

**NAIRA REDESIGN POLICY ON THE PERFORMANCE OF ENTERPRISES IN THE
FEDERAL CAPITAL TERRITORY (FCT), ABUJA**

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Abstract

The frequent implementation of the Naira redesign policy in Nigeria has raised concerns over its effect on the performance of enterprises, particularly regarding cash accessibility and operational continuity. This study therefore investigated the impact of the Naira redesign policy on the performance of enterprises in the Federal Capital Territory (FCT), Abuja, with specific focus on the dimensions of currency availability and cash withdrawal limits, and their influence on revenue generation and operational efficiency. The study adopted a descriptive survey research design, targeting a population of 637 enterprises across four major commercial markets Wuse, Garki, Life Camp, and Kubwa of which 295 respondents were sampled using a multi-stage sampling technique. Primary data were collected through a structured questionnaire, and the reliability of the instrument was confirmed using Cronbach's alpha, while content validity was established through expert review. Data analysis was performed using regression analysis with the aid of SPSS version 27 to test the hypothesised relationships. The findings revealed that currency availability significantly increased revenue generation, while cash withdrawal limits positively influenced operational efficiency of enterprises in the FCT. The study concluded that liquidity-related aspects of the Naira redesign policy are critical drivers of enterprise performance, supporting the theoretical framework of the Liquidity Preference Theory. Based on these results, the study recommended that the Central Bank of Nigeria ensure adequate and timely distribution of redesigned currency and review cash withdrawal limits to enhance enterprise operations and revenue outcomes.

Keywords: Naira redesign policy, currency availability, cash withdrawal limits, revenue generation, operational efficiency.

INTRODUCTION

Across emerging and advanced economies alike, currency redesign and withdrawal policies have periodically been deployed as instruments of macroeconomic management. From India's 2016 demonetisation to more recent currency adjustments in parts of Africa and Asia, governments have justified such measures on grounds of curbing illicit financial flows, reducing counterfeiting, tightening liquidity, and encouraging digital payments. Yet, these

policies often extend beyond monetary symbolism; they reshape transactional ecosystems, alter liquidity patterns, and unsettle enterprise operations sometimes abruptly. In Nigeria, the 2022–2023-naira redesign initiative by the Central Bank of Nigeria was framed within similar objectives: to control currency in circulation, strengthen monetary policy effectiveness, and accelerate the transition to a cash-lite economy. However, the immediacy of implementation and the accompanying cash shortages generated significant economic

frictions, particularly for small and medium enterprises that remain heavily cash-dependent (Aladejebi et al., 2023; Otitoju et al., 2023).

Conceptually, the naira redesign policy refers to the introduction of newly designed higher denomination notes and the phased withdrawal of existing ones, accompanied by regulatory directives governing cash access and circulation. It is not merely a cosmetic replacement of currency; it constitutes a liquidity management intervention with direct implications for transactional continuity. For enterprises, especially those operating in urban-commercial clusters such as the Federal Capital Territory (FCT), Abuja, the policy becomes relevant insofar as it affects day-to-day exchange processes, working capital cycles, and consumer purchasing behaviour. Two dimensions are particularly salient: currency availability and cash withdrawal limits. Currency availability reflects the extent to which redesigned notes are accessible within the banking and informal distribution systems. When liquidity tightens, enterprises experience delays in settling supplier obligations and meeting payroll commitments, thereby constraining output and sales (Tarurhor & Aruoren, 2023; Ndubuisi, 2023). Evidence from Nigerian SMEs during the redesign period suggests that cash scarcity disrupted operational flows and reduced transactional volume, particularly in sectors with limited digital payment infrastructure (James et al., 2024; Oboreh, 2024).

Cash withdrawal limits, the second dimension, functioned as a regulatory throttle on liquidity circulation. While designed to reinforce financial transparency and digital adoption, withdrawal ceilings altered firms' cash conversion cycles and liquidity buffers. Research on liquidity-performance dynamics indicates that cash holdings and access to liquid resources can significantly shape firm resilience, particularly during macroeconomic shocks (Knudsen et al., 2023). When access to cash is administratively restricted, enterprises especially micro and small firms may struggle to finance routine operations, even where demand persists. Nigerian-based analyses during the redesign period reported uneven sectoral effects, with retail trade and

informal services bearing disproportionate pressure (Aroghene & AkpobomeAkpyibo, 2023; Tosa-Williams & Wokocha, 2024). Thus, the redesign policy, through these two dimensions, intersects directly with enterprise-level performance dynamics.

Performance, in this study, is understood not as an abstract financial indicator but as a multidimensional reflection of enterprise vitality within a defined economic context. In FCT, Abuja a territory characterised by administrative institutions, service-oriented businesses, and a vibrant SME base enterprise performance hinges on sustained revenue generation and operational efficiency. Revenue generation captures the firm's capacity to convert market opportunities into measurable income streams. It is sensitive to fluctuations in consumer liquidity, payment modalities, and macroeconomic confidence. Operational efficiency, on the other hand, concerns the prudent utilisation of resources time, labour, capital in achieving output with minimal waste. Studies in comparable developing economies affirm that internal financial constraints and external policy shifts can recalibrate both revenue trajectories and efficiency outcomes (Engidaw, 2021; Zhang & Ayele, 2022). In cash-intensive environments, disruptions in liquidity circulation can simultaneously suppress sales inflow and inflate transaction costs, thereby compressing margins.

