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# BUSINESS DAY

News you can trust \*Thursday 07 December 2023 Vol. 21, No 1,565 **N400** www.businessday.ng facebook/businessdayonline @businessdayng @businessDayNG

			<b>FMDQ Close</b>			<b>AFEX</b>					
<b>INVESTMENT ONE</b>			<b>Foreign Exchange</b>			<b>Commodities</b>					
OPEN	CLOSE	%CHANGE	Market	Spot (\$/N)	NTB	Cash Settled Price(NGN-1kg)	D-o-D (%)	Benchmark	Value	D-o-D %	
NGX ASI	71,052.85	71,230.49	0.25%	NAFEM	951.22	6-Jun-24	0.00%	ACI-Points	550.46	0.00%	
1YR NTB	15.45%					10.94	0.00%	AEI-Points	229.25	0.00%	
FGN BOND 10YR	16.22%					10.94	0.00%	Turnover-NGN' mn	299,083,230	1.02%	
EURO BOND 10YR	11.03%					10.94	0.00%	Contracts Traded	738,039	1.03%	
<b>Foreign Reserve</b> \$33.30bn			<b>Exchange-Traded FX</b>			<b>Commodities</b>			<b>Value</b>		
<b>Cross Rates</b>			<b>3M</b>			<b>Maize</b>			<b>550.46</b>		
<b>Commodities (\$)</b>			<b>6M</b>			<b>Sorghum</b>			<b>229.25</b>		
<b>Cocoa</b>			<b>28-Feb-24</b>			<b>Soybean</b>			<b>299,083,230</b>		
<b>Gold</b>			<b>29-May-24</b>			<b>Ginger</b>			<b>738,039</b>		
<b>Crude Oil</b>			<b>Futures Rates (\$/N)</b>			<b>Cocoa</b>			<b>1.02%</b>		
<b>\$4,129.00</b>			<b>877.57</b>			<b>4,400.00</b>			<b>1.03%</b>		
<b>\$2,029.35</b>			<b>906.84</b>			<b>4,400.00</b>			<b>0.00%</b>		
<b>\$74.35</b>											

# P&G Nigeria exit ends 5,000 jobs

By Olamide Ologunagbe

THE exit of Procter & Gamble (P&G), a multinational consumer goods company in Nigeria, could result in a loss of over 5,000 jobs and a major decline in foreign investments into Africa's most populous nation. This comes after GlaxoSmithKline Consumer Nige-

ria, another multinational announced plans in August to exit the country after 51 years of operations. "The impact of the market on the company's overall net worth is due to two key factors - intensified competition within the industry and a declining consumer purchasing power," Muda Yusuf, chief operating

officer of the Centre for the Promotion of Private Enterprise (CPPE), told BusinessDay on Wednesday. He added that the recent devaluation of the naira poses significant challenges for any business with substantial foreign exchange exposure, highlighting the current reality of the Nigerian market.

"Businesses with foreign exchange exposure are struggling." Kalu Aja, a certified finance coach, said on X that if this reality continues, there will be no Small and Medium Scale Enterprises (SMEs) left in Nigeria. "As I keep saying, imports

Continues on page 28

# Nigerian startups 2023 shutdown costs investors \$79m

By Frank Eleanya

SEVEN Nigerian startups that have announced they will be shutting down operations this year, will cost investors \$79.15 million in funding deals, BusinessDay can report. The country has witnessed an unprecedented shutdown of startups in 2023 as about eight exited the tech ecosystem, citing operational difficulties. Seven of the startups are responsible for the \$79.15 million funding that investors would not be making any returns from. Among the startups BusinessDay tracked are Lazerpay, which raised \$1.1 million; 54Gene, \$45 million; Pillow, \$21 million; Vibra, \$6 million;

Continues on page 2



An aerial photograph of the ongoing Opebi-Mende-Ojota Link Bridge in Lagos State.

# FG hooked on squandermania as Nigerians suffer daily

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# All eyes on Tinubu to reverse zero asset sales

>> Turn to page 29

# Govt to roll out 1,000 electric buses in 2024 - Minister

>> Turn to page 7

## NEWS



L-R: Bello Dambatta, secretary-general, Islamic Financial Services Board (IFSB); Sunday Thomas, CEO, National Insurance Commission; Lamido Yuguda, director-general, Securities and Exchange Commission (SEC); and Wale Edun, minister of finance and coordinating minister of the economy, during the SEC Nigeria-IFSB International Forum on non-interest (Islamic) capital market in Abuja, yesterday. Pic by Tunde Adeniyi

## Vendors dangle Rent4Less to tackle cost of living

By Chuka Uroko

PROPERTY developers and vendors are offering accommodation seekers an option known as 'Rent4Less' that allows renters to keep a larger chunk of the sum they could spend on rent by paying only one month and moving into their new apartment.

The initiative not only addresses the challenges associated with Nigeria's rising cost of living but also tackles accommodation and commuting problems in Nigeria's big cities, particularly Lagos, where securing a house and moving from one point to another is a near-nightmare for the majority of the residents.

It is also launched into the Lagos rental market as a response to the state's

quest for a monthly rent that not only eases the burden of advance rent payment but also allows renters live in accessible locations.

The new initiative is being driven by Alpha Mead Development Company, the property development arm of Alpha Mead Group. According to officials of the company, Rent4Less is a monthly rental property platform that offers innovative solutions to the problem of accommodation.

"This initiative addresses the specific needs of young professionals and others who wish to live close to their workplaces on the island, thus minimising the time spent navigating through the city's congested roads,"

said Wale Ofufalu, managing director, of development, Alpha Mead Development Group.

Odufalu explained further: "Rent4Less is not only reshaping the real estate landscape, it is also contributing to a more sustainable and liveable Lagos. As it continues to evolve, its role in reducing the economic losses associated with traffic congestion becomes increasingly evident, offering a glimmer of hope for a more efficient and productive urban future."

Explaining the way the new initiative works, Odufalu said Rent4Less identifies and lists properties in areas that are not only affordable but also strategically positioned for quick and efficient commuting, adding that,

by offering accommodation options close to major business hubs, it empowers individuals to live and work in proximity, reducing the strain on transportation networks.

"Recognising the diverse needs of its user base, Rent4Less offers flexible rental models and encourages monthly plans that align with the dynamic nature of modern work. This flexibility allows residents to adapt their living arrangements to changing work schedules, reducing the need for lengthy daily commutes during peak traffic hours," she said.

A major high point of the initiative is that it fosters a sense of community among residents through various initiatives, creat-

Continues on page 29

## Nigerian startups 2023 shutdown costs...

Continued from page 1

Bundle, \$450,000; PayDay, \$3 million; and Pivo Africa, \$2.6 million.

Startup shutdowns were also rampant in other parts of Africa this year. In October alone, three notable startups across different countries shut down their operations. Sendy, a Kenya logistics startup that facilitated purchases of FMCGs from manufacturers for retailers, shut down in August and is exploring the possibility of selling its assets. WhereIsMyTransport, a South African mobility startup also closed down operations in the same month after failing to secure the necessary funding to continue operation. Another shutdown in October was Dash, a Ghanaian fintech company that connects mobile money wallets and bank accounts across Africa.

According to some experts, startup shutdowns are not new. The case of Nigeria only reflects the general market sentiments which shows that the global tech industry is facing difficult times.

"The rush to publicly borderline celebrate or even just pontificate over the demise of startups or the failure of specific efforts by others we do not know is perhaps the most unproductive use of human capacity," said Kola Aina, General Partners of Ventures Platform Fund. "Most times, people who exhibit this behaviour have never actually built. When you have built and maybe blessed yourself with failure, you will reconsider before you make light of an honest effort."

Some of the startups blamed the inability to raise more funding as the primary reason they were shutting down. Lazerpay, for example, said it was unable to close a successful fundraising round.

"We fought hard to keep the lights on as long as possible, but unfortunately, we are now at a point where we need to shut down," Emmanuel Njoku, founder and CEO of the company said

in April.

Hytch, a logistics startup, announced in February it was shutting down because it couldn't raise funding. Laolu Onifade, the co-founder and CEO of the company told TechCabal, "We couldn't raise and couldn't sustain the business with just the money we were making."

However, the decision to shut down startups like 54Gene, Pivo, Bundle, Vibra, Payday, and Pillow was different from the inability to raise funding.

Bundle, a cryptocurrency exchange, said it was shutting down as part of the shareholders' decision to restructure the business to focus on Cashlink which had recorded over 3 million transaction volume.

Vibra, a pan-African crypto, shut down in April claiming it was pivoting to another business. It, however, did not provide specific details about the ongoing pivot. The company also closed operations in Ghana and Kenya.

Pivo, a digital bank for trade, shut down due to an unresolved founder conflict according to reports. Some experts said there is a need to be more transparent about the reasons startups are shutting down in the country. Doing so will either serve as a lesson for other startups and founders or help investors make informed decisions. In nearly all the shop closures, the reasons given were not detailed and sometimes vague.

"Can we at least be intellectually honest about why companies are shutting down? Sure, the funding downturn may have played some role, but that's not the real reason," said Justin Norman, founder of The Flip Africa.

Payday is the only startup on the list that went on to be acquired. However, there are reports from different sources that the \$3 million funding he raised by the founder from Moniepoint and other investors, may not have been well managed.

## Individual, family protection plans drive insurance growth

•Gross premium hits N729bn

By Modestus Anaesoronye

INCREASING quest for protection of self and dependants against unexpected occurrences and future wellbeing are driving the uptake of individual life, and family protection insurance products. This, in turn, is stimulating the growth of the sector.

Data released by the

National Insurance Commission (NAICOM) titled 'Nigerian Insurance Market at a Glance', the performance of the insurance industry in the third quarter of 2023 shows that gross written premium grew to N792 billion, with individual life and group life contributing the highest.

From the data, individual life insurance contrib-

uted 36.4 percent, while group life contributed 34.5 percent at the end of the third quarter of 2023.

In the general business category, oil and gas business contributed 28.9 percent, while fire and motor business contributed 23.6 percent and 18.1 percent respectively.

Chika Onwunali, partner at Premium Debate said, "It's not a surprise

that individual life insurance is leading the table because retiree's annuity offers a lot of opportunity for life insurance growth".

He said that this could even get better if life insurance companies can put their house in order, and build capacity for risk management with actuarial experts.

Onwunali said, "Even with increasing economic challenges, the need for life insurance, health, and protection for dependants have become even more important."

Sunday Thomas, Commissioner for Insurance, speaking on the future

of the industry during a recent insurance directors conference in Lagos, said the sector's 10-year Strategic Transformation Roadmap will continue its transformation journey along seven strategic thrusts.

According to him, this will have the objective of achieving the corresponding goals of transforming the regulatory environment to sustain the industry growth, transition to a risk-based capital model, promote insurance awareness and adoption, and broaden insurance and product offerings. He noted that it will improve the effectiveness of distri-

bution channels, enhance digitalisation of the insurance industry, deepen the industry's talent pool and capabilities, as well as support Nigeria's economic transformation and sustainability agenda.

Thomas said the strategic roadmap was expected to revolutionise the insurance sector with a well-coordinated implementation approach.

"Insurance penetration is expected to move from the current rate of 0.4 percent to 2.1 percent by 2033, which will substantially improve the rating of the Nigerian insurance market in the global insurance map."

# OFFER CIRCULAR



## DEBT MANAGEMENT OFFICE NIGERIA

Pursuant to the Debt Management Office (Establishment) Act 2003 and the Local Loans (Registered Stock and Securities) Act, CAP. L17, LFN 2004

### DEBT MANAGEMENT OFFICE

on behalf of the

### FEDERAL GOVERNMENT OF NIGERIA

Offers for Subscription by Auction

and is authorized to receive applications for

₦90,000,000,000 – 14.55% FGN APR 2029 (10-Yr Re-opening)\*  
 ₦90,000,000,000 – 14.70% FGN JUN 2033 (10-Yr Re-opening)\*  
 ₦90,000,000,000 – 15.45% FGN JUN 2038 (15-Yr Re-opening)\*  
 ₦90,000,000,000 – 15.70% FGN JUN 2053 (30-Yr Re-opening)\*

**Auction Date:** December 11, 2023  
**Settlement Date:** December 13, 2023

#### SUMMARY OF THE OFFER

**ISSUER:**

Federal Government of Nigeria (“FGN”)

**UNITS OF SALE:**

₦1,000 per unit subject to a minimum subscription of ₦50,001,000 and in multiples of ₦1,000 thereafter.

**INTEREST RATE:**

For **Re-openings** of previously issued bonds, (where the coupon is already set), successful bidders will pay a price corresponding to the yield-to-maturity bid that clears the volume being auctioned, plus any accrued interest on the instrument.

**INTEREST PAYMENT:**

Payable semi-annually

**REDEMPTION:**

Bullet repayment on the maturity date

**STATUS:**

1. Qualifies as securities in which trustees can invest under the Trustee Investment Act.
2. Qualifies as Government securities within the meaning of Company Income Tax Act (“CITA”) and Personal Income Tax Act (“PITA”) for Tax Exemption for Pension Funds amongst other investors.
3. Listed on the Nigerian Exchange Limited and FMDQ OTC Securities Exchange.
4. All FGN Bonds qualify as liquid assets for liquidity ratio calculation for banks.

**SECURITY:**

FGN Bonds are backed by the full faith and credit of the Federal Government of Nigeria and are charged upon the general assets of Nigeria.

**INTERESTED INVESTORS SHOULD CONTACT OFFICES OF ANY OF THE FOLLOWING  
PRIMARY DEALER MARKET MAKERS (PDMMs):**

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 Citibank Nigeria Ltd.  
 Coronation Merchant Bank Ltd.  
 Ecobank Nigeria Ltd.  
 FBNQuest Merchant Bank Ltd.

First Bank of Nigeria Ltd.  
 First City Monument Bank Plc.  
 FSDH Merchant Bank Ltd.  
 Rand Merchant Bank Nigeria Ltd.  
 Guaranty Trust Bank Ltd.

Stanbic IBTC Bank Ltd.  
 Standard Chartered Bank Nigeria Ltd.  
 United Bank for Africa Plc.  
 Zenith Bank Plc.

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## NEWS

## BILATERAL TIES

# Tinubu meets Talon, seeks stronger ties with Benin Republic

By Tony Ailemen, Abuja

PRESIDENT Bola Tinubu on Wednesday said cooperation between Nigeria and Benin Republic remains imperative for economic prosperity in West Africa, noting that lack of synergy between Nigeria and Benin Republic has been an encumbrance to mutual development.

The President stated this when he received President Patrice Talon of Benin Republic at the State House in Abuja, on Wednesday.

President Tinubu said Nigeria and Benin Republic share a lot in common, describing both countries as conjoined twins held together at the hip.

"We are one. No other nation like ours should be worried. What is affecting us is a lack of synergy. We have not developed the necessary economic synergy that will develop our two nations. We must have common economic principles and priorities. The economic programme you are developing through inter-ministerial collaboration is welcomed by me.

"We will support all of our private sector interests to facilitate prosperity in both of our important countries. I appreciate the urgency of your approach, and we welcome this. Leadership is some-

times defined by urgent action. Thank you for your quality leadership. We are together. I am not a backward-looking person. I look forward. This is how I avoid missing steps," the President said.

BusinessDay reports that bilateral formal trade relations between Nigeria and the Republic of Benin had witnessed a significant increase in the last 10 years.

Nigeria's export to Benin is said to have grown at an annualised rate of 6.94%, from \$25m in 1996 to \$136m in 2021.

In 2021, Benin exported \$24.2M to Nigeria.

Inconsistencies in economic policies and poor border control measures had led to increase in the smuggling of goods across their borders due to the porous nature of the borders.

President Talon, who was at the State House to seek the support of President Tinubu on improving trade relations, ahead of the Economic Community of West African States (ECOWAS) Summit, described the relationship between his country and Nigeria as crucial.

He said Benin Republic is seeking stronger trade ties with Nigeria, emphasizing the free movement of people and goods between both countries.

"Benin has started im-

plementing a national development plan which includes enhanced integration between Nigeria and Benin Republic. Our development plan includes taking into account what investments are required in Benin to enhance our integration with Nigeria in trade terms. It is true that many agreements have been signed to push our integration forward, but they have not been implemented.

"At the level of ECOWAS, we embrace free movement and integration, and at the African level, AfCFTA envisages this; so we need to move urgently to make this a reality.

"Our investment programme must be revised to factor in all factors of the Nigerian economy. We seek to set up an inter-ministerial technical committee that will jointly prepare a draft document for our legislatures. I am ready to sign an executive order to appoint members of the council to advance mutually beneficial cooperation across sectors.

"There have been difficulties bilaterally on the issue of smuggling. We will work hard to coordinate and ensure that your interests are protected as we integrate our economies. I want us to make history together," President Talon said.

third with 75.4 points, and were given the prize of N400,000.

Topfaith University, Covenant University, and Baze University were all given consolation prizes for making it to finals.

The competition which was sponsored by Stanbic IBTC Bank had judges from different fields of the accounting and financial management such as Omolara Michael-Nwadu; Godwin Clark; Jerome Diaz; Funmi Adesida; Jamui Adigun; and Biodun Omisola.

Ijeoma Anadozie, the country director at the Association of International Certified Professional Accountants (AICPA) and Chartered Institute of Management Accountants (CIMA), said the CGMA business leaders challenge is a very important event to AICPA and CIMA.

"I'm happy once again that we can recognise the

talents of finance leaders of the future. I would like to acknowledge all our participants for making it into the competition.

"And I know that it has not been an easy journey and not everyone can be a finalist. I'm certain that you all will agree that it has been a grilling and rewarding experience", she said.

Anadozie expressed optimism that with the caliber of contestants for the 2023 challenge, there is a bright hope for the profession in Nigeria.

"Looking around the room today. I can see so many great future leaders who will continue to carry the great legacy of the accounting and finance profession," she said.

She challenged the students to put themselves to the test and hopefully connect with global management accountants designation builders that were in the room.

## ACADEMIC AWARD

## OAU students emerge champions of 2023 CGMA Business Leaders Challenge

...win N1,000,000 prize

By Charles Ogwo

SOME students of the Obafemi Awolowo University (OAU) Ile-Ife, Osun State have emerged winners of the 2023 Chartered Global Management Accountants' (CGMA) Business Leaders Challenge after a wonderful presentation at the finals held recently.

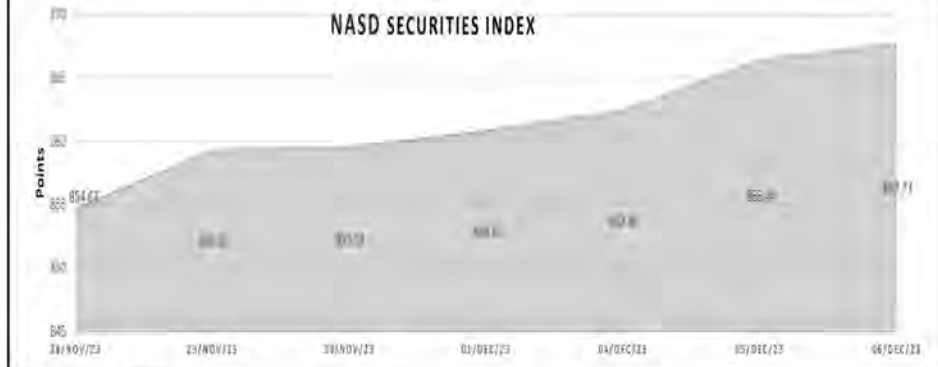
The students under the name "Team Acme" from OAU was adjudged the best team at the competition held inside the Bankers House, Adeola Hopewell, Victoria-Island, Lagos, and were rewarded with the sum of N1,000,000 for coming top of the competition beating other five universities with 88.3 points.

The University of Lagos (UNILAG), Akoka came second with 87 points, and were beneficiaries of the sum of N600,000. While Nile University with a competition name, team KFK, came



## DAILY MARKET SUMMARY

Wednesday, 06 Dec, 2023



MARKET SNAPSHOT	06-Dec-23	05-Dec-23	Change	% Change
NASD SECURITIES INDEX	867.73	866.44	1.29	↑ 0.15
NASD PENSION INDEX	156.14	155.64	0.50	↑ 0.32
MARKET CAPITALISATION (N Trn)	1.18	1.17	0.00	↑ 0.15
TOTAL VOLUME TRADED	25,145,090	1,701,633	23,443,457.0	↑ 1,377.70
TOTAL VALUE TRADED	77,155,640.00	10,788,741.00	66,366,899	↑ 615.15
NUMBER OF DEALS	11	16	(5)	↓ (31.25)
NUMBER OF TRADED STOCKS	4	10	(6)	↓ (60.00)

ADVANCER(S)	CLOSE (N)	OPEN (N)	CHANGE (N)	%CHANGE
SECURITY				
11 PLC	176.00	160.00	16.00	↑ 10.00%
CENTRAL SECURITIES CLEARING SYSTEM PLC	17.51	17.08	0.43	↑ 2.50%
FRIESLAND CAMPINA WAMCO NIGERIA PLC	72.87	72.67	0.20	↑ 0.27%

DECLINER(S)	CLOSE (N)	OPEN (N)	CHANGE (N)	%CHANGE
SECURITY				
GEO-FLUIDS PLC	2.69	2.70	-0.01	↓ -0.37%

TRADES EXECUTED	TRADES	VOLUME	VALUE (N)
SECURITY NAME			
11 PLC	1	15,000	2,640,000.00
CENTRAL SECURITIES CLEARING SYSTEM PLC	3	40,000	700,390.00
FRIESLAND CAMPINA WAMCO NIGERIA PLC	4	90,090	6,565,250.00
GEO-FLUIDS PLC	3	25,000,000	67,250,000.00

SECURITY	CLOSE PRICE (N)	Outstanding Bids		Outstanding Offers	
		Volume	Highest Bid price (N)	Volume	Av. Offer Price (N)
11 PLC	176.00	60,369	176.00	8,971	195.00
ACCESS BANK PLC	9.68	-	-	-	-
ACORN PETROLEUM PLC	0.60	-	-	515,000	0.63
AFRILAND PROPERTIES PLC	3.42	8,150,384	3.42	-	-
AG MORTGAGE BANK PLC	0.52	2,000	0.52	-	-
AIR LIQUIDE PLC	5.50	50,000	4.80	49,808	6.05
ARADEL HOLDINGS PLC	900.00	130,912	871.20	-	-
CAPITAL BANCORP PLC	2.15	-	-	-	-
CENTRAL SECURITIES CLEARING SYSTEM PLC	17.51	715,500	16.70	699,000	20.95
CITITRUST HOLDINGS PLC	13.50	-	-	-	-
COSTAIN (WEST AFRICA) PLC	0.50	-	-	-	-
CR SERVICES (CREDIT BUREAU) PLC	1.90	-	-	-	-
CR SERVICES (CREDIT BUREAU) PLC CLASS A	1.00	-	-	-	-
CR SERVICES (CREDIT BUREAU) PLC CLASS B	1.00	-	-	-	-
DUFIL PRIMA FOOD PLC	9.00	2,200	9.90	-	-
FAMAD NIGERIA PLC	1.25	-	-	-	-
FAM MILK PLC	20.00	1,850	22.00	-	-
FIRSTTRUST MORTGAGE BANK PLC	0.43	-	-	2,384,415	0.44
FOOD CONCEPTS PLC	1.65	70,050	1.50	61,380	1.69
FREE RANGE FARMS PLC	1.00	50	1.00	-	-
FRIESLAND CAMPINA WAMCO NIGERIA PLC	72.87	37,465	70.10	45,431	79.00
FUMMAN AGRICULTURAL PRODUCT IND. PLC	1.58	550	1.59	-	-
GEO-FLUIDS PLC	2.69	-	-	5,710,913	2.96
GOLDEN CAPITAL PLC	1.00	-	-	96,350	1.00
GREAT NIGERIA INSURANCE PLC	0.50	3,050	0.53	-	-
INDUSTRIAL AND GENERAL INSURANCE PLC	0.25	2,000,050	0.15	1,183,200	0.29
IPWA PLC	0.50	2,501,000	0.50	-	-
INTERNATIONAL PACKAGING IND. OF NIG PLC	0.30	500,050	0.50	-	-
Lagos Building Investment Company PLC	2.40	21,000	2.60	-	-
LIGHTHOUSE FINANCIAL SERVICES PLC	0.50	50	0.50	-	-
MASS TELECOM INNOVATION PLC	0.45	-	-	159,850	0.45
MIXTA REAL ESTATE PLC	1.49	8,000	1.55	-	-
NASD PLC	12.00	210,345	11.30	-	-
NEWREST ASL NIGERIA PLC	17.71	420,409	19.48	-	-
NIGERIA MORTGAGE REFINANCE COMPANY PLC	5.50	50	5.65	-	-
NIPCO PLC	5.20	16,550	88.00	-	-
PURPLE REAL ESTATE INCOME PLC	80.00	-	-	3,074,171	5.20
RESOURCERY PLC	0.41	-	-	742,609	0.40
RIGGS VENTURES WEST AFRICA PLC	0.95	-	-	-	-
THE INFRASTRUCTURE BANK PLC	0.52	1,050	0.52	-	-
UBN PROPERTY COMPANY PLC	1.65	14,305,000	1.60	500,000	1.80
VITAL PRODUCTS PLC	2.10	101,000	2.30	-	-

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## NEWS

## DEBT FINANCING

# FG to leverage non-interest financing to curb rising debt - Edun

By Onyinye Nwachukwu & Favour Okpale, Abuja

WALE Edun, Minister of Finance and coordinating minister of the economy, said on Wednesday that the Federal Government is considering adopting a non-interest finance window to fund key infrastructure and green projects in the country.

Edun said this is because non-interest financing has become a viable tool to tame Nigeria's growing debt crisis as the alternative model could unlock significant economic opportunities and mitigate the nation's dependence on conventional borrowing.

Edun was speaking at the 1st Securities Exchange Commission (SEC) Nigeria-Islamic Financial Services Board (IFSB) International Forum on Non-interest Capital Markets which was held in Abuja and jointly organized with the Islamic Financial Services Board of Malaysia. The international forum

focused on strengthening the development of Nigeria's non-Interest finance segment.

According to him, the decision was a key outcome of government's participation at COP28 in Dubai, UAE.

Edun emphasized the need for alternative financing mechanisms that do not rely on interest, but rather equity participation, noting that this approach is critical in addressing the global debt crisis and promoting rapid inclusive growth.

"Our revenue to debt service ratio is so high and is constrained. There is fiscal exhaustion in very many parts of the world.

There is debt crisis, and of course the answer is non-debt. The answer is equity, financing mechanisms that do not mean that you will have to pay interest, but rather you will have the participatory opportunity that equity financing, and non-interest financing gives," he stressed.

Edun also highlighted the importance of financing green projects and reducing reliance on foreign direct investment. He mentioned the production of electric vehicles and mass transit vehicles as examples of projects that align with the global climate action agenda.

Olayemi Cardoso, Governor, Central Bank of Nigeria (CBN) reiterated that the apex bank remains in support of key stakeholders in the non-interest banking ecosystem in ensuring that the sector evolves and fosters ongoing efforts to build a one trillion dollar economy as proposed by President Tinubu.

Lamido Yuguda, Director-General of the SEC highlighted the vast opportunities in the Islamic financial market, but regretted that Nigeria has not been able to effectively utilize this economic opportunity.

