

All round
AAA

Validated and fully equipped
to serve you better!

With our 2023 Fitch National Long Term Ratings, we are the **ONLY triple A rated financial organisation in Nigeria**. We remain well-positioned to meet all your financial services needs.

BUSINESS DAY

INFORMING IMPACTFUL DECISIONS SINCE JULY 2001

News you can trust *Tuesday 30 July 2024

Vol. 21, No 1,730 **N500**

www.businessday.ng

facebook/businessdayonline

@businessdayng

@businessDayNG

				FMDQ Close		AFEX																																									
INVESTMENT ONE				Foreign Exchange		<table border="1"> <thead> <tr> <th>Commodities</th> <th>Cash Settled Price(NGN-1kg)</th> <th>D-o-D (%)</th> <th>Benchmark</th> <th>Value</th> <th>D-o-D %</th> </tr> </thead> <tbody> <tr> <td>Maize</td> <td>861.48</td> <td>0.15%</td> <td>ACI-Points</td> <td>650.91</td> <td>-0.32%</td> </tr> <tr> <td>Sorghum</td> <td>830.00</td> <td>-4.70%</td> <td>AEI-Points</td> <td>1,186.82</td> <td>-2.20%</td> </tr> <tr> <td>Soybean</td> <td>814.00</td> <td>0.00%</td> <td>Turnover-NGN' mn</td> <td>244,966,754.00</td> <td>9.31%</td> </tr> <tr> <td>Ginger</td> <td>990.00</td> <td>0.00%</td> <td>Contracts Traded</td> <td>286,560</td> <td>8.45%</td> </tr> <tr> <td>Cocoa</td> <td>12,505.00</td> <td>-2.30%</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>						Commodities	Cash Settled Price(NGN-1kg)	D-o-D (%)	Benchmark	Value	D-o-D %	Maize	861.48	0.15%	ACI-Points	650.91	-0.32%	Sorghum	830.00	-4.70%	AEI-Points	1,186.82	-2.20%	Soybean	814.00	0.00%	Turnover-NGN' mn	244,966,754.00	9.31%	Ginger	990.00	0.00%	Contracts Traded	286,560	8.45%	Cocoa	12,505.00	-2.30%			
Commodities	Cash Settled Price(NGN-1kg)	D-o-D (%)	Benchmark	Value	D-o-D %																																										
Maize	861.48	0.15%	ACI-Points	650.91	-0.32%																																										
Sorghum	830.00	-4.70%	AEI-Points	1,186.82	-2.20%																																										
Soybean	814.00	0.00%	Turnover-NGN' mn	244,966,754.00	9.31%																																										
Ginger	990.00	0.00%	Contracts Traded	286,560	8.45%																																										
Cocoa	12,505.00	-2.30%																																													
OPEN	CLOSE	%CHANGE	Foreign Reserve	Spot (\$/N)	23-Jan-25																																										
NGX ASI	98,201.49	98,132.15	-0.07%	1611.40	-0.05																																										
1YR NTB	25.24%		Cross Rates	24.70																																											
FGN BOND 10YR	19.32%		GBP-\$/1.26	24.70																																											
EURO BOND 10YR	10.35%		YUAN -175.72	24.70																																											
			Commodities (\$)	Dangote Cem. Plc	Axcela Funding 1 (Nat. Gas) plc																																										
			Cocoa	30-Apr-25	20-May-27																																										
			Gold	-0.04	0.01																																										
			Crude Oil	3M	6M																																										
			\$4,736.00	19-Sep-24 BF02	19-Dec-24 BF02																																										
			\$5,589.00	92.30	94.90																																										

Relief as NCC orders telcos to unblock SIMs

By Temitayo Jaiyeola and Boluwatife Omotayo, & Ladi Patrick-Okwoli

On Sunday, Nike Benson woke up unable to make or receive phone calls. Her network provider had blocked her line of 10 years.

"I had to go to their office after church. Yet, it's not yet rectified. I can only call and receive messages on WhatsApp using Wi-Fi," Nike Benson told Business Day on Sunday. "The name on the SIM is Hellen Ajibade, but I don't know the person. I have been using the number for over 20 years."

Nike is among many Nigerians who woke up to blocked lines over the weekend. "My calls are not going through," one sub-

Continues on page 31

Why Lagos revoked building permits on new projects

By Chuka Uroko

LAGOS State government has given reasons for revoking permits given to ongoing building projects across the state. The state says the action is aimed at enforcing safety standards in construction.

The government's action followed the collapse of a building

Continues on page 30

Naira crude sale ends 20-year opaque supply market

By Dipo Oladehinde, Tony Ailemen, Abubakar Ibrahim & Faith Esifih

...To ease forex pressure ...FG to save \$7.92bn

THE Federal Government's latest decision to introduce naira-denominated crude oil sales to Dangote and other local refineries is expected to bring an end to the opaque 20-year-old Domestic Crude Allocation (DCA) scheme, a development expected to positively impact the domestic fuel supply chain and enhance transparency in the sector.

For over two decades, Africa's biggest economy has operated an arrangement that ensures that about 445,000 barrels of crude oil per day (the nameplate capacity of Nigeria's four government-owned

refineries) are set aside from the federation's share of oil and channelled for domestic refining.

The allocation would be paid for in naira, and the defunct Petroleum Products Marketing Company would recoup proceeds via the distribution and sale of the resulting refined products within Nigeria.

The rationale behind that was that such exclusive domestic allocation of crude oil would guarantee energy security, de-link refined petroleum product prices from volatility in exchange rates and international crude

oil prices, and ensure adequate supplies of refined petroleum products in the country.

Although the scheme looks brilliant on paper, in reality, chronic financial and operational challenges in the domestic refineries often force a chunk of the 445,000 bpd to be allocated to a complex oil-for-product swap between NNPC and trading companies, an arrangement popularly called the Direct Sale Direct Purchase program.

To change the narrative, the Federal Executive Council on Monday approved a proposal by

President Bola Tinubu directing the Nigerian National Petroleum Company (NNPC) Limited to sell crude oil to Dangote Petroleum Refinery and other refineries in naira.

Bayo Onanuga, special adviser on information and strategy to the president, said the African Export-Import Bank (Afrexim-bank) and other settlement banks in Nigeria will facilitate the trade between Dangote and NNPC.

"To ensure the stability of the pump price of refined fuel and the dollar-Naira exchange rate, the

Continues on page 30



R-L: Louis Odom, executive director, Zenith Bank plc; Akin Ogunranti, executive director; Oladele Sotubo, chief executive, Stanbic IBTC Capital Limited; Adaora Umeoji, group managing director/chief executive, Zenith Bank plc; Micheal Out, company secretary; Oyindamola Akinyemi, executive director, Stanbic IBTC Capital Limited; Henry Oroh, executive director; Adobi Nwapa, executive director; and Adamu Lawani, executive director, during Zenith Bank capital raising signing ceremony, in Lagos, yesterday.

INSIDE

OPINION

Africa's path to disaster resilience

AFRICA, a continent blessed with immense potential, is also acutely vulnerable to a range of disasters, from natural calamities like floods and droughts to man-made crises. The impact of these disasters is often exacerbated by weak health systems, leading to significant loss



of life and livelihood. Even though the problems are really bad, digital health can help us recover and build things back up.

