OXFAM budgIT

NEITI 2023

SOLID MINERALS INDUSTRY REPORT

About BudgIT

BudgIT Foundation is a civic tech organisation raising the standards of transparency, accountability and service delivery in the Nigerian government and governance. BudgIT uses creative technology to simplify public information, build a community of active citizens, and enable citizens to demand accountability, institutional reforms, efficient service delivery, and an equitable society.

Country Director: Gabriel Okeowo
Research Team: Enebi Opaluwa, Kofoworola Awotoye
Data Visualisation/Creative Development: Michael Pabiekun
Editor: Nancy Odimegwu

Contact: info@budgit.org +234-803-727-6668, +234-908-333-1633
Address: 16, Harvey Road, Yaba Phase 2, Lagos State, Nigeria

OXFAM

About Oxfam

Oxfam is a confederation of 20 affiliates operating in more than 120 countries worldwide, working to create a world without poverty. We are a worldwide development organisation that mobilises people's power against poverty. Around the globe, we work to find practical, innovative ways for people to lift themselves out of poverty and thrive. We save lives and help rebuild livelihoods when a crisis strikes. And we campaign so that the voices of the poor influence the local and global decisions that affect them.

In Nigeria, Oxfam works to influence policy change in favour of the poor and most vulnerable, promoting food security and supporting small-scale farmers to improve the livelihoods of men and women in rural areas. We respond to the humanitarian needs of the people in the North-Eastern part of Nigeria, where insurgency has led to the loss of thousands of lives and rendered many people homeless.

Oxfam in Nigeria focuses on:

- Meeting vulnerable people’s needs: saving lives.
- Sustaining increased incomes for the poorest.
- Transforming attitudes about women’s roles and rights.
- Increasing active citizenship, and the accountability and transparency of the public and private sectors.

Central to our work is the belief that power relations need to change to enable poor people to demand and claim their rights. We work with a wide variety of development partners and allies, including community organisations and civil society groups at the local, state, and national levels, to achieve our goals.

Covered Entities

The NEITI 2023 audit report for the solid minerals sector is Nigeria's 14th cycle of the Extractive Industries Transparency Initiative (EITI) audit covering the period from January 1st to December 31st, 2023. The report contains the outcome from the reconciliation of financial flows by major companies and receipts by government agencies.

1,537

A total of one thousand five hundred and thirty-seven (1,537) companies paid both the royalty and the annual service fee during the review period. However, the 2023 SMA covered entities comprise 110 extractive companies and nine government entities. The IA used the NSWG's approved materiality thresholds for royalty payments and annual service fees as the key revenue streams for selecting, evaluating, and reconciling the companies in the audit exercise. As a result, the IA used a materiality threshold of ₦6 million, as approved by NSWG.

License Allocation

A total of **2,833** licences were issued during the year under review, representing a 114% increase compared to the 1,325 issued in 2022, as shown in the table below.

Exploration License (EL)	1,406
Quarry Lease (QL)	184
Small Scale Mining Lease (SSML)	790
Reconnaissance Permit (RP)	405
Mining Lease (ML)	48

NEITI 2023

SOLID MINERALS INDUSTRY REPORT

Revenue

The total revenue generated by the federal and subnational governments amounted to

₦401.86bn

representing the amount paid by all companies operating in the solid minerals sector in 2023, compared with

₦345.41bn

in 2022. This indicates a 16% increase in revenue collection compared to 2022.

NEITI 2023

SOLID MINERALS INDUSTRY REPORT

Revenue

5-Year Trend of Aggregate Financial Flows to the Federation Account

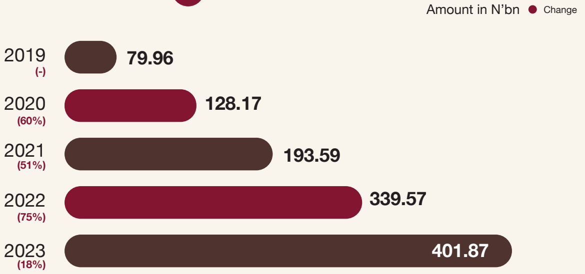
Over the past five years, there has been a consistent year-on-year increase in revenue to the Federation Account.

The total revenue accrued to the account during this period amounts to approximately

₦1.143 trillion

This represents a growth of ₦321.91 billion (403%), rising from ₦79.96 billion in 2019 to ₦401.87 billion in 2023.

The total revenue accrued to the account during this period amounts to approximately ₦1.143 trillion.