He noted that the Islamic Finance Industry was estimated to have a market size of \$3.25 tril-

lion in 2022, with global sukuk issuances valued at \$182.72 billion. However, Nigeria's Islamic finance segment reached an estimated size of \$2.9 billion at the end of 2022, accounting for a mere 0.9% of the global non-interest market, which indicates the need for further growth.

Yuguda emphasized the transformative growth of the non-interest capital market in the country and its potential role in the country's economic development.

"Sukuk, a type of non-interest capital market instrument, was identified as a suitable structure for infrastructure financing. Its asset-backed arrangement allows issuers to clear their balance sheets of debt, as investors own the financed assets and share in the gains," Yuguda explained as he encouraged corporates and governments to explore the instrument as an alternative mode of financing, particularly in the face of high debt-service to revenue ratio.

## POPULATION GROWTH

## NBS report on growth, population signals stagnating economy - Economist

By Hope Moses-Ashike

THE latest data from the Nigerian Bureau of Statistics (NBS) showed that the Nigerian population growth rate was 2.5%, while the GDP growth rate in real terms was also 2.5%, a development seen as worrisome, and a clear signal that the economy is stagnating.

Economist Andrew Uviase, managing partner at Ecovis OUC (Chartered Accountants), a leading tax, accounting, and audit consulting firm, shared this insights in an interview.

While acknowledging the modest progress, Uviase's considerations add depth to discussions on economic recovery, emphasizing the need for careful analysis without undermining the NBS's efforts.

Uviase expressed worry over the parallel growth rates of the Nigerian population (2.5%) and the real GDP (2.5%), emphasizing that this signals a stagnating economy. He pointed to the changing age distribution of the population and the deteriorating state of infrastructure, suggesting that the present results may indicate a worrisome decline in the well-being of citizens.

"When the real GDP growth is compared with the changes in the age distribution of the population and the age of our decaying infrastructure, we can better imagine the level of deterioration that the present results portend for the well-being of our citizens."

Highlighting major areas of concern, Uviase underlined the decline in the real sector of Agriculture and Industrial sectors' contributions to GDP, while the Services sector is on the rise.

He raised questions about the overall reliability of the information presented, particularly in terms of content and mode of presentation.

Nominal GDP figures for Q3 were compared with the corresponding amount in 2022, revealing a 16.08 percent growth. Uviase expressed doubts about the accuracy of the real GDP for Q3, arguing that, given the shocks and inflationary pressures experienced, the figures should be more realistic. He voiced concern about the declining contribution of real sectors, foreseeing potential consequences like increased imports of food items and finished goods.

## TRANSPORTATION

## FG to roll out 1,000 electric buses in 2024 - Minister

By Ojochenemi Onje, Abuja

YUSUF Maitama Tuggar, Nigeria's Minister of Foreign Affairs has assured Nigerians on the federal government's commitment to launch 100 electric buses next year, with additional plans to scale up the fleet to 1,000 electric buses. This move is part of Nigeria's proactive stance in addressing the pressing challenges posed by climate change.

This came to the fore at the ongoing 28th Conference of the Parties (COP28) to the United Nations Framework Convention on Climate Change (UNFCCC) in Dubai.

Highlighting Nigeria's leadership role in combating climate change in Africa, Tuggar emphasized the nation's pragmatic goals, solidified through a Climate Change Act and overseen by the National Council on Climate Change (NCCC).

"Nigeria has hit the ground running, transforming our commitments into tangible climate action," affirmed Tuggar, stressing the pivotal role of collaboration, innovation, and shared responsibility

in tackling the escalating climate crisis.

The announcement, as conveyed by a statement from Alkasim Abdulkadir, the Special Adviser on Media and Communications Strategy, underscored the administration's commitment to green initiatives, job creation, and industrialization.

Minister Tuggar's vision aims to position Nigeria as the African leader with the largest electric mass transit fleet, contributing significantly to emissions reduction.

Tuggar, acknowledging the severity of the climate emergency, drew attention to the global impact on vulnerable communities and ecosystems. Urging nations to uphold the principles outlined in the Paris Agreement, he called for ambitious and transparent climate targets.

Reaffirming Nigeria's dedication, Tuggar said Nigeria is committed to achieving net-zero emissions by 2060, urging international collaboration to transcend political differences for immediate climate solutions.



L-R: Ifeyinwa Osime, non-executive director, Access Bank plc; Abiodun Olubitan, group head, women banking; Roosevelt Ogbonna, MD/CEO; Ololade Okedare, CEO, Emerge Story Lab overall prize winner, Womenpreneur Pitch-A-Ton Season 5; Mfon Usoro, managing partner, Paul Usoro and Co.; Victor Etuokwu, deputy managing director, Access Bank plc; and Omosalewa Fajobi, non-executive director, during the Womenpreneur Pitch-A-Ton Season 5 grand finale ceremony in Lagos. Pic by Olawale Amoo.

## SECURITY

## Lagos requires N15bn yearly for effective security - LSSTF

By Seyi John Salau

ABDULRAZAQ Balogun, the executive secretary/CEO of the Lagos State Security Trust Fund (LSSTF), has said that the state will require nothing less than N15 billion on a yearly basis to ensure effective security of the state.

"For this office to run for a good security system, I need nothing less than N15 billion a year, and that's being modest," Balogun said, during the press conference held on Wednesday in Lagos ahead of its 17th

annual town hall meeting on security with the state's governor scheduled for next week Tuesday.

According to him, the current foreign exchange crisis on the back of the country's inflationary trend has eroded most of the financial support it gets from the public.

Balogun stated that a vehicle that used to be N3.5 million before, now cost the LSSTF about N40 million. "Even when we try to procure some of these things, the government will not give us waivers," he said.

According to him, successive governors of the state have been on point with the security trust fund, which has kept the LSSTF going in the last 17 years.

Balogun said further that LSSTF believes in preventive exercise when it comes to security issues of the state, and not reactive. Hence, the fund provides support to all the security agencies in Lagos.

He also advocated for a new funding model capable of creating a pull of funds for the LSSTF. "Going forward to the 17th town hall

meeting again, this conversation will be highlighted and I am sure with time we are going to take a very decisive step towards better funding for our security agencies in Lagos state," he said.

According to him, the state has to move away from the current funding model that makes donation voluntary. "As long as we still run a voluntary donation programme - then it is the prerogative of the people to donate or not to donate, and you can't force it. You can just continue to try".

## NEWS



L-R: Onome Joy Adewuyi, past president, Institute of Chartered Accountants of Nigeria (ICAN)/special guest of honour; Innocent Iweka Okwuosa, president, ICAN; Davidson Alaribe, vice president; and Haruna Yahaya, 1st deputy vice president, at the ICAN 72nd induction ceremony of new members, at ICAN Centre, Lagos.

## OIL &amp; GAS DEAL

## NNPCL seals LNG deals for domestic, international markets

By Cynthia Egboboh, Abuja

IN a bid to boost natural gas utilization in the country and enhance Nigeria's gas revenue, the Nigerian National Petroleum Company Limited (NNPCL) has signed two major agreements to deliver Liquefied Natural Gas (LNG) to the domestic and international gas market.

During the two separate agreements signing ceremonies held on the sidelines of the on-going United Nation's Climate Change Conference (COP28), NNPC Ltd signed an MoU with Wison Heavy Industry Co. Ltd, a Chinese company, for the development of floating LNG project in Nigeria, targeting the international LNG market.

As contained in a statement signed by Olufemi Soneye, chief corporate communications officer, the NNPC Prime LNG Ltd, an arm of NNPC Trading

Ltd, also signed a Supply, Installation and Commissioning Agreement with SDP Services, an independent oil and gas company, for a 421 tonnes per day LNG project, targeting the domestic LNG market.

"The floating LNG MoU was signed by the Executive Vice President, Gas, Power & New Energy, Olalekan Ogunbayo on behalf of NNPC Ltd and Mr. Kai Xu, Managing Director of Wison Ltd, on behalf of his company. Both parties agreed to work together to chart a roadmap for the project development that will lead to an investment decision.

"Similarly, the Small-Scale LNG (SSLNG) Project agreement was signed by the Managing Director, NNPC Trading Ltd., Mr. Lawal Sade, on behalf of NNPC Prime LNG Ltd while Mr. Abhinav Modi, Managing Director of SDP

Services Ltd, signed on behalf of his company.

"The SSLNG Project, which will be located at Ajaokuta in Kogi State, Central Nigeria, will ensure the efficient supply of LNG to the Autogas/Compressed Natural Gas (CNG) and industrial/commercial customers nationwide. The LNG Project is expected to be operational by December 2024," it stated.

Commenting on the deals, Olalekan Ogunleye, the executive vice president, Gas, Power & New Energy, NNPC Ltd, said that the company is committed to delivering gas to industries nationwide and accelerating the Company's gas commercialization efforts through the floating LNG Project.

"We see both projects as having enormous impact all over the country because they are central to the commercialization of Nigeria's abundant gas

resources and ensuring that our country earns the much-needed foreign revenue from its abundant gas assets. It is also consistent with NNPC Management's drive to deliver on Mr. President's gas and power aspirations across the country," Ogunleye stated.

Also, in his remarks, Lawal Sade, the managing director NNPC Trading Ltd, said the SSLNG Project would boost the domestication of LNG utilisation by supporting the growth of auto-gas initiatives across the country.

"We are looking at a time-frame of 12 months from execution to the commissioning of the project. The project will deliver about 420 tonnes per day of LNG per day into the domestic market, which will enhance efficient delivery of gas to the auto-gas/CNG and industrial customers in line with Presidential mandate," Sade added.

## POLITICS

## PDP mourns victims of bombed Kaduna community, demands investigation, compensation

By Tony Ailemen, Abuja

THE People's Democratic Party (PDP) said the party is alarmed by the killing of over 120 Nigerians and wounding of several others in the reported mishap bombing of Tudun Biri community in Kaduna state

The party, while mourning the victims of the military bombings in Igabi Local Government Area of Kaduna State, called on the Federal Government to immediately begin investigation into the incident, to ensure

early compensation for the victims and survivors

The PDP in a statement by Debo Ologunagba, the National Publicity Secretary, lamented the mishap bombings, describing it as "heart-rending and agonizing given that the victims were harmless Nigerians, who were observing their religious rites.

"The fact that the area was bombed twice raises serious concern and questions which border on intelligence gathering, information processing, synergy, command and operation control coordination in the

security system."

The PDP also called on the Federal Government to immediately commence an independent system-wide inquiry to dispassionately investigate the sad and unfortunate episode.

"Our Party deeply commiserates with the families of the victims of the bombing and prays for the speedy recovery of the wounded", the opposition party.

The PDP also condoled with the Government and people of Kaduna State, particularly the Tudun Biri Community, urging

the Federal Government to take necessary steps to compensate the families of dead as well as provide urgent medical attention to the wounded.

"Our Party also demands that the Federal Government declare a day of national mourning in memory of the dead", it added.

While calling for more professionalism in the battle against terrorism, the PDP urges Nigerians and indeed the military not to relent in the fight to end terrorism in our country.

## POWER

## Dangote Cement restores electricity to Ogun host communities

...as House of Assembly lauds gesture to end outage

IN the spirit of good neighbourliness, Dangote Cement Plc, Ibese has donated multi-million Naira worth of electrical items to some neighbouring communities around its operation in Ibese, in Yewa North Local Government, Ogun State, to enable the communities reconnect to the national grid and have their power supply restored.

The management of Dangote Cement Plc donated the electrical materials to close out the lingering power outage in the affected communities which have been in darkness for some months due to unhealthy High-Tension Lines on their distribution network.

Meanwhile, the Ogun State House of Assembly has promptly commended the Cement factory, for rising to the occasion and delivering the electrical materials needed to restore power to the affected communities; thus fulfilling its promises after being notified of the plight of the communities.

Items donated by the Ibese Plant management led by Ademola Ojelowo, the Plant's Head of Social Performance, included 1,200 metres of Aluminium conductor steel-reinforced cable (ACSR), twenty (20) High Tension (HT) Poles, forty (40)

pieces of Pot insulator, and ten (10) pairs of tie straps.

The items were presented to the communities at the constituent office of Adegoke Adeyanju Awoso, Ogun State House of Assembly member, representing Yewa North State Constituency 1 and this handover was witnessed by various stakeholder groups across the ten (10) benefiting communities and the officials of Ibadan Electricity Distribution Company (IBEDC).

Speaking at the event, Ademola Ojelowo explained, to the excitement of the representatives of the communities, that the decision to intervene was borne out of genuine care for the people and the desire to help mitigate negative impact of the outage on socio-economic activities of the people. He reiterated the company's commitment to the sustainable development of its host communities and continued collaboration on initiatives geared towards the general wellbeing of the people.

Responding, Adegoke Adeyanju, who spoke on behalf of the benefitting communities, expressed delight with the donation of the electrical items and urged the IBEDC officials to ensure that the installation was carried without further delay.

## INFRASTRUCTURE

## Bodo-Bonny road project will be completed by April 2024 - FG

...orders Julius Berger back to site

By Cynthia Egboboh, Abuja

THE Federal Government, through the Ministry of Works, has assured the host communities of the Bodo-Bonny Road and Bridge projects in Rivers State of the completion of the Bodo-Bonny Road and Bridge by April 2024.

David Umahi, the minister of works, gave this assurance during a meeting with the delegation of Bodo-Bonny Road Peace Committee in Abuja.

According to the minister, the project which was awarded to Julius Berger Nigeria Plc by the previous administration is a catalyst for economic revolution in the area. He however lamented that only about 84% of the project had so far been completed.

He noted that the partnership agreement in 2017 between the Federal Government via the Federal Ministry of Works and NLNG on modalities for the funding of the project. Umahi however wondered why Julius Berger Nigeria PLC was no longer on site despite their commitment

under their agreement to deliver within the revised date of completion.

A statement issued by Orji Uchenna, the chief press secretary to the minister partly read, "No equipment must be allowed to be moved out of site, they must complete that project as agreed and as signed and nothing has removed that responsibility which they willingly on their own signed. I implore you the peace committee to report to me the progress that has been made on that road.

"Bobo-Bonny project was augmented to N199 billion, I am told by the Ministry and NLNG Limited (NLNG) that there was a document signed by Julius Berger that the project cannot be varied which means that the project cost cannot be increased, the project is about 35 kilometres.

"Nobody will hold this country to ransom, if they cannot do it, another person will come and do it and finish it even better but the only charge I give to you is not to allow any equipment out of site until they complete the project."

# OPINION

## Celebrating Christmas in adversity

By Obiotika Wilfred

LATELY, several countries of the world have been lurching and plunged into untold crisis but the hardship and pain caused by political instability in Africa with Nigeria as a reference point are unbearable. No sooner had the inauguration of a new government on May 29, 2023 taken place than had millions of Nigerians taken to suffering, trekking and begging as a lifestyle. On the heels of such unprecedented impoverishment, unparalleled bewitchments are millions of Nigerians tending to celebrate the traditional festivity of Christmas.

As 2023 Christmas approaches, what will bring solace and reassurance to Nigerian Christians amidst the challenges they face? These challenges include the persecution of Christians in the north, pre-election concerns, the prospect of a Muslim-Muslim ticket, heightened focus on judicial interventions, the removal of fuel subsidies, increases in electricity tariffs, currency devaluation, fiscal policy dynamics, a struggling economy, the closure of major markets in Lagos, the demolition of 664 houses in the same city, the perceived stance of the ruling party, and many more.

Nevertheless, whether facing personal hardship,

financial difficulties, or living in a war-torn region, celebrating Christmas in adversity can present unique challenges. Yet, it is during these times that the true spirit of Christmas can shine its brightest. In an atmosphere of political, religious and economic crisis, one would be tempted to ask: Can celebration take place without survival? Can there be merriment in oppression and slavery? When faced with adversity, the traditional trappings of Christmas – lavish gifts, extravagant feasts, and festive decorations – may seem frivolous or unattainable.

Christmas – a cultural and religious festivity was first celebrated in Rome around 336 A.D. Controversies surround the celebration of Christmas among Christians like Arian in 300s; Puritan in 800 A.D. Preparations for Christmas involve a lot of activities and people usually buy decorations, food, gifts for children in the family and friends. The Christmas day celebration tradition of carols, exchange of gifts, food and music are gradually fading out. Happiness in Christmas used to be the most memorable with Santa Claus dressed in fluffy red and white costume greeting kids with hugs and gifts. 2023 Christmas comes on Monday 25 as people begin a countdown to the end of the year and New Year celebrations.

Moreover, the feast of nativity of Christ has been among the most awaited festivals around the globe. The people of the Christian faith

celebrate Christmas with great enthusiasm every year and the essence of Christmas goes far beyond material possessions. It is believed to be a celebration of hope,

**Interestingly, the birth of Jesus Christ is a symbol of new beginnings, redemption, offering solace and hope to those struggling in the face of challenges. A lot of people get emotionally decimated by an unexpected blow in the month of December.**

love, and compassion even values that transcend any circumstances. Someone has said that inflation and insecurity can never stop Christmas celebrations in Nigeria. Low purchasing power has usually marred Christmas celebrations in the past and the 2023 Christmas is looking to be a torture on many families as it stands. Common onions, spices and condiments for cooking are not within the reach of ordinary Nigerians, not to mention rice and beans.

Interestingly, the birth of Jesus Christ is a symbol of new beginnings, redemption, offering solace and hope to those struggling in the face of challenges. A lot of people get emotionally decimated by an unexpected blow in the month of December. When we sit around our table laden with sumptuous delicacies, let us not forget that half the world will go to bed hungry. A number of people encounter challenges such as betrayal, divorce, job loss, financial setbacks, or physical illness, leading them into emotional

distress. While we revel in the comforts of our welcoming homes, it is crucial to remember that a significant population in other regions lacks the luxury of having

a home. As we step into our stylish cars, it is important to be mindful that a considerable number of Nigerians commute to work by walking and cannot even afford a bicycle.

Incidentally, people usually spend a lot on Christmas and the savings for such expenses start from the middle of the year. This was the same time government decisions and policies reduced many Nigerians to poor beggars. Average families in Nigeria spend up to ₦400,000 monthly on food and groceries, while the less starve and pray. Christmastime is here! The stores are beginning to bustle; the mood is getting festive and the excitement is brewing in the hearts of children, as every adult gets worried and hurt. Many are in pain at this year's Christmas because they lost their jobs, lost a loved one, or lost zest for the season. Many multinational companies have in a very short time for a new government closed their operations in Nigeria and that has made many to face

“A Blue Christmas.”

Unfortunately, we live in a world where knowledge is exploding, leading to an increase in evil and crimes. We have become smarter but still face the same old problems and that is why celebrating Christmas with its message of love is important. Many communities organise Christmas events, which specifically catered to those facing hardship and this is worth participating in to connect with others who understand your struggles, share stories, and offer support. Celebrating Christmas in adversity can be a powerful act of defiance. It demonstrates our resilience in the face of challenges and reaffirms our belief in a brighter future.

Succinctly, Christmas reminds us that even when darkness surrounds us, there is always the possibility for light and hope. Food prices, transportation, hotel accommodation, gifts, decorations, clothes, and hair are some of the things that will bother the poor and average Nigerians. A live turkey for the rich is almost ₦50,000 and that is where we are. Christmas is an annual festival commemorated by Christians and non-Christians alike all over

Obiotika Wilfred Toochukwu,  
St. Patrick's Catholic Church,  
Awgbu

the world. The Christmas holidays, bonuses, and gifts brighten the face of workers, employees and fill the bumps of expectations in every life. 2023 reunions, end of the year parties, conventions, town union development initiatives, where such renditions as ‘Joy To The World’, ‘Ding Dong Merrily On High’, ‘We Wish You A Merry Christmas’ ‘O Come All Ye Faithful’ ‘Once In Royal David's City’ ‘O Come O Come Emmanuel’, serenaded the air cast off euphoria and nostalgia but made every one ponder.

In conclusion, we must understand that thriving in the face of adversity as Nigeria develops at a break-neck pace enhances the meaning of Christmas – leave or take it. In the past, adults were advised to watch their weight during Christmas Time even though such is not tenable in 2023 Nigeria. As we cry, cope and survive; we would still ask, ‘is that the end of everything?’ We must search and find a common ground – political leadership all over the world is not refined and that of Africa is notoriously indecent. Family relationships, entrepreneurship, health challenges and life ambushes, make us think that the end has come. Let us not take pity, regret, and anger as our preoccupation because recovery is on the way. Here, we face a decision: opt to concentrate on our current blessings, adopt a straightforward approach, connect with others, embrace traditions, and center our attention on the genuine significance of Christmas.

## New Central Bank regime: Steering Nigeria away from interventionism

By Wole Famurewa

bank administration to reform the monetary policy landscape.

One of the crucial areas of reform highlighted in the speech is the foreign exchange market. The commitment to clearing a backlog of FX forward obligations and the adoption of a more market-determined exchange rate are significant moves. Traders and investors have welcomed these reforms, which marked a break from the past interventionist policies.

The speech also emphasised another key aspect of the impact of past and future monetary policy actions; the weakening transmission mechanism of monetary policy tools. The governor admits a gap that has made Monetary Policy Committee (MPC) meetings mostly ineffective in dealing with inflation and an unstable exchange rate. This weakness and the need for reform were cited by the governor, explaining why the meeting in November did not hold in line with the usual MPC schedule.

Understanding the hiccups in the transmission mechanism requires a glance at the recent history of the Central Bank of Nigeria. In the days of former CBN Governor, Muhammad Sanusi II, a hike in interest rates was a tightening signal that influenced the posture of investors and fostered an orderly market direction. In addition, various monetary tools, including Open Market

Operations (OMO), Treasury Bills offerings, a change in the cash reserve ratio, and adjustments to the asymmetric corridor around the Monetary policy rate (MPR), combined to influence the direction of interest rates across the banking system in a fairly coordinated manner.

But fast forward to the Emeziele era, this harmony dissipates. The once-coordinated dance of monetary tools loses its efficacy, a concern underscored in the governor's speech, rendering MPC meetings less impactful. The ongoing reforms aspire to resurrect the lost coordination of the transmission mechanisms. Governor Cardoso's pledge to evaluate and enhance the effectiveness of monetary policy tools signifies an effort to restore the precision of policy adjustments cascading through the financial system. These reforms pave the way for reinstating a more predictable and stable market direction, benefiting investors and the overall economic landscape.

Nigeria's current monetary recalibration should aim to restore a system where policy adjustments act as clear signals, guiding investors and bringing predictability to market dynamics. A functioning transmission mechanism is crucial for monetary policy effectiveness. The ideal scenario is when the central bank's actions, such as adjusting the

MPR, lead to corresponding movements in interest rates across the financial system. This was largely the norm during Sanusi's era, but recent deviations from conventional policies have made some actions ineffective or counter-productive.

One of the deviations from a conventional and functional policy is the restriction of the standing deposit facility (SDF), a tool that allows banks to deposit excess liquidity with the central bank at a lower rate than the MPR. The SDF is supposed to act as a floor for the inter-bank rate, which is the rate at which banks lend to each other overnight. By restricting the access and amount of the SDF, the central bank reduces how much it pays banks as interest on the SDF. This action also means that the SDF is no longer effective in influencing inter-bank rates. The lost effect results in very low interbank rates when the market is flooded with liquidity even if the MPC raises its monetary policy rate. Low inter-bank rates increase inflation and make foreign exchange easier to purchase with cheaper naira, which worsens the exchange rate in a country that depends heavily on imports. This development indicates that traditional monetary policy tools cannot address price and exchange rate stability well when they are not used as intended.

The reforms entail costs for two actors. First, the Central Bank bears a burden as it shifts from a regime where banks earned zero interest on large deposits at the CBN. These deposits are to comply with high cash reserve requirements (CRR) that some bankers estimate at 50% for some lenders versus the official 32.5% ratio. The moves to a more transparent and orthodox policy framework should reduce this ratio over time. Indeed, the central bank announced an adjustment of the CRR for merchant banks from 32.5% to 10% in July.

But this also means that the CBN will have to pay more interest to investors in other instruments for liquidity management. This adds to the existing burdens from its unconventional historical approach. Second, the federal government could also be impacted by the policy change, as higher interest rates could raise borrowing costs for the country until inflation de-

clines. No doubt, the legacy of past policies is hard to erase, and the current shift has short-term costs. But the medium to long-term benefits will surpass these transient effects.

The new CBN Governor has announced a bold ambition in what promises to be a challenging journey towards monetary stability. It will take resolve and commitment from fiscal and monetary authorities to see this through and the journey ahead is not going to be a walk in the park. The costs may be enormous, but perpetuating the faulty approach to monetary policy implemented over the last 9 years only exacerbates the challenges that monetary policy tools are designed to fix. All stakeholders in Nigeria's economic success should realize that, at the macro and socio-economic level, a stable and growing economy is crucial to address the many social challenges that the governor also highlighted in his speech. Therefore, the ongoing reset must be more than just a mere policy change. The economy requires a firm commitment to rebuild trust and stability, as it struggles with the pressure of low confidence from local and foreign investors, weak financial intermediation, and high unemployment. The success or failure of the ongoing monetary policy shift will have far-reaching implications for the progress and prosperity of Nigeria and its people.

Famurewa is a Business Journalist and Anchor at CNBC Africa

## OPINION

## Uganda Vs Nigeria story, His Excellency, The President, must hear this!

By Akonte Ekine

Chief Brand Custodian and Chief Marketing Officer of the country, it is time we aggregated our conversation to the world from our internal behaviour to the external that we so much desire to have Foreign Direct Investment (FDI).

In a mixed conversation, conflicting behaviours appear to be hindering our progress in destination marketing, when we assess the current landscape.

Let us look at Uganda against the backdrop of the names of leaders such as Idi Amin Dada, Kaguta Museveni and Milton Obote, these leaders left us with the narratives that gave the world evergreen movies such as “90 Minutes at Entebbe” and “The Rise And Fall Of Idi Amin Of Uganda.”

Today, Entebbe Airport is sending out a very different and more enticing or appealing story not enabled by anything but a cultural shift in service offering.

Based on this, we need to review our cultural behaviours in service offerings as men and women of marketing communications gather to look at Marketing Communications as an enabler of national transformation.

We may have endured a brief yet alarming era of consistently inadequate services across various sectors in the country. Consequently, it has become commonplace for the one receiving the service to be favored in terms of payment, reversing the traditional dynamics

where the service provider was prioritised.

A review of various scenarios at Murtala Muhammed International Airport against the backdrop of all the infrastructural evolutions happening at the same airport

**Airport personnel routinely demand mandatory funds for basic services like baggage clearance or check-in, creating an alarming cultural norm. This widespread practice overshadows official duties, attracting global attention to the prevalent unofficial transactions**

will be that Behavioural Change is probably not as fast as infrastructural changes.

Airport personnel routinely demand mandatory funds for basic services like baggage clearance or check-in, creating an alarming cultural norm. This widespread practice overshadows official duties, attracting global attention to the prevalent unofficial transactions.

However, while the investment in the infrastructure is beautiful, the human elements are left behind in re-modelling and reshaping.

Over 223,000,000 people, no national carrier and we are yet to call out the people that have consistently abused the process of achieving that basic feat, while a nation with about 42,000,000 people in the east of Africa is setting new standards in the aviation industry with new aspiration as

the Crane of the Pearl of Africa.

Based on the information at hand, Uganda Airlines serves as the national airline of Uganda, marking a revival of the earlier Uganda Airlines that was operational from

the service.

The story of Entebbe is amazingly inspiring from the behaviour of the personnel on ground. What is enabling the conversation and driving traffic to the pearl of Africa is culture of excellence within the brand touch point. What is our culture at our touch points that will enable that conversation from Marketing Communications?