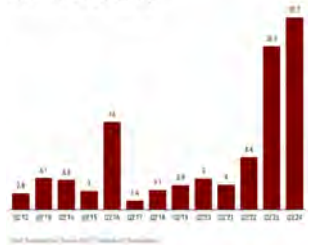
Digital health, the convergence of healthcare and information technology, offers a powerful tool for

Pg 9

COMPANIES & MARKETS

FCMB's three-month earnings rise to N31bn, highest in 13 years

FCMB's after-tax profit (Nbn)



FCMB Group, a financial institution in Nigeria, has recorded an 18 percent rise in its earnings for the second quarter of 2024, BusinessDay analysis shows.

According to the group's latest financial statement, its after-tax profit rose to N30.7 billion in Q2, the highest in 13 years, from N26.1 billion

in the same period of 2023.

Interest income calculated using the effective interest rate rose to N143.7 billion from N82.9 billion. In contrast, the group's interest expense surged 119 percent to N92.9 billion from N42.3 billion driven by the

Pg 14

BIG INTERVIEW

GCF Accreditation, major boost for Nigeria's climate financing, sustainable development - Okpanachi, MD/CEO, DBN

Tony Okpanachi is the Managing Director/CEO of Development Bank of Nigeria (DBN). He is a seasoned banker with over 30 years' experience. Before his appointment at the DBN, he served as the Deputy Managing Director of Ecobank Nigeria Limited, a position he held since



April 2013. Before that, he was the Managing Director, Ecobank Kenya and Cluster Managing Director for East Africa, Ecobank. He was also at various times, Managing Director of Ecobank Malawi and Regional Coordinator for Lagos and South West, at Ecobank Nigeria.

Pg 16&17

TECHNOLOGY

The digital divide: A persistent challenge



THE digital age has ushered in a new era of entrepreneurship, where individuals can start and run successful businesses from the comfort of their homes. With Nigeria's technology landscape and increasing internet penetration, the oppor-

tunities for home-based businesses are immense. This article explores how to leverage the latest technology to start and grow your business in Nigeria.

Identifying Your Niche
The first step to starting a home-based business

Pg 21

ENERGY INTELLIGENCE

OPL 276 to start production within two years - Lekoil

Nigeria is looking to boost its oil production in the coming years to generate more value for its economy, which is still very much reliant on oil exports. In an interview with BusinessDay, EDWARD DURING,



the chief financial Officer, of Lekoil Nigeria Limited, in this interview with DIPO OLADEHINDE, shared insights on the company's operation in Nigeria, challenges faced, and how they

Pg 23

SPORT

D'Tigress record historic win over Australia in Paris Olympics opener



NIGERIA's women's national basketball team, D'Tigress, recorded a historic 75-62 victory against Australia in their opening Group B game at the Paris 2024 Olympics.

The African basketball champions, led by coach Rena Wakama,

built a commanding lead, outpacing world number three Australia by as much as 13 points by the end of the second quarter at the Pierre Mauroy Stadium on Monday. This victory marks D'Tigress first

Pg 35

NEWS

PROJECTS

Political interference cause of abandoned projects in Nigeria, says IPAIM

POLITICAL interference is a major culprit behind Nigeria's numerous abandoned projects, according to the Institute of Physical Assets and Infrastructure Management (IPAIM).

McCarthy Ijebor, President of IPAIM, in a statement on Monday in Lagos, expressed worries, over the nation's lack of comprehensive data on its numerous uncompleted projects.

Ijebor noted that projects were often initiated based on political considerations rather than economic or social needs.

"Projects are sometimes initiated or abandoned based on political expediency, such as to win votes or appease certain constituencies. They may also be

abandoned or stalled due to party politics, with opposition parties opposing projects initiated by rival parties," he explained.

He called for the strengthening of institutions responsible for project implementation to ensure projects are completed.

Ijebor emphasised that these institutions should be independent, effective, and held accountable at every stage of the project process.

The IPAIM president lamented that due to the weakness of these institutions, political leaders were rarely held accountable for abandoned projects.

He stressed the importance of transparency in project initiation, funding

and implementation.

Ijebor also called for collaboration and continuity across governments and political parties to ensure that projects were not only completed but also served their intended duration.

"Projects abandonment is ubiquitous everywhere; some are started with fanfare and then abandoned midway.

"Some are initiated for political reasons, and when you assess their usability, you often find they do not make sense," he said.

He underscored the importance of focusing on the viability of projects, their asset value, and their contribution to the public, highlighting the need for thorough needs assessments. (NAN)



OIL

US buys 4.65 million barrels for emergency oil stockpile

THE U.S. Department of Energy said on Monday it had finalized a contract to purchase 4.65 million barrels of crude oil for the Strategic Petroleum Reserve, for delivery to the Bayou Choctaw site in Louisiana during the last three months of the year.

Exxon Mobil will supply 3.9 million barrels of the contract, while Macquarie Commodities Trading US LLC will supply the rest, the DOE said. The average purchase price for the oil is about \$76.92 per barrel, the DOE said.

The purchase is the latest in a string of contracts intended to refill the nation's emergency oil stockpile following a record release of 180 million barrels in 2022. That sale was an effort to control gasoline prices that spiked to more than \$5.00 a gallon after President Vladimir Putin

ordered Russia's invasion of Ukraine. But it also reduced the reserves to the lowest in 40 years.

The DOE said it has since repurchased a total of 43.25 million barrels at an average price of around \$77 a barrel, after having sold the oil at around \$95 a barrel during the 2022 release, which it called a "good deal for taxpayers."

U.S. crude futures were trading around \$76 a barrel on Monday.

The DOE has also worked with Congress to cancel a previously planned sale of 140 million barrels of oil from the reserve, something the department says should count toward the refilling of the stockpile.

"As promised, we have secured the 180 million barrels back to the Strategic Petroleum Reserve released in response to Putin's war

in Ukraine – and we accomplished this while getting a good deal for taxpayers and maintaining the readiness of the world's largest Strategic Petroleum Reserve," said Energy Secretary Jennifer Granholm.

The DOE said it was likely to continue buying oil for the reserve into next year, using the roughly \$1.2 billion that it has remaining in its revenue account. At current prices, that fund could cover purchases of around 15 million barrels.

The DOE has previously said that it wants to buy oil at \$79 a barrel or less.

As of July 19, the SPR contained about 374.4 million barrels, of oil, the highest level since the end of 2022, but well below the typical 600-700 million level of the last decade when the United States relied more heavily on imports. -Reuters

NEWS

TRADE

Nigeria's first shipment under AfCFTA major milestone, but challenges remain

By Favour Okpale

NIGERIA'S first shipment under the African Continental Free Trade Area (AfCFTA) after four years of signing on to the agreement has been lauded as a significant milestone, especially with the potential of driving economic growth, however, there are challenges to overcome, experts have said.

According to some experts who spoke to BusinessDay, such challenges include competitive goods and services, a robust manufacturing sector to keep pace with the expected quality and volumes of products to be exported under the programme.

"We are the biggest economy on the continent, and we should play a leading role in promoting intra-African trade. This step will help open up numerous opportunities.

"The key to benefiting from AfCFTA revolves around having something substantial to trade. Nigeria has the potential to dominate the market, but this requires a robust manufactur-

ing sector and high-quality products," Muda Yusuf, an economist and chief executive officer of the Centre for the Promotion of Private Enterprise, said.