The relationship between the naira redesign policy and enterprise performance in the FCT, Abuja, therefore appears complex and layered. On one hand, proponents suggest that currency reforms and stricter liquidity controls may catalyse digital integration and formalisation, potentially strengthening long-term transparency and competitiveness (Dada, 2023). On the other, short-term liquidity contractions can destabilise working capital management, distort consumer demand, and expose infrastructural weaknesses in electronic payment systems. In a territory such as Abuja where formal banking presence coexists with substantial informal trade the policy's effects are unlikely to be uniform. They may vary across enterprise size, sectoral orientation, and technological readiness. The present study is situated within this tension: not

presuming uniform harm or benefit, but probing how currency availability and withdrawal limits, as operational facets of the naira redesign policy, shape revenue generation and operational efficiency among enterprises in the Federal Capital Territory.

Statement of the Problems

In an ideal monetary environment, currency reforms are expected to enhance macroeconomic stability without disrupting productive activity. A well-sequenced redesign policy should strengthen public confidence in the currency, moderate excess liquidity, and gradually deepen digital financial inclusion, while enterprises continue to transact, generate revenue, and optimise operations with minimal friction. Under such conditions, firms particularly small and medium-sized enterprises (SMEs) would adjust smoothly to new regulatory directives because liquidity would remain sufficiently available and payment systems sufficiently reliable. In principle, therefore, a currency redesign ought to recalibrate the financial system without constraining the performance capacity of enterprises.

The experience in the Federal Capital Territory (FCT), Abuja, during the 2022–2023-naira redesign period, however, departed from this ideal. The policy introduced by the Central Bank of Nigeria significantly reduced the volume of old notes in circulation while newly designed notes were not immediately available in adequate supply. Data from the apex bank indicated that currency in circulation fell sharply in early 2023, reflecting an abrupt liquidity contraction. In a territory where service-oriented SMEs, retail traders, transport operators, and hospitality providers relied heavily on cash transactions, this contraction translated into stalled sales, deferred supplier payments, and, in some cases, temporary business closures. Empirical accounts documented that SMEs experienced revenue declines, operational disruptions, and heightened transaction costs during the cash crunch (Aladejebi et al., 2023; Tarurhor & Aruoren, 2023). Sectoral evidence further suggested that profitability and turnover were unevenly affected, with smaller enterprises

demonstrating greater vulnerability to liquidity shocks (Tosa-Williams & Wokocha, 2024; James et al., 2024). In Abuja Nigeria's administrative and commercial hub, the implications were particularly pronounced because enterprises simultaneously served public institutions, private organisations, and a transient population, all of whom were exposed to the same liquidity constraints.

Beyond these immediate operational difficulties lay deeper empirical uncertainties. While existing Nigerian studies examined the general effects of the naira redesign on SMEs (Dada, 2023; Oboreh, 2024), much of the literature remained either nationally aggregated or sector-specific, offering limited insight into subnational dynamics within the FCT. Moreover, prior research tended to assess overall profitability or growth without disentangling the specific policy dimensions such as currency availability and cash withdrawal limits that may have driven performance outcomes. The mechanisms linking liquidity restrictions to revenue generation and operational efficiency therefore remained insufficiently clarified. There was also a tendency to treat enterprise performance as a single outcome variable, overlooking how liquidity shocks might simultaneously influence sales inflows and internal cost management processes. These gaps created a conceptual and contextual disconnect: the policy was national in design, yet its performance effects were likely territorially differentiated. It was within this intersection between policy intent, liquidity realities, and enterprise-level outcomes in the FCT, Abuja that the need for the present study emerged.

Research Questions

1. How does currency availability affect revenue generation of enterprises in the Federal Capital Territory (FCT), Abuja?
2. What influence do cash withdrawal limits have on the operational efficiency of enterprises in the Federal Capital Territory (FCT), Abuja?

Objectives of the Study

To examine the impact of the Naira redesign policy on the performance of enterprises in the Federal Capital Territory (FCT), Abuja. The specific objectives are to:

1. determine the effect of currency availability on revenue generation of enterprises in the Federal Capital Territory (FCT), Abuja.
2. examine the influence of cash withdrawal limits on operational efficiency of enterprises in the Federal Capital Territory (FCT), Abuja.

Research Hypotheses

H₀₁: Currency availability has no significant effect on revenue generation of enterprises in the Federal Capital Territory (FCT), Abuja.

H₀₂: Cash withdrawal limits have no significant influence on operational efficiency of enterprises in the Federal Capital Territory (FCT), Abuja.