Once again, I call on the Ministry of Information and adding both the Ministry of Aviation and Ministry of Culture and Tourism to create a meeting point for other government agencies to draw reference from the management of brand conversation, from simple alignment of the reputation management of the nation.

Whilst the Ministry of Information is probably sending out information about the country, many more contents are going out of the country (and inside the country) through the activities of employees at the airport (just one

location), amongst many other points of contact that are telling the stories to the general public at various levels. The behaviour of men and women in Power is an endless storytelling avenue.

My humble recommendation is that now is the time for the Federal government to set up a mandatory team for the country to start a behavioural change campaign with service-offering standards across every organization.

There should be a brand and reputation management department outside the Ministry of Information or Department of Information that will bring other skills into one place to define service level that will impact on brand value.

If Uganda could revive its airline within a couple of years, what could be the reason behind Nigeria “Airways” revival?

The case of what happened under the past Minister of Aviation and the past leadership of the country is a pointer to the fact that we are not ready to face the ant or elephant and deal with the subject, but what is happening also is that the nation we considered to be small in the past are making better efforts at rebuilding and rebranding than us.

Our president is very busy attending to the many troubles of the nation; however, as the Chief Brand Executive and Chief Marketing Officer of the Nigeria Company, he must hear Uganda Vs Nigeria Story.

YOUR Excellency Sir,

I write to commend you on your activities of drawing attention to the country in your quest to revive the economic challenges.

In line with what you are doing, I want to draw your attention to the National Advertising Conference scheduled to be held between December 7 and 8, 2023 with the theme, “Marketing Communication As An Enabler Of National Transformation.”

The quality of the speakers and guests that will grace the event is a pointer to the desire of practitioners of marketing communications in the country to see our beloved country appropriately positioned among community of nations. However, we are leaving the fundamentals of destination marketing, destination branding and National Reputation Management as game of chance based on the narratives emanating from the activities of government actors.

I commend the team behind the National Advertising Conference.

His Excellency, as the

1977 to 2001. Launched in August 2019, the renewed Uganda Airlines has garnered recognition as the world’s youngest aircraft fleet, as determined by Ch-Aviation—a Switzerland-based industry information collector and publisher situated in Chur.

The Murtala Mohammed International Airport is going through transformation; however, the people’s behaviours are not changing, while I stand to be corrected or challenged. These workers have an entitled spirit of demanding money from passengers after every expected action. They are hostile to extort money from passengers.

These personnel and passengers are the storytellers; the government must design a new behavioural conversation with one goal to ensure the right service culture that will inspire the users of

Akonte Ekine is a reputation management expert, he writes from Nairobi

## COP 28: Taiwan, strong in climate justice despite political exclusion

By Andy Yih-Ping Liu

tional forum has been significantly hindered due to political considerations. Climate change does not discriminate, and mechanisms to address climate change such as the UNFCCC, the Paris Agreement and COP meetings should not discriminate against Taiwan using diplomatic/political considerations. Like other countries, Taiwan ought to be given equal opportunities to participate meaningfully and constructively in UNFCCC for the benefit of all.

Despite its exclusion from the United Nations, Taiwan has consistently demonstrated its responsible existence in the international community by undertaking serious actions to combat climate change. In recognition of the urgent need for global cooperation in tackling

this issue, and acknowledging the importance of addressing global warming, Taiwan’s President Tsai Ing-wen announced on February 15, 2023 the amendment and renaming of the Greenhouse Gas Reduction and Management Act, to become the Climate Change Response Act, making Taiwan the 18th country in the world to codify the 2050 net-zero emissions goal into law.

On July 19 this year, Taiwan hosted the first Pacific Climate Change Forum in Taipei, inviting representatives from the Pacific Island nations and like-minded countries to discuss climate adaptation issues. At the forum, Taiwan signed the first Joint Statement on Combating Climate Change with the Marshall Islands, Nauru, Palau, and Tuvalu.

Taiwan has accelerated its efforts to enhance government capacity. On August 22 this year, the Environmental Protection Administration was restructured to become Ministry of Environment. The Climate Change Administration and the Resource Circulation Administration were also established to integrate the handling of environmental issues, including climate change, resource circulation, chemical substance management, environmental quality management, and the strengthening of environmental technology research.

Likewise, Taiwan officially established the Taiwan Carbon Solution Exchange in joining the ranks of countries with carbon trading platforms.

This initiative aims to create incentives for businesses within its jurisdiction to reduce their carbon emissions. Also, in response to the European Union’s Carbon Border Adjustment Mechanism (CBAM) and supply-chain decarbonization trends, Taiwan has accelerated efforts to implement carbon pricing and carbon inventory mechanisms.

As the global community strives to combat the existential threat from

climate change, Taiwan’s unwavering commitment and numerous actions highlight the importance of including all stakeholders, irrespective of political status, to collectively address the challenges ahead. Taiwan’s innovative strategies and willingness to share its expertise and resources further demonstrate commitment to climate action; thereby, its exclusion in the ongoing 28th Conference of the Parties (COP 28) in Dubai calls for further questioning.

In this regard, the authorities in Nigeria are urged to commit to supporting Taiwan’s participation in the 28th Conference of the Parties (COP 28) of the UNFCCC, holding in Dubai from November 30th through December 12th this year.

Andy Yih-Ping Liu is representative/ Head of Mission of Taiwan in Nigeria

THE United Nations Framework Convention on Climate Change (UNFCCC) plays a crucial role in addressing the pressing challenges posed by climate change. Therefore, COP 28 (28th annual Conference of the Parties) from November 30 till December 12, 2023 in Dubai will be substantially important to facilitate the implementation of UNFCCC.

However, Taiwan’s involvement in this interna-

## OPINION

## The japa syndrome: Second guessing?

By Olusegun Fashakin

THERE is a commitment for the citizens as much as there is for the leadership; the level of passing blame about the recent exodus of some of the strongholds of our dear nation is troubling. The concerns would not be that people are moving in droves but that they go with so much experience acquired in this country to service the foreign economy. The neglect of this menace is quite disheartening much less to refer to the desolation of some duties as found in our organisations.

The migration index of some of the Nigerian technology-savvy individuals has reduced the key performance index of most organisations to almost zero or near crashing point. You find most companies struggling with the few hands they have and even find it hard to recruit professionals for replacement. The trend soars to its highest peak with how borders are opened to some of these specialists from various

microchip companies and other strong fields of the economy abroad. Various fields like medicine, agriculture, financial institutions, and other fast-paced enterprises are plagued.

When this occurs, do we have to worry? A bereaved country may not necessarily experience war or pandemics that can cause mortality before it is devastated; the unprecedented occurrence will be evaded through the immigration of professionals. This movement is quite different from exchange programmes where nations interchange expatriates for some special assignments for a given period, after which the nationals return to their home countries for service concerning their pieces of training among other interested citizens.

A foreign passport is the goal of most of these sojourners. They want to permanently leave their home country for greener pastures that may last their lifetime and that of their children. When situations like these happen to a country, the depletion

of Human Resources is colossal. The rate of dependence on foreign survival kits becomes extremely unimaginable. Corruption of various shades escapes from its hideouts to the visibility of all. Whim

### Second colonial intervention you would call it? The experiences or feedback from the immigrants have testified to the fact that monies are not picked on the streets of countries in Europe or on the walkways of states in America

and caprice of loyalty to one's nation appear so glaring. This is just not too good to imagine when all our special forces are seconded unwillingly.

Second colonial intervention you would call it? The experiences or feedback from the immigrants have testified to the fact that monies are not picked on the streets of countries in Europe or on the walkways of states in America. Some claim that the benefits are just the working conditions of the system that have simplified working for your money. The shocks of getting to work and making

money based on wages according to your hours of labour are explainable to the most determined to travel. Discipline will make you pay bills and still make your savings fat. The level of our con-

formity to rules over there brings confusion.

The illusion that things are not working in Nigeria is worth the confusion of how the same people make things work in a foreign system. A typical example is our pattern of driving; you would find Nigerians drive responsibly in another man's land and break the rules in their home country. If this culture of common goals to make things work runs in our mind, perhaps, the level of transiting from one country to a foreign land will drastically reduce.

Another aspect that

brings confusion is the rate at which some of our leaders travel to these developed nations for assistance or the other. You would wonder how much dependence we have on their health facilities because our system is not taking a leaf from these working conditions. The expectations of the citizens are not so much but for some basic social amenities, that the health system, education reform, and civic responsibility get an affirmation. In turn, the support system for some of these basic services will not be as expensive as how much we lose to these foreign economies.

Our maintenance culture begs for total reform as most erected facilities

have been archaic due to a lack of sustainable use of these resources. If these expatriates come to visit, we revere them to the detriment of our indigenous professionals. Things suffer negligence and get devastated because their lifespan is queried by regular servicing. It is a thing to have sophisticated machines; it is another to have relatively-experienced operators. The few ones are those contemplating whether to move abroad or stay.

If these immigrants decide to remain far from the shores of the country that remains oblivious to all these mentioned plights, the unresolved issues will create more problems for others to find reasons to flee. It will be more difficult to prioritise nation-building above self-survival mechanisms and it will enable excuses for people to assume living rather than dying in penury and uncertainty. It does not seem so palatable on the other side of the world but when there is a tunnel with glimpses of light at the end, the end may be justifiable for those who choose to flee.

Olusegun Fashakin, a Fulbright Teaching Excellence and Achievement Fellow, writes in via olusegunfashakin@gmail.com

## Budget 2024 of Renewed Hope

By Boniface Chizea

PRESIDENT Bola Ahmed Tinubu presented, as anticipated, the details of budget for the year 2024 before a joint session of the National Assembly on Wednesday November 29, 2023. The budget was themed Budget of "Renewed Hope". This title given to the budget is quite appropriate and perceptive as it is an implied and implicit admission of the fact that the hope of a generality of our citizens is at an all-time low. This observation could be readily corroborated from the unprecedented rate of migration of Nigerian citizens outside the Country often to face uncertain and problematic future.

We wish the Government and Nigerians for that matter Godspeed as we pursue this deserved and urgent objective of restoring hope. But we must realistically remind ourselves that this journey is going to be long, arduous, tough and tasking.

The other matter deserving of our comments as we embark on this review is the timing of this presentation. The Fiscal Responsibility Act expects the budget to be laid before the National Assembly by the end of the third quarter of the year i.e. August to allow sufficient time for the National Assembly to consider and approve the budget ready for implementation commencing from the first day of January in keeping with common practice almost in all other countries of the world.

Hitherto, we struggled with this January to December cycle. As a result, the date for commencement of implementation of the budget was a

shifting date which denies the budget of the needed predictability and consistency which ended up projecting us in very poor light. One of the achievements that could be given to the immediate past administration was that it was able to return the Country to the much desired January/December fiscal year even though it is correct to note that it remained a struggle of sorts to keep fidelity to that timeline.

This administration has already presented two supplementary budgets in quick successions which were dutifully and expeditiously approved by the National Assembly as it battled to stabilize the macro economy and to jump start the implementation of some urgent programs such as the provision of palliatives for our citizens hurting from the dual reforms of subsidy removal and the attempt to harmonize the rate of exchange. It will therefore be understood that the Administration was not able to keep to the timelines provided in the Act. But the President pointedly repeated the request during his presentation as he urged the National Assembly for due diligence as it is able to approve the Budget ready for implementation commencing from the first day of the year 2024. We would wish to add our voice here to ask the National Assembly to go the extra mile and make necessary sacrifice for this expectation to become a reality.

At this stage it is in order to observe that the details of the budget presentation is somewhat short of some of what we are accustomed to expect as this presentation is made. We therefore look forward to the presentation of the budget

by the Minister of Budget and National Planning for the usual breakdown to be given particularly the allocation to the various Ministries.

Let us now look at some of the assumptions adopted in the budget preparation. Daily volume of oil production has been estimated at 1.78 million barrels a day (mbd). It was as low as 1.2 mbd at the inception of this administration but is now being ramped up as a result of intensified efforts with blocking of oil theft. But this is still a far cry from OPEC quota which is above 2mbd. And against the background of future commitments the Country has entered into and the need to ensure domestic supply of crude to both Dangote and Port Harcourt Refineries scheduled to come on stream by the end of this year, the urgency for ramping up the level of daily crude production couldn't be more pressing. The prize of fuel used for the projections is 77.96 dollars a barrel. It is clear by this assumption that we have opted to err on the side of caution because the prize of crude at the International Market approached the 100 dollar mark a barrel as a result of demand pressures arising from the ongoing senseless Russian/Ukraine war at some point in time.

However it is a preferred thrust to under estimate revenue as it is eminently easier to manage surplus than otherwise.

The exchange rate has been pegged at 750 Naira to the dollar. The rate we assume here is to some extent under our purview but it is important to bear in mind that for a market undermined by the activities of speculators that it is very im-

portant to attempt to manage the psychology of the market as every attempt is made to be intentional about the signal sent out to the Market. We can work hard to strengthen the Naira as it is necessary to checkmate the runaway inflationary spiral which has unleashed unprecedented hardship on our population. And the omen cannot be better as the prospects of the termination of fuel importation looms high as local production of crude is round the corner. Such a development would remove priority foreign exchange demands for the importation of refined products thereby boosting the rate of exchange of the Naira.

The rate of inflation is expected to reduce to 21.4 in 2024. This might be ambitious considering that the rates today stand at close to 28%. It is difficult to fathom now what strategies will facilitate the attainment of that desired rate of reduction in inflation as desirable as it is by the end of the year. Be that as it may, we have for a long time in this country retained a target of 9% for inflation and we must strive in the full consciousness of the fact that inflationary pressures are now being tamed in most other countries of the world to make desired progress in this regard. Nigeria must not be an exception. The economy is projected to grow by 3.76%. Such a possibility is most desirable as the economy will have to grow by about 7% for some years for sustainable development to be attained. Our annual population growth rate today is estimated at about 2.5%. We must grow the economy consistently in excess of this population growth rate for sustainable development that

will impact positively on the quality of life of a generality of our population.

The aggregate expenditure by the Federal Government has been estimated at 27.5 trillion Naira relative to 24.82 trillion in 2023 with non-debt recurrent expenditure estimated at 9.92 trillion, debt service at 8.25 trillion. With debt stock surprisingly projected at 45% of GDP! Now this is a far cry from the 99% debt service which lead to the argument in the recent past whether Nigeria's problem is the volume of its debt stock or inadequate revenue. If we ask me I will vote for both as there is no point splitting hairs here!

Tax Revenue following ongoing reforms is projected to increase to 18% of GDP during the tenure of this Administration increasing from the uncompetitive rate of under 10% during the tenure of the immediate past Administration. That will amount to remarkable achievement as most of our recurrent expenditure should ideally be underwritten by tax revenue. Capital expenditure is estimated at 8.7 trillion Naira. The rate of deficit to GDP is estimated at 3.88% as against 6.11% in 2023. We must observe here that the ceiling in this regard as per the Fiscal Responsibility Act is 3%; though there is provision that this limit could be breached when there is an overriding consensus on the need to do so. The caution to note here is that unfortunately Nigeria is

confronting high inflationary environment and one of the potent strategies for reining this in is to moderate the deficit in the Budget which is also in any case an evidence of good housekeeping.

As the President observed in his presentation, the details of the Budget are all included in the Medium Term Expenditure Framework MTEF (2024-2026) which has been approved by the National Assembly. It will appear that there is some necessary catch up for us to make in the use of the MTEF which is really the annual budget prepared three years in advance. Where this information is appropriately deployed the preparation of the Budget should be seamless; done with dispatch since all that will be needed will be to make an update of what is on hand.

We hope that now that the correct steps have been taken to put the Budget and the Plan under the same Ministry that the benefits will be seen in the progress we make with the monitoring and implementation of the Budget because at the end of the day, the Budget is really an annual plan. We also heard that there could be town hall sessions held to ventilate and receive inputs from the enlightened public. Well that for now will amount to shutting the stable door after the horse has bolted. But we look forward to the return of public presentation to inform the public with regard to the progress being made with budget implementation. This has the distinct advantage for retaining focus on the budget as all concerned are kept on their toes for the greater benefits of the Nigerian economy and particularly the wellbeing of our population.

Boniface Chizea Ph.D., FCIB. MD/CEO, BIC Consultancy Services, Lagos

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# Japa in the health sector: A crisis in the making

GOOD health, housing, and education are top of man's social needs. They are essential to a person's overall growth. A person who is in good health does not run the risk of dying, except by accident.

To ensure safety from the unpredictable weather, a healthy individual needs adequate shelter or a home. Education allows people to overcome ignorance and transcend animal impulses, and so it is essential for humankind. It is one of the most fundamental things separating man from beasts.

Most civilizations, particularly those in the world's sophisticated economies, prioritise and allocate sufficient funds to these areas. However, Nigeria, the largest economy on the continent and Africa's big brother, cannot be considered to be like that.

Here is a country where these important human needs are treated as if they are a luxury. With about 25 percent homeownership level, over 80 percent of its 200 million population as renters and about 20 million housing units deficit, representing 40 percent of the continent's total, Nigeria's housing story is just pathetic.

The education sector is in a mess. Besides over 20 million out-of-school children, the school calendar is a sham made so by a lot of factors, including frequent industrial action by university teachers over poor pay, failed agreements, and poor funding of the university system.

Lately, the sector has been

hit hard by brain drain which is now known, colloquially, as 'Japa'.

We had expected that having a president whose health condition is not always sound is enough reason to build a world-class hospital comparable with the ones that attend to them in foreign countries where most of our 'japa-ed' health workers find themselves.

'Japa' has become a phenomenon, consciousness, or movement that is sweeping through all sectors of the economy with its headquarters in the health sector. It is alarming; it is a testament to a country where nothing works. In the health sector, japa is symptomatic of a system on a highway to extinction.

We are worried, to say the least, more so with the indifference that defines the government's attitude to the very ugly state of affairs in this all-important sector.

The exodus of workers in the health sector started first with nurses who, in locust fashion, massed out of the country to foreign lands, particularly the UK where they have gone to save lives, leaving their own people to die in pain in largely empty hospitals.

Today, japa in the health sector involves everybody and anybody and the rate is terrific. Recently, Abiodun Otegbayo, the chief medical director (CMD) at University College Hospital (UCH), painted a sordid picture of the situation with alarming figures.

"Every week, I sign res-

**The exodus of workers in the health sector started first with nurses who, in locust fashion, massed out of the country to foreign lands, particularly the UK where they have gone to save lives, leaving their own people to die in pain in largely empty hospitals**

ignation letters of 15 health workers in this institution, who are mostly clinicians, that is, nurses, doctors and pharmacists, among others," the CMD said, adding that from 2020 to October 15, 2022, no fewer than 600 clinical staff had left the hospital.

About five wards with 150 beds have been closed down at the Lagos University Teaching Hospital (LUTH), Idi-Araba due to a shortage of health workers, according to a December 1, 2023 report on BusinessDay.

The UCH and LUTH stories are not isolated cases. They are just a microcosm of a macro-problem. Available statistics give a shocking picture of the bad situation. In 2021, over 783 pharmacists left Nigeria while about 5,000 doctors also left the country in the last eight years.

Record shows that in 2015, 233 Nigerian doctors moved to the UK; in 2016 the number increased to 279; in 2017 the figure was 475, in 2018, the figure rose to 852, in 2019 it jumped to 1,347; in 2020, the figure was 833 and in 2021 it was put at 932.

It also shows that a total of 727 medical doctors trained in Nigeria relocated to the UK in six months, between December 2021 and no fewer than 400 consultant anaesthetists left Nigeria for greener pastures between 2001 and this year, according to the Nigerian Society of Anaesthetists.

A 2022 UK immigration report shows that 13,609 Nigerian healthcare workers (including doctors) were granted working visas in the past year, making the country second only to the 42,966 from India.

That is UK alone, not all over the world. And this is happening in a country where it is estimated that from 1963 to date, it has produced only 93,000 doctors.

The question that readily comes to mind in the face of all these is 'why are these workers leaving?' What is chasing them away, worsening the already poor doctor-patient ratio of 1:5,000 in the country as against the World Health Organisation (WHO) recommendation of 1:600? What is the government doing to stem this tide?

Like many other sectors, poor funding is an issue. It is sad to note that in 2021, the government allocated less

than 5 percent of its annual budget to the health sector. Added to this is the allegation by the health workers that the government has not done a comprehensive review of their salaries since 2009 despite inflation.

It is hard for us to believe that the country's health story remains the same one government after another. Nigeria has had the misfortune of having a couple of ailing presidents including the sitting president who have had cause to seek medical attention abroad time without number.

We had expected that having a president whose health condition is not always sound is enough reason to build a world-class hospital comparable with the ones that attend to them in foreign countries where most of our 'japa-ed' health workers find themselves.

We appeal to the government, especially the one that will be formed after the February 2-23 elections to get its priorities right. The country needs world-class hospitals in each of the 36 states of the federation to attend to special cases, especially cancer.

This, in our view, has the added advantage of reducing the rate of medical tourism and the attendant loss of foreign exchange earning, and also saving the citizenry from avoidable deaths. Government needs to wake up and end this disquieting indifference to the exodus of health workers.

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## The Impact of telemedicine to revolutionize patient outcomes and healthcare accessibility

By Yusuf Quadri

THE utilization of telecommunications technology for the purpose of providing healthcare remotely, or telemedicine, has become a potent instrument in the fight against healthcare accessibility issues in Nigeria. Timely access to medical treatments has always been hampered by the country's large geographic size and the dearth of healthcare facilities in rural areas. But as telemedicine has grown, infrastructural and distance-related constraints are gradually coming down, opening the door to a more inclusive healthcare system.

The increased availability of healthcare services, particularly in underprivileged and isolated areas, is one of the main effects of telemedicine adoption in Nigeria. By using virtual consultations, patients can confer with medical specialists without having to go far, which eases the strain on the transportation and physical infrastructure. For people who lived in rural areas and had trouble getting to medical services, this has changed the game.

Through teleconsultations and tele-education initiatives, telemedicine has also made it easier for medical professionals in urban areas to share their knowledge with clinics in



rural areas. By providing remote guidance to local

“  
**Geographical obstacles have been eliminated by technology, which has also completely transformed the way healthcare is provided, making it more patient-centred, economical, and effective**  
 ”

healthcare professionals, specialists situated in urban areas can improve the quality of care that is accessible in remote areas. Patients in remote locations are guaranteed prompt and accurate diagnosis and treatment recommendations because to this cooperative approach.

In Nigeria, the use of telemedicine has had a big impact on how chronic disease is managed. Thanks to remote patient monitoring devices, patients with diseases like diabetes, hypertension, and asthma can now keep a closer eye on their health. Healthcare providers may make well-informed decisions and act quickly in the event of any alarming developments because to the real-time data collection capabilities of these devices. Patients

with chronic illnesses thus benefit from better health outcomes and a higher standard of living.

In addition to increasing access to healthcare, telemedicine has shown financial advantages for both patients and the healthcare system. Telemedicine contributes to lower total healthcare expenses by eliminating the need for travel and lessening the burden on the physical healthcare infrastructure. Healthcare facilities can optimize resource allocation and alleviate pressure on overworked clinics while patients save money on travel, lodging, and other related costs.

While there are many benefits to telemedicine in Nigerian healthcare, there are some drawbacks as well. These include poor

internet connectivity, particularly in rural areas, and the requirement that patients and healthcare providers be technologically literate in order for telemedicine to be widely adopted. Nevertheless, efforts are being made to overcome these challenges, including government-led initiatives to increase internet connectivity and training programs to improve digital literacy in the healthcare industry.

In order to facilitate the incorporation of telemedicine into standard healthcare practices, regulatory frameworks are also changing. In order to maintain the same ethical and quality standards as traditional healthcare, guidelines and standards must be developed. This promotes confidence between patients and healthcare providers.

Telemedicine adoption will have a revolutionary effect on patient outcomes and healthcare accessibility in Nigeria. Geographical obstacles have been eliminated by technology, which has also completely transformed the way healthcare is provided, making it more patient-centred, economical, and effective. The country's continued adoption of telemedicine will likely lead to greater advancements in patient outcomes and healthcare access, which will ultimately benefit the populace as a whole.

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Week open 24 11-23)	71,230.48	N39.173 trillion	6,711.76	3,355.17	658.99	2,613.40	742.29	305.66	1,146.43	988.17	4,497.62	2,815.35	3,033.93
Week close 01 12-23)	71,419.87	N39.173 trillion	6,761.74	3,351.41	658.99	2,625.00	756.57	299.45	1,141.08	1,047.17	4,512.71	2,780.76	3,062.62
Percentage change (WoW)	0.27 ↑		0.74 ↑	-0.11 ↓	0.00	0.44 ↑	1.92 ↑	-2.03 ↓	-0.47 ↓	5.97 ↑	0.34 ↑	-1.23 ↓	0.95 ↑
Percentage change (YTD)	39.35 ↑		43.39 ↑	43.93 ↑	-0.07 ↓	42.47 ↑	81.21 ↑	71.74 ↑	93.75 ↑	126.42 ↑	39.25 ↑	15.71 ↑	70.85

## ‘Listing puts a company on the global map’

Edward Akinlade is the group managing director, Haldane McCall Plc, a company in the real estate and hospitality industry in Nigeria. Recently, the company disclosed plans to list its shares by introduction on Nigerian Exchange Limited (NGX) in the first quarter (Q1) of 2024. Ahead of this feat, Akinlade speaks on the real estate and hospitality businesses and how they can contribute more to Nigeria's Gross Domestic Product (GDP), write Iheanyi Nwachukwu. Excerpts.

### WHAT motivates your plan to seek listing by Introduction in the first quarter of 2024?

We know the primary benefits of listing, which include risk diversification and by implication, opportunity for continuity in a company as the ownership base is wide.

We also want our directors to cut across different professional backgrounds. Listing puts a company on the global map as an organisation that upholds the sanctity of corporate governance through compliance with the Post Listing Requirements of NGX.

There is no doubt that listing creates multiple opportunities for a company to access capital from the markets as there are various financing options. Haldane McCall is a baked cake that we want many investors to simply slice and eat.

We are seeking approval for listing by Introduction. It means prior to our listing; we have complied with the Listing Requirements of NGX. We are already engaging the Capital Market Regulators through our appointed agents - the market operators. After the listing, we shall be at liberty to deploy public offering and other financial assets to mobilize funds from the market.

### Is Haldane McCall also issuing bonds to raise long term funds in the future?

That option is on the cards. When we get to the bridge, we shall cross it. We shall definitely issue bonds in the future to finance our expansion into affordable housing, particularly in Lagos and Abuja, and



also to expand our hotels in Abuja.

### You are so passionate about Haldane McCall Plc. What is so unique about this company?

Our vision is to create a company that would enable the creation of a sustainable developmental framework for Africa. We would achieve our vision by positively engaging all stakeholders in all our areas of operations. The Company intends to intensify its drive for sourcing and identifying viable investment opportunities in the African emerging markets. The strategy among others is to buy existing hotels, invest, remodel and finally rebrand for optimality.

### What is the company's dividend policy?

Our dividend policy

is to distribute 30 percent of all our profits after tax annually to our shareholders.

### Can you shed more light on the Company's strategic growth plan?

We have a well-defined strategic growth plan that includes expanding our market presence and exploring new opportunities. Your investment will be part of an exciting journey towards expanding our horizons and securing a brighter future. Our presence in both real estate and hospitality sectors ensures that your investment remains resilient in a rapidly evolving market. Our future projections indicate promising returns on investments. We are committed to maximising value for our investors as we con-

tinue to grow and innovate. With a history of profitable ventures and a dedicated team of industry experts, we have consistently delivered exceptional results.

