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Nigeria Raises Taxes on Alcohol and Cigarettes

New excise duties will lift prices on beer, spirits, wine and tobacco products through 2028

Monday, April 20, 2026



Consumers of alcoholic drinks and cigarette smokers in Nigeria will pay higher taxes on those products under a new excise duty schedule that took effect this year, according to a circular released after April 1 and signed by the finance minister, Wale Edun.

The new rates apply to beer, stout and other alcoholic beverages, as well as to wines, spirits and tobacco products, with the government setting different charges for 2026, 2027 and 2028. The policy is part of a broader tax adjustment that also covers some

nonalcoholic drinks.

Under the schedule, beer and stout, including other alcoholic beverages and beer not made from malt, whether fermented or not fermented, will attract N72 per liter in 2026, rising to N76 per liter in 2027 and N80 per liter in 2028. The same category had been listed in the circular with phased implementation over the three-year period.

Nonalcoholic beverages made from fruit juice, energy drinks and sugar-sweetened drinks will pay N10 per liter from 2026 through 2028.

The circular also sets excise duties for alcoholic wines at a 25% ad valorem rate, with a charge of N70 per liter for products classified under tariff codes 2204.10.00.00 to 2205.90.00.00.

For spirits such as whisky, brandy, vodka and rum, the duty is set at a 30% ad valorem rate, with charges of N75 per liter in 2026, N80 per liter in 2027 and N85 per liter in 2028.

Cigarettes will also become more expensive under the new structure. Smokers will pay excise duty at a 30% ad valorem rate of N6.00k per stick in 2026, N7.00k per stick in 2027 and N8.00k per stick in 2028.

Other tobacco products, including smoking tobacco with tobacco substitutes in any proportion, homogenized or reconstituted tobacco, expanded tobacco, chewing tobacco and snuffing tobacco, will also face revised duties over the same period.

The changes are likely to be felt by consumers if producers and importers pass the added tax burden into retail prices. In Nigeria’s large alcohol market, where imported spirits and locally produced beers compete for price-sensitive buyers, higher excise duties can affect demand and push some sales toward informal channels.

The new schedule comes as governments across Africa look for ways to raise revenue while also using taxes to discourage alcohol and tobacco use. In Nigeria, where inflation has already strained household spending, the timing of the increase could make drinks such as whisky, brandy, vodka and rum less affordable for many buyers.

The circular did not say how enforcement would be handled at retail level or whether producers would receive any transition period beyond the phased rates already listed for 2026 through 2028.