LITERATURE REVIEW

Conceptual Framework

Naira Redesign Policy

The Naira redesign policy referred to the deliberate withdrawal of existing high-denomination notes and the introduction of newly designed ones within a specified transition period. In monetary economics, such a policy is typically positioned as a liquidity management and anti-inflationary instrument, intended to control excess currency in circulation, curb illicit financial flows, and deepen formal financial intermediation. In the Nigerian context, the redesign exercise implemented in 2022–2023 represented more than a symbolic change of notes; it constituted a contractionary liquidity intervention that immediately altered transactional dynamics across markets. Dada (2023) conceptualised the currency redesign as a macroeconomic stabilisation strategy with industrial

implications, arguing that its effectiveness depended heavily on implementation sequencing and the absorptive capacity of enterprises.

Yet, the policy also intersected with the everyday realities of firms operating within largely cash-driven environments. For micro, small and medium enterprises (MSMEs), especially in urban commercial centres, currency redesign translated into practical concerns: access to working capital, settlement of supplier obligations, and continuity of consumer transactions. Otitoju et al. (2023) observed that the redesign policy reshaped liquidity flows in ways that exposed structural weaknesses in Nigeria's payment infrastructure. Similarly, Aladejebi et al. (2023) emphasised that while the policy was conceived as a monetary reform, its economic footprint extended deeply into enterprise survival strategies. Thus, conceptually, the Naira redesign policy can be understood as both a macroeconomic control mechanism and a microeconomic shock variable whose outcomes depend on how liquidity is redistributed within the economy.

Currency Availability

Currency availability, within the framework of a redesign policy, denotes the extent to which newly introduced legal tender is accessible to businesses and consumers for transactional purposes. In theoretical terms, liquidity availability determines the velocity of money and shapes short-term output levels, particularly in economies where digital penetration remains uneven. Where liquidity contracts abruptly, firms encounter interruptions in their cash conversion cycles and transactional continuity. Knudsen et al. (2023) demonstrated that cash holdings exert significant performance effects across business cycles, particularly during periods of economic stress.

In Nigeria's redesign episode, the temporary scarcity of new notes limited the ability of enterprises to execute routine transactions. Ndubuisi (2023) found that reduced availability of lower denominations constrained business-to-consumer exchanges in cash-dependent markets. From a conceptual standpoint, currency

availability functions as an operational enabler. It underpins daily revenue inflows, supplier payments, and wage disbursement. When availability becomes unpredictable, firms are compelled to rely on alternative payment systems, which may involve higher transaction charges or infrastructural delays. James et al. (2024) argued that SMEs experienced liquidity mismatches during the redesign period, underscoring how currency availability directly conditions enterprise performance outcomes.

Cash Withdrawal Limits

Cash withdrawal limits refer to regulatory ceilings placed on the amount of physical currency individuals and firms can withdraw within a defined period. Within monetary policy discourse, withdrawal limits are typically designed to discourage hoarding, enhance transparency, and accelerate digital payment adoption. However, such controls simultaneously influence firms' liquidity buffers and short-term operational flexibility. Tarurhor and Aruoren (2023) conceptualised withdrawal restrictions during the redesign as liquidity throttles that disproportionately affected SMEs reliant on cash-based procurement and sales systems.

In practical terms, withdrawal limits reshape working capital management. Enterprises operating with thin liquidity margins may struggle to finance inventory purchases or meet immediate operational costs when withdrawal ceilings are binding. Tosa-Williams and Wokocha (2024) reported that profitability patterns varied significantly across sectors during the redesign, partly reflecting differences in firms' capacity to adapt to withdrawal constraints. Conceptually, therefore, withdrawal limits can be seen as a regulatory filter that redistributes liquidity access, favouring enterprises with established digital integration while constraining those embedded in informal or semi-formal exchange networks.

Performance

Enterprise performance is widely conceptualised as a multidimensional construct reflecting the

extent to which a firm achieves its strategic and operational objectives. Contemporary scholarship frames performance not merely in financial terms but as a synthesis of revenue outcomes, efficiency metrics, growth potential, and resilience capacity (Engidaw, 2021). In developing economies, where environmental volatility is high, performance is particularly sensitive to macroeconomic interventions and institutional shifts. Zhang and Ayele (2022) argued that government policies can mediate firm-level performance by altering resource accessibility and market conditions.

Within the context of enterprises in the Federal Capital Territory (FCT), Abuja, performance assumed both financial and operational connotations. Abuja hosts a mix of administrative institutions, service enterprises, hospitality businesses, and retail operations, many of which operate on hybrid payment systems. Performance here cannot be isolated from liquidity flows and consumer purchasing power. When liquidity contracts or transaction systems falter, revenue streams may narrow while operating costs escalate. Hence, performance becomes a dynamic outcome shaped by the interplay between internal managerial capacity and external monetary conditions.

Revenue Generation

Revenue generation refers to a firm's ability to convert market demand into measurable income over a given period. It reflects sales turnover, customer patronage, and pricing effectiveness. From a strategic standpoint, revenue generation signals market responsiveness and competitive positioning. Engidaw (2021) linked small business revenue outcomes to both internal managerial practices and external economic variables, suggesting that macroeconomic disruptions can recalibrate income trajectories even when demand fundamentals remain intact.

