



Transport Sector Round-up for Q4 2025: Forecast For 2026

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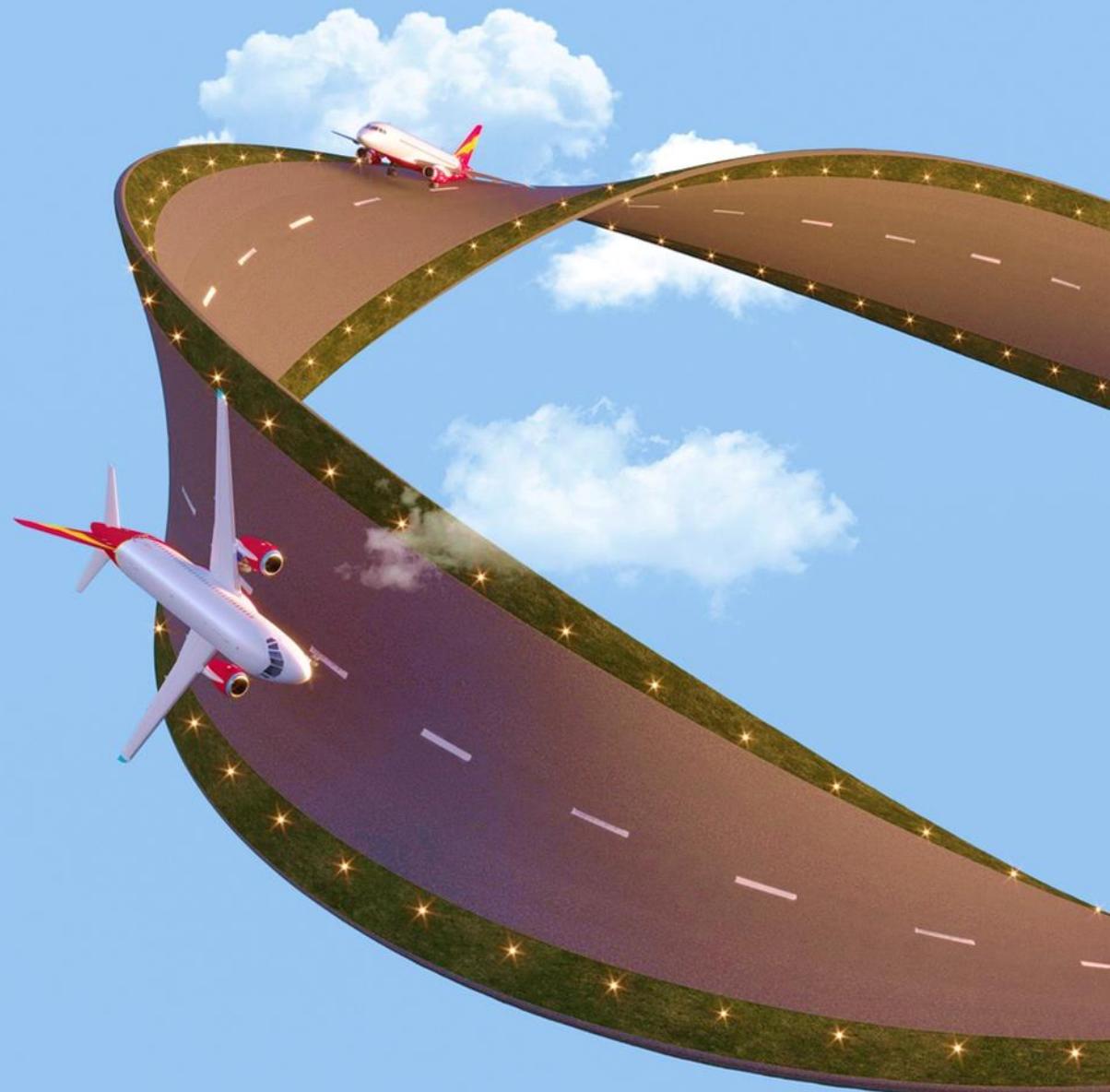
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INTRODUCTION



The final quarter of 2025 saw Nigeria's transport sector pivot from planning to execution, with the enactment of multiple policy frameworks and the commencement of ground-breaking projects. In December 2025, the President Tinubu administration formalised a National Land Transport Policy and a complementary National

Marine and Blue Economy Policy to guide integrated road, rail, and port development. At the same time, Lagos and other states pursued aggressive green transport initiatives: Lagos announced plans to deploy 10,000 electric buses by 2030 under a partnership with Greenplinth Africa. These moves built on ongoing reforms such as the

Presidential CNG (compressed natural gas) programme, which by year-end had mobilised over \$2 billion in private commitments and converted 100,000 vehicles to CNG. Together, these developments set the stage for an execution-focused Q4 and policy rollout, continued execution, and more reforms in 2026.