### What are the major challenges facing housing for all Nigerians?

The challenges are enormous. What we want from the government of the day is to provide enabling environment in so many areas. Most of the materials being used in the industry are imported. Volatility of FX rate is impacting is on businesses in this sector. This brings about high cost of construction in Nigeria.

We contend with multiple taxation, availability of inadequate skilled workers is a major challenge, as there are situations where you have

to go outside Nigeria to find skilled professionals to do the work and getting approval from governments to do the construction work is often fraught with bureaucratic bottlenecks.

We pay as much as 30 percent interest on loans from banks in Nigeria. Many people in the construction industry leverage their own capital to do business. This makes it difficult to operate optimally, unlike advanced countries where there is access to loans at low interest.

### How can these be addressed?

The way forward is political will. Where there is will, there is a way. Our politicians are not that keen in supporting the housing market. That is why the challenges are increasing by the day. The Government needs to address the issue of interest rates to make it competitive.

Nigeria should invest more in technical education to increase skilled manpower. We used to have technical colleges in the past. The schools were producing skilled workers like carpenters, bricklayers, technicians and a host of others. We expect multiple taxation to be reduced under the ongoing tax reform. Generally, the ease of doing business should be given a priority to attract more investors into the real estate.

We hope the new administration will implement policies that will enable those of us in the real estate industry to operate optimally and contribute to the growth of the country's Gross Domestic Product (GDP). As for the hospitality industry, there are many mushroom

hotels in Nigeria. Multiple taxation and other anti-business policies have continued to stifle the companies' ability to make profit.

### During the recent investor's forum of Haldane McCall Plc in Lagos, you said the company could partner the federal government to address housing deficits in Nigeria. How realistic is this?

Very simple and highly realistic. I still maintain that our politicians are not interested because they have crude to sell. Yes, I said during the investor's forum that state and federal government can give developers land to go and develop within a period of time. It's the developer giving back to the government for the value of the land giving at the start.

This model does not cost the government any amount as the only person that will finance the project is the developer. This model is cost-effective for the government and realistic. But are our politicians interested?

### Can you give an insight into hospitality industry which you are also major player?

We are well-diversified. We own the Suru brand in Nigeria. That is why you will find Suru Express Hotel. We have Suru Express Plus Hotel, Lagos. We also own one in Ikeja, one in Surulere and one in Ikorodu. We cater for the middle class with affordable hotel needs rather than luxury. The one at Ikorodu is about 92 rooms, the one in Surulere is 21 rooms while the one at GRA is 32 rooms. Our rates are competitive. We deliver quality service.

# COMPANIES & MARKETS

## Dangote Cement's cash pile more than triples, hits N304bn

By Folake Balogun

DANGOTE Cement, a multinational cement manufacturer, has recorded a 250 percent growth in its cash and cash equivalents for the first nine months of 2023, a BusinessDay has shown.

According to the firm's financial statement, its cash and cash equivalents rose to N304.2 billion in the nine months of this year from N86.9 billion in the same period of 2022. Its cash flow which includes cash and bank balances stood at N209.9 billion and short-term deposits at N175.3 billion. Bank overdrafts used for cash management purposes were deducted which was N81.11 billion.

"Cash and cash equivalents include restricted cash of N4.77 billion for group and

Dangote Cement's cash flow in nine months 2023 (N'bn)

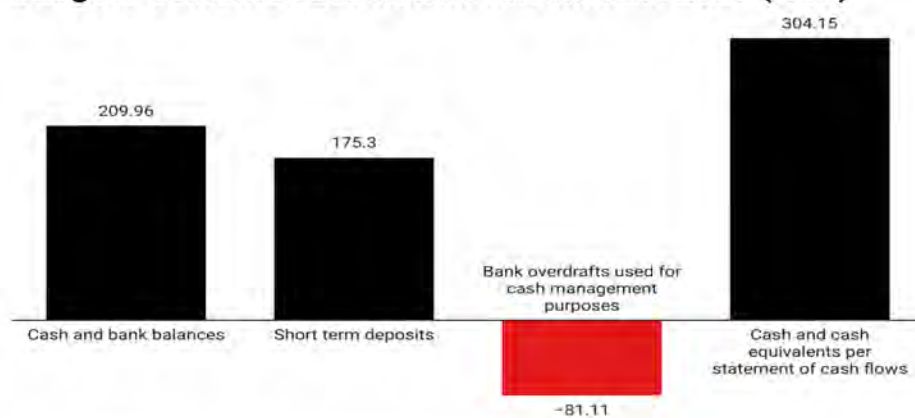


Chart: BusinessDay Media - Source: NGX - Created with Datawrapper

Movement in Dangote Cement's cash and cash equivalents (N'bn)

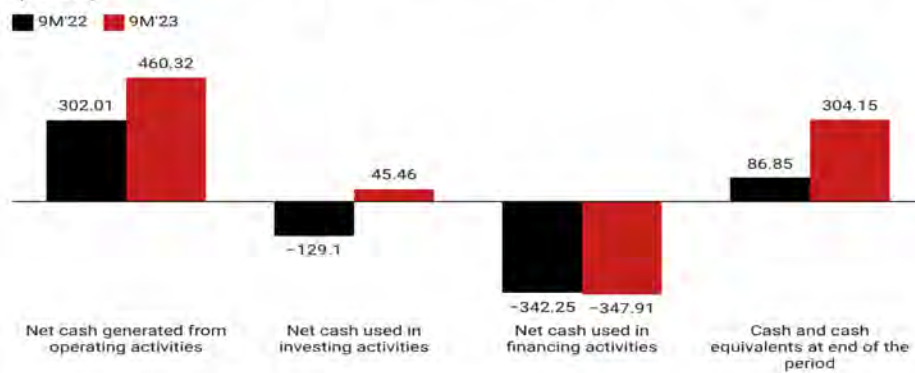


Chart: BusinessDay Media - Source: NGX - Created with Datawrapper

N3.92 billion for company (December 2022 N5.38 billion for the group and N4.93 billion for company) on unclaimed dividend held in a separate bank account, letters of credit for the acquisition of inventories, property, plant and equipment as well as debt service reserve account," the company said in a statement.

**Movements in cash and cash equivalents**  
Dangote's net cash generated from operating activities increased to N460.3 billion in the first nine months from N302.0 billion in the same period of 2022. Net cash used in investing activities stood at a positive of N45.5 billion from a negative of N129.1 billion.

The firm's net cash used in financing activities stood at a negative

of N347.9 billion from a negative of N342.3 billion.

### Growth in profit and revenue

The cement maker's profit after tax increased to N277.6 billion from N213.1 billion. Revenue was N1.51 trillion, up from N1.18 trillion.

### Sales volume dropped

Dangote Cement's total sales volume declined to 20.3 million tonnes from 20.8 million tonnes. However, cement production and bagging capacity increased to 52 million tonnes from 51.55 million tonnes.

### Finance income declined

Finance income dropped to N20.8 billion from N28.8 billion and earnings per share rose to N16.1 from N12.4 per share.

## Sustainable practices not excuse for abusive operations - NBCC

By Damilola Odifa

RAY Atelly, president and chairman of council of Nigerian-British Chamber of Commerce (NBCC), has said sustainability practices engaged by corporate organisations do not offer excuses for abusive practices.

In a statement, Atelly praised King Charles III and President Bola Tinubu for joining in the crusade to save the planet by finding time to attend the COP 28 at the UAE.

"We believe that sustainability practices can be localised in ways that do not offer excuses or license for abusive practices," he said.

He said it aligns with the policy thrust of the NBCC which sees the protection of the environment as something that must be done by all, especially the business community of both countries.

He expressed delight over the in-depth dis-



cussions the president and King Charles III had in Dubai, saying it would advance the serious climate challenges facing many African economies.

"King Charles has always been a staunch advocate of environmental protection. It has been his lifelong passion. On the other hand, Tinubu is emerging as a leader with a strong interest in climate change and environmental matters.

"The partnership between both countries on this front, amongst others, will bode well for the economies and peoples of both nations & should be encouraged to grow for adoption &

impact," he added.

The statement noted that the chamber believes leading corporate organisations should do a lot more in reducing greenhouse emissions and help raise awareness about its dangers to the local environment, to desist from degrading the environment in ways that will ultimately lead to human tragedy in years to come.

"We believe the awareness this gesture has created will go a long way in drawing attention to this danger facing our planet.

"Our Going Green Project is on at NBCC. Through this, we plan to reduce our carbon footprints and to cut over to healthier power sources. We are also encouraging our 400-strong corporate membership to join in this crusade and help create a Green Wave across our corporate landscape through Energy Transition programs of their own."

## Veritas Kapital appoints Adaobi Nwakuche as MD

By Bunmi Bailey

ADAOBINwakuche, immediate past and pioneer managing director/CEO of Heirs Insurance Limited, has been appointed as the MD/CEO of Veritas Kapital Assurance Plc (the company).

According to a statement by Saratu Garba, the company's secretary/legal adviser, the appointment of Adaobi is pending final approval from the National Insurance Commission.

"This is to notify the Nigerian Exchange Limited, esteemed shareholders, stakeholders, and the general public of the appointment of Adaobi as MD and CEO of Veritas Kapital, the company following the exit of Kenneth Egbaran as MD upon the expiration of his contract of service with the company," the statement said.

It said the new MD is a seasoned insurance professional, who brings to



the fore, over 25 years of distinguished and hands-on service encompassing; but not limited to, execution and management of strategic partnerships and alliances; deal structuring and contract negotiations; channel development and marketing; and team development and leadership.

"All acquired across several leading national organisations. Before joining Veritas Kapital; Adaobi was the immediate past, and pioneer MD/CEO of Heirs Insurance Limited, wherein she orchestrated the strategic direction of the

company," it added.

The company noted her over two-decade career includes experience garnered as executive director at Heirs Holdings Group; director (Commercial division), at Equity Assurances, as well as other high-level positions at STACO and Standard Alliance Insurance Company Limited.

"A seasoned business executive with an enviable track record of achieving exceptional results, Adaobi earned her first degree in Government and Public Administration from Abia State University. She furthered her education by earning an MBA in Business Administration from ESUT Business School."

Adaobi is an Alumnus of Harvard Kennedy School and Lagos Business School. She has attended various national and international executive-level training programs and seminars.

## COMPANIES & MARKETS

### 9mobile, Delta Fuel partner to boost hi-speed automotive lubricants

By Seyi John Salau

9MOBILE, a telecommunications company, has announced a partnership with Delta Fuel & Lubricants Petro-Chemical company to boost the usage of Hi-Speed automotive lubricants in the country.

The partnership seeks to reward customers who purchase the firm's 4-litre Hi-Speed engine oil product with a free recharge card of up to N5,000 airtime value.

The recharge card is enclosed in every 4-litre gallon of engine oil and can be retrieved after decanting the engine oil from the container.

"It is our firm belief that this partnership would be mutually beneficial to both brands as we cooperate to satisfy the

automotive maintenance and telecom needs of our esteemed customers," Kenechukwu Okonkwo, director of products innovation and business development at 9mobile, said.

According to Okonkwo, both companies look forward to a fruitful and successful partnership, leveraging their strengths to develop pioneering solutions that will enhance the lives of consumers through technology and telecommunications.

"We are excited about the possibilities that this partnership presents. Collaborating with Delta Fuel & Lubricants aligns with our commitment to continuously deliver value-adding solutions and services to our customers and to reach them through various touch

points in their everyday lives," he said.

Okonkwo noted that the free recharge offer will be available while stocks last. He disclosed that customers are encouraged to purchase the 4-litre bottle of the Hi-Speed engine oil from Delta Fuel and Lubricants and get rewarded with a free 9mobile recharge card.

Chika Omabuikwe, general manager of sales and marketing at Delta Fuel & Lubricants, expressed his enthusiasm about the collaboration with 9mobile stating that "Our partnership with 9mobile speaks to an innovative synergy between the petro-chemical and the telecommunications industries, towards revolutionizing how technology integrates into everyday life".

### Kaduna career fair a catalyst for change, says Balarabe

By David Ijaseun

Hadiza Balarabe, deputy governor of Kaduna State has described the state's career fair as a catalyst for change, showcasing the collaborative spirit between the public and private sectors.

Balarabe revealed this during her address at the recent Kaduna Career Fair, attended by over 2000 participants and 250 employers, adding that the platform signifies an ecosystem fostering talent recognition, nurturing, and thriving opportunities.

"Jobberman's proactive role in connecting talent with opportunities deserves commendation for bridging the unemployment gap in our state," said Balarabe. "A well-developed human capital base is crucial in alleviat-

ing unemployment, ultimately lifting citizens out of poverty."

Expressing concern over unemployment's potential threat to national security and increasing poverty levels, she revealed the government's directive to all ministries, departments, and agencies to streamline business procedures, facilitating private initiatives in Kaduna.

Patience Fakai, the state's commissioner of the Ministry of Business Innovation and Technology, noted that the ministry will retain the database of participants to continue to match them up with job opportunities.

Ahmed Alaga, programme manager at Jobberman Nigeria, said the company's evolution beyond mere job placements,

focusing on human capital development amidst Nigeria's projected population growth by 2050.

"Jobberman Nigeria has grown beyond private placement services to employers and job seekers to focus on human capital development," he said. "With projections that Nigeria's population will double by 2050, we will either have the largest job force in the world or the largest criminal force. The choice is ours, and we must begin the work now."

Jobberman, in collaboration with the Mastercard Foundation and the Kaduna State Government, organised the Kaduna Career Fair. The event also featured an expert panel discussing the sought-after skills and qualities employers desire in today's dynamic job market.

### Abbey Mortgage empowers non-profits in Abuja

By Dipo Oladehinde

ABBEY Mortgage Bank, a primary mortgage bank in Nigeria, has organised a sustainable workshop for stakeholders of non-profit organizations to enhance financial sustainability and drive positive change within the civil society sector.

The event which was tagged "Financial Management: A Sustainability Tool for Non-Profit Organizations" held in Abuja recently, is aimed at creating impactful investment opportunities to aid sustainability efforts in line with SDG 17 which supports the implementation and revitalization of Global Partnership for sustainable development in the civil society.

The workshop was attended by prominent guests including Jubril Shittu, CEO of PPDC; Ayodotun Olutola, CEO of CCCR; Hamza Lawal, CEO of CODE; and Gideon Olanrewaju, CEO of AR-EAi among other guests.

Speaking at the event, Bukola Ewedairo, group head, of non-profit organizations at Abbey Mortgage Bank, noted that, "Abbey Mortgage Bank is rightfully positioned to partner with institutions in the civil society by creating opportunities for long-term sustainable investment.

"We believe that non-profit organizations need to be strengthened to achieve their mission and this workshop was

our way of collaborating to ensure that they can thrive especially with the volatilities in our local economy," she said

Also speaking at the event, Mobolaji Adewumi, managing director of Abbey Mortgage Bank and a key speaker at the event, added that the company is creating an ecosystem where non-profits can flourish, contribute meaningfully to society and drive sustainable change.

"We are committed to helping individuals build wealth and attain financial empowerment and we are proud to collaborate with these distinguished leaders to make a lasting impact by supporting financial growth and empowerment," he said.

## BUSINESS EVENT



L-R: Kemi Leke-Bamtefa, country manager, South African Airways; Nnenna Okoro, head of consumer client coverage, Stanbic IBTC Bank plc; Joseph Edgar, founder, Hamilton and George Advisers Limited; and Osayaba Giwa-Osagie, chairman, Nigeria-South Africa Chamber of Commerce (NSACC), at the chamber's breakfast meeting in Lagos.



Lolu Alade-Akinyemi (I), MD/CEO, Lafarge Africa plc, received by Kayode Egbetokun, inspector general of Police, during a courtesy visit by the executive management of Lafarge Africa plc, to the IGP at the Force Headquarters in Abuja recently.



L-R: Chip Tang, country manager, TECNO; Victor Ikpeba, former Super Eagles player; Chidi Okonkwo, managing director, Transsion Holdings; Thompson Ani, manager, Below-the-Line, TECN; and Joshua Valor, tech influencer, at a media parley to announce TECNO's partnership with CAF for 2024 AFCON in Lagos.



L-R: Chiamaka Nnadozie, Super Falcons goalkeeper; Ibrahim Gusau, president, Nigeria Football Federation (NFF); Ifueko Omoigui Okauru, director, MTN Nigeria; Adia Sowho, chief marketing officer, MTN Nigeria; Deborah Abiodun, Super Falcons midfielder; and Idowu Adesokan, general manager, consumer marketing, MTN Nigeria, at the dinner for the Super Falcons hosted by MTN Nigeria, which held at Transcorp Hilton Abuja.

BUSINESS DAY

NBLA  
2023Nigerian  
Business  
Leadership  
Awards

Celebrating Excellence in Enterprise

9 DECEMBER 2023 | 6 PM  
LANDMARK EVENTS CENTRE, VICTORIA ISLAND LAGOS

#### OVERVIEW

The **BusinessDay Nigerian Business Leadership Awards** recognises remarkable business leaders and outstanding organizations in Nigeria's real sector for their sustained commitment to excellence in enterprise.

The Awards honour private sector leaders who have:

- Made significant contributions to the Nigerian economy through jobs creation, national development and fostering of international trade
- Shaped the Nigerian economy through major strides in home-grown innovation and opening new vistas of opportunity.
- Demonstrated visionary capacity and nationalism through their inward investments, thereby pushing Nigeria's rise in global competitiveness rankings.

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#### Sponsorship and partnership inquiries

**Dozie** 📞 0814 481 2193 📧 chidozie.okere@businessday.ng

**Segun** 📞 0812 024 3167 📧 segun.asoyinkule@businessday.ng

**Lilian** 📞 0813 853 8741 📧 lilian.emukowhate@businessday.ng

**Esther** 📞 0706 299 9744 📧 esther.ekeoma@businessday.ng

www.businessday.ng

# BUSINESS TRAVEL

## Cargo demand rises in October on recovery

Stories by Ifeoma Okeke-Korieocha

THE International Air Transport Association (IATA) released data for October 2023 global air cargo markets indicating the third consecutive month of stronger year-on-year demand.

The increase in cargo demand has been linked to recovering demand and stronger yields globally.

“Demand for air cargo was up 3.8 percent in October. That marks three consecutive months of year-on-year growth, placing air cargo on course to end 2023 on a much stronger footing than it began the year. Recovering demand, slightly stronger yields and the uptick in trade are all good news.

“But with demand still 2.4 percent below pre-pandemic levels, and much uncertainty remaining over the trajectory of the global economy, optimism must be balanced with caution. Nonetheless, a continued strong peak year-end season will certainly help the sector to manage through whatever turns the global economy might take in 2024,” said Willie Walsh, IATA’s Director General.

Global demand, measured in cargo tonne-kilo-

metres (CTKs\*), increased by 3.8 percent compared to October 2022. For international operations, the demand lagged slightly at 3.5%.

Capacity, measured in available cargo tonne-kilometres (ACTKs), was up 13.1% compared to October 2022 (11.1% for international operations). This was largely related to the growth in belly capac-

ity. International belly capacity, for example, rose 30.5% year-on-year on the strength of passenger markets.

Several factors in the operating environment should be noted:

- Economic activities slowed in October. With the Purchasing Managers’ Index for manufacturing output and export orders for major economies (ex-

cluding the US) remaining below the critical 50 mark, there is a clear marker for economic challenges ahead.

- Inflation in major advanced economies continued to ease from its peak in terms of Consumer Price Index (CPI), reaching between three percent and four percent for the US and for the EU respectively, in October. China’s

CPI, however, indicated deflation for the second time this year, raising concerns of an economic slowdown.

- Global trade reversed its downward trajectory and stabilized in September. Although below its 2022 peak, global cross-border trade is more than five percent above pre-pandemic levels.

- After a continuous

17-month decline, cargo yields ticked-up in September and continued into October with a 2.6 percent month-on-month gain, remaining well-above pre-pandemic levels.

African airlines saw their air cargo volumes increase by 2.9 percent in October 2023, much improved compared to September’s performance (-0.1 percent). Carriers in the region benefitted from the strongest annual growth since May (+16.7 percent). Capacity was 9.8% above October 2022 levels.

Asia-Pacific airlines saw their air cargo volumes increase by 7.6 percent in October 2023 compared to the same month in 2022. This performance was close to par with the previous month (+7.7 percent).

European carriers saw their air cargo volumes increase by 1.0 percent in October compared to the same month in 2022. This was a stronger performance than in September (-1.5 percent).

Middle Eastern carriers had the strongest performance in October 2023, with a 10.9 percent year-on-year increase in cargo volumes.



## Refurbished MMIA E-wing, testament of impact of public, private partnership - Stakeholders

STAKEHOLDERS in the aviation sector have said that the refurbished E-wing at Murtala Muhammed International Airport, (MMIA) Lagos is a testament of the positive impact achievable when public and private entities come together to promote a good cause.

The Nigerian National Petroleum Company Limited NNPC, Shell Nigeria Exploration Production Company limited SNEPCO and Nigeria Immigration Service (NIS) through joint Corporate Social Responsibility (CSR), refurbished the E-wing of MMIA.

The oil and gas giants were commended in turn by Bunmi Tunji Ojo, the Minister of Interior, Director of Federal Airports Authority of Nigeria (FAAN) and

Babajide Sanwo-Olu, Lagos State Governor, during the unveiling of the refurbished and remodeled E-Arrival Wing of Murtala Muhammed International Airport, Lagos sponsored by the NNPC/SNEPCO and other partner ventures.

The project was initiated about a year ago by Adeola

Adesokan, the Comptroller of Immigration Murtala Muhammed International Airport Lagos Command, NIS.

The project was completed within six weeks through sponsorship of NNPC/SNEPCO partnership.

In his speech at the unveiling of the refurbished and remodelled E-Arrival wing of the Lagos international airport, Alhaji Kabir Yusuf Mohammed, Managing Director Chief Executive of Federal Airports Authority of Nigeria FAAN, who was represented by Mukhtar Yusuf Muyl, the Director of Airports Operations, while appreciating the initiator and sponsors of the project, said the renovation of the facility is a symbol of progress and a beacon of national growth.

“Your dedication to the development of our infrastructure is a testament to your investment in the Nigerian future. This renovation signifies more than just an upgrade of our facilities. It is a symbol of progress, a beacon of our nation’s growth, and a clear indication of commit-

ment to seamless passage of passengers through our airport facilities,” Mohammed said.

He continued, “It is a step towards making Nigeria a key player in the global aviation industry.”

Mohammed, who noted that the Lagos Airport is not just a gateway to Nigeria, but a hub to sub-Saharan Africa as a whole, assured that with the project, every traveller, whether Nigerian or international, will experience the warmth, efficiency, and spirit of excellence that the country embodies.

Also in his address at the event, Bunmi Tunji Ojo, the Minister of Interior noted that what NIS has done is the manifestation of the reforms, he has brought into the service as the Minister.

Ojo noted the era where government business is seen as no man business is gone forever in the service.

He reaffirmed that the new orientation which is in line with the President Bola Tinubu’s mantra of Renewed Hope is to treat government’s business with

the same vigour they will put into their personal businesses.

In his speech at the event, Sanwo-Olu, who was represented by Gbenga Oyerinde, the Commissioner for Special Duties and Inter-Governmental Affairs, commended the sustainable development partnership between NNPC/SNEPCO and NIS at the airport, noting that it is a dividend of collaborative efforts between the public and private sector.

In her address at the commissioning of the project, Caroline Wura-Ola Adepoju, the Comptroller General, Nigeria Immigration Service was full of praises to the initiator of the project.

Adeola Adesokan, the Comptroller, Murtala Muhammed Airport Lagos command of NIS, said in line with President Tinubu renewed hope agenda for the country, there is always a way when people decide to take a critical look and make the best and decide to analyse the situation and provide solutions.

## Delta celebrates 16yrs of flying between Nigeria, United States

DELTA Airlines marks its sixteenth anniversary since the start of its daily nonstop service between Lagos Murtala Muhammed International Airport and Hartsfield-Jackson Atlanta International Airport. Delta remains the only U.S. carrier to operate non-stop service between Nigeria and Atlanta offering hundreds of onward connecting opportunities via Delta’s leading U.S. gateway.

“Delta’s flight between Lagos and Atlanta has gone from strength to strength, and we have continued to see strong demand for our service to popular U.S. destinations including to Houston, Washington, Los Angeles, Dallas and New York,” said Jimmy Eichelgruen, Delta’s Regional sales manager for Africa.

“Traffic between the United States and Africa remains a growing sector in aviation. We have maintained a strong foot-



print between the African continent and the U.S. and we currently operate service from Nigeria, South Africa, Senegal and Ghana.”

Delta is up-gauging its aircraft on the Lagos to Atlanta route over the Christmas and New Year period operating an Airbus A350-900 to support additional holiday traffic.

According to the airline, effective 16 December 2023 until 14 January 2024 customers will have the opportunity to experience the A350-900 offering an additional 166 daily seats between the two countries.

## GARDEN CITY DIGEST

# Mayor of Housing shows how Rivers can push 20,000 to 200,000 low-cost houses

...Wins brand award back-to-back

By Ignatius Chukwu

THE Rivers State government has rolled out 20,000 low-cost housing scheme to be built by a partner but the Mayor of Housing, My-ACE China, has revealed how this can be pushed to 200,000 within the same period.

Reacting after winning the award as the Property Personality of the Year and Brand of the year at DMOMA Awards in Port Harcourt, the Mayor of Housing said the Governor Sim Fubara administration just announced 20,000 houses to be built, but observed that when the environment is made better with ease of doing business, ease of certificate of occupancy, ease of security, and ease of taxes and incentives, with the powers that be doing the right thing, that investors would build 10 times more, 200,000 within same period.

"The moment these three factors are in place, the location or the sector will witness a boom," he said.

He also said that he was highly excited, and he reminded people how he was first to commend the governor on unveiling social housing policy in May 2023.

"We have been curiously and eagerly waiting for how it would be implemented. The houses are important but the model or process to the accessibility of the houses is even more important. There is need to see behind the housing scheme a self-auditing, self-sustaining and self-duplicating and fool-proof system to people to have access these houses. If the process has these mechanisms, the administration



Board members of the upcoming housing estate in Alesa

would know that it has not only provided houses but it has created a system to continually provide houses in the state. It would start a chain reaction of houses from the private sector. I am eagerly awaiting and I am elated," he said.

On which is better and more critical, the government to directly build houses or to create the enabling environment in the housing sector such as ease of land papers (certificate of occupancy), access roads, amenities, he said direct building of houses by government has never worked.

"This one is not government building houses directly. What I am excited about is the public private partnership (PPP) approach Governor Sim Fubara has used. Even the PPP is not enough. The greatest booster to solving the 28 million housing deficit in Nigeria is an enabling environment in

the sector.

"In fact, the way President Bola Ahmed Tinubu is going around the globe looking for investors, it shows that the government leaders do not know that we have a large army of investors already in the country. These home-based investors face huge huddles in most of the sectors including in housing. You will not imagine the setbacks and bureaucratic bottlenecks we face in starting a construction effort. Most times, those huddles lead to higher costs for the eventual houses because every huddle you overcome costs you more money and you have to recover the cost.

"When the ease of doing business (EODB), ease of documentation, ease of layout, ease of allocation, and tax incentives are given to well-known developers like us, believe you me, the result will be nothing short of a boom in the property and

housing sector.