According to Yusuf, one area with significant potential is agriculture. He said by focusing on the entire agricultural value chain, Nigeria can produce finished goods for export. He said that a backward integration strategy could help the country maximise its agricultural output and create high-value products for the continental market.

"The reality is that many African countries still import goods from powerful economies outside the continent, rebranding them as local products. These goods often have superior quality, making them more attractive to consumers. For Nigeria to compete, its products must meet high standards of quality and competitiveness

"Countries in North Africa, like Morocco, often import superior goods from abroad, repackage them, and sell them as local prod-

ucts. Nigerian consumers often prefer these imported goods over locally made products. To change this, Nigeria must enhance its production capabilities and ensure its products can rival those from Europe and other powerful economies."

The economist said although the shipment under AfCFTA was a step in the right direction, there was an urgent need for Nigeria to up its game. He noted that the country must invest in its manufacturing sector, improve product quality, and ensure goods are competitive on the continental market.

"Only then can Nigeria fully benefit from the opportunities presented by AfCFTA and strengthen its position as a leading economic power in Africa."

Nigeria's first shipment which had eight companies participating was done under the Guided Trade Initiative was recently launched as a pilot in Accra, Ghana. It seeks to allow commercially meaningful trading and test the operational, institutional,

legal and trade policy environment under the AfCFTA.

Yusuf explained that the Guided Trade Initiative was essentially a pilot scheme designed to identify and address practical challenges, which, would hopefully gain further traction and a broader impact.

He also highlighted the potential for export business to attract more foreign exchange, which is crucial for the country amid current foreign exchange challenges.

"At a time like this, when we have foreign exchange challenges, this is the time to encourage as much as possible any initiative focused on exports. So, from that point of view, I think this is a very good thing," he noted.

He added that a successful pilot phase could incentivise other businesses to explore similar opportunities and reduce dependence on costly foreign exchange, as it creates more awareness and encourages businesses to generate their foreign exchange, which will be beneficial for the economy.

INSECURITY

North now largest killing field in Nigeria — Dogara

By Ayuba Maffi, Bauchi

YAKUBU Dogara, Nigeria's former speaker of the House of Representatives says the Northern region has become the largest killing field and the biggest cemetery in Nigeria.

Dogara said, "The more human blood is shed, the more we bring the North under a curse, and unless we repent and the curse is lifted, our collective labour and resources will continue to lay in waste."

The former speaker spoke on "the role of youth leadership in northern for development and progress", during a fundraising of the Zaar Youth Development Association, in Abuja.

Represented by Ayuba Baba, the Waziri of Bogoro, Dogara said that youth leaders across ethnic and religious lines must learn to build networks if they must be of any help in efforts to combat insecurity in the north.

"We have a model in Zaar land that is working. Talking about the peace committee between the Zaar and the Fulanis in Tafawa Balewa/Bogoro LGAs of Bauchi State, which has ensured that for more than a decade now, no crisis has

erupted in this area that was a national flash point and a seat of bedlam.

"By networking with others, youth leaders from our community can share the success story of this alliance with their counterparts thereby enabling others to replicate it across communities in the north."

Dogara urged the youth to build networks across people of all faiths and be deliberate about working together- Christians and Muslims, women and men, youths and the old; in accommodating and defending the interest of each other until they build the north and Nigeria of their dreams.

"Anyone who tells you that we can remain divided and still build a civilisation is either a fool himself or is taking you for a fool as he will have no historical parallel to point to. Let's go back to how we were brought up so that it may be well with us"

"The problem with the north is more than unbridled violence. It is more than bandits and terrorists and the ungoverned spaces they occupy. I argue that there is something in the north we have refused to see that the bandits and terrorists are harnessing"

L-R: Keneth Udoze, national chairman, Action Alliance; Maxwell Mgbudem, national chairman, Accord Party; and Mahmood Yakubu, chairman, Independent National Electoral Commission (INEC), during INEC meeting with heads of political parties on the coming up Edo State Governorship Elections in Abuja, yesterday.

Pic by Tunde Adeniyi



BANKING

Zenith Bank opens N290bn rights issue, IPO offers for investors Thursday

By Hope Moses-Ashike

ZENITH Bank Plc is set to raise N290 billion through a combination of a Rights Issue and a Public Offer in compliance with the revised minimum capital requirements for Nigerian commercial banks introduced by the Central Bank of Nigeria (CBN). The Offer will open on Thursday, August 1, 2024, and close on Monday, September 9, 2024.

This announcement was made during the Zenith Bank Rights Issue/Public Offer signing ceremony held on July 29, 2024, in Lagos. This event marks a significant milestone in the bank's previously announced cap-

ital-raising programme, aimed at bolstering its capital base and supporting its growth trajectory across its banking and non-banking subsidiaries.

The Rights Issue offers 5,232,748,964 ordinary shares of 50 Kobo each at N36.00 per share, while the public offer for subscription presents 2,767,251,036 ordinary shares of 50 Kobo each at N36.50 per share. The Rights Issue allows existing shareholders to purchase additional shares in proportion to their current holdings and is being offered based on one new ordinary share for every six existing ordinary shares held as of Wednesday, July 24, 2024. Conversely, the public offer

for subscription is open to the general public and aims to attract new investors.

Speaking at the signing ceremony, Dame Adaora Umeoji, group managing director/CEO of Zenith Bank Plc, expressed enthusiasm about the Rights Issue and Public Offer, stating, "Today, we signed the transaction documents with respect to Zenith Bank's N290 billion Rights Issue and Public Offer. This is slightly above the N230 billion required for us to meet the CBN's minimum recapitalisation requirement. We are extremely pleased with the level of enthusiasm we have already seen from our existing shareholders for the Rights Issue. Beyond existing sharehold-

ers, incorporating a public offer is crucial to ensure that our customers, who are not yet shareholders, can have the opportunity to join in the ownership of this premium brand.

"In terms of Tier-1 Capital, Zenith Bank has been adjudged by The Banker, Financial Times to be number one in Nigeria and the only Nigerian Bank in the top 600 banks globally. Over the years, we have consistently rewarded our esteemed shareholders. Specifically, in the last five years, we have maintained the record as the highest dividend-paying Bank in Nigeria. In 2023, we set a record as the only Nigerian Bank to pay a dividend of N4 per share."

WEATHER

NiMet predicts 3-day thunderstorms, rains

THE Nigerian Meteorological Agency (NiMet) has predicted thundery and rainy weather conditions from Monday to Wednesday across the country.

NiMet's weather outlook released on Sunday in Abuja forecast morning thunderstorms on Monday over parts of Kebbi, Katsina, Borno, Bauchi and Taraba states.

The agency envisaged thunderstorms over parts of Zamfara, Taraba, Bauchi, and Kebbi states later in the day.

It anticipated moderate rains over parts of Nassarwa, Benue, the Federal Capital Territory and Niger during the morning periods.

"In the afternoon and evening hours, moderate thunderstorms with light rains are expected over parts of Niger, the federal capital territory, Nassarwa, Kogi and Plateau states.

"Rains are expected over parts of Cross River and Akwa Ibom in the morning hours.