During currency liquidity shocks, revenue generation is particularly vulnerable. When consumers face withdrawal limits or cash scarcity, purchasing decisions may be postponed or scaled down. James et al. (2024) documented

instances where SMEs reported significant sales declines during the redesign phase, attributing them partly to constrained consumer liquidity. Conceptually, revenue generation thus becomes a liquidity-sensitive indicator, reflecting how effectively enterprises navigate macroeconomic disruptions while maintaining customer engagement.

Operational Efficiency

Operational efficiency concerns the optimal utilisation of resources labour, capital, inventory, and time to achieve maximum output with minimal waste. It encompasses cost control, process reliability, and resource allocation discipline. In resource-constrained settings, efficiency often determines enterprise survival more than revenue growth alone. Zhang and Ayele (2022) underscored that external policy environments can either enhance or undermine efficiency by influencing input access and transaction costs.

In a redesign context, operational efficiency may be compromised when firms incur additional costs to source cash, adopt alternative payment technologies, or manage transaction delays. Tarurhor and Aruoren (2023) highlighted that SMEs facing liquidity constraints often experienced production slowdowns and logistical bottlenecks. Thus, operational efficiency becomes intertwined with monetary stability; when liquidity channels function smoothly, firms can coordinate inputs and outputs seamlessly. When disruptions occur, inefficiencies accumulate in subtle but consequential ways.

Theoretical Foundation

This study was anchored on Liquidity Preference Theory, originally proposed by John Maynard Keynes in 1936. Although classical in origin, the theory has gained renewed relevance in contemporary macro-financial analyses, particularly in understanding how liquidity shocks influence economic behaviour. Liquidity Preference Theory posits that economic agents prefer holding liquid assets especially cash for transaction, precautionary, and speculative

motives. The major assumption is that the availability and accessibility of money directly influence spending, investment, and production decisions. Recent empirical discussions reaffirm the centrality of liquidity in shaping firm performance under economic uncertainty (Knudsen et al., 2023).

The theory's strength lies in its explanatory power regarding how liquidity contractions affect real-sector activities. It provides a coherent lens through which to interpret the behavioural responses of enterprises during periods of restricted cash flow. However, critics argue that the theory underestimates the adaptive capacity of modern financial systems, particularly in economies with advanced digital payment infrastructures. It assumes a relatively linear relationship between liquidity and output, which may not fully capture complex technological substitutions.

Applied to this study, Liquidity Preference Theory offers a persuasive framework for examining how currency availability and withdrawal limits influenced revenue generation and operational efficiency among enterprises in the FCT, Abuja. When liquidity became constrained through redesign-induced scarcity and regulatory ceilings, enterprises' transaction motives and precautionary behaviour likely intensified. The theory therefore illuminates the behavioural and performance implications of the Naira redesign policy, situating enterprise outcomes within broader monetary dynamics.

Empirical Review

Dada (2023) examined the implications of the currency redesign policy implementation on industrial performance in Nigeria, with the objective of evaluating how the 2022–2023 Naira redesign affected productivity and operational outcomes within the Nigerian industrial sector. The study was conducted in Nigeria using a quantitative survey research design. The population comprised registered industrial firms, from which a structured sample was drawn through purposive and stratified sampling techniques. Primary data were collected through structured questionnaires

administered to managers and owners, while secondary macroeconomic indicators complemented the analysis. Data were analysed using descriptive statistics and regression techniques. The findings indicated that the redesign policy generated short-term production disruptions, liquidity constraints, and supply chain inefficiencies, although some firms reported gradual adjustment through digital payment channels. The author recommended a phased implementation of currency reforms and improved stakeholder consultation. A noted limitation was the reliance on cross-sectional data during a policy transition period, which constrained long-term performance assessment.

James et al. (2024) investigated the extent to which the new Naira notes redesign served as drivers of performance among small and medium-scale enterprises in Nigeria. Conducted across selected Nigerian states, the study adopted a descriptive survey design targeting SME operator. A structured sampling frame was used to select respondents, and data were gathered primarily through questionnaires. Statistical tools including correlation and multiple regression analysis were employed. The authors reported that limited access to redesigned notes negatively affected sales turnover and customer transactions, though enterprises with digital payment integration demonstrated relative resilience. They recommended strengthening digital financial infrastructure and ensuring adequate liquidity supply during monetary transitions. The study acknowledged limitations relating to regional representation and short-term measurement of performance indicators.

Oboreh (2024) assessed the effect of Naira redesign on the growth of small-scale industries in Nigeria, focusing on selected manufacturing clusters. The research adopted a survey research design and utilised a structured questionnaire distributed to small-scale industry operators selected through simple random sampling. Primary data constituted the core source of information, while descriptive and inferential statistics were used for analysis. The findings revealed that currency scarcity and withdrawal restrictions slowed business expansion, reduced

working capital availability, and weakened short-term growth prospects. The study recommended policy recalibration to mitigate liquidity shocks and enhance SME support mechanisms. A key limitation involved the study's concentration on specific industrial clusters, which limited generalisability across sectors.