"We (The Construction & Housing Mayor Limited) are an example of those people managing to crawl against the tide, when the government turns the tide in our favour, we will not only fly, we will do wonders."

On the import of the award to him, he said: "This award means so much to me because DMOMA is a brand I have followed over the years. There are a lot of groups peddling awards, but DMOMA is different. I found it out last year when I won Brand of The Year Award. I was pitched against global and major brands, but because I was found to have delivered more value that year than any other, I won it. That was when I began to suspect that these guys are credible. So, when they called me this year again that I have been voted in again by their followers, I was super excited because it is one award, I

don't mind winning every year. They do due diligence well to give award.

"In life, whatever you reward, you cause to happen again. Whatever you overlook, you make it diminish."

On winning two awards in two years and difference between the two, he said the person behind the brand determines the quality of the brand. "Ultimately, every business venture in the world would rise and fall on the personality of the personnel controlling it. It was Mary Kay that said every company is as strong as the personnel behind it.

"Last year, they dug deep and discovered the brand, which is the Mayor of Housing. This year, they dug deeper and discovered the personality behind the brand, thus 'The Personality of the Year Award'. It is only coincidental that the brand won again and the personality also won this year, showing that there is something unique about both the brand, Mayor of Housing, and the personality behind it, My-ACE China. That means what we are doing is right, we are getting it right."

Speaking on what to expect in the housing subsector in PH, he said there is only one promise he made.

"What you see at the moment is brand perception. We have so far been projecting an image to Port Harcourt people. By the first quarter of 2024, we are starting to showcase our brand experience. We are one of real estate companies in Nigeria that play at both the top and bottom of the value chain. There is a new

Banana Island coming up in Port Harcourt, and our mission is to cut short and completely eradicate the Lagos versus Port Harcourt dichotomy in quality and excellence.

"I won't lie to you, doing business in Port Harcourt is not easy because actually the 'Ease of Doing Business' in Lagos and Abuja is far better, but we are going to show those people running away from Port Harcourt that there is something good here. We want to show that they will run back here, and that would be when we have far exceeded and succeeded.

"We are starting a luxury estate. The men standing here on the podium are board members in our venture at Alesa in Eleme called the Alesa Highlands. We are also going to launch our low-cost housing estate later. What makes us unique is that we do not do 'copy and paste'. When we say low-cost housing, we mean we have done research that will make the construction actually low-cost. By March 2024, the actual brand experience will begin."

Chief convener of the DMOM Awards: Chidibere Stephen Okoye said the awards were created to spur those doing good in Nigeria with emphasis on the South-South & South East. He said it was to attract attention to this zone, though winners come from anywhere in the world.

The Mayor of Port Harcourt, Allwell Ihunda, who also received an award, said he saw value in DMOMA award series and that it showed PH was growing.

## PORT HARCOURT BY BOAT



By Ignatius Chukwu

GOVERNOR Sim Fubara seems to continue to use massive project execution and good governance strategies to fight his way into the hearts of the Rivers people in the face of political crisis. He seems to speak less and

## Fubara throws dice in social housing, begins 20,000 low-cost houses

do more.

Last weekend, he threw some strategic dice. He decided to deal with the problem of housing for low-income earners in the State, saying it has been a huge concern. He says he is addressing it with a plan to construct 20,000 units of affordable houses.

Fubara spoke at the signing of two separate memoranda of understanding (MoU) between the state government and two other companies at Government House in Port Harcourt on Saturday.

He also dealt with another perennial problem, the issue of the motor parts dealers (mostly Ikokwu) in

the city which began to receive attention in the Peter Odili days.

For the development of RIV/TAF City Housing Project on 1000 hectares of land for the building of 20,000 housing units, Rivers State Attorney General and Commissioner for Justice, Zacchaeus Adangor (SAN), signed for the State government while the Managing Director, CEO, Mustapha Njie, signed for TAF Africa Global.

For the development of a new Central Spare Parts Market, Adangor also signed for the State government while the CEO, Okoh Jeff, and one other signed for GOSH Project Limited.

Fubara said: "Our vision as at today is to provide for those levels of people and it is to give our people hope." He said he was fulfilling his promise to Ikokwu parts

dealers during the campaigns to get an integrated hib for motor matters.

The governor charged the investors to ensure immediate commencement of

the projects directing them to ensure that the ground breaking holds in a week's time to show the seriousness attached to the two projects.

Speaking for TAF Africa Global, Njie said a subsidiary of his company (Pricewise Home Nigeria Limited) would develop 20,000 housing in phases on the 1000 hectares of land. He thanked the governor for the confidence reposed in them to do the project.

On his part, Jeff of GOSH assured that they would give the best dedication to delivering a central spare part market that will accommodate all traders in that business in one place.



Governor Sim Fubara (l) in handshake with Mustapha Njie



# MANAGEMENT DIGEST

## Private equity needs a new talent strategy

By Ted Billies

HIGHER INTEREST RATES AND COMPETITION HAVE CHANGED THE NATURE OF THE BUSINESS. NOW, THE INDUSTRY MUST FIND A NEW APPROACH TO DEVELOPING LEADERS.

Private equity firms have historically paid little attention to the art and science of leadership. Yes, PE investors recognize that they need strong executives overseeing the companies they acquire. They examine target-company leadership when considering an acquisition, and they often install new top-level leaders, particularly in the CEO and chief financial officer roles. They give portfolio company leaders tough targets and rich financial incentives to align the interests of management and investors. But that's about it.

And that has become a problem. In the past, PE firms could punt when it came to leadership — counting on a hard-nosed team to create value fast and leaving the patient work of building leadership capability to whoever acquired the company when the PE firm sold it. Those days are gone.

The industry itself knows it has a problem. A study by the Institute for Private Capital has found that value creation through operations (revenue growth and margin improvement) has accounted for 47% of value creation since 2010, up from 18% in the 1980s, while the value created by financial engineering has fallen from 51% to 25%. Asked which levers are most important for creating value in their portfolio companies, PE executives cite leadership effectiveness more often than anything else — 70% more often than they cite operational effectiveness, according to AlixPartners' eighth annual PE leadership survey, conducted in late 2022.

### UNIQUE CHALLENGES

The leadership challenges in a PE environment are unlike those in public companies or family businesses. Existing leadership frameworks or initiatives from those businesses don't work in a PE context. The differences come largely from the unique dynamics of the relationship between PE firms and their portfolio companies, known as portcos. Among the issues are the following.

**HEAVY TIME PRESSURE:** Portcos aren't subject to the tyranny of quarterly results that can force public companies to manage for the short



term, but they and their investors face time pressure that is in some ways more relentless. After the five-to-seven-year holding period, investors want to recoup their equity and gain a big profit through a sale to another company, an initial public offering or some other recapitalization.

**DIFFERENT VIEWS OF WHAT MAKES A GREAT LEADER:** Even when firms wish to invest in or develop talent, the various players may not agree on what talent looks like. While PE firms are led by dealmakers, portcos are led by executives who focus on operations. The two groups tend to define great leadership differently. Our survey of PE and portco executives shows that the former place a premium on "charismatic" leadership traits. Despite their reputation for urgency and cost cutting, when we actually talk to portco leaders, most describe leadership as a team sport.

**A LACK OF MANAGEMENT INFRASTRUCTURE:** When portcos are platforms or roll-ups, they often face the challenge of building a management infrastructure out of bits and bobs. A similar challenge comes with "carve-outs," depending on how much the newly formed company relied on its former parent for functions such as purchasing, legal and human resources.

**POTENTIAL TENSION**

**BETWEEN PE OWNERS AND PORTCO OPERATORS:** PE fund managers, usually through their operating partners, can (and do) intervene in how portcos are managed far more than public shareholders can. Being owned by a PE firm is like having a board dominated by activist investors.

Together, these issues go a long way toward explaining why this famously can-do industry has struggled to address a leadership problem it knows it has.

### WHAT SHOULD BE DONE

For PE and portcos to close this leadership gap, both investors and management need to show and track how leadership can produce accelerated value creation: that is, can identify, protect, strengthen and expand value. These actions can take place at three levels: at the PE firm, at the portcos and in the context of a specific deal. What follows is a breakdown of the changes that should be made at each level, starting at the PE firms.

**HIRE AND EMPOWER A HUMAN CAPITAL PARTNER:** A growing number of PE firms have responded to the need for better leadership by hiring someone to focus on the issue. Various titles called "chief human capital officer," "talent leader" or "performance specialist," these people can be found in perhaps half of large PE firms (those with more than \$2 billion in assets under

management) and are starting to appear in smaller, middle market firms as well.

**DEVELOP A LEADERSHIP PLAYBOOK FOR THE FIRM:** One way to reduce complaints that PE firms are micromanaging or undermanaging portcos is to create a playbook of processes and systems to clarify expectations, timelines and communication patterns. It should include resources, investments and programs offered by the firm to empower and develop portco leaders.

To increase the caliber and depth of portco talent:

**DEVELOP A LEADERSHIP AGENDA.** Although strong PE firms should provide support to portcos in recruiting and developing great talent, ultimate responsibility for their leadership lies with the portcos themselves. They must combine a full assessment of current leadership capabilities — the people on the bus, as the management expert Jim Collins puts it — along with a plan for when "the bus gets larger and goes faster [and] the seats get bigger and more difficult."

At the individual deal level, PE firms can take the following steps to increase the quality of leadership.

**EMBED LEADERSHIP IN THE DEAL THESIS AND DUE DILIGENCE:** Getting the leadership agenda right begins with the deal thesis — what the PE firm sees as problems it can fix (such as

bloated costs) or opportunities it can seize (such as reviving a stalled brand or gaining scale through a roll-up). The often-overlooked key to a deal thesis is identifying the management capabilities needed to make the thesis work.

**START OFF ON THE RIGHT FOOT:** The first few months of new ownership are when the PE firm's operating partner and the portco's management team are determinedly trying to capture synergies fast. Speed is important, but quick wins will prove ephemeral if leadership issues are pushed aside in the rush.

A PE firm that builds a quantifiable, systematic and repeatable assessment of leadership into its acquisition, due diligence and portco management processes can use the same method to prepare its companies for sale. The strengths and weaknesses of a company's human capital and leadership should become part of the pitch to prospective buyers. An asset that has exceptional value-creating leadership will fetch a better price than one where leadership is little more than an afterthought.

*Ted Billies is a partner and a managing director of AlixPartners, where he also serves as global head of the firm's transformative leadership practice and as a senior adviser on talent strategy.*

# LEGAL BUSINESS

Business Law / Industry Report / Practice / Intelligence / Partnerships

## Building resilience - Recapitalizing Nigerian banks in the face of severe Naira devaluation

By Ugochukwu Obi and  
Victoria Oresanwo

RECAPITALIZATION of banks refers to the process of increasing a bank's capital base by raising additional funds from shareholders, investors, or through internal means. This is usually done to strengthen a bank's financial position and to ensure that it has adequate capital to support its operations and absorb potential losses. Recapitalization is often implemented in response to regulatory requirements or as a proactive measure to improve a bank's ability to withstand financial shocks and risks.

In the context of the Nigerian banking sector, a pivotal transformation is underway. On 24th November 2023, the Governor of the Central Bank of Nigeria, Olayemi Cardoso, during his keynote address at the 58th Annual Banker's Dinner and Grand Finale of the 60th Anniversary of the Chartered Institute of Bankers of Nigeria (CIBN), underscored the need to evaluate and assess the capacity of the Nigerian banking industry to meet the demands of a larger economy, considering Nigeria's projected economic expansion. To pave the way for this ambitious economic vision, the CBN Governor announced a strategic move – the directive for banks to increase their capital base.

President Bola Ahmed Tinubu's administration's economic agenda, as outlined in the Policy Advisory Council report on the national economy published in May 2023, sets a goal of achieving a Gross Domestic Product (GDP) of \$1 trillion over the next 8 years. This economic expansion makes it vital for the CBN, as the apex regulator, to bolster the banking industry, ensuring Nigerian banks have adequate capital relative to the needs of the financial system to service a \$1 trillion economy.

The last recapitalisation of Nigerian banks, conducted by the CBN, was nearly two decades ago in July 2004 under the administration of former CBN Governor, Professor Charles Soludo. During this recapitalisation initiative, the CBN mandated banks to increase their minimum capital base from N2 billion to ₦25 billion, effective from December 31, 2005. This strategy led to a notable reduction in the number of commercial banks in Nigeria



from 89 banks to 25 banks.

The current initiative by the CBN is a welcome development, as the current capital base of Nigerian banks has significantly diminished, over the years, due to the loss of value occasioned by the depreciation of the Naira and inflationary pressures. Hence, the minimum capital requirement of Nigerian banks must be reviewed to strengthen the financial system and ensure that banks can maintain financial stability and resilience in the face of economic challenges.

The urgency of this recapitalization becomes glaring when we examine the staggering decline in the real value of Nigerian banks' capital base. In 2004, the ₦25 billion capital requirement stood at approximately \$186.5 million. Currently, in December 2023, the equivalent capital stands at a mere \$26.3 million. The CBN foreign exchange rate

in 2004 was around N134 to \$1, while the exchange rate today is around N950 to \$1.

Furthermore, there has been a considerable hike in inflation over the years. According to the National Bureau of Statistics (NBS), the inflation rate in Nigeria rose to 27.33% in October 2023 from 26.72% in September 2023. This is a significant change from 2004 when the inflation rate was only 15%, according to a report on inflation by the World Bank.

The devaluation of the Naira and the upward trend in the inflation rate makes it essential for Nigerian banks to increase their capital base to ensure they can withstand any economic challenges and cater to the financial needs of the economy in anticipation of the projected \$1 trillion economy by 2030. This strategy would also protect banks from financial distress and is commendable.

The strategy to recapitalize Nigerian banks is not just a safeguard against economic uncertainties; it is a proactive step to empower Nigerian banks to compete effectively in the global economy. Although Nigerian banks have experienced growth in terms of the volume of depositors' funds and bank assets over the last two decades, it is crucial to review their minimum capital requirements to align with current economic realities in Nigeria and globally.

Recapitalization directly affects the capital adequacy ratio, which measures a bank's capital relative to its risk-weighted assets. By increasing the bank's capital base, recapitalization improves the capital adequacy

ratio, indicating a stronger financial position and a greater ability to absorb potential losses in terms of credit risk exposure and enhance risk mitigation. Recapitalisation would also boost the banks' lending capacity and facilitate access to capital to the strategic sectors of the economy including manufacturing, agriculture, and small-sized businesses.

Moreover, the recapitalization of the banking sector has great potential to strengthen the Nigerian economy by promoting Foreign Direct Investments (FDIs) into the banking sector. This will help stabilise the value of the Naira by attracting investment in foreign currency and providing opportunities for the inflow of foreign exchange into Nigeria, ultimately contributing to economic stability.

The significance of this recapitalization drive was underscored by the Presidency in a goodwill message at the 40th anniversary of The Guardian Newspapers on November 28, 2023. A subsequent analysis in The Punch Newspapers revealed a positive market response, with certain financial institutions gaining over N101.18 billion in market capitalization following the CBN Governor's announcement.

Proactive measures are imperative for the 24 commercial banks affected by this policy. Tier-1 national banks may weather the storm, but tier-2 institutions face uncertainty. Mergers and acquisitions, initial public offers, rights issues, and foreign investments emerge as viable strategies for the lat-

ter to meet the revised capital requirements, anticipated to range between N150 billion and N250 billion.

The significance of Nigerian banks in driving economic growth cannot be overstated. By recapitalizing, they will be better positioned to support infrastructural development, small and medium-sized enterprises (SMEs), and overall economic growth. The enhancement of their financial capabilities will also ensure greater confidence from both domestic and international investors.

The ability of banks to absorb shocks and risks is crucial for safeguarding depositor funds, preserving financial integrity, and sustaining the flow of credit in the economy. In this way, recapitalization serves as a proactive measure to strengthen the foundations of the banking system and enhance its capacity to support sustainable economic growth. This increased resilience enables banks to continue providing essential financial services, maintain confidence in the financial system, and support economic stability.

However, the CBN needs to consider the potential impact of the recapitalization policy on the tier-2 banks and ensure that appropriate support mechanisms are in place to aid their transition. Additionally, the regulatory framework should support a level playing field and promote healthy competition within the banking sector.

In conclusion, the CBN's commendable recapitalization policy is a strategic move to fortify Nigerian banks and position them as stalwarts in the evolving economic landscape. As the banking sector braces for the imminent changes in minimum capital requirements, proactive measures are paramount for sustainability and continued operational success. This initiative is not just a regulatory mandate; it is a critical step to ensure that Nigerian banks remain the backbone of the economy, steadfastly supporting the nation's economic expansion.

*This article is authored by Mr. Ugochukwu Obi, a Partner, and Ms. Victoria Oresanwo, an Intermediate Associate, of the Banking and Finance Department of Perchstone & Graeys LP.*

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## LEGAL BUSINESS

## THE TRUSTED ADVISORS LEGAL DIGEST

# Transfer pricing - A guide for transnational and multinational group companies

By Chiamaka Daniella Ogbonnaya and Elizabeth Olalekan

TRANSFER pricing - the setting of prices for transactions between entities within the same corporate group - has become an increasingly complex and critical aspect of international business operations. Many transnational and multinational enterprises often find themselves navigating challenges and misconceptions in the realm of transfer pricing. As businesses navigate the complexities of international operations, it is imperative to dispel misconceptions such as the one-size-fits-all approach and the perception that transfer pricing is solely a tax issue. This article explores the potential pitfalls of transfer pricing. By addressing pitfalls head-on, companies can establish robust transfer pricing policies, ensuring compliance, mitigating risks, and contributing to overall business success in the ever-evolving global business landscape.

## Objectives of Transfer Pricing

Transfer pricing is aimed at maximising the total profit of the subsidiaries; facilitating the parent company's control over its subsidiaries, and providing adequate basis, both to product divisions and international divisions for receiving credit for their profitability.

## Common Methods in Multinational Transfer Pricing

The selection of an appropriate transfer pricing method is crucial for ensuring that these intercompany transactions comply with the arm's length principle, meaning they are priced similarly to transactions between unrelated entities. Several common methods are used to establish arm's length prices, and the choice of method often depends on the nature of the transactions and the availability of reliable information.

**1. Comparable Uncontrolled Price (CUP) Method:** The CUP method compares the prices charged for similar goods or services in transactions between unrelated entities (uncontrolled transactions). It is ideal for transactions involving tangible goods, commodities, or straightforward services with comparable uncontrolled transactions.

**2. Resale Price Method (RPM):** The RPM is based on the resale price of goods or services. It involves determining a gross margin percentage by comparing the resale price charged by a related distributor with the gross margins of



unrelated distributors. It is commonly used in distribution and retail industries where the reselling of tangible goods is a significant part of the business.

**3. Cost Plus Method (CPM):** CPM involves adding a markup to the direct or indirect costs incurred in producing a product or providing a service. The markup is determined by comparing the profitability of similar uncontrolled transactions. It is suitable for transactions involving the provision of services or the production of goods where the emphasis is on cost recovery plus a reasonable profit margin.

**4. Transactional Net Margin Method (TNMM):** This method compares the net profit margin relative to an appropriate base (e.g., sales, assets, or costs) from a controlled transaction to that of unrelated entities engaged in similar transactions.

**5. Transactional Profit Split Method (TPSM):** TPSM,

similar to the profit split method, allocates profits between related entities based on the division of contributions to those profits. However, TPSM focuses on specific transactions rather than the overall profits of the entities. Suitable for cases where specific transactions contribute significantly to the overall value creation.

It is important to note that the choice of transfer pricing method should be based on the facts and circumstances of each case, and companies often use multiple methods to corroborate their arm's length nature. Additionally, documentation supporting the selection and application of the chosen method is crucial for compliance with transfer pricing regulations.

## Misconceptions about transfer pricing

**1. One-Size-Fits-All Approach:** Assuming that a single transfer pricing method or strategy can be universally applied across all jurisdictions and industries is a common misconception. The choice of transfer pricing method requires several considerations as have been discussed above.

**2. Transfer Pricing is Solely a Tax Issue:** While tax considerations are significant, transfer pricing also plays a crucial role in strategic decision-making, performance evaluation, and overall business efficiency. Transfer pricing extends beyond managing tax liabilities and compliance.

**3. TP equals Intercompa-**

**ny Pricing:** It is a misconception to assume that TP is solely about determining prices for intercompany transactions. While pricing is a significant aspect, TP encompasses a broader range of issues, including the allocation of profits, management fees, and the use of intangible assets within a multinational group.

**4. Focus Only on Documentation for Compliance:** Comprehensive documentation not only ensures compliance but also serves as a valuable resource for demonstrating the arm's length nature of transactions and supporting business decisions. If the price is incorrect from the beginning, a tax risk will be a hanging fruit that will equal a higher tax liability.

**5. Transfer Pricing is Only for Large Corporations:** Transfer pricing regulations apply to businesses of various sizes engaged in related party transactions and it is not limited to large corporations only.

## How does transfer pricing guide transactions

The government needs to ensure that taxable profits of Multinational Enterprises (MNEs) are not shifted out of their jurisdiction and that the tax base reported by MNEs in their country reflects the true and accurate economic activity undertaken therein. It is also essential to limit the risks of economic double taxation. Hence, the Organization for Economic Cooperation and Development (OECD) Transfer Pricing Guidelines guide the application of the "arm's length principle", which is the international consensus on the valuation of cross-border transactions between associated enterprises.

The arm's length principle is found in paragraph 1 of Article 9 of the OECD Model Tax Convention, and it forms the basis of bilateral tax treaties involving OECD member countries and an increasing number of non-member countries. Article 9 provides:

"Where conditions are made or imposed between the two (associated) enterprises in their commercial or financial relations that differ from those which would be made between independent enterprises, then any profits which would, but for those conditions, have accrued to one of the enterprises, but, by reason of those conditions, have not so accrued, may be included in the profits of that enterprise and taxed accordingly."

The separate entity approach treats an MNE group

as if they were entities, attention is focused on the nature of the transactions between those members and on whether the conditions thereof differ from the conditions that would be obtained in comparable uncontrolled transactions.

A major reason for adopting the arm's length principle provides broad parity of tax treatment for members of MNE groups and independent enterprises. The arm's length principle puts associated and independent enterprises on a more equal footing for tax purposes, it avoids the creation of tax advantages or disadvantages that would otherwise distort the relative competitive positions of either type of entity. Thus, this principle promotes the growth of international trade and investment.

## Conclusion

The concept of transfer pricing for transnational and multinational group companies extends beyond a mere tax matter; it plays a strategic role in shaping a company's financial performance, supply chain efficiency, and stakeholder relationships. By acknowledging the unique regulatory frameworks of each jurisdiction, companies can tailor their transfer pricing strategies to align with specific requirements.

In navigating these challenges and dispelling misconceptions, transnational and multi-national group companies can establish robust transfer pricing policies that stand up to regulatory scrutiny, contribute to financial efficiency, and fortify their position in the global marketplace. Ultimately, a well-crafted transfer pricing strategy not only ensures compliance but becomes a catalyst for sustainable growth and resilience in the face of an ever-changing international business landscape.

*Chiamaka Daniella Ogbonnaya is an Associate in the Fiscal and Finance practice group at The Trusted Advisors*  
*Elizabeth Olalekan is an Associate in the Fiscal and Finance practice group at The Trusted Advisors*

*The Trusted Advisors is a leading Nigerian full-service law firm providing cutting-edge and timely legal solutions and services to its clients.*

*Disclaimer: This article provides general information and does not constitute legal advice. For specific legal advice, readers are advised to consult with a qualified legal professional familiar with Nigerian laws and regulations.*

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## LEGAL BUSINESS

## AELEX NOTES

# International Day of Banks: Challenges faced by the banking sector in Nigeria and the way forward

By Merit Okafor and Richard Oshilaja

ON 19 December 2019, the United Nations designated December 4th as the International Day of Banks. This designation was made in recognition of the role as well as the potential of banks to contribute to financing sustainable development about improving the standard of living. To further highlight the importance of aligning banking practices with sustainable development goals, this year's International Day of Banks is themed "Achieve sustainable development goals and improve the global financial architecture."

AELEX was a participant at the recently concluded 22nd National Seminar on Banking and Allied Matters for Judges, a two-day seminar organized by the Chartered Institute of Bankers of Nigeria (CIBN) in collaboration with the National Judicial Institute. The programme is an initiative targeted at bringing stakeholders together in the judicial and financial service sectors for collaboration towards economic development and growth.

Discussions at the seminar highlighted the myriad of challenges plaguing the banking sector in Nigeria. We have in this paper discussed some of these challenges and proposed a way forward.

## Bankers Orders

Prominent among the issues faced by banks is the practice of issuing 'Bankers Orders' by Magistrate courts on the application of police officers. This practice has lingered despite several judicial pronouncements on its inappropriateness. Some of the rulings of the Courts on this point include:

"The banker's order freezing and enabling the post-no-debit cannot be validly issued pursuant to a non-existent/repealed Bankers Order Act 1847 and any other irrelevant foreign law."

"A magistrate lacks the powers to make bankers' orders or order freezing or enabling a post no debit on bank accounts pursuant to non-existent/repealed section 7 of the Banker's Order Act 1847."

According to the banks, the police officers relying on these orders pressure the banks to freeze a bank customer's account. This portends adverse consequences for banks as the banks are exposed to legal proceedings by the customers upon their accounts being frozen. The banks end up incurring litigation costs and, in some cases, damages in favour of their customers. This negatively affects the growth of the bank as well as depositors' funds.

## Post-No-Debit

Similar to the above is the post-no-debit instruction given by some law enforcement agencies to banks on bank customers' accounts without the



proper procedure of obtaining a court order as established by a plethora of judicial authorities. Banks in these scenarios are put in a precarious position as they are drawn between disobeying the post-no-debit instruction and facing litigations by customers if such instructions are obeyed. The law is clear on the point that where an account is frozen or restrained without a court order first sought and obtained, the fundamental right of the customer is deemed breached and both the authorizing authority and the bank may be held liable for this as held in the case of Guaranty Trust Bank PLC v. Mr. Akinsiku Adedamola. The Customer can in such cases claim damages from both EFCC and the bank. In Guaranty Trust Bank PLC v. Odeyemi Oluyinka Joshua, the Court of Appeal held that the bank must ensure that there is an order of the Court before it proceeds to freeze the account of any person. It further held that without an order of Court, the Economic and Financial Crimes Commission (EFCC) cannot direct the freezing of the account of any person and where the has not fully complied with the provisions of the law, the bank had no business obeying an unlawful directive.

However, we note that there are instances where the EFCC can direct a bank to effect a post-no debit on a customer's account without an order from the court. Under section 7 of the Money Laundering (Prevention and Prohibition) Act, 2022, the EFCC is permitted to place a temporary stoppage on a suspicious transaction or account for a period not exceeding 72 hours before a court order is obtained, and the bank is compelled by law to comply with such stop order.

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Where no order of Court to block the account or transaction is obtained after the expiration of the temporary stoppage, the restriction on the account must be lifted and the transaction processed. This is in line with the Court of Appeal's decision in the case UBA PLC v. A-G Benue State & ors (2022).

Also, in United Bank For Africa, Plc V. Eriba Jude-Bela Eje & Ors, the Appellate Court held that "it is not in doubt that the 3rd Respondent has the powers to place a stop order or freeze an account suspected to be involved in financial crime for 72 hours, without a Court order. Upon the expiration of the 72 hours and where the commission is not done with its activities in respect of the account, a Court order has to be obtained to extend the life of the order freezing the account. Where the required Court order is not made available, the stop order or freezing of the account lapses and the financial institution is obliged to unfreeze the account".