"Later in the day, light to moderate rains are expected over parts of Ebonyi, Imo, Abia, Anambra, Oyo, Ogun, Cross River, Rivers, Akwa Ibom and Delta," it said.

Sokoto, Kebbi and Zamfara on Tuesday.

The agency forecast thunderstorms over parts of Bauchi, Taraba, Zamfara and Kebbi in the afternoon, and or evening hours and anticipated moderate rains over parts of Niger and Kwara States during the morning hours.

"Later in the day, moderate thunderstorms with rains are anticipated over parts of Plateau, Nassarwa, Benue and Kogi. Cloudy skies should prevail over the southern region during the morning hours.

"In the afternoon and or evening hours, intermittent rains are expected over parts of Ebonyi, Abia, Cross River and Akwa Ibom", it said.

The agency predicted thunderstorms over parts of Sokoto, Borno, Katsina, and Kebbi during the morning hours on Wednesday.

It envisaged thunderstorms over parts of Taraba, Kano, Kaduna and Zamfara later in the day with cloudy conditions over the north-central city during the morning hours.

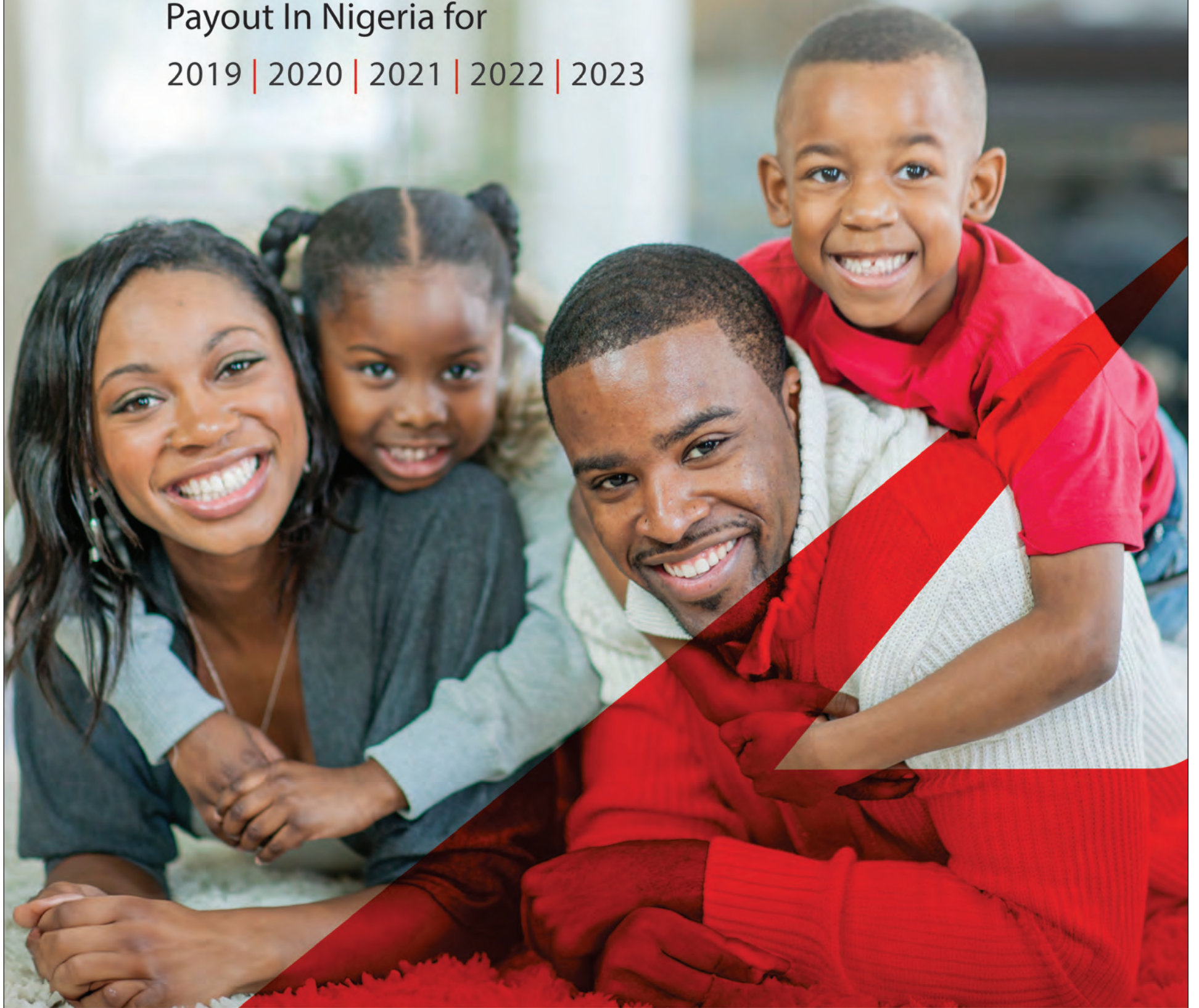
It anticipated thunderstorms over the entire region as the day progressed with cloudy skies to prevail over the southern region within the morning periods. NAN



Ensure a **BETTER** Future

Highest Bank Annual Dividend Payout In Nigeria for

2019 | 2020 | 2021 | 2022 | 2023



For enquiries and feedback, kindly contact **ZenithDirect**, our 24hr interactive Contact Centre:



+234 201 278 7000, 0904 085 7000, 0700ZENITHBANK
zenithdirect@zenithbank.com

Zenith Intelligent Virtual Assistant (ZiVA) -
0704 000 4422 (WhatsApp)

www.zenithbank.com



DANGOTE CEMENT PLC RC 208767

INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 JUNE 2024

CONDENSED CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 JUNE 2024

	Group					Company				
	3 months ended 30/06/2024	6 months ended 30/06/2024	3 months ended 30/06/2023	6 months ended 30/06/2023	Year ended 31/12/2023	3 months ended 30/06/2024	6 months ended 30/06/2024	3 months ended 30/06/2023	6 months ended 30/06/2023	Year ended 31/12/2023
	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million
Revenue	942,705	1,760,055	544,110	950,832	2,208,090	538,452	991,376	338,230	618,545	1,297,639
Production cost of sales	(435,111)	(833,273)	(219,417)	(383,088)	(1,006,278)	(250,379)	(475,784)	(144,035)	(244,664)	(623,159)
Gross profit	507,594	926,782	324,693	567,744	1,201,812	288,073	515,592	194,195	373,881	674,480
Administrative expenses	(53,221)	(98,754)	(26,807)	(45,482)	(126,533)	(19,440)	(36,909)	(12,689)	(23,286)	(57,761)
Selling and distribution expenses	(159,209)	(304,470)	(84,508)	(153,225)	(365,105)	(95,615)	(175,335)	(56,974)	(106,910)	(239,015)
Other income	1,408	28,957	9,580	11,057	24,953	647	22,348	8,862	9,381	19,454
Impairment of financial assets	(267)	(915)	211	(58)	(860)	(62)	(432)	324	42	(486)
Profit from operating activities	296,305	551,600	223,169	380,036	734,267	173,603	325,264	133,718	253,108	396,672
Finance income	13,403	24,798	5,741	16,207	27,405	227,034	557,658	487,879	505,127	981,600
Finance costs	(209,297)	(332,522)	(130,538)	(163,050)	(310,962)	(50,980)	(92,636)	(23,396)	(42,460)	(815,472)
Gain on net monetary positions	26,141	49,080	(5,333)	6,670	101,163	-	-	-	-	-
Share of profit from associate	-	-	-	-	1,231	-	-	-	-	-
Profit before tax	126,552	292,956	93,039	239,863	553,104	349,657	790,286	598,201	715,775	562,800
Income tax expense	(49,322)	(103,052)	(23,937)	(61,260)	(97,521)	(10,706)	(48,100)	(12,576)	(47,848)	(72,477)
Profit for the period/year	77,230	189,904	69,102	178,603	455,583	338,951	742,186	585,625	667,927	490,323
Profit for the period/year attributable to:										
Owners of the Company	76,571	188,552	66,590	175,251	445,214	338,951	742,186	585,625	667,927	490,323
Non-controlling interests	659	1,352	2,512	3,352	10,369	-	-	-	-	-
Earnings per share, basic and diluted (Naira)	4.57	11.26	3.95	10.39	26.47	20.23	44.30	34.71	39.58	29.15