NEITI 2023

SOLID MINERALS INDUSTRY REPORT

Production Data

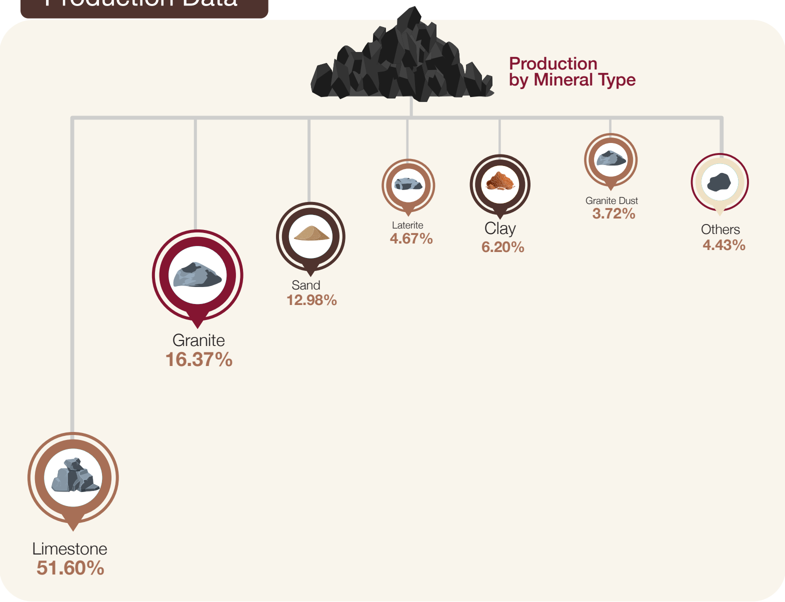
95,070,036.12 tonnes

The total mineral production in 2023 was 95,070,036.12 tonnes, an increase of 24,342,505 tonnes from the 2022 production of 70,727,531, representing a 34.4% increase.

Mineral Types	Quantity Produced (Tonnes)	% Contribution to Quality	Royalty Paid (NGN)	% Contribution to Royalty Paid
Limestone	49,057,064.08	51.60%	3,027,262,005.71	33.59%
Granite Aggregate	15,564,655.08	16.37%	2,243,784,459.29	24.90%
Sand	12,343,136.17	12.98%	385,083,488.09	4.27%
Laterite	4,437,265.10	4.67%	189,012,369.68	2.10%
Clay	5,900,429.73	6.20%	61,367,108.87	0.68%
Granite Dust	3,536,932.33	3.72%	110,542,346.38	1.23%
Other	4,230,553.64	4.43%	2,995,598,859.23	33.21%
	95,070,036.12	**100.00%**	**9,012,650,637.25**	**100%**

NEITI 2023
SOLID MINERALS INDUSTRY REPORT

Production Data



Production Disaggregated by Company

Companies	Quantity Produced (Tonnes)	Contribution To Production	Royalty Paid In	Contribution To Royalty
Dangote Cement Plc	22,560,757	23.73%	945,559,695	10.49%
BUA Cement Plc	9,790,948	10.30%	711,098,575	7.89%
Dangote Industries	9,349,484	9.83%	661,742,915	7.34%
Lafarage PLC	7,163,472	7.53%	496,651,739	5.51%
Zeberced Ltd	2,750,390	2.89%	412,558,500	4.58%
Other Companies	43,454,986	45.68%	5,785,039,214	64.20%
Total	95,070,036	100.00%	9,012,650,637	100.00%

NEITI 2023

SOLID MINERALS INDUSTRY REPORT

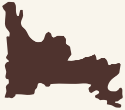
Production By State

Edo State recorded the highest mineral production in the year under review, with a total output of

19.4 million tonnes

This was followed by Ogun State, which produced

15.3 million tonnes



Kogi State ranked third, producing

10.9 million tonnes

of minerals.

Meanwhile, Borno State had the lowest production volume, recording just

9,352 tonnes for the period.