Banks are encouraged only to comply with these post-no-debit instructions where such complies with the law.

## Inappropriate Deployment of Garnishee Orders

Another challenge facing the banking sector is the inappropriate deployment of garnishee orders. In this case, a judgment creditor proceeds to obtain a garnishee order Nisi against all banks, whether the judgment debtor has an account with said banks or not. This exposes the banks to costs such as the appointment of a lawyer as well as costs involved in filing documents in court. Further to this, where there is a delay by the bank to file the relevant affidavit, the banks in most cases, end up getting an absolute order against them for the payment of the full judgment debt, regardless of whether the judgment debtor maintains an account with them or not.

We note the difficulties faced by judgment creditors in ascertaining where a judgment debtors' funds are domiciled, hence the need to obtain an order nisi against virtually all the banks requiring them to file an affidavit showing cause. Banks are encouraged to ensure that the relevant affidavits are filed within time to avoid an order

absolute being made against them for the entire judgment sum. To save cost, a retainer can be entered with a law firm to deal with such cases (on an annual basis) at a reasonable cost, rather than treating the cases separately.

Another challenge faced by the banking sector revolves around cyber crimes and attacks on the banks. Recently, a telecommunications company in Nigeria sued several banks after losing a considerable amount from its mobile money service. The issue of delays in the perfection of security interest (especially where it relates to real properties) as well as difficulties encountered during enforcement of most security interests, are challenges faced by banks in Nigeria.

## Resolution of Disputes in the Banking Sector

We note that disputes are bound to arise in business relationships; what is key is how these disputes are resolved. The disputes referred to may be between a bank and its customer; two banks, or banks and a regulator. We note that while litigation may be an avenue for dispute resolution (including in the banking sector), there are other ways to resolve such disputes expediently. Some of the available options are the Consumer Protection Department of the Central Bank of Nigeria (CBN) and the Bankers Committee's sub-committee on Ethics & Professionalism.

## Bankers Committee's sub-committee on Ethics & Professionalism

We will briefly consider the Bankers Committee's sub-committee on Ethics & Professionalism ("the subcommittee"), particularly as an alternative dispute resolution body. The subcommittee was established on 19 December 2000 for the identification of practices considered unethical in the banking industry as well as the development of a code of ethics and professionalism guiding practitioners in the industry. The subcommittee identifies and handles conflict between banks and their customers, banks and the general public and even banks and regulators. The subcommittee comprises of highly experienced personnel, and the process is cost-effective, has standardized procedure and provides ease of enforcement.

An interesting point to note by stakeholders in the banking sector (including bank customers) (potential complainants) is that, where a bank is penalized but refuses or delays in paying the penalty, a deduction can be made from the bank's fund with the Central Bank of Nigeria. Thus, the complainant is guaranteed ease of enforcement. To lay a complaint:

- The complainant must ensure that the complaint contains the complainant's name and address as well as that of the bank. The complaint(s) should also be stated briefly

and clearly.

- A complainant using the services of a consultant must issue a letter of authority to said consultant.

- Complaints are to be submitted to the Secretariat of the Subcommittee (CIBN). Such complaints must be submitted in duplicate.

- The complaint is to be acknowledged immediately with the letter of acknowledgement containing a clause prohibiting all parties to any issue before the Subcommittee from commenting on the matter in the mass media pending the resolution of the case or initiation of Court proceedings.

- The Secretariat will request a response from the defendant as well as other parties mentioned in the complaint.

## Consumer Protection Department (CPD)

In April 2012, the Consumer Protection Department (CPD) was established, aligning with one of the fundamental mandates of the Central Bank of Nigeria (CBN) to "promote a sound financial system in Nigeria," as outlined in the CBN Act of 2007. The primary objective of establishing the CPD is to formulate and execute an effective consumer protection framework, fostering confidence among consumers in the financial system.

The department carries out three key functions:

1. Complaints Management: Resolving consumer complaints against financial institutions under the CBN's oversight.

2. Market Conduct & Development: Establishing fair and responsible conduct among financial institutions concerning their customers.

3. Consumer Education/Financial Literacy: Promoting and disseminating financial education and awareness among consumers and potential consumers to enhance their economic well-being.

Rather than going to the Court as a first recourse, an attempt can be made to resolve disputes at the CPD. This will save time as well as cost for both the complainant and the bank.

## Conclusion

In conclusion, the banking sector is a key sector in the Nigerian economy and as such its sustainability, growth and development are paramount to the development of our ecosystem. The implementation of the proposed solutions to the challenges facing the banking sector would go a long way in improving the financial architecture in Nigeria.

*AELEX is a full service Commercial & Dispute resolution law firm with offices in Nigeria and Ghana. Contact us: [www.aelex.com](http://www.aelex.com); @aelexpartners on LinkedIn, Twitter, Instagram and Facebook; [info@aelex.com](mailto:info@aelex.com)*

*AELEX Notes is a dedicated column, managed by AELEX Legal Practitioners and Arbitrators, featuring legal developments and insights.*

## LEGAL BUSINESS

## THE BUSINESS COUNSEL

# Examining risk management strategies for Nigeria's turbulent FX landscape

AT the maiden edition of the Money Market Series held on 29th November 2023, experts delved into strategies that businesses in Nigeria should consider amidst the unstable FX Landscape and how to mitigate or avoid business risks while breaking even in their business transactions.

The webinar themed, "Evaluating FX Challenges in the Nigeria Business Landscape; Prospects, Options, and Practical Solutions" was organised by Stren & Blan Partners, in partnership with BusinessDay. Its objective was to equip participants with the knowledge and strategies required to effectively navigate the complex foreign exchange (FX) landscape in Nigeria.

Speaking at the event were Noble Obasi - Team Lead, Capital Markets, M & A, and Private Equity at Stren & Blan Partners who explored navigating FX Regulations and Compliance; Idris Ibrahim - Managing Director, Canary Point Corporate Services who spoke on practical solutions for businesses; Dipo Ajayi - Head of Trading at Chapel Hill Denham, who spoke on risk management strategies, and Taiwo Adams - Head of Brokerage Services/Securities Trader, Comercio Partners, who spoke on understanding the FX landscape. The session was moderated by Onyinye Ukegbu, Editor, BusinessDay Legal Business provided valuable insights into the regulatory framework, key considerations surrounding the FX regime in Nigeria, and challenges faced by businesses operating in Nigeria and offered practical solutions to overcome these hurdles.

Taiwo, shedding light on the FX landscape noted that formal businesses employ risk management experts, while informal businesses often do not, which results in them incurring losses due to speculations and non-compliance with regulations. Stressing the need for awareness, he advised business owners to stay informed about the Central Bank of Nigeria (CBN) policies, monitor FX market trends, and consider other key factors such as political stability and economic stability. Additionally, Taiwo recommended seeking expert advice as a proactive measure to manage risks associated with currency rate fluctuations.

Idris, whilst delineating practical solutions for businesses emphasized the im-



portance of businesses supporting locally produced goods to reduce the cost of operations. Further, he recommended that partnerships with authorized international money transfer operators will enable local Bureau De Change (BDCs) to avoid FX fraud risks and aiding crime. Idris also advised businesses to conduct a thorough analysis to ensure that the United States (US) Dollar, a major global trading currency, is sourced from authorized channels. In aligning with Taiwo, he discouraged speculation, emphasizing the need for a cautious and well-informed long-term approach by business owners in navigating the FX landscape.

Dipo, in discussing strategies for local business owners to mitigate risks in the FX market recommended hedging. He advocated for the business to first identify risks and draw insights from commercial banks that prioritize dollar assets over local assets for risk mitigation. Emphasizing the stability of the Dollar, Dipo suggested that a higher proportion of dollar assets could minimize risks amid the local currency fluctuations. He elaborated that using financial instruments to reduce risks associated with currency exchange

rate fluctuations ensures protections for international transactions. Aligning with Taiwo and Idris, Dipo recommended hiring professionals to navigate the FX market and concluded by advising business owners to employ hedging strategies, allowing them to focus on core business operations.

On his part, Noble discussed the impact of regulation on the FX landscape. He mentioned that despite efforts to regulate the FX landscape, the market remains unstable, citing unaccounted returns being reported to the CBN as mandatory from the BDCs and the fiscal policies not aligning with the country's situation. Noble advocated for increased collaboration among industry stakeholders to enhance clarity, transparency, and accountability in regulatory measures.

On where the regulations are headed and the best approach to these regulations, Noble also submitted that the lack of mandatory reports from BDCs and lack of adequate compliance continue to influence the FX fluctuation. He further suggested that the regulators and key players in the FX market should ensure that regulations are made on a case-by-case basis after adequate consultations with all concerned stakeholders.

On how the global scenario has impacted FX Dynamics in Nigeria, Taiwo conceded that eighty per cent (80%) of global trade is done in the USD. For this reason, the price of local commodities could be affected. He therefore advised that dealers should closely monitor the interest rate from the global index and look out for trade tensions as this could affect the local currency. Taiwo further suggested that Nigeria should diversify its exports and increase its earning capacity.

On how businesses can strike a balance between diversifying earnings and risk management, Dipo submitted that Nigeria must first change policies and expand the economy to maintain a stable FX regime. He believes that the economy should be diversified. This can be done by leveraging Agriculture and the service industry. To achieve this, Dipo suggested that the Government should work on its diaspora remittance, regulations on the FX markets, security, and adequate infrastructure.

Also, Idris suggested that the Government must put in policies to balance trade, provide an enabling environment for business and enact infrastructure and business-friendly policies. He equally highlighted that foreign companies are thriving despite the challenges because they are leveraging on premiums from investments in FX, and they have their analysts who help them navigate the FX market.

Furthermore, Noble advised businesses to have teams that track their spending, conduct regular audits, be in tune with recent happenings through regulatory updates, such as the CBN circulars or updates, train their members constantly on FX transactions, build a solid relationship with the regulators, and engage legal counsel to advise on navigating the regulatory landscape while operating efficiently. This will enable these businesses to ensure that they comply with the regulations while they strive for operational efficiency.

Finally, Taiwo concluded that business owners should pay attention to the market by getting themselves directly involved and understanding the landscape of the business, noting that since the USD has dominated the international markets, policies can only be made on how to approach and use it adequately in our FX transactions.

## Conclusion

The Webinar was an interactive session that provided much-needed practical insights into the risks faced by businesses in FX transactions and how to mitigate these risks. The panelists covered crucial topics such as risk management, local goods support, regulatory impacts, and global dynamics, whilst providing practical solutions for businesses to mitigate FX-related challenges. The interactive ses-

sion facilitated valuable discussions and recommendations from industry experts, offering participants practical insights to navigate FX transactions effectively and manage associated risks.



DIPLO AJAYI



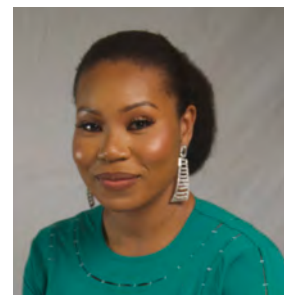
Idris Ibrahim



Noble Obasi



Taiwo Adams



Onyinye Ukegbu

“  
Businesses should support locally produced goods to reduce the cost of operations  
”

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# LIVE @ THE EXCHANGES

## Prices for Securities Traded as of Wednesday 06 December 2023

Company	Market cap(nm)	Price (N)	Change	Trades	Volume
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### PRICES FOR MAIN BOARD SECURITIES (Equities)

PRICES FOR PREMIUM BOARD SECURITIES						
FINANCIAL SERVICES						
S/N	BANKING	MARKET CAP(Nm)	PRICE	%CHANGE	TRADES	VOLUME
1	UNITED BANK FOR AFRICA PLC	752,387.27	22.00	3.29	703	74,567,278
2	ZENITH BANK PLC	1,133,413.43	36.10	3.44	577	38,615,087
					1,280	113,182,365
S/N	OTHER FINANCIAL INSTITUTIONS	MARKET CAP(Nm)	PRICE	%CHANGE	TRADES	VOLUME
3	ACCESS HOLDINGS PLC	750,004.26	21.10	9.04	827	64,176,343
4	FBN HOLDINGS PLC	1,055,321.61	29.40	9.91	281	24,844,443
					1,108	89,020,786
FINANCIAL SERVICES						
ICT						
S/N	TELECOMMUNICATIONS SERVICES	MARKET CAP(Nm)	PRICE	%CHANGE	TRADES	VOLUME
5	MTN NIGERIA COMMUNICATIONS PLC	5,009,540.64	238.60	0.25	294	3,933,628
					294	3,933,628
TELECOMMUNICATIONS SERVICES						
ICT						
INDUSTRIAL GOODS						
S/N	BUILDING MATERIALS	MARKET CAP(Nm)	PRICE	%CHANGE	TRADES	VOLUME
6	DANGOTE CEMENT PLC	5,452,962.37	320.00	-	68	220,785
7	LAFARGE AFRICA PLC	480,012.31	29.80	-0.33	98	2,931,309
					166	3,152,094
BUILDING MATERIALS						
INDUSTRIAL GOODS						
OIL AND GAS						
S/N	EXPLORATION AND PRODUCTION	MARKET CAP(Nm)	PRICE	%CHANGE	TRADES	VOLUME
8	SEPLAT ENERGY PLC	1,359,365.78	2,310.10	-	53	210,285
					53	210,285
EXPLORATION AND PRODUCTION						
OIL AND GAS						

PRICES FOR PREMIUM BOARD SECURITIES						
PREMIUM BOARD TOTALS						
					2,901	209,499,158

### Price List (Equities)

PRICES FOR MAIN BOARD SECURITIES						
AGRICULTURE						
S/N	CROP PRODUCTION	MARKET CAP(Nm)	PRICE	%CHANGE	TRADES	VOLUME
9	ELLAH LAKES PLC	6,540.00	3.27	-	19	517,216
10	FTN COCOA PROCESSORS PLC	5,850.00	1.50	6.00	39	2,485,299
11	OKOMU OIL PALM PLC	228,938.40	240.00	-	44	17,118
12	PRESCO PLC	189,900.00	189.90	-	19	36,030
					121	3,055,663
S/N	LIVESTOCK/ANIMAL SPECIALTIES	MARKET CAP(Nm)	PRICE	%CHANGE	TRADES	VOLUME
13	LIVESTOCK FEEDS PLC	5,400.00	1.80	-1.10	37	3,256,601
					37	3,256,601
LIVESTOCK/ANIMAL SPECIALTIES						
AGRICULTURE						
CONGLOMERATES						
S/N	DIVERSIFIED INDUSTRIES	MARKET CAP(Nm)	PRICE	%CHANGE	TRADES	VOLUME
14	CUSTODIAN INVESTMENT PLC	45,290.35	7.70	-	20	202,744
15	JOHN HOLT PLC	719.93	1.85	-	5	11,225
16	S C O A NIG PLC	799.29	1.23	-	3	17,537
17	TRANSNATIONAL CORPORATION PLC	278,845.21	6.86	-1.29	278	28,925,939
18	U A C N PLC	46,671.80	15.95	-0.31	53	1,305,733
					359	30,463,178
DIVERSIFIED INDUSTRIES						
CONGLOMERATES						

PRICES FOR MAIN BOARD SECURITIES						
CONSTRUCTION/REAL ESTATE						
S/N	BUILDING CONSTRUCTION	MARKET CAP(Nm)	PRICE	%CHANGE	TRADES	VOLUME
19	ARBICO PLC	152.96	1.03	-	0	0
					0	0
BUILDING CONSTRUCTION						
S/N	INFRASTRUCTURE/HEAVY CONSTRUCTION	MARKET CAP(Nm)	PRICE	%CHANGE	TRADES	VOLUME
20	CHAPEL HILL DENHAM NIG. INFRASTRUCTURE DEBT FUND	92,540.51	108.40	-	22	21,484
21	JULIUS BERGER NIG. PLC	55,680.00	34.80	-	16	65,158
					38	86,642
INFRASTRUCTURE/HEAVY CONSTRUCTION						
S/N	REAL ESTATE DEVELOPMENT	MARKET CAP(Nm)	PRICE	%CHANGE	TRADES	VOLUME
22	UPDC PLC	23,199.96	1.25	6.84	16	426,143
					16	426,143
REAL ESTATE DEVELOPMENT						
CONSTRUCTION/REAL ESTATE						
CONSUMER GOODS						
S/N	AUTOMOBILES/AUTO PARTS	MARKET CAP(Nm)	PRICE	%CHANGE	TRADES	VOLUME
23	DN TYRE & RUBBER PLC	954.53	0.20	-	0	0
					0	0
AUTOMOBILES/AUTO PARTS						
S/N	BEVERAGES-BREWERS/DISTILLERS	MARKET CAP(Nm)	PRICE	%CHANGE	TRADES	VOLUME
24	CHAMPION BREW. PLC	27,794.71	3.55	-	8	44,700
25	GOLDEN GUINEA BREW. PLC	3,227.70	3.15	-	2	37,122

PRICES FOR MAIN BOARD SECURITIES						
CONSUMER GOODS						
S/N	BEVERAGES-BREWERS/DISTILLERS	MARKET CAP(Nm)	PRICE	%CHANGE	TRADES	VOLUME
26	GUINNESS NIG PLC	148,726.99	67.90	-	36	125,188
27	INTERNATIONAL BREWERIES PLC	114,432.41	4.26	-5.33	26	935,950
28	NIGERIAN BREW. PLC	380,730.70	37.05	-	68	199,963
					140	1,342,923
BEVERAGES-BREWERS/DISTILLERS						
S/N	FOOD PRODUCTS	MARKET CAP(Nm)	PRICE	%CHANGE	TRADES	VOLUME
29	BUA FOODS PLC	3,580,200.00	198.90	-	34	8,445
30	DANGOTE SUGAR REFINERY PLC	697,230.81	57.40	-0.09	228	3,932,662
31	FLOUR MILLS NIG. PLC	130,802.11	31.90	-	66	667,907
32	HONEYWELL FLOUR MILL PLC	24,821.52	3.13	0.32	34	993,963
33	MULTITREX INTEGRATED FOODS PLC	1,340.10	0.36	-	0	0
34	N NIG. FLOUR MILLS PLC	7,564.59	42.45	-	49	208,339
35	NASCON ALLIED INDUSTRIES PLC	143,069.67	54.00	0.19	44	396,067
36	UNION DICON SALT PLC	2,214.04	8.10	-	0	0
					455	6,207,383
FOOD PRODUCTS						
S/N	FOOD PRODUCTS-DIVERSIFIED	MARKET CAP(Nm)	PRICE	%CHANGE	TRADES	VOLUME
37	CADBURY NIGERIA PLC	27,421.75	14.60	-2.01	38	867,292
38	NESTLE NIGERIA PLC	911,554.69	1,150.00	-	58	15,768
					96	883,060
FOOD PRODUCTS-DIVERSIFIED						
S/N	HOUSEHOLD DURABLES	MARKET CAP(Nm)	PRICE	%CHANGE	TRADES	VOLUME
39	NIGERIAN ENAMELWARE PLC	1,467.42	19.30	-	3	948
40	VITAFAM NIG PLC	28,143.99	22.50	-	28	115,537
					31	116,485
HOUSEHOLD DURABLES						
S/N	PERSONAL/HOUSEHOLD PRODUCTS	MARKET CAP(Nm)	PRICE	%CHANGE	TRADES	VOLUME
41	P. Z. CUSSONS NIGERIA PLC	92,512.12	23.30	-	28	163,662

PRICES FOR MAIN BOARD SECURITIES						
CONSUMER GOODS						
S/N	PERSONAL/HOUSEHOLD PRODUCTS	MARKET CAP(Nm)	PRICE	%CHANGE	TRADES	VOLUME
42	UNILEVER NIGERIA PLC	85,600.58	14.90	-	46	186,664
					74	350,326
PERSONAL/HOUSEHOLD PRODUCTS						
CONSUMER GOODS						
FINANCIAL SERVICES						
S/N	BANKING	MARKET CAP(Nm)	PRICE	%CHANGE	TRADES	VOLUME
43	ECOBANK TRANSNATIONAL INCORPORATED	346,806.52	18.90	9.88	94	3,315,762
44	FIDELITY BANK PLC	292,911.73	9.15	2.81	372	65,632,646
45	GUARANTY TRUST HOLDING COMPANY PLC	1,168,417.82	39.70	0.51	260	76,703,128
46	JAIZ BANK PLC	55,255.88	1.60	0.63	90	9,931,979
47	STERLING FINANCIAL HOLDINGS COMPANY PLC	110,257.30	3.83	3.23	112	12,413,072
48	UNITY BANK PLC	18,001.58	1.54	2.67	93	9,250,188
49	WEMA BANK PLC	68,148.22	5.30	1.34	194	11,350,206
					1,215	188,596,981
BANKING						
S/N	INSURANCE CARRIERS, BROKERS AND SERVICES	MARKET CAP(Nm)	PRICE	%CHANGE	TRADES	VOLUME
50	AFRICAN ALLIANCE INSURANCE PLC	4,117.00	0.20	-	0	0

Company	Market cap(nm)	Price (N)	Change	Trades	Volume
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PRICES FOR MAIN BOARD SECURITIES						
FINANCIAL SERVICES						
S/N	INSURANCE CARRIERS, BROKERS AND SERVICES	MARKET CAP(Nm)	PRICE	%CHANGE	TRADES	VOLUME
51	AICO INSURANCE PLC	28,186.06	0.77	8.45	70	4,112,417
52	AXAMANSARD INSURANCE PLC	36,900.00	4.10	-9.69	70	4,689,175
53	CONSOLIDATED HALLMARK HOLDINGS PLC	12,466.00	1.15	-4.17	79	12,796,962
54	CORNERSTONE INSURANCE PLC	24,706.29	1.36	-5.56	21	982,582
55	CORONATION INSURANCE PLC	15,594.59	0.65	9.23	26	1,288,700
56	GOLDLINK INSURANCE PLC	909.99	0.20	-	0	0
57	GUINEA INSURANCE PLC	2,223.98	0.28	-9.68	19	1,530,791
58	INTERNATIONAL ENERGY INSURANCE PLC	1,784.88	1.39	-	0	0
59	LASACO ASSURANCE PLC	3,520.48	1.92	0.52	46	2,126,550
60	LINKAGE ASSURANCE PLC	11,480.00	0.82	1.23	4	403,394
61	MUTUAL BENEFITS ASSURANCE PLC	10,632.66	0.53	-5.36	8	750,400
62	NEM INSURANCE PLC	29,597.22	5.90	-	8	109,964
63	NIGER INSURANCE PLC	1,547.90	0.20	-	0	0
64	PRESTIGE ASSURANCE PLC	6,626.28	0.50	4.17	10	1,987,557
65	REGENCY ASSURANCE PLC	2,467.44	0.37	-8.11	13	8,025,385
66	SOVEREIGN TRUST INSURANCE PLC	4,091.21	0.36	-	6	211,519
67	STACO INSURANCE PLC	4,483.72	0.48	-	0	0
68	STANDARD ALLIANCE INSURANCE PLC	2,582.21	0.20	-	0	0
69	SUNU ASSURANCES NIGERIA PLC	7,728.36	1.33	-	11	75,579
70	UNIVERSAL INSURANCE PLC	4,000.00	0.25	-7.41	95	47,129,355
71	VERITAS CAPITAL ASSURANCE PLC	4,714.67	0.34	-2.86	71	33,485,129
					557	119,705,459
INSURANCE CARRIERS, BROKERS AND SERVICES						
S/N	MICRO-FINANCE BANKS	MARKET CAP(Nm)	PRICE	%CHANGE	TRADES	VOLUME
72	NPF MICROFINANCE BANK PLC	11,746.15	1.96	3.16	32	1,280,034

PRICES FOR MAIN BOARD SECURITIES						
FINANCIAL SERVICES						
S/N	MICRO-FINANCE BANKS	MARKET CAP(Nm)	PRICE	%CHANGE	TRADES	VOLUME
					32	1,280,034
MICRO-FINANCE BANKS						
S/N	MORTGAGE CARRIERS, BROKERS AND SERVICES	MARKET CAP(Nm)	PRICE	%CHANGE	TRADES	VOLUME
73	ABBEY MORTGAGE BANK PLC	15,636.92	1.54	-0.65	16	934,668
74	ASO SAVINGS AND LOANS PLC	7,370.87	0.50	-	0	0
75	INFINITY TRUST MORTGAGE BANK PLC	6,130.57	1.47	9.70	2	150,980

PRICES FOR MAIN BOARD SECURITIES						
FINANCIAL SERVICES						
S/N	MORTGAGE CARRIERS, BROKERS AND SERVICES	MARKET CAP(Nm)	PRICE	%CHANGE	TRADES	VOLUME
76	RESORT SAVINGS & LOANS PLC	2,265.95	0.20	-	0	0
77	UNION HOMES SAVINGS AND LOANS PLC	2,949.22	3.02	-	0	0
					18	1,085,648
MORTGAGE CARRIERS, BROKERS AND SERVICES						
S/N	OTHER FINANCIAL INSTITUTIONS	MARKET CAP(Nm)	PRICE	%CHANGE	TRADES	VOLUME
78	AFRICA PRUDENTIAL PLC	13,000.00	6.50	1.56	66	1,365,676
79	DEAP CAPITAL MANAGEMENT & TRUST PLC	1,110.00	0.74	5.41	24	1,018,000
80	FCMB GROUP PLC	137,628.84	6.95	2.21	282	37,356,524
81	NIGERIAN EXCHANGE GROUP	42,719.52	21.75	0.23	99	3,963,602
82	ROYAL EXCHANGE PLC	3,241.58	0.63	1.59	22	1,316,135
83	STANBIC IBTC HOLDINGS PLC	855,161.81	66.00	5.60	105	1,856,063
84	UNITED CAPITAL PLC	107,100.00	17.85	2.00	125	3,124,905
					723	50,000,905
OTHER FINANCIAL INSTITUTIONS						
FINANCIAL SERVICES						
HEALTHCARE						
S/N	HEALTHCARE PROVIDERS	MARKET CAP(Nm)	PRICE	%CHANGE	TRADES	VOLUME
85	EKOCORP PLC	2,886.90	5.79	-	0	0
					0	0
HEALTHCARE PROVIDERS						
S/N	MEDICAL SUPPLIES	MARKET CAP(Nm)	PRICE	%CHANGE	TRADES	VOLUME
86	MORISON INDUSTRIES PLC	2,522.36	2.55	-	1	8,983
					1	8,983
MEDICAL SUPPLIES						
S/N	PHARMACEUTICALS	MARKET CAP(Nm)	PRICE	%CHANGE	TRADES	VOLUME
87	FIDSON HEALTHCARE PLC	39,014.94	17.00	3.66	34	271,985
88	GLAXO SMITHKLINE CONSUMER NIG. PLC	20,329.90	17.00	-	27	674,406
89						