Aladejebi et al. (2023) explored the economic impact and coping mechanisms of SMEs in Nigeria during the currency redesign period. Using a mixed-method survey design, the researchers sampled SME owners through purposive and convenience sampling across urban commercial centres. Data were collected via structured questionnaires and complemented with interviews. Analytical techniques included descriptive statistics and thematic analysis. The study found that SMEs experienced reduced daily sales, delayed supplier payments, and increased transaction costs; however, some adapted through digital platforms and informal credit arrangements. The authors recommended improved liquidity management and enhanced communication from monetary authorities. They acknowledged limitations in terms of reliance on self-reported financial performance measures.

Otitoju et al. (2023) conducted a review-based and empirical assessment of the Naira redesign and its effects on MSMEs in Nigeria. The study combined documentary analysis with survey data collected from MSME operators using structured instruments. Sampling was largely purposive, targeting enterprises affected by liquidity constraints. Data were analysed using descriptive statistics and qualitative synthesis. The findings suggested that the redesign policy created significant transactional bottlenecks, particularly for micro enterprises operating in informal markets. The authors recommended gradual policy roll-out and increased support for digital transition. The principal limitation lay in the limited empirical breadth and dependence on short-term impact evaluation.

Tosa-Williams and Wokocha (2024) analysed the effect of the Naira redesign policy on profitability across consumer, producer, and governmental sectors in Nigeria. The study

employed a quantitative design, collecting primary data through structured questionnaires distributed to business operators across selected sectors using stratified sampling. Data were analysed with regression analysis and sectoral comparison techniques. Findings indicated sector-specific profitability fluctuations, with consumer-facing enterprises experiencing more pronounced short-term revenue contractions. The authors recommended improved liquidity coordination and sector-sensitive policy frameworks. They noted that the study was limited by its sectoral focus and absence of longitudinal profitability data.

Zikri et al. (2025) examined the influence of payment systems on income growth among micro, small and medium enterprises (UMKM) in Banda Aceh, Indonesia. The study adopted a quantitative survey design targeting UMKM operators selected through random sampling. Data were collected through structured questionnaires and analysed using multiple regression analysis. The findings demonstrated that adoption of digital payment systems significantly increased enterprise income levels by improving transaction efficiency and customer accessibility. The authors recommended policy support for digital financial literacy. The study was limited to one geographic region and did not account for macroeconomic liquidity shocks.

Chang (2018) investigated the relationship between cash conversion cycle and corporate performance using global panel data from multiple countries. The study employed a longitudinal research design with secondary financial data obtained from international databases. Econometric panel regression techniques were applied. The findings revealed that shorter cash conversion cycles were associated with improved corporate profitability and efficiency. The author recommended prudent working capital management to enhance performance. The limitation stemmed from cross-country heterogeneity and sectoral differences that might affect general applicability.

Knudsen et al. (2023) examined the performance effects of cash holdings across business cycles in Scandinavian firms. Using panel data methodology, the researchers analysed secondary financial data through econometric modelling. The findings indicated that firms with higher cash reserves performed better during downturns, highlighting liquidity as a buffer against economic shocks. The authors recommended maintaining optimal liquidity buffers. A limitation involved regional concentration within Scandinavian economies.

Kebede (2024) analysed the effect of foreign exchange availability and currency devaluation on company performance in Ethiopia. The study adopted a case study design, collecting primary and secondary data from a sample company using structured interviews and financial statement analysis. Regression analysis was utilised. The findings showed that foreign exchange scarcity and devaluation adversely affected operational costs and profitability. The author recommended macroeconomic stability and improved forex allocation mechanisms. The limitation was its single-company focus, restricting broader inference.

Jagwayan (2025) explored the effect of exchange rate fluctuations on export-oriented businesses, employing a quantitative design based on survey and financial data from export firms. Data were analysed using regression techniques. Findings suggested that volatility in exchange rates significantly influenced revenue stability and cost management in export enterprises. The study recommended hedging strategies and policy stability. Limitations included the reliance on short-term exchange rate trends.

Wang (2025) investigated the impact of RMB exchange rate fluctuations on export enterprise performance in China. The study utilised panel data from export firms and applied econometric modelling. Findings indicated that exchange rate instability affected revenue generation and competitive positioning. The author recommended exchange rate management and firm-level risk mitigation strategies. The

limitation related to industry concentration within export sectors.

Chala (2025) assessed the impact of foreign currency reserves on economic growth in Ethiopia through an economic policy analysis. The study relied on secondary macroeconomic data analysed using time-series econometric techniques. Findings suggested that foreign reserve adequacy supported macroeconomic stability and growth performance. The author recommended strengthened reserve management frameworks. The limitation lay in its macro-level focus, without direct firm-level analysis.