OXFAM

Production Disaggregated by State

States	Quantity Produced (Tonnes)	Contribution To Production	Royalty Paid In	Contribution To Royalty
Edo	19,413,061	20.42%	750,457,786	8.33%
Ogun	15,340,100	16.14%	1,185,989,333	13.16%
Kogi	10,901,358	11.47%	836,524,079.80	9.28%
Cross River	7,670,460	8.07%	580,658,357	6.44%
Kano	7,646,304	8.04%	137,420,754	1.52%
Others	34,098,752	35.85%	5,521,600,328	61.24%
Total	95,070,036	100.00%	9,012,650,637	100.00%

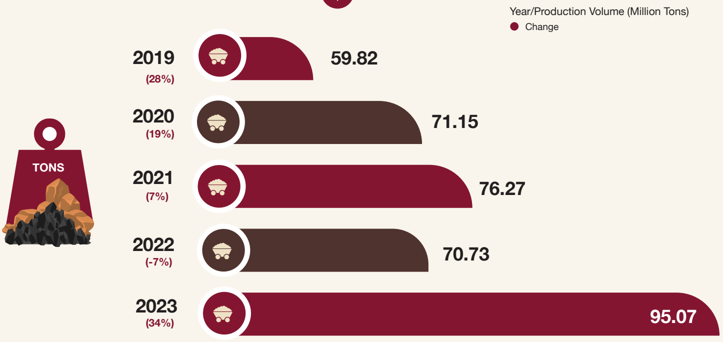
NEITI 2023

SOLID MINERALS INDUSTRY REPORT

Five-Year Trend of Production Data

59%

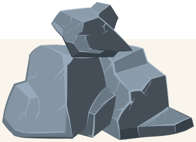
The total mineral production grew by 59% between 2019 and 2023.



373,046,737 tonnes

Over the five years, total solid mineral production amounted to 373,046,737 tonnes; however, total output is not a measure of growth. Growth in the sector is better reflected in year-on-year changes in production and in the difference between the base and the final year. Nigeria's solid mineral production increased from 59.8 million tonnes in 2019 to 95.1 million tonnes in 2023, a rise of 35.25 million tonnes, equivalent to an overall growth of about 59% and a compound annual growth rate (CAGR) of 12.3%. Despite a 7.28% decline in 2022, the sector recorded strong annual growth rates of 18.94% in 2020, 7.21% in 2021, and an exceptional 34.42% in 2023, confirming a clear upward trajectory over the five years. This sustained rise is largely linked to ongoing government reforms in the sector and increased demand for minerals across local, regional, and global markets, particularly for key solid minerals and manufactured products such as cement.

Export



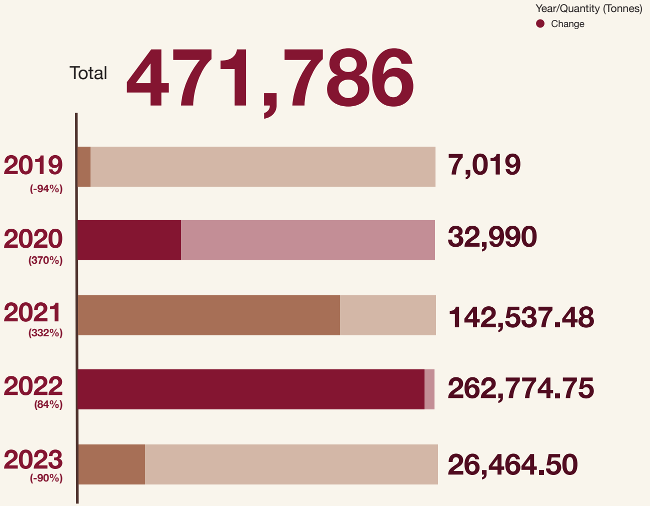
26,464.50 tonnes

The export of solid minerals presents a vital opportunity for economic growth and job creation in Nigeria, which has abundant untapped resources and rising global demand. Mineral volumes are measured using weighing scales, including weighing bridges for bulk materials and digital table scales for gemstones and gold, which are crucial for calculating export royalties. In 2023, Nigeria exported a total of 26,464.50 tonnes of mineral ores and concentrates, according to the NCS records. A total of 26,465 tonnes of minerals were exported during the year. Manganese ore made up the largest share with 18,818 tonnes, followed by lithium ore at 2,595.05 tonnes, among eight mineral types recorded.

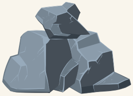
NEITI 2023

SOLID MINERALS INDUSTRY REPORT

Five-Year Trend of Mineral Export



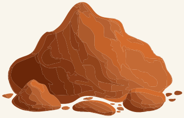
Five-Year Trend of Mineral Export



A five-year export trend as shown in the table above reveals a total of

26,464 tonnes of mineral exports.

The fluctuating nature of export volumes during this period indicates an unstable sector, though one with significant potential for growth.



