooperation has witnessed diversification to cover a number of areas of common interest," Tinubu was quoted by his spokesperson as saying.

The two countries on Thursday signed a memorandum of understanding for cooperation in the oil and gas industry, further deepening economic ties between them.

The two leaders agreed to work together over the next six months to "develop a comprehensive road map and blueprint" to deliver on the investments, Idris said.

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