CONDENSED CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION AS AT 30TH JUNE 2024

	Group		Company	
	6/30/2024	31/12/2023	6/30/2024	31/12/2023
	₦'million	₦'million	₦'million	₦'million
ASSETS				
Non-current assets				
Property, plant and equipment	3,274,512	2,383,528	470,474	476,148
Intangible assets	19,266	12,356	109	111
Right-of-use assets	76,803	51,319	1,925	1,870
Investments in subsidiaries	-	-	249,262	249,262
Investment in associate	2,607	2,607	1,582	1,582
Prepayments	57,134	39,312	211	211
Deferred tax assets	34,212	25,933	-	-
Lease receivables	8,844	14,656	8,844	14,656
Receivables from subsidiaries	-	-	1,785,967	1,110,750
Total non-current assets	3,473,378	2,529,711	2,518,374	1,854,590
Current assets				
Inventories	585,666	394,023	256,896	187,799
Trade and other receivables	88,050	73,215	35,104	33,076
Prepayments and other current assets	624,676	488,676	755,749	757,406
Lease receivables	6,240	4,059	6,240	4,059
Current tax assets	6,670	1,944	924	924
Cash and cash equivalents	590,481	447,097	181,331	232,614
Total current assets	1,901,783	1,409,014	1,236,244	1,215,878
TOTAL ASSETS	5,375,161	3,938,725	3,754,618	3,070,468
LIABILITIES				
Current liabilities				
Trade and other payables	928,760	619,901	325,202	217,387
Lease liabilities	5,788	4,099	82	82
Current tax liabilities	194,626	174,287	115,421	118,070
Financial liabilities	1,278,045	624,256	1,025,706	470,923
Other current liabilities	194,200	190,089	201,217	320,774
Total current liabilities	2,601,419	1,612,632	1,667,628	1,127,236
Non current liabilities				
Deferred tax liabilities	225,435	161,483	63,009	63,009
Financial liabilities	311,989	388,364	160,251	259,954
Lease liabilities	24,363	16,505	161	146
Deferred revenue	862	510	-	-
Provisions	34,020	21,200	7,865	5,844
Employee benefit obligations	13,494	12,191	13,119	11,315
Total non-current liabilities	610,163	600,253	244,405	340,268
Total liabilities	3,211,582	2,212,885	1,912,033	1,467,504
Net assets	2,163,579	1,725,840	1,842,585	1,602,964
EQUITY				
Share capital	8,520	8,520	8,520	8,520
Share premium	42,430	42,430	42,430	42,430
Treasury shares	(86,579)	(86,579)	(86,579)	(86,579)
Capital contribution	2,877	2,877	2,828	2,828
Currency translation reserve	1,354,063	625,160	-	-
Retained earnings	789,803	1,098,626	1,875,386	1,635,765
Equity attributable to owners of the company	2,111,114	1,691,034	1,842,585	1,602,964
Non-controlling interest	52,465	34,806	-	-
Total equity	2,163,579	1,725,840	1,842,585	1,602,964
TOTAL EQUITY AND LIABILITIES	5,375,161	3,938,725	3,754,618	3,070,468

CONDENSED CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 JUNE 2024

	Group					Company				
	3 months ended 30/06/2024	6 months ended 30/06/2024	3 months ended 30/06/2023	6 months ended 30/06/2023	Year ended 31/12/2023	3 months ended 30/06/2024	6 months ended 30/06/2024	3 months ended 30/06/2023	6 months ended 30/06/2023	Year ended 31/12/2023
	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million	₦'million
Profit for the period/year	77,230	189,904	69,102	178,603	455,583	338,951	742,186	585,625	667,927	490,323
Other comprehensive income, net of income tax:										
<i>Items that may be reclassified subsequently to profit or loss:</i>										
Exchange differences on translating net investments in foreign operations	334,865	745,224	400,983	394,848	23,074	-	-	-	-	-
Other comprehensive income for the period/year, net of income tax	334,865	745,224	400,983	394,848	23,074	-	-	-	-	-
Total comprehensive income for the period/year	412,095	935,128	470,085	573,451	478,657	338,951	742,186	585,625	667,927	490,323
Total comprehensive income for the period/year attributable to:										
Owners of the Company	403,742	917,455	459,658	562,809	472,378	338,951	742,186	585,625	667,927	490,323
Non-controlling interests	8,353	17,673	10,427	10,642	6,279	-	-	-	-	-
	412,095	935,128	470,085	573,451	478,657	338,951	742,186	585,625	667,927	490,323

These financial statements were approved and authorised for issue by the Board of Directors on 25 July 2024 and were signed on its behalf by:

Aliko Dangote, GCON
Chairman, Board of Directors
FRC/2013/IODN/00000001766

Arvind Pathak
Group Chief Executive Officer/GMD
FRC/2023/PRO/DIR/003/236066

Gbenga Fapohunda
Ag. Group Chief Finance Officer
FRC/2019/ICAN/00000019333



NEWS

FINANCE

eTranzact targets global leadership in electronic, mobile payment industry

By Hope Moses-Ashike

eTRANZACT International Plc has said that it was targeting regional leadership in the medium and long term, including a global leader in the electronic and mobile payment industry.

This company said it plans to achieve this through the continuous delivery of secure, cost-effective and innovative electronic and mobile payment services that are compliant with globally recognised standards.

Wole Abegunde, chairman, said this during the 20th Annual General Meeting (AGM) of eTranzact International in Lagos on Thursday.

According to him, the company had a very remarkable year in terms of financial performance.

“The company reported a profit before tax of N2.201bn which is a record performance in the history of the company. The performance for 2023 is further highlighted by the gross revenue of NGN 33.91bn, which is also the

highest so far in the history of the company.

“The commitment of management towards the improvement of the company’s financial performance is commendable and worthy of note,” he said.

The chairman said the company would continue to improve its performance, create more value, be a market/industry leader, and maximise shareholders’ wealth.

Speaking further on the company’s performance and activities, Niyi Toluwalope, chief executive officer of eTranzact, noted that 2023 was a significant year in the history of the company.

On the payment transaction performance, he said, “eTranzact International Plc continued to maintain an upward trajectory in 2023. The volume and value of transactions processed during the year, across all eTranzact’s channels and solutions, increased significantly in comparison to the level in 2022. eTranzact further established its position

as the leading provider of high-end switching services, based on the expansion of the company’s market share and reach during the year.”