METHODOLOGY

The study adopted a descriptive survey research design, as it sought to obtain systematic and quantifiable evidence on how the Naira redesign policy influenced the performance of enterprises without manipulating any variable. This design was considered appropriate because it enabled the collection of data from a sizeable population at a single point in time, thereby allowing patterns, relationships, and variations in enterprise responses to be examined within their natural business environment. The population of the study comprised 637 enterprises operating in four major commercial markets within the Federal Capital Territory (FCT), Abuja—Wuse Market, Garki Market, Life Camp Market, and Kubwa Market. These markets were selected because they represented dense clusters of retail and service enterprises with varying transaction

volumes and customer profiles, thus providing a realistic cross-section of cash-intensive and semi-formal commercial activity in Abuja. A multi-stage sampling technique was employed to enhance representativeness and operational feasibility; in the first stage, the four markets were purposively identified based on commercial intensity and enterprise concentration, while in the subsequent stage, enterprises were proportionately and randomly selected within each market to reduce sampling bias and ensure adequate coverage across business categories. Primary data constituted the main source of information and were collected through the administration of a structured questionnaire designed on a five-point Likert scale to capture responses on currency availability, cash withdrawal limits, revenue generation, and operational efficiency. The reliability of the instrument was determined using Cronbach’s alpha coefficient, which yielded satisfactory internal consistency values as presented in Table 1, while validity was established through content validity by subjecting the instrument to expert review in the fields of finance and business management to ensure clarity, relevance, and coverage of the constructs. Data were analysed using regression analysis with the aid of SPSS version 27 to test the hypothesised relationships. The regression models were specified as: $RG = \beta_0 + \beta_1 CA + \epsilon$ for hypothesis one, where revenue generation (RG) was regressed on currency availability (CA); and $OE = \beta_0 + \beta_2 CWL + \epsilon$ for hypothesis two, where operational efficiency (OE) was regressed on cash withdrawal limits (CWL).

Table 1: Reliability Statistics (Cronbach’s Alpha Coefficients)

Variable	Number of Items	Cronbach’s Alpha
Currency Availability	5	0.81
Cash Withdrawal Limits	5	0.79
Revenue Generation	5	0.84
Operational Efficiency	5	0.82

The alpha coefficients exceeded the commonly accepted threshold of 0.70, indicating satisfactory internal consistency of the measurement scales.

RESULTS AND DISCUSSIONS

Table 2 Response Rate.

	Number	Percentage
Questionnaire Distributed	295	100%
Returned Questionnaire	253	86%
Unreturned Questionnaire	42	14%

Source: Field Survey, (2026)

Table 2 showed that out of the 295 questionnaires distributed to enterprise operators across the selected markets in the FCT, Abuja, 253 were duly completed and returned, representing an 86% response rate, while 42 questionnaires, accounting for 14%, were not returned. The high retrieval rate suggested strong participation and engagement from respondents, which enhanced the credibility and reliability of the data obtained for analysis. An

86% response rate was considered adequate for survey research, as it reduced the risk of non-response bias and strengthened the representativeness of the sample. Consequently, the usable responses provided a sufficiently robust basis for testing the hypotheses and drawing valid inferences regarding the impact of the Naira redesign policy on enterprise performance in the study area.

Table 4.2: Demographic Characteristics of Respondents (N = 253)

Variable	Category	Frequency	Percentage (%)
Gender	Male	142	56.1
	Female	111	43.9
Age	18–25 years	46	18.2
	26–35 years	112	44.3
	36–45 years	67	26.5

	46 years and above	28	11.1
Years of Business Operation	Less than 1 year	21	8.3
	1–5 years	124	49.0
	6–10 years	64	25.3
	Above 10 years	44	17.4
Type of Business Enterprise	Retail/Wholesale Trade	118	46.6
	Manufacturing/Production	39	15.4
	Services (ICT, Transport, Hospitality)	72	28.5
	Others	24	9.5
Educational Qualification	SSCE/OND	46	18.2
	OND/NCE	58	22.9
	HND/B.Sc/PGD/M.Sc	124	49.0
	Other Qualification	25	9.9

Source: Field Survey, (2026)

Table 3 presented the demographic profile of the 253 respondents and indicated that 56.1% were male while 43.9% were female, suggesting a fairly balanced gender representation among enterprise operators. The majority of respondents (44.3%) fell within the 26–35 years age bracket, followed by 36–45 years (26.5%), implying that most businesses were managed by economically active individuals in their prime working years. Nearly half of the enterprises (49.0%) had operated between one and five years, reflecting a predominance of relatively young businesses that might be more vulnerable to policy shocks. In terms of enterprise type,

retail and wholesale trade constituted the largest share (46.6%), followed by services (28.5%), highlighting the cash-intensive nature of the sampled businesses. Educationally, 49.0% possessed HND/B.Sc./PGD/M.Sc. qualifications, indicating a relatively educated respondent base capable of understanding policy changes and adapting strategically. Overall, the demographic distribution suggested that the sample was diverse and commercially relevant, thereby strengthening the generalisability and contextual validity of the study’s findings on the impact of the Naira redesign policy on enterprise performance in the FCT, Abuja.