Regulatory and Policy Development

Senate Advances Electric Vehicle (EV) Bill

In November 2025, the National Assembly approved the second reading of the Electric Vehicle Transition and Green Mobility Bill, a landmark law to transform

Nigeria's transport energy base. The bill mandates incentives for domestic EV assembly, nationwide charging networks, and the gradual phasing out of

petrol vehicles in the government fleet. By reducing the roughly \$10 billion annual fuel import bill, experts project that even a partial fleet electrification will save

billions and stimulate electricity demand.



Outlook

- I. If enacted, the EV bill is expected to unlock climate-aligned financing and private investment in batteries, charging infrastructure, and green public transit.
- II. If passed into law, it could position Nigeria as a regional EV manufacturing hub under AfCFTA, attracting concessional loans for charging networks and spurring local industries (given abundant West African minerals for batteries).

Lagos State Railway Corporation Bill

Lagos advanced legislation to formalise state rail operations. In October 2025, the State Assembly held a public hearing on the Lagos State Railway

Corporation Bill, 2025, which will create a dedicated agency to own and expand the city's urban rail network. The Bill empowers a managing board and

inspectorate for new lines (Purple, Green, Orange) alongside LAMATA's multimodal network.



Outlook

- I. Upon enactment, the new Lagos Rail Corporation will clarify governance and accelerate rail expansion under public-private partnerships.
- II. It is expected to attract private financing for additional lines.
- III. It will integrate Lagos's Blue and Red rail lines, provided coordination with the federal NRC and LAMATA is smoothly managed.

National Land Transport and Blue Economy Policies

The Federal Executive Council approved an integrated National Land Transport Policy, aimed at coordinating road, rail, and urban transit development. In tandem, a

National Marine and Blue Economy Policy was launched to cut logistics costs and attract port-sector investment. Both frameworks reflect the

government's drive to diversify transport modes after decades of disjointed planning.



Outlook

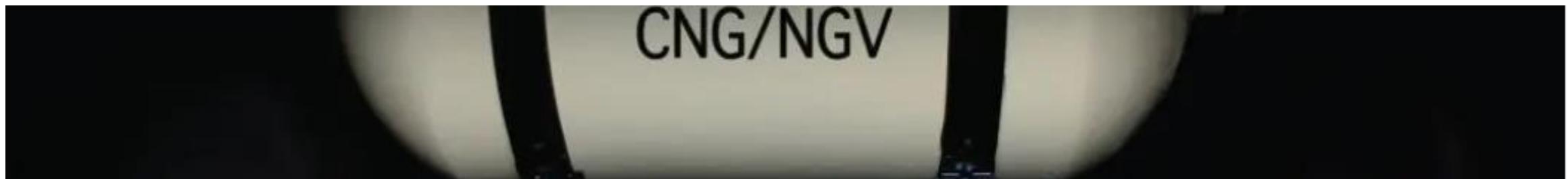
- I. These policies set a clear regulatory roadmap for 2026. They are expected to unlock projects such as modern bus terminals (e.g. Abeokuta, Onitsha, Kano, Lokoja, Gombe) to replace informal parks, expand inland waterway channels, and encourage PPPs in rail and port construction.
- II. In practice, 2026 will see drafting of complementary regulations (e.g. transit standards, dredging rules) and financing measures (like subsidised loans) to implement the policies.

Presidential CNG Initiative (PI CNG) 2.0

The FG's flagship CNG programme scaled up sharply in Q4. PI CNG reported \$2 billion in private investment commitments and over 100,000 vehicles

converted to CNG nationwide. It also deployed 58 new CNG fueling stations in 28 states, with expansions planned across northern and underserved

regions. The focus is now shifting to mass roll-out of electric vehicles under "Phase 2".