84%

The increase in 2022 by 84% was mainly due to strong global demand and higher international prices for minerals such as lithium-bearing ores, gold, tin, and lead-zinc. As post-COVID manufacturing recovered worldwide, especially in Asia and Europe, buyers offered significantly higher prices, making exports more profitable than domestic sales. Many operators shifted their output toward export markets to capitalise on these higher returns. In addition, improved export documentation and tighter reporting by customs and trade authorities led to more shipments being officially recorded than in previous years. Together, these factors led to a significant increase in recorded export volumes despite a general slowdown in domestic production.

NEITI 2023

SOLID MINERALS INDUSTRY REPORT

Five-Year Trend of Mineral Export

90%

In 2023, the sector experienced a 90% decrease in mineral exports compared to 2022, highlighting the potential for expansion despite its volatility. Nigeria's solid mineral exports collapsed by 90% in 2023, falling from 262,775 tonnes in 2022 to just 26,465 tonnes, largely due to the loss of export duty waivers and the introduction of VAT on non-oil exports under the Finance Act 2023, combined with severe logistics bottlenecks at Apapa port and poor inland transport networks (NBS, 2024; NEITI, 2024). Escalating insecurity in major mining states (Zamfara, Plateau, and Niger) forced widespread site closures, while weaker global demand and lower prices for industrial minerals such as gypsum and limestone further eroded competitiveness. Tighter official reporting also reduced recorded volumes of previously informal trade. These shocks reversed the strong post-COVID recovery seen in 2022 and underscored the sector's continuing structural fragility.

NEITI 2023

SOLID MINERALS INDUSTRY REPORT

Solid Minerals Sector's Contribution to Nigeria's Economy in 2023

₦234.43 trillion

In 2023, Nigeria's total Gross Domestic Product (GDP) was ₦234.43 trillion, with the solid minerals sector contributing ₦1.691 trillion, which represents 0.72% of national GDP. Over the last five years (2019–2023), Nigeria recorded a total export value of ₦ 90.94 trillion across all sectors. During the same period, the solid minerals sector contributed ₦559.29 billion, accounting for 0.75% of total exports. For 2023, Nigeria's total export value was ₦12.69 trillion, out of which solid mineral exports amounted to ₦35.87 billion, representing 0.28% of total exports.

Contribution to GDP (Gross Domestic Product)

0.72%

The country's Gross Domestic Product (GDP) in 2023 was 234.43 trillion. The solid minerals sector contributed ₦1.691 trillion, representing 0.72%.

Contribution to Export

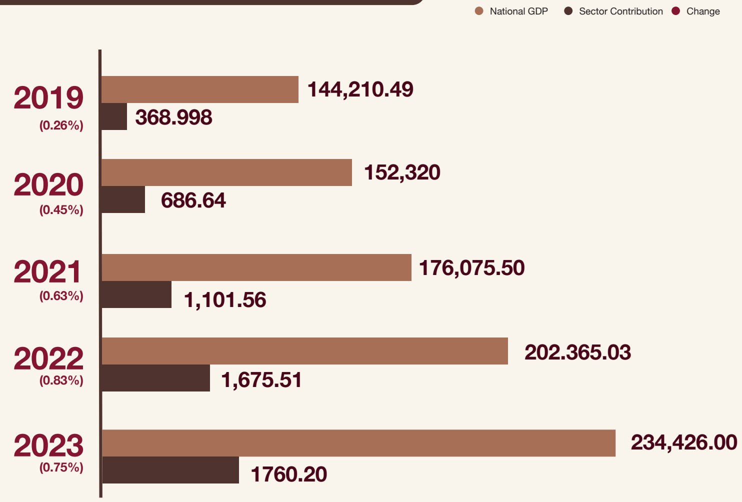
0.28%

In 2023, Nigeria recorded a total export value of ₦12.69 trillion, according to the NBS. Out of this, solid mineral exports amounted to ₦35.87 billion, representing 0.28% of the total export value.

NEITI 2023

SOLID MINERALS INDUSTRY REPORT

Five-Year Trend of Mineral Export



Summary of Findings and Recommendations

1 Revenue Generation

The NEITI 2023 Solid Minerals Audit Report shows that total revenue from the solid minerals sector over fifteen years (2007–2023) increased to ₦1.137 trillion, up from ₦814.59 billion reported in the 2021 audit. This reflects continued growth in government earnings from royalties, taxes, and fees, driven by reforms and improved monitoring by the Ministry of Solid Minerals Development (MSMD) and relevant agencies.