FMDQ		FMDQ Daily Quotations List								6-Dec-23	
The FMDQ Daily Quotations List (DQL) contains data relating to, amongst other things, market and model prices, rates of foreign exchange products, fixed income securities and instruments in the financial market (the "Information"). The Information does not constitute professional, financial or investment advice. We attempt to ensure the Information is accurate; however, the Information is provided "AS IS" and on an "AS AVAILABLE" basis and may not be accurate or up to date. We do not guarantee the accuracy, timeliness, completeness, performance or fitness for a particular purpose of any of the Information, neither do we accept liability for the results of any action taken on the basis of the Information.											
Rating/Agency	Issuer	Description	Issue Date	Coupon (%)	Outstanding Value (₦bn)	Maturity Date	TTM (Yrs)	Yield (%)	Closing Price		
<b>Benchmark Federal Government of Nigeria (FGN) Bonds</b>											
		13.53 23-MAR-2025	23-Mar-18	13.53	562.45	23-Mar-25	1.29	14.31	99.05		
		12.50 22-JAN-2026	22-Jan-16	12.50	1199.74	22-Jan-26	2.13	13.41	98.33		
		16.2884 17-MAR-2027	17-Mar-17	16.29	948.84	17-Mar-27	3.28	14.30	105.00		
		13.98 23-FEB-2028	23-Feb-18	13.98	1642.61	23-Feb-28	4.22	15.28	96.00		
		14.55 26-APR-2029	26-Apr-19	14.55	988.75	26-Apr-29	5.39	15.91	95.16		
		12.50 27-APR-2032	27-Apr-22	12.50	842.54	27-Apr-32	8.39	16.14	83.55		
		12.1493 18-JUL-2034	18-Jul-14	12.15	1075.92	18-Jul-34	10.61	16.31	79.28		
		12.50 27-MAR-2035	27-Mar-20	12.50	972.04	27-Mar-35	11.31	16.36	80.35		
		12.40 18-MAR-2036	18-Mar-16	12.40	926.14	18-Mar-36	12.28	16.30	79.49		
		16.2499 18-APR-2037	18-Apr-17	16.25	1796.66	18-Apr-37	13.37	16.20	100.21		
		13.00 21-JAN-2042	21-Jan-22	13.00	1393.75	21-Jan-42	18.13	16.70	79.01		
		14.80 26-APR-2049	26-Apr-19	14.80	1765.67	26-Apr-49	25.39	16.90	87.73		
		12.98 27-MAR-2050	27-Mar-20	12.98	1595.41	27-Mar-50	26.31	16.90	77.07		

Rating/Agency	Issuer	Description	Issue Date	Coupon (%)	Outstanding Value (₦bn)	Maturity Date	TTM (Yrs)	Yield (%)	Closing Price	
<b>FGN Sukuk</b>										
	FGN Roads Sukuk Company 1 PLC	16.47 FGSK 26-SEP-2024	26-Sep-17	16.47	100.00	26-Sep-24	0.81	14.23	101.58	
		15.743 FGSK 28-DEC-2025	28-Dec-18	15.74	100.00	28-Dec-25	2.06	13.57	103.78	
		11.20 FGSK 16-JUN-2027	16-Jun-20	11.20	162.56	16-Jun-27	3.53	14.56	90.97	

Rating/Agency	Issuer	Description	Issue Date	Coupon (%)	Outstanding Value (₦bn)	Maturity Date	TTM (Yrs)	Yield (%)	Closing Price	
<b>FGN Green Bond</b>										
	FEDERAL GOVERNMENT OF NIGERIA	14.50 FGGB 13-JUN-2026	13-Jun-19	14.50	15.00	13-Jun-26	2.52	13.71	101.63	

Rating/Agency	Issuer	Description	Issue Date	Coupon (%)	Outstanding Value (₦bn)	Maturity Date	Avg. Life/TTM (Yrs)	Risk Premium	Valuation Yield (%)	Modelled Price
<b>Sub-National Bonds</b>										
AA-/GCR; A+/Agusto	LAGOS STATE GOVERNMENT	17.25 LAGOS IB 11-AUG-2027	11-Aug-17	17.25	33.35	11-Aug-27	2.15	1.00	14.59	104.44
	LAGOS STATE GOVERNMENT	13.00 LAGOS IV 20-DEC-2031	20-Dec-21	13.00	136.95	20-Dec-31	4.95	1.00	16.68	88.65

Rating/Agency	Issuer	Description	Issue Date	Coupon (%)	Outstanding Value (₦bn)	Maturity Date	Avg. Life/TTM (Yrs)	Risk Premium	Valuation Yield (%)	Modelled Price
<b>Corporate Bonds</b>										
A-/GCR	FCMB LIMITED	17.25 FCMB III 8-DEC-2023	09-Dec-16	17.25	5.10	08-Dec-23	0.01	1.36	4.14	100.05
AA+/GCR	DANGOTE CEMENT PLC	12.50 DANGCEM I30-APR-2025	24-Apr-20	12.50	100.00	30-Apr-25	1.40	2.84	17.37	94.12
Bbb-/Agusto; BBB+/DataPro	PARTHIAN PARTNERS FUNDING SPV PLC	13.50 PAPP SPV I 27-JUL-2025	27-Jul-22	13.50	10.00	27-Jul-25	1.84	2.11	16.05	96.40
BBB+/GCR; A-/Agusto	UNION BANK OF NIGERIA PLC	15.75 UNION II 3-SEP-2025	07-Sep-18	15.75	6.31	03-Sep-25	1.74	1.42	15.25	100.67
BBB-/GCR; Bbb-/Agusto	WEMA FUNDING SPV PLC	16.50 WEMA FUNDING SPV II 12-OCT-2025	12-Oct-18	16.50	17.68	12-Oct-25	1.85	3.78	17.49	98.41
Aa-/Agusto	ACCESS BANK PLC	15.50 ACCESS BANK 23-JUL-2026	23-Jul-19	15.50	30.00	23-Jul-26	1.88	2.94	16.62	98.26
AA+/GCR; B3/Moody	DANGOTE CEMENT PLC	11.85 DANGCEM IIA 30-APR-2027	27-Apr-22	11.85	4.27	30-Apr-27	3.40	1.03	15.47	90.65
AAA/GCR; BBB+/DataPro	VIATHAN FUNDING PLC	16.00 VIATHAN (GTD) 14-DEC-2027	15-Dec-17	16.00	7.06	14-Dec-27	2.28	1.00	14.63	102.46
A+/Agusto; AA-/DataPro	CERPAC RECEIVABLES FUNDING SPV PLC	14.50 CERPAC-SPV III 15-JUL-2028	10-Sep-21	14.50	1.25	15-Jul-28	3.04	3.29	17.41	93.43
A-/GCR; A-/DataPro	ARDOVA PLC	13.30 ARDOVA PLC IA 12-NOV-2028	12-Nov-21	13.30	10.40	12-Nov-28	2.68	1.51	15.35	95.82
AA+/GCR; B3/Moody	DANGOTE CEMENT PLC	12.35 DANGCEM IIB 30-APR-2029	27-Apr-22	12.35	23.34	30-Apr-29	5.40	1.12	16.99	83.97
BBB+/GCR; A-/Agusto	UNION BANK OF NIGERIA PLC	16.20 UNION III 27-JUN-2029	27-Jun-19	16.20	30.00	27-Jun-29	5.56	3.35	19.27	89.77
AAA/GCR; Aa-/Agusto	*NMRC	14.90 NMRC I 29-JUL-2030	29-Jul-15	14.90	5.71	29-Jul-30	3.90	1.00	15.96	97.18
A-/GCR; A-/DataPro	ARDOVA PLC	13.65 ARDOVA PLC IB 12-NOV-2031	12-Nov-21	13.65	13.04	12-Nov-31	4.18	1.12	16.92	91.15
AA+/GCR; B3/Moody	DANGOTE CEMENT PLC	13.00 DANGCEM IIC 30-APR-2032	27-Apr-22	13.00	88.40	30-Apr-32	8.40	1.52	17.66	79.94
Aa-/Agusto; AAA/GCR	*NMRC	13.80 NMRC II 15-MAR-2033	13-May-18	13.80	9.26	15-Mar-33	5.77	1.00	16.94	89.39
AA/GCR; A-/Agusto	NSP-SPV POWERCORP PLC	15.60 NSP-SPV GB (GTD) 27-FEB-2034	27-Feb-19	15.60	8.50	27-Feb-34	10.23	1.56	17.84	89.56

Rating/Agency	Issuer	Description	Issue Date	Coupon (%)	Outstanding Value (\$mm)	Maturity Date	TTM	Yield (%)	Closing Price	
<b>FGN Eurobonds</b>										
B2/Moody's; B/S&P; B+/Fitch		7.625 21-NOV-2025	21-Nov-18	7.625	1118.35	21-Nov-25	1.96	9.04	97.51	
B2/Moody's; B/S&P; B+/Fitch		6.50 NOV 28, 2027	28-Nov-17	6.500	1500.00	28-Nov-27	3.98	10.06	88.57	
B2/Moody's; B/S&P; B+/Fitch		8.375 MAR 24, 2029	24-Mar-22	8.375	1250.00	24-Mar-29	5.30	10.34	92.12	
B2/Moody's; B/S&P; B+/Fitch		8.747 JAN 21, 2031	21-Nov-18	8.747	1000.00	21-Jan-31	7.13	10.72	90.32	
B1/Moody's; B/S&P; B+/Fitch		7.875 16-FEB-2032	16-Feb-17	7.875	1500.00	16-Feb-32	8.20	10.69	84.87	
B2/Moody's; B/S&P; B+/Fitch		7.625 NOV 28, 2047	28-Nov-17	7.625	1500.00	28-Nov-47	23.99	10.84	72.71	
B2/Moody's; B/S&P; B+/Fitch		9.248 JAN 21, 2049	21-Nov-18	9.248	750.00	21-Jan-49	25.15	11.31	82.93	

Rating/Agency	Issuer	Description	Issue Date	Issue Yield (%)	Outstanding Value (₦bn)	Maturity Date	Days to Maturity	Risk Premium	Valuation Yield (%)	Discount Rate (%)
<b>Commercial Papers</b>										
A3GCR; BBB/Agusto	GREENWICH MERCHANT BANK LIMITED	GMBL CP II 8-DEC-23	14-Mar-23	14.00	4.81	08-Dec-23	2	9.62	12.40	12.40
A1DataPro	FIDSON HEALTHCARE PLC	FDHP CP IV 11-DEC-23	17-Mar-23	14.50	5.00	11-Dec-23	5	7.83	10.76	10.74
A2DataPro; A3GCR	STERLING BANK PLC	STBP CP IV 12-DEC-23	20-Mar-23	13.50	33.82	12-Dec-23	6	6.83	9.81	9.79
A1DataPro; A2GCR	MECURE INDUSTRIES LIMITED	MCIL CP VIII 27-DEC-23	04-Apr-23	17.50	4.50	27-Dec-23	21	8.82	12.53	12.44
A3GCR	CARDINALSTONE PARTNERS LIMITED	CSPL CP III 16-JAN-24	17-Jul-23	14.00	4.35	16-Jan-24	41	9.91	14.55	14.32
A1+GCR	RAND MERCHANT BANK NIGERIA LIMITED	RMBL CP VI 31-JAN-24	10-May-23	13.35	6.05	31-Jan-24	56	5.37	10.74	10.57
A-/Agusto; A1/DataPro	FLOUR MILLS OF NIGERIA PLC	FLOURMILLS CP III 29-FEB-24	05-Jul-23	13.50	55.00	29-Feb-24	85	8.97	15.71	15.16
A1DataPro	UAC OF NIGERIA PLC	UACN CP VI 19-MAR-24	23-Jun-23	13.50	0.56	19-Mar-24	104	6.10	13.74	13.23
AAAGCR; Aa+/Agusto	MTN NIGERIA COMMUNICATIONS PLC	MTNN CP VII 14-MAY-24	23-Aug-23	13.50	72.39	14-May-24	160	4.16	14.15	13.33
A2GCR	DUFIL PRIMA FOODS PLC	DUFIL CP III 25-JUL-24	31-Oct-23	16.93	17.19	25-Jul-24	232	3.38	15.78	14.35

Days to Maturity	Maturity	Closing Rate (%)	Yield (%)
<b>Benchmark Nigerian Treasury Bills</b>			
50	25-Jan-24	5.00	5.04
64	8-Feb-24	7.24	7.33
92	7-Mar-24	6.95	7.07
127	11-Apr-24	8.57	8.84
155	9-May-24	9.87	10.31
183	6-Jun-24	10.37	10.94
218	11-Jul-24	13.60	14.80
246	8-Aug-24	11.66	12.65
274	5-Sep-24	11.97	13.16
323	24-Oct-24	13.00	14.69
337	7-Nov-24	13.40	15.29
<b>Benchmark Open Market Operation Bills</b>			
244	6-Aug-24	11.00	11.87
328	29-Oct-24	15.00	17.34

Tenor	Rate (\$/₦)
<b>Currency Spot</b>	
NAFEM	951.22
<b>Currency Forwards</b>	
1M	904.69
2M	916.21
3M	927.14
6M	956.44
1Y	1037.72

Tenor	Rate (%)
<b>Money Market</b>	
OPR	16.21
O/N	16.68

Tenor	Rate (\$/₦)
<b>Exchange-Traded FX Futures</b>	
3M	877.57
6M	906.84
12M	963.12

Tenor	2Y Bond Futures	10Y Bond Futures
<b>FGN Bond Futures Settlement Price (%)</b>		
3M	98.80	81.00
12M	105.43	82.74

Fund Name	Fund Manager	Net Asset Value (₦bn)	Valuation Date	Units in Issue	Net Asset Value Per Unit	Bid Price (₦)	Offer Price (₦)	Yield (%)	No. of Units Redeemed	No. of Units Outstanding
<b>Funds</b>										
Cordros Money Market Fund	Cordros Asset Management Limited	5.59	28-Nov-23	55,882,580.00	100.00	100.00	100.00	9.98	605,297.00	99,394,703.00
First Ally Asset Management Money Market Fund	First Ally Asset Management Limited	0.29	4-Dec-23	1,500,000,000.00	0.19	1.00	1.00	6.63	0.00	1,500,000,000.00
FSDH Treasury Bills Money Market Fund	FSDH Asset Management Limited	5.88	3-Aug-22	58,775,699.00	100.00	100.00	1.00	7.61	0.00	500,000,000.00
Greenwich Plus Money Market Fund	Greenwich Asset Management Limited	243.11	28-Dec-22	243,106,021,464.00	1.00	1.00	1.00	13.21	2,234,657,513.00	497,765,342,487.00
SFS Fixed Income Fund	SFS Capital Nigeria Limited	6.82	5-Dec-23	6,189,762,183.00	1.10	1.10	1.10	10.05	0.00	10,000,000,000.00
Stanbic IBTC Bond Fund	Stanbic IBTC Asset Management Limited	36.68	22-Nov-23	143,632,877.00	255.36	255.36	255.36	N/A	7,856,746.00	992,143,254.00
Stanbic IBTC Money Market Fund	Stanbic IBTC Asset Management Limited	383.35	22-Nov-23	383,351,201,101.00	1.00	1.00	1.00	N/A	1,357,028,025.00	498,642,971,975.00
Emerging Africa Money Market Fund	Emerging Africa Asset Management Limited	2.76	23-Nov-23	2,766,741,810.00	1.00	1.00	1.00	13.10	2,766,741,810.00	2,233,258,190.00
Emerging Africa Balanced Diversity Fund	Emerging Africa Asset Management Limited	0.50	23-Nov-23	394,818,204.00	1.26	1.26	1.26	25.89	394,818,204.00	605,181,796.00
Emerging Africa Bond Fund	Emerging Africa Asset Management Limited	0.74	23-Nov-23	678,468,703.00	1.10	1.10	1.10	9.80	678,468,703.00	321,531,297.00
Fund Name	Fund Manager	Net Asset Value (₦bn)	Valuation Date	Units in Issue	Net Asset Value Per Unit	Bid Price (₦)	Offer Price (₦)	Yield (%)	No. of Units Redeemed	No. of Units Outstanding
Stanbic IBTC Dollar Fund	Stanbic IBTC Asset Management Limited	0.49	22-Nov-23	336,396,538.00	1.45	1.45	1.45	N/A	238,831.00	399,761,169.00
Emerging Africa Eurobond Fund	Emerging Africa Asset Management Limited	0.003	23-Nov-23	23,924.00	106.75	106.75	106.75	5.70	23,924.00	26

## NEWS

## P&amp;G Nigeria exit ends 5,000...

Continued from page 1

into Nigeria are cheaper. The economic implications are worse than an atomic bomb."

On Wednesday, P&G which has been operating in the country for more than 30 years, said it plans to transit the Nigerian operations to an import-only model, effectively dissolving its on-ground presence in the country based on unfavourable macroeconomic conditions.

"We've announced that we will turn Nigeria into an import-only market, effectively dissolving our footprint on the ground in Nigeria and reverting to an import-only model," Andre Schulten, chief financial officer at P&G said.

He added that the other reality that arises in some of these markets is that it gets increasingly difficult to operate and create U.S. dollar value. "So, when you think about places like Nigeria and Argentina, it is difficult for us to operate because of the macroeconomic environment."

The firm, makers of Always, Ariel soap, and Oral B toothpaste has invested millions of dollars in the manufacturing sector. The biggest of such investment was the completion of the ultra-modern \$300 million plant at Agbara, Ogun State in 2017.

During the 2017 plant launch, it provided over 5,000 jobs directly and indirectly through its offices, suppliers and distributors and created over 200 SME jobs.

However, one year later, it shut down the plant, citing restructuring of operations as its main reason. The plant was arguably the largest single investment by a non-oil firm in Nigeria and was expected to boost job creation and help improve the socio-economic state of its host community.

Schulten of P&G noted that Nigeria is a \$50 million net sales business compared to its overall portfolio worth \$85 billion, the company does not anticipate any material impact on the group's balance sheet from a sales or profitability standpoint.

This development sad-

dened a source familiar with the company. The source said another tragic example of opportunities has been missed.

"Approximately 14 years ago, or possibly earlier, the company had actively sought engagement with NNPC on Nigeria's gas master plan during Jonathan and Deziani's tenure as petroleum minister."

The source added that P&G aimed to co-invest \$2 billion with their raw material suppliers, gas converters. "The goal was to produce essential materials for their manufacturing plants, leading to the creation of numerous well-paying jobs. The plan envisioned exporting these raw materials to P&G plants in Africa and selected parts of the Middle East, however, it never saw daylight."

According to Eke Urum, founder of RiseVest, the exit is an effect of embracing exchange rate reality.

"It's going to be a rough two years but local manufacturing is cooking. It's too small for P&G (their Nigerian business is \$50 million out of \$85 billion). But for local guys this is meaningful," he said on X.

A founder of an agribusiness, said "Are these conglomerates seeing what we're unable to see yet? I was shocked by the revelation of P&G Nigeria being a \$50 million net sales business in a \$85 billion total portfolio. That means that it never mattered in that portfolio."

The agropreneur noted that while this news is quite tragic, "could it be a proxy for kind of discussions that may be going on in many other boardrooms in Nigeria, currently?,"

Over the past seven years, several manufacturers, especially in the fast-moving consumer goods industry, have either left the country or stopped production of some of their products as a result of the difficult operating environment.

Problems such as rising interest rates, surging inflationary pressure, and foreign exchange volatility are impacting input costs, operating expenses and the general profitability of busi-



Lars Richter (2nd r), managing director of Julius Berger plc, in a handshake with Zubairu Ibrahim Bayi and handing Bayi a plaque for his 40 years of service to the company; Tobias Meletchus (l), corporate development director; and Christian Hausemann (r), financial director, watches at the 2023 Long Service Awards ceremony in Abuja, recently.

nesses in Africa's most populous nation.

Some of the companies that have exited the country are Surest Foam Limited, Mufex, Framan Industries, MZM Continental, Nipol Industries, Moak Industries and Stone Industries.

In March, Unilever, which started operations in the 1920s, announced that it was stopping the production of its legendary OMO, Sunlight and Lux home and skincare brands in a bid to cut costs to concentrate on higher growth opportunities.

Data from the Manufacturers Association of Nigeria (MAN) showed that the number of jobs lost in the manufacturing sector rose to the highest in three years for the first half of 2023.

In MAN's latest half-yearly review report, the number increased by 108.7 percent to 3,567 in the first half of 2023 from 1,709 in the same period of 2022.

The number of jobs created in the sector declined by 32.8 percent to 6,428 from 9,559 in H1 2022.

"The decline in the number of jobs created in the sector during the period further highlighted the unfriendly

business environment resulting from the hasty policies and residual effect of the currency redesign policy that led to naira crunch," MAN said.

The Tinubu administration's reforms including the removal of petrol subsidy and naira devaluation, implemented in the second quarter of the year, pushed the inflation rate to the highest level in 18 years.

Rising inflationary pressures have weakened the purchasing power of consumers, even as businesses grapple with higher operating costs.

The removal of the petrol subsidy tripled the petrol price to N617 from N184, causing public transportation providers such as buses, tricycles and motorcycles to raise transportation fares.

The naira has plunged to record lows across markets since the central bank allowed it to weaken by as much as 40 percent against the dollar in June.

According to the National Bureau of Statistics, the country's inflation rate, a measure of the general price level, rose to 27.33 percent in October from 26.72 percent in the previous month.

The latest monthly Purchasing Managers' Index by Stanbic IBTC Bank showed the headline index dropped to the lowest in eight months of 48.0 in November 2023 from 49.1 in the previous month, marking the second straight month of contraction.

Readings above 50.0 signal an improvement in business conditions, while those below show deterioration. BusinessDay reported last month that six out of 10 FMCG firms in the country posted losses in the first nine months of this year as their borrowing costs swelled on the back of rising interest rates and naira devaluation.

Nestle, Cadbury, Dangote Sugar Refinery, Nigerian Breweries, International Breweries and Champion Breweries suffered a combined loss of N166.3 billion.

In the same period last year, five of them reported a total profit of N83.9 billion, while International Breweries posted a loss of N2.81 billion.

The other four fared better. Guinness Nigeria's profit declined to N2.59 billion from N2.75 billion. BUA Foods and NASCON Allied Industries saw their prof-

its rise by 53.5 percent and 281.9 percent respectively. Unilever reported a profit of N1.67 billion, compared with a loss of N348 million a year earlier.

The sudden rise in the price of petrol and abolition of the official naira rate has caused a significant backlash, eroding the already earned income and trading capital of several multinational companies that had established their previous earnings based on the official naira rate at the time, according to Dele Oye, national president of Nigerian Association of Chambers of Commerce Industry Mines and Agriculture.

"While the current administration has commendably set Nigeria on a long-term path to economic progression, it has been noted that some of the immediate positive economic policies of President Bola Tinubu have had adverse certain sectors of the country," he said.

Yusuf of CPPE added that for manufacturers to overcome these challenges, they need to increase local input through backward integration and the government needs to stabilise the foreign exchange market.

## FG hooked on squandermania as Nigerians suffer daily

By Dipo Oladehinde

DESPITE rising inflation, widespread poverty and insecurity, the Federal Government is seen as more interested in squandermania than providing essential services to ease the economic realities of the recent removal of petrol subsidies.

In a country where more than half of the population lives in deep poverty, with bread now a luxury item, the

Federal Government's 2024 budget showed a sustained culture of profligacy such as renovation of presidential residences rather than reducing the cost of governance to free up more resources for critical sectors like health and education.

For instance, Femi Gbajabiamila, President Bola Tinubu's chief of staff, is expected to get a total allocation of N21 billion in next year's budget estimates presented

to the National Assembly by the president last month. Before becoming the chief of staff to the president in June this year, Gbajabiamila spent 20 years in the House of Representatives.

A breakdown of the proposed figure, however, shows that Gbajabiamila proposed N104 million for the purchase of computers and printers, while 'local travel and transport for international training,' will cost N579 million,

and 'miscellaneous', N103 million.

A further breakdown of the proposed budgetary allocations shows that the reconstruction and repair of the CoS's official residence will gulp N10 billion.

Responding to the development, Gbajabiamila on Wednesday said the 2024 allocations to the office of the chief of staff are meant for the renovation of the Presidential Quarters in Dodan

Barracks and the Vice President's Lodge in Lagos.

"The allocations are meant to overhaul the information management and communications facilities in the Presidency to meet modern standards and to provide vehicles for the staff of the Presidency," Gbajabiamila said on X, formally known as Twitter.

Further findings by BusinessDay showed that out of the N4.45 trillion allocated to the ministry of finance, Service-wide Vote alone accounts for N4.41 trillion or 93 percent.

Service-wide vote, also known as Consolidated Revenue Fund Charge, is the country's contingency fund in the annual budget – the

sum of money kept for unforeseen expenditure.

"It's a big issue that has gotten worse over the years. Our budget needs retooling because this process is not working," Oluseun Onigbinde, CEO of BudGIT said on X.

Data from FG's 2024 Appropriation Bill also showed international and local travels of President Tinubu, Vice President Kashim Shettima, and their aides in 2024 may gulp N15.961 billion.

According to the details of the budget, the president will spend N6.992 billion on foreign trips and N638.535 million on local travel.

The vice president will also spend N1.847 billion

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## NEWS

# All eyes on Tinubu to reverse zero asset sales

## ...as cash squeeze worsens

By Bunmi Bailey

ALL eyes are on President Bola Tinubu to finally raise meaningful cash from the privatisation of idle government assets which seemed almost impossible under the watch of the previous administration.

Tinubu is aiming to

raise as much as N298.4 billion from the privatisation of national assets in 2024 to fund the cash-strapped government's budget, according to data obtained from the Budget Office.

However further analysis shows that Africa's biggest economy generated zero cash in the first

nine months of 2023 from its budget of N154.6 billion as privatisation proceeds. In 2022 and 2021, the country also generated nothing from asset sales from its budget of N90.7 billion and N205.2 billion respectively.

It is unlikely that things change next year, according to Johnson

Chukwu, group chief executive officer at Cowry Asset Management Limited, who was sceptical about the government's commitment to reverse the trend of zero asset sales.

"Have we identified the assets that will be sold, do we have financial advisers assigned and have we advertised them," Chukwu said. "If we don't have these things, we might

end up with the way we are this year where nothing is entering," he added.

Failure to raise any cash from privatisation will leave the federal government with an even larger budget deficit and that could lead to more borrowing or lower than planned capital expenditure.

Adeola Adenikinju, a professor of economics and president of the Nigerian Economic Society, however said the hunt for revenue by the new administration may lead to a change of tack.

"The president may do things differently than the previous administration because they are trying to look for revenue from various sources," Adenikinju said.

He said privatisation is one aspect that the government wants to explore and that it seems to be more pro-market and less of states' control or ownership of resources.

"So, it is more likely that they will explore that option, especially for some assets that would be better managed by the private sector. For me, the refineries are the ones that I support. They should be revamped so that the private sector can take ownership and management of those assets," he added.

Tinubu last week outlined 2024 spending plans projected at N27.5 trillion. His administration targets revenue of N18.3 trillion to fund the budget.

Out of the N27.5 trillion, 30 percent (N8.25 trillion) will go to debt servicing. In the first nine months of this year, the nation spent N5.79 trillion servicing debt. That compares with N3.76 billion in 2022 and N3.0 trillion in 2021.

The sale of the assets is believed to be an attempt to bolster revenues and reduce the government's reliance on debt which is fast becoming unsustainable.

The privatisation effort will drive macroeconomic growth as well as allow investors to participate optimally in the economy, said Wale Edun, minister of finance and coordinating minister of the economy.

"There is privatisation in the budget. That is the direction of travel to create a stable macroeconomic environment in which investors can come in and the government is yielding grounds to them and allowing them to come in and invest and provide goods and services to Nigerians," Edun added.

JP Morgan, a global

investment bank, in August revealed that Nigeria is upping its game to unlock \$17 billion from asset sales.

"The authorities are in the initial stages of identifying assets for sale, which may provide some medium-term relief," JP Morgan said in its latest report.

It added, "For example, the President's Policy Advisory Council has recommended the government sell down its stake in the most joint-venture oil and gas assets, a proposal that is estimated to bring in up to \$17 billion.