The managing director said eTranzact made tremendous improvement in terms of faster average time for transaction processing and instant response for status of transactions processed.

He noted that the company made notable upgrades to the user interface of the various solutions, in a bid to ensure top-notch user experience and seamless transactions at every point in time.

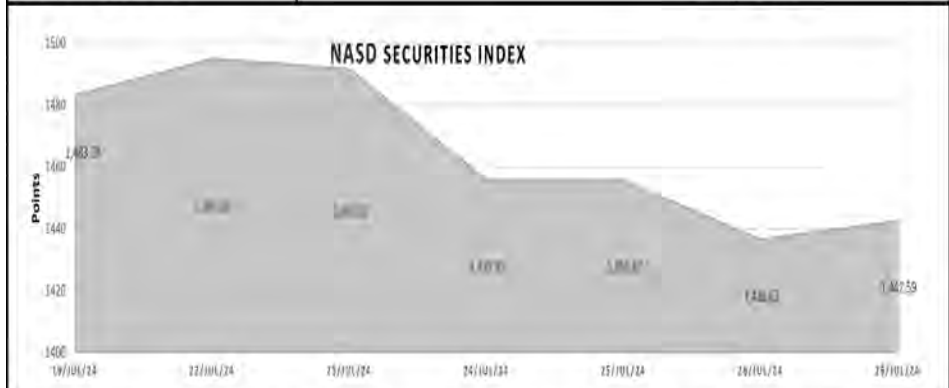
eTranzact continued to dominate in 2023, about the presence of the company in the public sector, the managing director said.

Toluwalope disclosed that the Company secured additional and notable internally generated revenue collection mandates, which cut across different state governments.

eTranzact International is Africa’s leading provider of mobile banking and payment services.



DAILY MARKET SUMMARY Monday, 29 Jul, 2024



MARKET SNAPSHOT	29-Jul-24	26-Jul-24	Change	% Change
NASD SECURITIES INDEX	1,442.59	1,436.62	5.97	↑ 0.42
NASD PENSION INDEX	372.92	370.63	2.29	↑ 0.62
MARKET CAPITALISATION (M Trn)	1.9768	1.9687	0.01	↑ 0.42
TOTAL VOLUME TRADED	5,173,399	111,842	5,061,557.0	↑ 4,525.63
TOTAL VALUE TRADED	330,383,720	458,015,843	(127,632,123)	↓ (27.87)
NUMBER OF DEALS	33	35	(2)	↓ (5.71)
NUMBER OF TRADED STOCKS	5	4	1	↑ 25.00

ADVANCER(S)	SECURITY	CLOSE (N)	OPEN (N)	CHANGE (N)	%CHANGE
	ARADEL HOLDINGS PLC	4,418.02	4,341.72	76.30	↑ 1.76%
	CENTRAL SECURITIES CLEARING SYSTEM PLC	21.00	20.50	0.50	↑ 2.44%

DECLINER(S)	SECURITY	CLOSE (N)	OPEN (N)	CHANGE (N)	%CHANGE
	FRIESLAND CAMPINA WAMCO NIGERIA PLC	50.22	55.80	-5.58	↓ -10.00%

TRADES EXECUTED	SECURITY NAME	TRADES	VOLUME	VALUE (N)
	AFRILAND PROPERTIES PLC	1	100	1,800
	ARADEL HOLDINGS PLC	16	71,762	316,954,872
	CENTRAL SECURITIES CLEARING SYSTEM PLC	9	57,180	1,199,440
	FRIESLAND CAMPINA WAMCO NIGERIA PLC	6	44,357	2,227,609
	GEO-FLUIDS PLC	1	5,000,000	10,000,000

SECURITY	CLOSE PRICE (N)	Outstanding Bids		Outstanding Offers	
		Volume	Highest Bid price (N)	Volume	Av. Offer Price (N)
11 PLC	182.70	500	171.00	3,623	208.50
ACCESS BANK PLC	9.68	-	-	-	-
ACORN PETROLEUM PLC	1.00	-	-	929,000	1.03
AFRILAND PROPERTIES PLC	17.00	99,696	16.00	765,014	18.17
AG MORTGAGE BANK PLC	0.48	-	-	-	-
AIR LIQUIDE PLC	8.00	-	-	24,045	8.40
ARADEL HOLDINGS PLC	4,418.02	28,627	4,305.00	26,252	5,080.00
CAPITAL BANCORP PLC	2.21	-	-	-	-
CAPITAL HOTELS PLC	5.00	25,300	5.50	-	-
CENTRAL SECURITIES CLEARING SYSTEM PLC	21.00	2,039,500	19.20	404	21.00
CITITRUST HOLDINGS PLC	13.50	-	-	200,000	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	601,500	9.90	-	-
FAMAD NIGERIA PLC	1.25	-	-	-	-
FAN MILK PLC	20.00	3,110	22.00	-	-
FIRSTTRUST MORTGAGE BANK PLC	0.36	-	-	2,290,441	0.39
FOOD CONCEPTS PLC	1.94	-	-	2,246,441	2.00
FREE RANGE FARMS PLC	1.00	-	-	-	-
FRIESLAND CAMPINA WAMCO NIGERIA PLC	50.22	238,732	50.10	231,553	53.94
FUJUMAN AGRICULTURAL PRODUCT IND. PLC	1.58	50	1.58	-	-
GEO-FLUIDS PLC	2.00	-	-	2,070,198	2.08
GOLDEN CAPITAL PLC	1.00	-	-	-	-
GREAT NIGERIA INSURANCE PLC	0.50	-	-	-	-
IMPRESIT BAKOLORI PLC	1.05	-	-	-	-
INDUSTRIAL AND GENERAL INSURANCE PLC	0.21	-	-	1,294,300	0.22
IPWA PLC	0.30	-	-	-	-
INTERNATIONAL PACKAGING IND. OF NIG PLC	0.50	500	0.33	-	-
LAGOS BUILDING INVESTMENT COMPANY PLC	2.40	100,000	2.64	-	-
LIGHTHOUSE FINANCIAL SERVICES PLC	0.50	500	0.55	-	-
MASS TELECOM INNOVATION PLC	0.45	-	-	2,855,650	0.41
MIXTA REAL ESTATE PLC	1.80	32,110	1.80	-	-
NASD PLC	15.00	-	-	388,127	15.25
NEWREST ASI NIGERIA PLC	25.93	139,360	28.53	-	-
NIGERIA MORTGAGE REFINANCE COMPANY PLC	5.50	-	-	-	-
NIPCO PLC	66.28	503	66.50	-	-
OKITIPUPA OIL PALM PLC	9.36	1,562,680	10.30	-	-
PURPLE REAL ESTATE INCOME PLC	6.79	-	-	-	-
RESOURCERY PIC	0.40	-	-	585,260	0.39
RIGGS VENTURES WEST AFRICA PLC	0.95	-	-	-	-
THE INFRASTRUCTURE BANK PLC	0.52	-	-	-	-
UBN PROPERTY COMPANY PLC	1.63	3,592,000	1.65	791,225	1.80
VITAL PRODUCTS PLC	2.10	-	-	-	-

Disclaimer: This report is provided for information purposes only. It is not a recommendation to buy, sell or otherwise deal in any security mentioned herein. Kindly consult your NASD registered Participating Institution before making any decision on the OTC Market.