Outlook

- I. By early 2026, five new liquified CNG (LCNG) refueling stations are slated in Kano, with additional stations in Kaduna, Gombe, Maiduguri and Katsina. A 10-hectare industrial park is under construction at Ajaokuta for local CNG equipment manufacturing, which should lower costs and stimulate industrial jobs.
- II. The dual focus mandate means 2026 will also see concrete incentives for EV assembly and tighter environmental standards as PI CNG aims to meld CNG gains with the broader EV agenda.

Maritime and Port Infrastructure

Lekki Port enters the regional transshipment market

Lekki's expansion positions Nigeria as a regional transshipment hub: Lekki is discharging increasing container volumes for redistribution to neighbouring ports and is now

viewed as a consolidation point for West Africa. The port's deeper draft and modern terminal operations reduce vessel waiting times and permit calls by ultra-large containerships and direct

mother-vessel services that previously bypassed Nigerian shores. As a result, an increasing share of containers discharged at Lekki are being transshipped or forwarded to neighbouring ports

(including Tema and Abidjan) via feeder and barge links, strengthening Lekki's role in regional networks.

Outlook

- I. By 2026, shipping lines and feeder operators will increasingly route transshipment via Lekki as its deep-water capability and faster berth turnaround become commercially preferable; this trend will encourage expansion of feeder services, short-sea feeder loops, and scheduled barge connections to regional hubs..
- II. The market shift is likely to catalyse growth in supporting services like towage and pilotage, refrigerated and general warehousing, line-haul feeder tonnage, and scheduled barge slots, creating a layered logistics ecosystem around Lekki.
- III. Early movers in feeder operators, ICD operators, bonded logistics parks, and value-added terminal services stand to capture premium throughput margins as Lekki matures into a West African consolidation node.



Nigeria Seeks Cooperation Among African Ports to Grow the Blue Economy

The Nigerian Ports Authority (NPA) has called for closer collaboration among African ports to accelerate blue-economy growth and deepen intra-continental trade. Closer

cooperation, spanning common security standards, compatible port-community platforms, joint climate-resilience planning, and coordinated hinterland links would reduce friction in cross-

border cargo flows, improve investment predictability for terminal upgrades, and support the emergence of resilient, regionwide logistics corridors.

Outlook

- I. Over 2026 - 2027, there are strong expectations that regional alignment efforts will translate into pilot harmonisation projects (e.g., shared ECTS-like tracking, interoperable e-manifest protocols, and joint disaster-resilience drills) that improve timetable reliability and reduce transshipment friction.
- II. Stronger port cooperation will make the region more attractive to line-haul operators and investors, catalysing combined investments in deepwater berths, shared pilotage/towage services, and cross-border feeder networks.



APM Terminals and Barging Collaboration

To ease Lagos congestion, APM Terminals entered a long-term lease with Barging Marine Solutions Ltd. in Dec 2025. The partnership links APM's Apapa terminal to barge networks on

Lagos waterways, effectively creating alternative river routes for containers. Existing barging terminals in Lagos and Onne will provide inland container depot services.

Outlook

- I. These barge services will significantly reduce truck traffic into Apapa, lowering road congestion and logistics costs.
- II. For shippers, water transport offers a more reliable schedule.
- III. In 2026, APM and Barging
- IV. The project will open new opportunities for public-private partnerships, concession reviews, and will jointly develop new barge-enabled feeder lines, bolstering multimodal trade corridors and setting a template for other port operators to emulate
- V. In the medium term, the reforms are projected to boost Nigeria's trade volumes and strengthen the country's position as West Africa's leading logistics hub.





Aviation Sector Reforms and Investments

Air Peace Marks Arrival of Dry-lease Boeing 737-700 NG

Air Peace took delivery of a dry-leased Boeing 737-700NG in November 2025, marking the first visible return of dry-leasing to Nigeria following the country's remediation and removal from the Aviation Working Group (AWG) watchlist. The aircraft's entry into

service signals renewed confidence by international lessors in Nigeria's regulatory and enforcement framework under the Cape Town Convention. Air Peace has since indicated that additional dry-lease acquisitions are planned for 2026, reflecting a

broader strategy to expand capacity while lowering operating costs relative to wet-lease arrangements.