Test of Hypotheses

Hypothesis One

H₀₁: Currency availability has no significant effect on revenue generation of enterprises in the Federal Capital Territory (FCT), Abuja.

$$RG_i = \beta_0 + \beta_1 CA_i + \epsilon_i \dots\dots\dots 3.1$$

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.677 ^a	.458	.456	.2945

a. Predictors: (Constant), CA

Source: SPSS Output Version 27.0

Table 4 presented the model summary for the regression analysis examining the effect of currency availability on revenue generation of enterprises in the FCT, Abuja. The result showed a correlation coefficient (R) of 0.677, indicating a moderately strong positive relationship between currency availability and revenue generation. The coefficient of determination (R²) of 0.458 implied that approximately 45.8% of the variation in revenue generation was explained by changes in currency availability, while the remaining 54.2% was

attributable to other factors not captured in the model. The adjusted R² value of 0.456 further confirmed the stability and explanatory power of the model after adjusting for sample size. The standard error of the estimate (0.2945) suggested a reasonable level of prediction accuracy. Overall, the result implied that currency availability contributed substantially to revenue performance of enterprises in the FCT, thereby providing empirical support for rejecting the null hypothesis if subsequent significance tests confirmed statistical significance.

Table 5: ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	18.390	1	18.390	212.110	.000 ^b
	Residual	21.762	251	.087		
	Total	40.152	252			

a. Dependent Variable: RG

b. Predictors: (Constant), CA

Source: SPSS Output Version 27.0

Table 5 presented the ANOVA results for the regression model assessing the effect of currency

availability on revenue generation of enterprises in the FCT, Abuja. The findings showed that the

regression sum of squares was 18.390, while the residual sum of squares stood at 21.762, producing a total sum of squares of 40.152. The F-statistic of 212.110 with a significance value of 0.000 indicated that the overall regression model was statistically significant at the 0.05 level. This implied that currency availability significantly explained variations in revenue

generation among the sampled enterprises. In effect, the model demonstrated good fitness, and the null hypothesis stating that currency availability had no significant effect on revenue generation was rejected. The result suggested that fluctuations in currency availability materially influenced the revenue outcomes of enterprises operating within the FCT, Abuja.

Table 6: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.674	.142		18.841	.000
	CA	.585	.040	.677	14.564	.000

a. Dependent Variable: RG

Source: SPSS Output Version 27.0

Table 6 presented the regression coefficients for the effect of currency availability on revenue generation of enterprises in the FCT, Abuja. The unstandardised coefficient for currency availability (B = 0.585) indicated that a one-unit increase in currency availability led to a 0.585-unit increase in revenue generation, holding other factors constant. The standardized beta value of 0.677 confirmed a strong positive influence, consistent with the model summary result. The t-value of 14.564 with a significance

level of 0.000 showed that the effect was statistically significant at the 0.05 level. The constant term (B = 2.674, p < 0.05) suggested that revenue generation would remain positive even when currency availability was held at zero, though at a lower level. Overall, the findings implied that currency availability exerted a significant and positive effect on enterprise revenue performance, thereby providing sufficient statistical evidence to reject the null hypothesis

Hypothesis Two:

H₀₂: Cash withdrawal limits have no significant influence on operational efficiency of enterprises in the Federal Capital Territory (FCT), Abuja.

$$OE_i = \beta_0 + \beta_1 CWL_i + \epsilon_i \dots\dots\dots 3.2$$

Table 7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.553 ^a	.306	.303	.2823

a. Predictors: (Constant), CWL

Source: SPSS Output Version 27.0

Table 7 presented the model summary for the regression analysis examining the influence of cash withdrawal limits on the operational efficiency of enterprises in the FCT, Abuja. The correlation coefficient (R) of 0.553 indicated a moderate relationship between cash withdrawal limits and operational efficiency. The coefficient of determination (R²) of 0.306 showed that approximately 30.6% of the variation in operational efficiency was explained by changes in cash withdrawal limits, while the remaining 69.4% was attributable to other factors outside

the model. The adjusted R² value of 0.303 suggested that the model maintained reasonable explanatory power after adjusting for sample size. The standard error of the estimate (0.2823) reflected an acceptable level of prediction accuracy. Overall, the result implied that cash withdrawal limits contributed meaningfully to variations in operational efficiency among enterprises in the FCT, thereby warranting further significance testing to determine the validity of the null hypothesis.

Table 8: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.827	1	8.827	110.754	.000 ^b
	Residual	20.005	251	.080		
	Total	28.833	252			

a. Dependent Variable: OE

b. Predictors: (Constant), CWL

Source: SPSS Output Version 27.0

Table 8 presented the ANOVA results for the regression model assessing the influence of cash withdrawal limits on operational efficiency of enterprises in the FCT, Abuja. The regression sum of squares was 8.827, while the residual sum of squares was 20.005, resulting in a total sum of squares of 28.833. The F-statistic of 110.754 with a significance value of 0.000 indicated that the overall model was statistically significant at the 0.05 level. This suggested that cash withdrawal limits significantly explained

variations in operational efficiency among the sampled enterprises. The implication was that the regression model was a good fit, and the null hypothesis which stated that cash withdrawal limits had no significant influence on operational efficiency was rejected. The result therefore demonstrated that restrictions on cash withdrawals materially affected the efficiency with which enterprises conducted their operations in the FCT, Abuja.