NASDEP now open for you. <https://www.nasdep.com/>

For enquiries visit www.nasdaq.com; email info@nasdaq.com or phone 09024559686

Harvestfield Canadian College
Igniting minds, shaping futures.

In Collaboration with

GREAT LAKES COLLEGE OF TORONTO
SINCE 1978

is delivering
PRE-UNIVERSITY PROGRAM
(SAVE UP TO \$7,000 CAD)

OBTAIN THE ONTARIO SECONDARY SCHOOL DIPLOMA (OSSD) HERE AND PROGRESS TO TOP UNIVERSITIES IN CANADA, UK, USA, AUSTRALIA, NETHERLANDS, AND MORE.

THE HARVESTFIELD CANADIAN COLLEGE (HCC) ADVANTAGE:

- Quality Education
- Scholarships available from partner Universities
- More affordable
- Over 100 partner Universities in UK, Canada, USA, Australia, Netherlands and more
- Holistic Approach - Mental, physical, emotional, social and spiritual
- Admissions and Visas support

Admission is on @ HCC

Pre University / Foundation / A levels and more

Contact us today;

65B Ajiran Road Agungi Bus Stop, Lekki Expressway, Lagos.
+234 902 4258 393, +234 905 866 6759
Email Address: hello@harvestfieldcc.com

www.harvestfieldcc.com
Facebook @harvestfieldcc
Twitter @harvestfield_cc
Instagram @harvestfieldcc

ACROSS THE STATES

INVESTMENT

Ogun highlights investment opportunities to attract FDIs from South Africa, others

• as South Africa-Nigeria Business Chamber pledges to spearhead investment drive

By Razaq Ayinla

HAVING showcased investment opportunities abound in the State, coupled with the economic incentives offered for existing and prospective investors, the South Africa-Nigeria Business Chamber has pledged to spearhead aggressive investment drive for Ogun State, funding series of investments to drive economic growth and development in the State.

The assurance came against the backdrop of a day investment webinar organised by Ogun State Investment Promotion and Facilitation Agency (Ogun-Invest) in partnership with South Africa-Nigeria Business Chamber, weekend.

Speaking on the competitive and comparative advantages Ogun State has over other States in the

Country, Dapo Okubadejo, Chief Economic Adviser and Commissioner for Finance, noted State's extensive infrastructural development with focuses on roads, aviation, transportation, housing, security, coupled with seamless land acquisitions, land titles document applications, among others.

Okubadejo, who spoke in company of Adebola Sofela, Commissioner for Industry, Trade and Investment, and Gbenga Dairo, Commissioner for Transportation, declared that the business facilitation processes in the State had also been streamlined as part of Government's efforts to sustain the position of Ogun State as industrial and investment hub of the nation.

While alluding to rich deposits of solid minerals as another comparative ad-

vantages Ogun State has over others, Okubadejo said the webinar's key objective was to promote investment across several key sectors integral to the State's economic growth, such as Agriculture, Manufacturing, Energy, Transport, Housing, and Digital Economy, underscoring the unique opportunities available for businesses to benefit from being located within free trade zones, which significantly enhance their growth potentials and success.

The Chief Economic Adviser said OgunInvest serves as a one-stop shop for the smooth establishment and operation of businesses, adding that the State's proximity to Lagos adds to its attractiveness, offering significant logistical advantages as the State parades a dual-purpose agro-cargo airport, alterna-

tive energy solutions such as Compressed Natural Gas (CNG), electric vehicles, proposed rail lines network, connecting nation's commercial nerve centre, Lagos, among other economic incentives.

Okubadejo however noted that Administration of Governor Dapo Abiodun is committed to providing focused, qualitative governance and creating an enabling environment for public-private partnerships, which are crucial for sustainable economic development and individual prosperity in the State, emphasising the State's competitive labour cost and a skilled workforce, which are contributing to its leadership position in terms of Internal Generated Revenue (IGR) growth, as reported by Budget in the State of the State 2023 report.

POPULATION CONTROL

'Family planning, key to maximise economic prosperity'

By Sikirat Shehu, Ilorin

JOHN Godwin, a Senior Registrar at Department of Community Medicine and Epidemiology, the University of Ilorin Teaching Hospital (UIITH), has said that if family planning could be adequately embraced, the economic prosperity, and sustainable development would be achieved.

Godwin, who stated this in Ilorin at a media round table on Family Planning with the theme, "Unlocking Sustainable Development through Family Planning: Exploring the Connections between Population, Prosperity, and the Planet", advocated an improved investment in family planning to reduce maternal mortality, alleviate poverty, reduce energy consumption, and mitigate climate change.

Family planning, according to him, is highly beneficial as it interacts with all aspects of life and the proposed sustainable development goals which include, education, health, agriculture, food security, ICT, among other agenda.

He however recommended that family planning services be rendered 100% free to encourage more people to key into the programme, adding that "A society where family planning is working, population rate would be controlled and slower.

"When it is slower; the pressure on natural resources such as agriculture, ecosystem and other resources our country is endowed with will be well managed and regulated.

"Family planning is meant to strike balance between population rate and nation's resources; improve maternal health: ensure food sufficiency, socio-economic growth and empower women."

Earlier, Jatto Bashirat Adebukola, the Kwara State Family Coordinator, from the Ministry of Health, noted that the 17.1% contraceptive accessibility in the State was very low, saying, "we are set to improve the contraceptive prevalence rate, especially among women of reproductive age. Our major challenge is the misconception about family planning among rural dwellers.

"This is what our health providers in all facilities and family planning mobilizers have embarked upon to sensitive the person health benefits of contraceptives, child spacing and other activities involved in family planning."

But, Adewale Adefila, Kwara State team lead of The Challenge Initiative (TCI), canvassed involvement of teenagers and youths through their parents to minimize unwanted pregnancy among mothers to be.

PALLIATIVES

Obaseki distributes 56,250 bags of rice to Christians in Edo

By Idris Momoh, Benin

EDO State Government has flagged off the second phase of food support programme with the distribution of 56,250 bags of rice to the vulnerable Christians in the State.

Recall that the State Government had two months ago distributed 60,000 bags of rice to Christians across the 18 Local Government Areas. Government had also distributed several thousands bags of rice to Muslim faithful in the across the State.

Speaking at the official flagging off of the distribution of the food support programme at the weekend in Benin City, Governor Godwin Obaseki, said it was part of his Administration's palliatives to addressing the economic hardship being experienced by the most vulnerable in the State as a result of the removal of fuel subsidy by the Federal Government.

Governor Obaseki said the first phase of the programme was a pilot stage and Government was encouraged to come up with the second phase due to the success recorded by

the first phase, adding that the programme would also feature the third phase.

He, however, tasked the Federal Government to be transparent in dealing with the current economic hardship in the Country. According to him, the problem with political leaders is that, they lack transparency and this has made the citizens not to trust us.

Earlier, Irekpono Omoike, Edo State Chairman of the Christian Association of Nigeria (CAN) while commending the governor for all his accomplishments in the State, said 60,000 bags of rice were first distributed in the first phase of the programme, adding that the second phase had 56,250 bags distributed.