The development is significant for Nigeria's aviation market because dry-leasing fundamentally

reshapes airline economics. Unlike wet-leases, dry-leases give carriers operational control over crew, scheduling, and maintenance planning, while spreading aircraft acquisition costs over longer tenors.



Outlook

- I. In 2026, more Nigerian airlines are expected to pursue dry-lease transactions as confidence in the regulatory environment improves, potentially expanding fleet sizes, stabilising schedules, and improving on-time performance.
- II. This shift should also reduce ticket prices over time as airlines' cost bases normalise.
- III. The return of dry-leasing will deepen opportunities across the aviation value chain, including aircraft financing, leasing advisory, MRO services, pilot training, insurance, and compliance support.
- IV. For investors and service providers, Nigeria's re-entry into dry-lease markets positions the country as a more credible regional aviation hub, capable of sustaining fleet growth under internationally accepted leasing standards.

NCAA Grants Provisional Permit for Commercial Flights at Ibadan (Samuel Ladoke Akintola Airport)

The NCAA has granted a provisional interim operational permit for scheduled commercial services at Samuel Ladoke Akintola (Ibadan) Airport following a series of upgrades, such as runway extension and

widening, modernised airfield lighting, a new 500,000-litre aviation fuel storage facility, and a protocol lounge. These improvements have readied the airport for commercial passenger and cargo operations and

respond directly to growing demand for improved domestic and regional connectivity from Nigeria's South-West. The reopening positions Ibadan as a viable cargo and passenger node for 2026, enabling short-haul

scheduled services, feeder links to Lagos and Abuja, and agro-export corridors that capitalise on faster door-to-port logistics.



Outlook

- I. Airlines and cargo operators are expected to announce routes and freighter capacity allocations for 2026 as slotting and fuel-logistics arrangements are finalised.
- II. The airport's activation will reduce pressure on nearby hubs for regional traffic.
- III. It will create a durable node for time-sensitive cargo (agriculture, pharma) and inbound leisure/business travel.
- IV. Sustainable growth will depend on reliable fuel supply chains, ground-handling readiness, and the installation of instrument approaches (e.g., ILS) to support night/all-weather operations

A black and white photograph of a canal in Amsterdam. The scene is filled with traditional Dutch houses built directly onto the water, their facades reflected in the calm canal. Several houseboats are moored along the banks, some with small boats tied to their sides. The perspective is from a low angle, looking down the length of the canal towards the horizon. The image has a grainy, historical feel.

Urban Transport and Waterways

LAMATA Targets 10,000 Electric Buses by 2030

In November 2025, LAMATA announced a major partnership with Greenplinth Africa to electrify the Lagos Bus Rapid Transit network, setting an ambitious target of 10,000

electric buses by 2030. The programme is structured as a multi-phase rollout beginning with pilot corridors on high-demand routes, coupled with plans for depot electrification,

high-capacity charging hubs, and grid-integration studies to manage load and smart-charging. Early procurement and pilot deployments are expected in 2026, with financing being

mobilised through a mix of public-private partnerships, concessional lending, and supplier-backed lease schemes.

Outlook

- I. The BRT electrification will create immediate commercial opportunities for bus OEMs, local assemblers, charging-infrastructure providers, battery-service firms, and fleet financiers as pilot orders convert into larger tranches.
- II. Operational success depends on fast roll-out of depot chargers, workforce training for EV maintenance, and coherent tariff/energy-pricing policies.
- III. It will lower operating costs for operators and reduce urban emissions materially.



Lagos N150 billion CNG Truck Replacement Programme

Lagos State launched a N150 billion Compressed Natural Gas (CNG) Trucks Scheme to modernise freight fleets on the state's major logistics corridors by replacing ageing, unsafe trucks with new CNG-powered units supplied under structured

finance. The programme, rolled out in partnership with a major commercial bank and targeted at owner-operators and fleet managers, will disburse funds in phased tranches to facilitate the acquisition of approximately 2,000 CNG trucks, coupled with

vehicle safety checks, training for drivers and mechanics, and incentives for converters and OEMs. The scheme directly addresses safety risks posed by old trucks (brake failures, weakened frames, and tyre defects), lowers operating fuel

costs for haulage operators, and supports Lagos's broader green-transport objectives by cutting emissions and improving air quality along high-density freight corridors.