This increase reflects improved revenue collection from royalties, taxes, and fees, supported by ongoing reforms and strengthened monitoring by the Ministry of Solid Minerals Development (MSMD) and relevant agencies. Despite these gains, the sector's contribution to the wider economy remains modest. In recent years, solid minerals have accounted for less than 1% of GDP, about 2.6% of total government revenue, and roughly 0.2% of total exports, underscoring the need for stronger policies to expand production and deepen value addition.

The audit also noted that the seven strategic minerals, including limestone, gold, barite, coal, bitumen, iron ore, and lead/zinc, generated a total of ₦1.42 billion in royalties, with limestone alone contributing ₦1.03 billion (73.07%), highlighting heavy reliance on one mineral.

NEITI 2023

SOLID MINERALS INDUSTRY REPORT

Key Issues Identified:

- Overdependence on limestone as the main revenue source.
- Limited investment in other strategic minerals with high economic potential.
- Weak inter-agency data reconciliation and collection processes.
- Gaps in automation and real-time revenue tracking.

Recommendation:

- The Federal Government, through the MSMD, should establish a Special Purpose Vehicle (SPV) to attract investment and de-risk the solid minerals value chain, similar to NIRSAL Plc in the agricultural sector.
- Fully automate revenue collection and reporting systems across all agencies to block leakages and improve transparency.
- Diversify revenue sources by developing other strategic minerals and reducing dependence on limestone.
- Review and update the Solid Minerals Roadmap to reflect current market trends and sustainability goals.
- Implement recommendations from previous NEITI reports and adopt technology-driven revenue monitoring to improve collection efficiency.

2 Community Development Agreement (CDA)

The Community Development Agreement (CDA) is a legal requirement under Section 116(1) of the Nigerian Minerals and Mining Act (NMMA 2007). It ensures that host communities benefit directly from mining operations through agreed social and economic projects.

The NEITI 2023 Solid Minerals Audit Report found that only 67 out of 121 companies covered in the audit had executed valid CDAs with their host communities, showing weak compliance with the law. Many companies also failed to report on the implementation or impact of existing agreements.

NEITI observed that this poor adherence limits the positive impact of mining on host communities and often leads to mistrust, conflict, and poor community relations. Effective CDA implementation remains essential for promoting local development, transparency, and sustainability in the sector.

Key Issues Identified:

- Low compliance with CDA requirements among mining companies.
- Absence of a structured national database for tracking CDA status and performance.
- Weak regulatory agency oversight and limited community participation in agreement design and oversight.
- Inconsistent reporting on corporate social responsibility (CSR) and community investments.

Recommendation:

- The Federal Government, through the Ministry of Solid Minerals Development (MSMD) and relevant agencies, should enforce strict compliance with Section 116(1) of the NMMA 2007.
- Establish a national framework and database for CDA registration, monitoring, and reporting.
- Impose sanctions on non-compliant companies to ensure complete adherence.
- Strengthen community engagement mechanisms to ensure host communities have a voice in identifying and managing development priorities.
- Require annual public disclosure of CDA implementation progress through NEITI reports to enhance transparency and accountability.

3 Energy Transition

The world is moving away from fossil fuels toward cleaner, renewable energy sources to combat climate change and achieve net-zero emissions by 2050. In line with this, Nigeria developed the Energy Transition Plan (ETP) to reach carbon neutrality by 2060. The plan focuses on reducing emissions across key sectors, including power, oil and gas, transport, cooking, and solid minerals, while promoting green growth and sustainable development. The ETP aligns with Nigeria's Nationally Determined Contributions (NDCs) under the Paris Agreement, emphasising the role of transition minerals such as lithium, nickel, cobalt, and copper, which are essential for renewable energy technologies and electric vehicles.

Minerals	Uses Of The Minerals	Quantity Of Minerals Produced (Tonnes)	Locations
Lithium	Used in batteries for electric vehicles (EVs) and energy storage systems	744,502.84	Nasarawa, Kwara, Kogi, Ekiti and Cross River.
Nickel	Used in batteries, particularly in high-energy density batteries for EVs	0	Kaduna, Kebbi, Nasarawa and Taraba

NEITI 2023

SOLID MINERALS INDUSTRY REPORT

Minerals	Uses Of The Minerals	Quantity Of Minerals Produced (Tonnes)	Locations
Cobalt	A component of batteries, especially for stability and energy density.	0	Nasarawa, Bauchi & Plateau
Copper	Essential for electrical wiring and components in renewable energy systems like wind turbines and solar panels	0	Zamfara, Sokoto, Nasarawa & Plateau
Total		**744,502.84**	