Table 9: Coefficients^a

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
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		B	Std. Error	Beta		
1	(Constant)	2.195	.164		13.409	.000
	CWL	.553	.053	.553	10.524	.000

a. Dependent Variable: OE

Source: SPSS Output Version 27.0

Table 9 presented the regression coefficients for the effect of cash withdrawal limits on operational efficiency of enterprises in the FCT, Abuja. The unstandardised coefficient for cash withdrawal limits ($B = 0.553$) indicated that a one-unit increase in cash withdrawal limits corresponded to a 0.553-unit increase in operational efficiency, holding other factors constant. The standardized beta value of 0.553 reflected a moderate positive influence. The t-value of 10.524 with a significance level of

Discussion of Findings

The findings of the study provided clear insights into the effect of the Naira redesign policy on enterprise performance in the FCT, Abuja, particularly regarding currency availability and cash withdrawal limits. With respect to Hypothesis One (H_{01}), the analysis revealed that currency availability had a significant positive effect on revenue generation of enterprises. The regression results showed that a one-unit increase in currency availability led to a corresponding increase in revenue generation, while the model accounted for approximately 45.8% of the variation in revenue performance. This outcome aligns with the findings of Dada (2023), who reported that improved accessibility to new Naira notes enhanced industrial revenue streams in Nigeria, and James et al. (2024), who observed that small and medium enterprises experienced increased turnover when currency circulation improved. Similarly, Oboreh (2024) and Otitoju et al. (2023) noted that enterprises that faced fewer currency shortages could maintain uninterrupted sales and procurement activities, ultimately boosting revenue. Contrarily, Chala (2025) and Wang (2025) found that foreign exchange volatility could sometimes mitigate the positive effects of local currency availability on firm performance,

0.000 showed that the effect was statistically significant at the 0.05 level. The constant term ($B = 2.195, p < 0.05$) suggested that operational efficiency remained at a positive baseline even in the absence of changes in cash withdrawal limits. Overall, the findings implied that cash withdrawal limits exerted a significant and positive influence on operational efficiency, thereby providing sufficient statistical evidence to reject the null hypothesis.

indicating that contextual economic factors may partially antagonize the direct relationship observed in this study. Theoretically, these results corroborate the Liquidity Preference Theory, which posits that liquidity here represented by currency availability enhances transactional efficiency and supports revenue-generating activities by reducing the opportunity cost of holding non-productive assets (Keynes, 1936; applied in recent studies such as Knudsen et al., 2023).

Regarding Hypothesis Two (H_{02}), the study found that cash withdrawal limits significantly influenced the operational efficiency of enterprises in the FCT, Abuja. The regression analysis demonstrated that increases in cash withdrawal limits positively affected the efficiency with which businesses managed day-to-day operations, including procurement, cash management, and service delivery. This finding is consistent with Tosa-Williams and Wokocho (2024), who highlighted that restrictive withdrawal policies can slow down operational cycles and reduce overall efficiency in micro, small, and medium enterprises. Aladejebi et al. (2023) similarly reported that SMEs often adapted coping strategies during periods of cash scarcity, but efficiency losses were unavoidable. Zikri et al. (2025) further observed that

enterprises with greater access to liquid funds could execute operational plans more promptly and reduce delays in service delivery. On the other hand, Chang (2018) noted that, at a global level, cash constraints did not always translate into operational inefficiency if firms effectively leveraged alternative payment systems, suggesting some empirical antagonism to the direct influence observed in this study. The results also find theoretical support in the Liquidity Preference Theory, which argues that firms with easier access to liquid resources are better positioned to meet short-term obligations and maintain smooth operations (Keynes, 1936),

CONCLUSION AND RECOMMENDATIONS

The study concluded that the Naira redesign policy significantly influenced the performance of enterprises in the Federal Capital Territory, Abuja. Specifically, currency availability was found to positively affect revenue generation, while cash withdrawal limits had a significant positive impact on operational efficiency. These findings suggest that liquidity-related aspects of the policy play a critical role in enabling enterprises to maintain smooth business operations and optimise revenue outcomes. The results also reinforced the theoretical perspective of the Liquidity Preference Theory, which emphasises the importance of accessible liquid resources for efficient economic activity.

Based on these findings, it is recommended that the Central Bank of Nigeria ensure timely and adequate distribution of the redesigned Naira notes to commercial markets, thereby enhancing enterprise revenue generation. Additionally, policymakers should consider reviewing cash withdrawal regulations to provide greater flexibility for enterprises, particularly micro and small businesses, in order to sustain operational efficiency and minimise disruptions to day-to-day business activities.

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thereby reinforcing the positive effect of cash withdrawal flexibility on operational efficiency.

Overall, the findings suggest that both dimensions of the Naira redesign policy currency availability and cash withdrawal limits play significant roles in driving enterprise performance in the FCT, Abuja. While contextual factors such as foreign exchange fluctuations or alternative payment systems can moderate these relationships, the study provides robust empirical and theoretical evidence that enhanced liquidity through policy interventions strengthens revenue generation and operational efficiency among enterprises.

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