BusinessDay had earlier reported that Nigeria plans to unlock the N180 trillion trapped in dead or idle government assets as a renewed hunt for cash heats up.

Over 70 entities have been captured in a national asset register that aims to identify the country's vast and mostly idle assets, according to the Ministry of Finance Incorporated, whose work it is to build the critical database that will help unlock badly needed cash for the government.

Africa's most populous nation uses a larger part of its resources to service its debt, and that has become of great concern to economists, especially in the wake of already lean revenues made worse by the COVID-19 pandemic.

In 2022, Nigeria's debt service-to-revenue ratio was at 80.6 percent — a figure far above the World Bank's suggested 22.5 percent for low-income countries like Nigeria.

Damilare Asimiyu, macroeconomic strategist & head of investment research at Afrinvest West Africa Limited, noted that the country has the assets but that the lack of the political will to market them is why it has generated nothing.

"So, what will determine whether the Tinubu government will get the amount from the sales of assets is the political will."

A recent report by PwC estimates that Nigeria holds at least \$300 billion or as much as \$900 billion worth of dead capital in residential real estate and agricultural land alone.

"The high-value real estate market segment holds between \$230 billion and \$750 billion in value, while the middle market carries between \$60 billion and \$170 billion in value," the report said.

Dead capital is an economic term related to property that is informally held, is not legally recognised, and cannot be exchanged for financial capital.



Godwin Obaseki (r), governor, Edo State, presenting a copy of the 2024 budget, christened, 'Budget Home Run: Finishing Strong,' to Blessing Agbeba, speaker, Edo State House of Assembly, at the Anthony Enahoro Assembly Complex, in Benin City, on Tuesday.

## FG hooked on squandermania as...

Continued from page 28

on international and local travel.

According to the budget proposal, Shettima will spend N1.229 bn on foreign trips and another N618.399 million on local travels.

The document also revealed that the State House headquarters will get N40.61bn, State House Operations (president) N9.1bn, and State House Operations (vice president) N3.14bn.

Also, N260.5m was provided for the office of the chief security officer to the president, the State House Medical Centre got N1.13bn while the State Lagos Liaison

office got N632.4m.

The allocations reminded many Nigerians of the economic inequality in a country where politicians earn huge salaries while essential workers like doctors and academics often go on strike to protest meagre wages.

"The 2024 expenditure demonstrates the chronic self-centeredness and disconnects from ordinary Nigerians by public officials," Nduka Omeje, a trader in Apo Resettlement in Nigeria's capital city, Abuja said on X, formerly known as Twitter.

The situation would have been different for Omeje if the palliatives promised by

the Federal Government had reached her, but she has received nothing.

"The noise about the palliatives is no longer topical," she told BusinessDay.

For Sherifat Ademuloye, a widowed mother of six, living in Ikorodu for more than a decade, the scenario is the same.

"Life is difficult," said Ademuloye, who runs a street-food stall.

After the death of her husband, Ademuloye has been finding it hard to sustain her children on a meagre income. Unable to pay for their school fees, she relies on support from aid organisations to cover the cost of education.

"The little money I make is never enough," Ademuloye

said. "I can't afford to buy them other food."

Ademuloye listens to the radio (her primary source of information) and has high hopes of benefiting from the Federal Government's N3.27trn spending on palliatives and loans to cushion the effect of the fuel subsidy removal.

"Exotic cars for lawmakers are the new priority, not the scanning, screening and verifying who and who among the poorest poor will receive a paltry N25,000 monthly," Ademuloye said.

Ademuloye is among the millions of Nigerians struggling to make a living as the country's inflation rate of 26.72 percent has eroded the value of what many have.

## Vendors dangle Rent4Less to tackle...

Continued from page 2

ing a supportive network that goes beyond traditional landlord-tenant relationships.

This sense of community contributes to a positive living experience and encourages residents to explore work opportuni-

ties within their immediate vicinity.

The initiative, the MD said, has so far provided affordable accommodation options that are strategically located and reduced the number of individuals contributing to rush-hour traffic. This eases the strain on trans-

portation infrastructure and allows residents to reclaim valuable time for personal life, side hustles, and ultimately, increased productivity in their professional endeavours.

"Recent estimates suggest that Lagos loses a staggering N4 trillion annually to traffic-related issues, impacting not only the financial health of

the city but also the well-being of its citizens.

"In the midst of this chaos, innovative solutions like Rent4Less are emerging and playing a pivotal role in alleviating the impact of traffic and improving the overall living experience, particularly in the very busy parts of the city," she noted.

# LIVE @ THE EXCHANGES

## Top Gainers/Losers as at Wednesday 06 December 2023

### GAINERS

Company	Opening	Closing	Change
THOMASWY [RST]	3.02	3.32	3.32
FBNH	26.75	26.8	29.4
MULTIVERSE	7.07	7.77	7.77
ETI [MRF]	17.2	17.55	18.9
INFINITY [BLS]	1.34	1.47	1.47
DAARCOMM	0.31	0.34	0.34

### LOSERS

Company	Opening	Closing	Change
ACCESSCORP	19.35	19.4	21.1
AIICO	0.71	0.71	0.77
ABCTTRANS	0.84	0.91	0.91
NSLTECH	0.77	0.77	0.83
UPDC [BLS]	1.17	1.25	1.25

## Market Statistics as at Wednesday 06 December 2023

ASI (Points)	71,808.64
DEALS (Numbers)	8,412
VOLUME (Numbers)	690,010,963
VALUE (N billion)	12.100
MARKET CAP (NTrn)	39.294

## Buy-side activity pushes market's return to 40.11% year-to-date

By Iheanyi Nwachukwu

INVESTORS decisions to stay more on the buy-side of the Nigerian Exchange Limited (NGX) has pushed higher, the equities market's return year-to-date (YtD) to 40.11 percent.

The market on Wednesday recorded its second positive close this week, rising by 0.78 percent or about N305billion.

For the second time this week, FBN Holdings led the league of gainers after its share price rose from N26.75 to N29.40, adding N2.65 or 9.91 percent.

It was also followed by Multiverse which increased from N7.07 to N7.77, up by 70kobo or 9.90 percent.

Also, Thomas Wyatt rose from day-open low of N3.02 to N3.32, up by 30kobo or 9.93 per-

cent. ETI went up, from N17.20 to N18.90, adding N1.70 or 9.88 percent, while Infinity Trust Mortgage Bank rose from N1.34 to N1.47, up by 13kobo or 9.70 percent.

Renewed bargain appetite on the Bourse ahead of yuletide pushed the Nigerian Exchange Limited (NGX) All-Share Index (ASI) and its equities mar-

ket capitalisation to increase from preceding trading day's lows 71,250.17 points and N38.989trillion to 71,808.64 points and N39.294 trillion.

The market closed Wednesday with 690,010,963 shares worth N12.10billion traded in 8,412 deals. GTCO, UBA, Fidelity Bank, Access Corporation and Universal Insurance were actively traded.

## IATF2023 exceeds targets with record deals worth \$43.8bn

AFRICAN Export-Import Bank (Afreximbank) has announced that the third Intra-African Trade Fair (IATF2023) held in Cairo from November 9 to 15 witnessed the conclusion of business deals and transactions valued at \$43.8 billion.

In the final tallies released in Cairo, the organisers of the continental event said that the amount represented the value of 426 deals concluded in 21 sectors covering 52 countries.

At a press conference to announce the results, Kanayo Awani, Executive Vice President (Intra-African Trade Bank) at Afreximbank, also announced that 130 countries participated in the trade fair,

which attracted 1,939 exhibitors and 28,282 participants who attended physically and through the IATF virtual platform.

One of the notable transactions included the Export Agriculture for Food Security Framework executed by several African countries (as Origin Countries) and ARISE Integrated Industrial Platforms, Arise IIP

(as Anchor Investor) to which Afreximbank committed \$2 billion to boost production, processing, and intra-African trade in agricultural products and to provide African farmers and agribusinesses with opportunities to access larger markets across the continent.

## Baobab MFB advocates for educational inclusivity

BAOBAB Nigeria recently launched its Girl Child Education Scholarship Programme, advocating for educational inclusivity by awarding scholarships to deserving female students.

The initiative allocated scholarships to 16 students from Morit International School in Apapa, Lagos State, and extended support to four girls from Rock Foundation School in Abuja.

The ceremony for the Morit International School scholarship recipients took place at Baobab Nigeria's headquarters in Lagos on No-

vember 6, 2023. Esteemed executives from Baobab Nigeria, in conjunction with the leadership from Morit International School, presided over the event, attended by some of the scholarship beneficiaries.

Contrastingly, the scholarship award for the Rock Foundation School students unfolded at the school premises in Abuja. Representatives from Baobab Nigeria and Rock Foundation School collaborated in a distinctive ceremony that celebrated the advancement of educational opportunities for young girls.

## SEC, IFSB to host first international forum on non-interest capital markets

THE Securities and Exchange Commission (SEC) and the Islamic Financial Services Board (IFSB), an international standard-setting body with a vested interest in ensuring the soundness and stability of the global Islamic financial services industry will be convening a 2-Day High-Level International Forum on Non-Interest (Islamic) Capital Market.

This is in a bid to tackle the challenges hampering further development of the Non-Interest Capital Market (NICM) in Nigeria.

The SEC in a statement, noted that the objective of the forum is to bring all

critical stakeholders together to analyse issues and challenges confronting the sector and proffer solutions for the overall development of the Nigerian economy.

The discussion will revolve around issues such as; inadequate capacity within the industry, lack of awareness and education, paucity of human capital and expertise, limited availability of Sharia-compliant products including short-term Sharia-compliant liquidity instruments, the harmonization of regulatory and supervisory standards, and the integration of NICM with the conven-

tional financial system amongst others.

Whilst stating that the Non-Interest Capital Market (NICM) in Nigeria has evolved and is progressively becoming an important segment of the nation's financial market, the Commission said NICM provides a veritable avenue for mobilising medium to long-term investment in an ethical and Shariah-compliant manner through wide range of products/services offered such as, Sukuk (Islamic bonds), Islamic Mutual Funds, Islamic REITs, Islamic Crowdfunding and Islamic Fintech, etc. that cater for the needs and

preferences of both ethical and conventional investors.

The Commission said that the NICM sector has witnessed remarkable growth in recent years, reaching a global size of \$3.25 trillion in 2022, adding that the main drivers of this growth include the increasing demand for ethical and socially responsible finance, diversification of funding sources and risk management tools, development of enabling regulatory and legal frameworks, and the innovation and standardisation of NICM products and practices.

## FMDQ sees need for Nigeria to attract part of global

VINCENT Nwani, head research, FMDQ Group Plc has seen the need to improve efforts to attract into the Nigerian capital market some of the \$30trillion sustainability fund available globally.

Nwani stated this at the Capital Market Correspondents Association of Nigeria 2023 workshop with the theme: 'Leveraging Capital Market in Financing the National Development Plan.'

Nwani stated that while efforts were being made at the level of the exchanges, there was a need for more action from the other participants in the market.

He said, "On sustainability finance, about \$30trillion is out there looking for who to take it as far as sustainability is concerned.

"How is the Nigerian capital market positioning itself to be a strong recipient of this free fund? From the level of the exchanges: NGX and FMDQ, we are ready to list and are already listing," he said.

Apart from the Federal Government, corporations and state governments are beginning to show interest in green bonds.

"Even the pink bond for women-owned/ managed businesses, we are seeing a lot of interest," he said.



## NEWS

## CUSTOMS APPOINTMENT

# NASS will ensure only career officers become Customs CG, Reps vow

By Joy Odor, Abuja

THE Federal House of Representatives' Committee on Customs and Excise on Wednesday vowed to ensure that only career Customs officers will henceforth be appointed to the position of Comptroller General (CG) of the Nigeria Customs Service (NCS).

Apparently making the effort to forestall a repeat of what occurred under the immediate Administration of Muhammadu Buhari, the House of Representatives' Committee on Customs and Excise Management Act (CEMA), which repealed the 63-year-old Customs law, would always be invoked to appoint the Comptroller General of the Nigeria Customs Service (NCS).

Similarly, under the new Act, the Nigeria Customs Service (NCS) is now expected to increase revenue via a new financing model of 4% Free on Board (FOB) charge, enabling it to operate more effectively and efficiently.

Joseph Abejide, the Chairman of the Committee, while making the remarks on behalf of other Committee members, described the passage and signing of the Customs and Excise Management Act as a major milestone in the efforts to streamlining the Customs procedures, enhancing trade facilitation, improving revenue generation, and promoting economic growth.

He said the new CEMA Act provides among others for the appointment of the Comptroller General of Customs from among serving officers of the Service not below the rank of Assistant Comptroller General.

Abejide added that the new Act also introduces a robust e-commerce system, aligning the NCS with global digital trends and promoting rapid revenue generation and ease of doing business, while assuring Nigerians that the Committee would scrutinize the NCS's revenue collection and remittance processes to ensuring that all Customs

duties and levies are promptly accounted for and remitted to the Federation Accounts.

He said, "The Committee will meticulously review the NCS's annual budget proposals to ensure they align with the government's comprehensive economic and fiscal policies.

"Instead of the previously imposed 7% surcharge on duty payable, the Act now mandates a 4% Free on Board (FOB) charge. This change ensures that waivers granted do not adversely impact the revenue collection targets of the NCS, leading to a projected threefold increase in income compared to the current levels.

"The Committee will assume oversight of the NCS's enforcement of regulations in Export Processing Zones (EPZs) to verify compliance with legal requirements and their contribution to economic growth.

"In collaboration with the NCS Excise Department, the Committee will strive to ensure automation of production lines from raw ma-

terial intake to final product output, to block leakages and eradicate corruption.

"The 10th Assembly has the rigorous task of ensuring that the new Act is implemented effectively and that its full benefits are realized and will closely monitor the NCS's performance and provide the necessary support to ensure that it operates by the highest international standards.

"The committee will work closely to monitor the progress of the Nigerian Customs in implementing the Act, ensuring that it adheres to the principles of transparency, accountability, and efficiency.

"This is achieved by enabling a career officer, at least at the rank of Assistant Comptroller General as the Comptroller-General of Customs to be appointed by the President of Nigeria. This stands in contrast to the previous Act, which lacked clarity on leadership, resulting in such appointments from the civilian and military backgrounds in the past."

## TRAVEL ALLOWANCE

## CBN reviews payment of MDAs' Estacode to 1day from 26minutes

By Hope Moses-Ashike

THE Central Bank of Nigeria (CBN) has reviewed the approval for payment of Estacode to Ministries, Departments and Agencies (MDA's) to within one working day from 26 minutes in 2022.

This was disclosed in the Bank's reviewed Service Charter, approved by Olayemi Cardoso, governor of the CBN, and released on Wednesday.

An estacode refers to a payment allowance to government officials to cover their travel expenses, including lodging and feeding, while on official duty outside their place of domicile.

The Service Charter is a requirement of the Business Facilitation Act (BFA) 2022 for driving the ease of doing business in Nigeria.

It also enables the Central Bank to fully comply with the directives of SERVICOM Nigeria (The Presidency) on improvement of customer service delivery.

The Charter outlines how the Bank promises to work with its external customers in meeting their expectations of service along with what the Bank expects from them.

The 34-page document stated that the CBN will provide clarification on foreign exchange and trade policies, within three working days, which is longer than one working day (2022 service charter) from date request is received.

According to the new service charter, processing electronic Certificate of Capital Importation (eCCI), including issuance, transfer, con-

version, amendment, would be done within one working day from the date the request is received. This was done within 24 hours in the old service charter.

Forex Forms management - extension, amendment and cancellation remains within five working days from date request is received.

In terms of issuance of authorized dealers and buyers trading codes for (Banks, BDCs, Oil Companies, Hotels), it will now take three working days, as against five working days from date request is received, in the 2022 service charter.

The CBN said issuance of authorised dealership and buyership licenses, will be done within two months now, compared to three months from date request is received, in the 2022 charter.

In terms of renewal of authorised dealership and buyership licenses, the timeline remains 10 working days from date request is received.

The document showed that licensing of financial institutions; Approval In Principle (AIP) Stage now takes up to six months from within three months (2022) subject to compliance with CBN licensing requirements. However, licensing of financial institutions' final approval stage remains within three months.

The new service charter set the review and regulatory approvals of board charters for banks and Other Financial Institutions (OFIs) timeline to within 20 working days, from the previous five working days.



L-R: Abayomi Bello, group director, human resources, organisation development and change, TGI Group; Akinkunle Akinpelu, group director, human resources, TGI Group, receiving NECA 2022 Employers' Excellence in Agro and Agro-Allied Sector Award on behalf of TGI Group, from Adejoke Alli, group director, human resources, Fidson Healthcare, and Taiwo Adeniyi, president, Nigeria Employers Consultative Association, (NECA), during the award ceremony in Lagos, recently.

## CREDIT FACILITY

## Falcon Corporation secures N19bn LPG storage facility funding from Chapel Hill Denham

By Abubakar Ibrahim

FALCON Corporation Limited has secured an N19.41 billion facility from the Chapel Hill Denham Nigeria Infrastructure Debt Fund (NIDF) to develop a 15,000 metric ton Liquefied Petroleum Gas (LPG) storage facility in Nigeria.

According to the company, the facility and a dedicated jetty will be situated in Rumuolumeni, Saipem/Aker Base Road, Port Harcourt, Rivers State, Nigeria.

In a statement seen by

BusinessDay, the Project, which has reached an advanced stage, is being carried out in two (2) distinct phases, with the initial phase focusing on the construction of a 10,000 metric ton spherical tank (consisting of 2 tanks, each with a capacity of 5,000 metric tons).

"Also with a dedicated jetty and other associated infrastructure, which is to be followed by the development of an additional 5,000 metric tons of storage at a later date."

Joe Ezigbo, the manag-

ing director of the Company, said, "The Project is set to facilitate and enhance more direct procurement and distribution of LPG, which will dramatically lower conventional delivery and storage costs.

"Beyond economic gains, we anticipate significant social benefits including job creation, income growth, health improvements, and environmental sustainability as our customers and communities transition to cleaner fuel options on a larger scale."

Operational since 1994, Falcon is one of the leading wholly indigenous integrated players across the Energy value chain in Nigeria, with expertise in delivering world-class energy solutions across the midstream and downstream sectors of the industry.

"The Project is also in line with the Federal Government of Nigeria's objective of increasing the adoption of LPG as auto fuel and a replacement of diesel for power generation," said Bolaji Balogun, the chief

executive officer of Chapel Hill Denham.

Funded by debt obtained from NIDF and the Bank of Industry (BOI), coupled with internally generated funds, the Project has now hit a number of critical milestones, with a recorded completion rate of 65% as of October 2023, according to the statement. The Project is expected to be completed and commissioned by the fourth quarter of 2024.

Nelson Walter, Falcon's General Manager, Finance, in addressing the choice of debt

provider, stated, "They have shown a depth of understanding of the imperatives for project success and offered a flexible long-term loan repayment structure for Falcon in alignment with this.

"We are extremely delighted to have partnered with NIDF on this groundbreaking Project."

Vetiva Capital Management Limited and Chapel Hill Denham Advisory acted as the Financial Adviser on the transaction, while Detail Commercial Solicitors provided legal counsel.

# BIG READ

## Labour markets

# Welcome to a golden age for workers

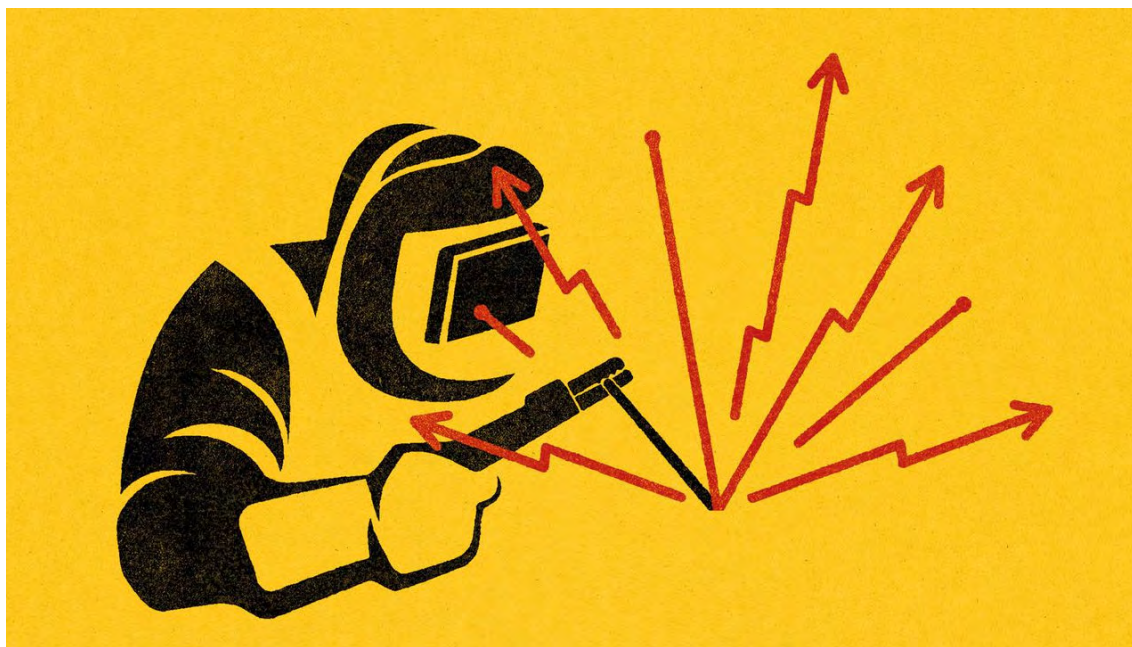
## How jobs are being transformed for the better

ALMOST everyone agreed that the mid-2010s were a terrible time to be a worker. David Graeber, an anthropologist at the London School of Economics, coined the term “bullshit jobs” to describe purposeless work, which he argued was widespread. With the recovery from the global financial crisis of 2007-09 taking time, some 7% of the labour force in the oecd club of mostly rich countries lacked work. Wage growth was weak and income inequality seemed to be rising inexorably.

How things change. In the rich world, workers now face a golden age. As societies age, labour is becoming scarcer and better rewarded, especially manual work that is hard to replace with technology. Governments are spending big and running economies hot, supporting demands for higher wages, and are likely to continue to do so. Artificial intelligence (ai) is giving workers, particularly less skilled ones, a productivity boost, which could lead to higher wages, too. Some of these trends will reinforce the others: where labour is scarce, for instance, the use of tech is more likely to increase pay. The result will be a transformation in how labour markets work.

To understand why, return to the gloom. When it was at its peak in 2015, so was China’s working-age population, then at 998m people. Western firms could use the threat of relocation, or pressure from Chinese competitors, to force down wages. David Autor of the Massachusetts Institute of Technology (mit) and colleagues estimate that this depressed American pay between 2000 and 2007, with a larger hit for those on lower wages. Populist politicians, not least Donald Trump, took advantage, vowing to end China’s job “theft”.

Now China’s working age-population is falling, other poor countries are struggling to build industrial capacity and geopolitical instability is making outsourcing less appealing. The rich world also faces a dearth of workers (see chart 1). Indeed, the number of them aged 20 to 54 (who are likely to be capable of physical labour) has already flattened off. A survey across 41 countries by ManpowerGroup, a staffing firm, finds that 77% of companies are struggling to fill vacancies, twice as many as in 2015. Two-thirds of Polish industrial firms say that worker shortages are one of the main things holding back production. In Germany public-transport services have been reduced ow-



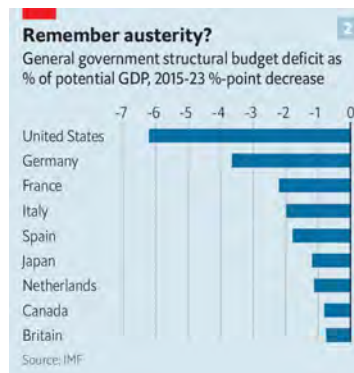
Source: mikel jaso

ing to a lack of bus and train drivers. In South Korea the old are increasingly staying on the job to avert shortages: some 59% of 55- to 79-year-olds work, up from 53% a decade ago.

Labour has become so precious that businesses are starting to hoard it. A survey of small American companies found that more than 90% seek to retain employees if possible. In Germany, where the economy has stagnated since early last year, some 730,000 positions are advertised at job centres, close to the record high. Unemployment sits at just 3%. In part because of worker shortages, the rich world is experiencing an immigration boom, with its

foreign-born population growing at a record pace. Yet such is the size of coming workforce gaps, even immigration on this scale will not plug them.

It would, then, be a good time to be a worker even without intervention from politicians. Yet they are hardly holding back. Most countries in the oecd, including America and France, have managed to maintain or even increase minimum wages in real terms during the recent bout of inflation. Across the rich world, trillions of dollars are also being spent in a bid to speed up the green transition, reduce dependence on China—and create jobs. Although such subsidies mostly end up in



firms’ pockets, and tariffs are costly for consumers, they give workers in protected industries bargaining chips.

The macroeconomic policy mix favoured by today’s politicians and officials also suits workers. In the mid-2010s rich-world inflation was the lowest it had been outside of crises, but few countries opted for stimulus. This was partly because of analysis suggesting the economy was at full capacity; it later turned out there was more slack. In 2013 America’s Federal Reserve thought that unemployment would settle at 5.6% in the long run. By 2019 that estimate had fallen to 4.1%. The imf thought that Germany was close to full employment in 2012. The country then added 2.8m jobs without unusual wage growth.

### Blue-collar bliss

Things look very different today (see chart 2). Despite high inflation, eu countries will run an average fiscal deficit of more than 3% of gdp this year, reckons the European Commission. America’s deficit will hit 8.2%, expects the imf. Ageing societies, climate change and uncertain geopolitics imply

that governments will struggle to tighten the purse strings any time soon. Central banks want to bring down inflation, but their policy guidance suggests that they would like to avoid the insufficient demand and low price growth of the 2010s once they have done so.

Policymakers will therefore aim for what Janet Yellen called, before becoming America’s treasury secretary, a “high-pressure economy” (ie, one that runs very close to its potential). Western leaders want to ensure that they can fight the next election while being able to point to healthy employment and rising wages, especially for the lower paid. In this sense, they seem to have learnt the lesson of the 2010s.

The approach is already bearing fruit for workers. In a recent paper, Mr Autor and colleagues demonstrate that tight American labour markets are leading to fast wage growth, as workers switch jobs for better pay, and that poorer employees are benefiting most of all (see chart 3). The researchers reckon that, since 2020, some two-fifths of the rise in wage inequality over the past four decades has been undone.

A similar trend is probably playing out across the rich world. Germany’s employment agency keeps a tally of jobs that are facing severe worker shortages. So far this year it has added 48 professions to the 152-strong list. Most require technical, rather than academic, education, with shortages most pressing in construction and health care. Japan offers time-limited visas for workers in a dozen fields, including the making of machine parts and shipbuilding, and the country’s wages are rising faster than at any point in the past three decades. The wage premium that accrues to those with a university education is already shrinking; it may now fall faster.

Tight labour markets also encourage unions to demand more free time—to the horror of firms already short of staff. German steelworkers will seek a 32-hour work week in forthcoming negotiations, down from 35 hours. In Spain a new government wants to cut the standard 40-hour work week by two and a half hours. As shown by surveys and data about hours spent on the job, even Americans want to work less.

*This article was culled from The Economist where it was first published*



Source: OECD

\*15- to 64-year-olds