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NIGERIA REMOVED FROM LIST OF EMERGING MARKETS

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J.P Morgan, a global leader in financial services and multinational investment bank, recently removed Nigeria from its list of emerging market sovereign recommendations. Investors have been advised not to make investments in the Nigerian economy that make up a larger percentage of their portfolio or index.

The reason cited is the fact that Nigeria had not taken advantage of high oil prices and its debt is at the mercy of the Federal Reserve's interest rate decisions. Also, the Nigerian National Petroleum Corporation's (NNPC) inability to transfer any revenue to the government from January to March this year due to petrol subsidies and low oil production further influenced the decision.

This latest development may affect any plan to tap into the international debt market in view of rising dollar strength as this would put an additional burden on the country as Nigeria would have to pay higher interest rates to entice investors.

We await to see the effect of this decision on Nigeria's economy amid its present fiscal challenges.