The 2023 NEITI Solid Minerals Audit Report notes that lithium production was reported at 744,502.84 tons, representing over a 1,000% increase from 2022. This dramatic surge reflects the rapidly growing demand for lithium-bearing minerals, driven by global shifts toward clean-energy technologies such as electric vehicles, battery storage systems, and renewable-energy infrastructure. Lithium has become one of the most sought-after critical minerals worldwide, and Nigeria's emerging deposits are beginning to attract significant commercial interest. The development of these minerals is expected to boost local industries producing solar panels, batteries, wind turbines, and electric vehicles, creating jobs and positioning Nigeria as a regional leader in the green economy.

NEITI 2023

SOLID MINERALS INDUSTRY REPORT

Key Factors that Increase Lithium Production

1. **Rapid Expansion of Artisanal and Small-Scale Mining:** Rising global lithium prices attracted more artisanal miners, especially in Nasarawa, Kogi and Ekiti, leading to a sharp increase in recorded activity. Media and industry reports confirm rapid lithium rushes in these states.[1]

2. **Entry of New Commercial Buyers and Foreign Offtakers:** Several international buyers, particularly Chinese companies, entered Nigeria between 2022 and 2023 to secure lithium supply deals. This created new export channels and bulk shipments.[2]

3. **Improved Documentation of Lithium Output:** Government agencies stepped up monitoring of critical minerals, leading to better licensing and reporting; this likely captured volumes previously unrecorded, inflating year-on-year increases.[3]

1.Mechanistic insights into nigerian lithium ores: implications for energy and industrial applications, Frontiers, available at https://www.frontiersin.org/journals/geochemistry/articles/10.3389/fgeoc.2025.1659636/full?utm
2. Chinese companies grab stake in Nigeria's lithium and EV future, African Business Available at https://african.business/2025/07/resources/chinese-companies-grab-stake-in-nigerias-lithium-and-ev-future?utm
3. Artisanal Mining in Nigeria: Bridging the Gap Between Informality and Investment,Veriv Africa available athttps://www.verivafrica.com/insights/artisanal-mining-in-nigeria-bridging-the-gap-between-informality-and-investment?utm

4. **Increased Investment and Early Site Development:** New exploration projects and proposed lithium processing facilities drew investor interest, expanding local extraction capacity and increasing official production levels.[4]

5. **Strong Global Demand for Energy-Transition Minerals:** Rising international prices driven by global EV and battery demand also made lithium far more profitable than traditional minerals, prompting miners to shift operations accordingly.[5]

Key Objectives of the Energy Transition Plan (ETP)

- **Poverty Alleviation:** Lift 100 million Nigerians out of poverty through green economic growth.
- **Universal Energy Access:** Expand affordable, modern energy to all communities.
- **Regional Leadership:** Position Nigeria as Africa's hub for fair and inclusive energy transition.
- **Job Creation:** Generate up to 340,000 jobs by 2030 and 840,000 by 2060 in the renewable energy and transport sectors.

4. Lithium must not go the oil way. Umar Abdulsalam, October 22, 2025, available at https://www.vanguardngr.com/2025/10/lithium-must-not-go-the-oil-way/?utm
5. Lithium Mining and Exploration in Nigeria, Daniel Dele-Yaro, March 2023, available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4388085

NEITI 2023

SOLID MINERALS INDUSTRY REPORT

Despite the sector's modest contribution to greenhouse gas (GHG) emissions compared to oil and gas, NEITI stresses the need for emission monitoring. The Climate Change Act (2021) supports this commitment with a five-year national emission budget. Yet, of 85 companies surveyed, only 6 (5.5%) disclosed GHG data, showing limited environmental transparency.

To Make This Work:

- Strengthen laws and policies to attract investment in transition minerals.
- Monitor and manage the environmental effects of mining these minerals.
- Collaborate with international partners to support clean energy goals.
- Integrate Nigeria's climate commitments (NDCs) into mining and energy policies.

Recommendation:

- The government should work with stakeholders to fully implement the Energy Transition Plan (ETP).
- Promote investment in transition minerals, such as lithium and cobalt, to drive renewable energy growth.
- Strengthen environmental regulations to ensure responsible and sustainable mining.
- Encourage local processing and value addition to reduce raw mineral exports.
- Collaborate with international partners for technology transfer and climate financing.
- Integrate climate and emission goals (NDCs) into all mining and sectoral policies.