Outlook

- I. In 2026, the programme should catalyse visible fleet renewal across Apapa–Mile 2 and other freight arteries as tranche disbursements reach eligible operators and vehicle deliveries commence.
- II. The program will stimulate demand for LCNG/CNG refuelling capacity, maintenance services, and certified conversion kits, creating local industrial and service opportunities.
- III. If replicated by other states, the scheme could materially reduce heavy-vehicle accidents and lower logistics costs nationally, improving supply-chain reliability for manufacturers and exporters.





Momentum Ahead: Sector Priorities for Q1 2026

As Nigeria begins the first quarter of 2026, the transport sector is ready to turn the momentum from late 2025 reforms into tangible results. This will happen through careful execution, quick project delivery, and stronger public-private collaboration.

The upcoming period will shift from setting policies to putting them into action. The focus will be on contract awards, securing financing, and piloting projects in road, rail, maritime, aviation, and urban mobility systems.





Regulatory and Policy Priorities:

The implementation of the Electric Vehicle Transition and Green Mobility framework will lead the regulatory agenda. The focus will be on issuing regulations that address fiscal incentives, charging standards, and local assembly requirements. Meanwhile, the legislation for the Lagos State Railway Corporation is expected to advance from enactment to setting up institutions. This will allow for the start of procurement processes for new urban rail lines and strengthen Lagos's multi-layered transport governance. At the federal level, coordinating EV and CNG policies will be essential for a smooth transition that balances immediate energy costs with long-term decarbonization goals.



Maritime and Port Infrastructure:

Q1 2026 will focus on starting key port and logistics projects that were announced in 2025. Key actions will include moving forward with financing and procurement for the Lagos Ports Modernization Project, resolving regulatory and environmental issues for Dangote's Olokola Deep Seaport, and expanding green-port initiatives at Onne. The growing role of Lekki Port as a regional transshipment hub will also influence operational planning. There will be a greater emphasis on feeder services, inland container depots, and bonded logistics parks to handle increasing throughput and regional cargo distribution.



Aviation Sector:

The aviation sector will work to build on the progress made from Nigeria's return to dry-leasing and improved compliance with international aviation regulations. Airlines are expected to pursue more dry-lease deals, increase route networks, and stabilize fleet operations. Attention will also be on ensuring readiness at regional airports like Ibadan, while also making progress on MRO infrastructure, BASA amendments, and international partnerships that can boost capacity, lower costs, and strengthen Nigeria's position as a regional aviation hub.



Urban Transport and Waterways:

Urban mobility priorities in Q1 2026 will focus on quick deployment and integration. Lagos is expected to advance phases of its electric BRT program and move forward with the Omi Èkó electric ferry initiative. There will be an emphasis on depot infrastructure, charging systems, and integrating fare systems across different transport modes. The rollout of the N150 billion CNG truck replacement program will begin to reshape freight corridors. This initiative will promote safer, cleaner, and more cost-effective urban logistics while creating opportunities for private investment in refueling and maintenance facilities.

Conclusion

As 2026 starts, Nigeria's transport sector is at a crucial turning point. The groundwork laid in 2025 through laws, policy frameworks, and strategic investments now needs to be executed. Q1 will challenge the sector's ability to turn reforms into visible services, operational infrastructure, and better connectivity. Success will depend on coordinated

efforts, timely procurement, and strategic partnership with the private sector. If properly executed, this quarter will mark a significant shift from policy reform momentum to real operational impact, guiding Nigeria towards a stronger, more sustainable, and regionally competitive transport system.

About Stren & Blan Partners

Stren & Blan Partners is an innovative and dynamic Law Firm with a compelling blend of experienced lawyers and energetic talents. We are focused on providing solutions to our client's business problems and adding value to their businesses and commercial endeavours. This underpins our ethos as everything we do flows from these underlying principles.

Stren & Blan Partners is a full-service commercial Law Firm that provides legal services to diverse local and multinational corporations. We have developed a clear vision for anticipating our client's business needs and surpassing their expectations, and we do this with an uncompromising commitment to Client service and legal excellence.

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