He said out of the 56,250 bags of 10kg rice, 21,875 bags were for Edo South; 15,625 were distributed for the Edo Central, while 18,750 bags were for Edo North Senatorial District.

He said a total of 116,250 bags of rice had since been distributed to Christians across the 18 Local Governments in the State.



L-R: George Kuton, Nigerian Custom Service coordinator, Jaffa Command, Ogun State; Nike Bajomo, executive director, business development, Stanbic IBTC Pension Managers; Olumide Oyetan, chief executive, Stanbic IBTC Pension Managers; Kate Etta, manager, employee and labour, Nigeria Port Authority; Oladimeji Ishola, acting zonal head, South West Zonal Office, National Pension Commission (PENCOM); and Onyema Oshinowo, assistant manager, South West zonal office, PENCOM, during the Stanbic IBTC Pension Managers' pre-retirement forum, held in Lagos, recently.

AGRIBUSINESS

Nigerian agro-allied firm partners Ugandan farmers on cash crops production, sales

By Jacob Akintunde, Akure

JOHNVENTS Industries, a Nigerian agribusiness and agro-allied firm, has declared its commitment towards working closely and fostering strong relationships with Ugandan farmers to ensure they receive fair compensation for their crops while expanding access to these essential commodities for international markets.

Sanjay Purohit, the head of business at Johnvents industries, Dubai Multi Commodities Centre (DMCC) in Uganda, who stated this in a statement made available to journalists on Sunday in Akure, the Ondo State Capi-

tal, said the commencement of Uganda operation marked a significant step of the firm's mission towards becoming a leading force in international agricultural trade.

According to him, the Ugandan expansion allows Johnvents to tap into the Country's rich agricultural resources, focusing on essential commodities like kidney beans, coffee, cotton, and other key cash crops.

Purohit said, "Our Ugandan launch represents a vital chapter in Johnvents Industries DMCC's journey to becoming a global leader in sustainable and responsible commodity trading.

"Headquartered in Dubai, UAE, Johnvents In-

dustries DMCC leverages its strategic location and robust infrastructure to source and trade premium agricultural commodities across Africa, Asia, and Europe.

"Johnvents industries DMCC's Uganda operations will serve as a springboard for further expansion across Africa. We are also establishing presence in key markets, including Senegal, Tanzania, Togo and Burkina Faso, with a short-term vision encompassing India, Vietnam, China, and the rest of the world."

Also, John Alamu, the Managing Director, CapitalSage Holdings (owner of Johnvents Group), who also

spoke on the development, said the firm is committed towards promoting and driving agricultural transformation across the globe.

"We are dedicated to promoting sustainable farming practices throughout our supply chain. This ensures the long-term viability of agriculture within the communities we serve, fostering a future of shared prosperity," Alamu said.

BusinessDay reports that Johnvents industries DMCC specializes in strategic sourcing and trading of premium agricultural commodities, including hibiscus, ginger, maize, sorghum, cocoa, soya bean, sesame and FMCG products.

ACROSS THE STATES



L-R: Segun Adebayo, immediate past president, International Facility Management Association (IFMA) Nigeria Chapter; Tayo Bright, managing director, Meditrack Ltd; Iyabode Aboaba, past president, IFMA Lagos Nigeria and COO, Freedom Park, Lagos; Lekan Akinwumi, president, IFMA Lagos, Nigeria and managing partner, Lekan Akinwumi and Co; Adenike Adekanbi, general manager, Lagos State Infrastructure and Asset Management Agency; and Sola Fatoki, legal adviser, IFMA Nigeria chapter during the induction of new members held at Freedom Park, Lagos recently.

HARDSHIP

Bauchi rights group asks Tinubu to slash NASS members' salaries

• demands reversal of fuel price to N300 per litre

By Ayuba Maffi, Bauchi

A Bauchi State-based United Civil Society Organization has asked President Bola Tinubu-led Federal Government to reduce salaries and allowances monthly paid for both Senators and Members of the Federal House of Representatives as part of measures to tame rising inflation and cushion the negative effects of hardship in the Country.

The leadership of the Organization made this known while briefing newsmen at the Abubakar Tafawa-Balewa Tomb in Bauchi at the weekend, saying all Arms of Government, especially members of National Assembly should not hesitate to sacrifice some parts of the salaries and other allowances in the face of a harsh economy.

Aliyu Mukaddas, Con-

vener of the United Civil Society Organization, said noted that Federal Government should also end subsidy scam and reverse fuel price to N300 per litre as well as bring the Tertiary Education school fees back to their previous rates.

The Civil Rights Group, also tasked President Tinubu on restoration of electricity tariff to affordable levels for the public, reversal of the import duties to their previously affordable rates, thereby, bringing the Country inflation down and making people's lives easier, saying "if all these are active by Government for the masses, nobody will think of protesting against Government."

The Civil Rights Group said, "It's a truism that the inflation rate is in the double-digit and unemployment rate in Nigeria is alarming. So many graduates are out

there with no means of survival.

"The economy is unfriendly and the cost of living is outrageous, out of the reach of the common man. Despite having the constitutionally guaranteed rights to protest under Section 40 of the 1999 Constitution of the FRN (as amended) as well as Order 2 Rule 1 of the Fundamental Rights (Enforcement Procedure) Rules, 2009.

"In line with the foregoing and given the current difficult situation in the Country, and the attempt by hoodlums to hijack the protest to cause trouble and use same in destroying the Country which is never our aim.

"We recognize the importance of peace, stability and constructive dialogue in achieving our collective goal, hence the need to eschew violence and the repeat of the ENDSARS saga. Therefore,

there should be a more defined manner of getting our leaders to hear our plights.

"In our view, there is no need to overheat the polity, overheat our environment and put our people, in a position where the hardship that is occasioned by economic recession all over the World is further worsened. So, we are against the protests, and we shelve our plans of a nationwide protest.

"In the course of entrenching peace, unity and development in the Country at all levels, State and National, United Civil Society Organization is always ready to partner, create and sustain synergy with the Government and other stakeholders, so that together, the dream of building an egalitarian society, where justice and the rule of law drive the process are the watch words."

EMPOWERMENT

500 children, 100 youths, 200 adults get startup kits in Ondo

By Jacob Akintunde, Akure

ABOUT 500 children of cocoa farmers, 100 youths and 200 adults in ten communities of Idanre and Ifedore Local Government Areas of Ondo State are to get startup kits after they have been engaged in vocational skills training, courtesy of Child Labour Education and Resilience (CLEAR) project of the Lutheran World Relief.

The ten affected communities where the beneficiaries were drawn are Ofosu, Ita-Loorun, Gbalegi, Bajare/Olofin, Ala-Elefosan, Ikota, Molete, Ajebamidele, Ipogun, and Ibuji.

Nene Akwetey-Kodjoe, the Chief of Party, Lutheran World Relief, in his introductory remarks during the distribution of the kits, held at Ita-Loorun Idanre, said the skills acquisition was very important for the young of nowadays and it should not be taken for granted in order to reduce the prevalence of child labour practices among cocoa farmers in Ondo State.

Akwetey-Kodjoe, who was represented by Foluso Wilson, Human Resource Manager, Lutheran World Relief, noted "we need to eradicate using of children for labour, what we are saying is that hard-labour is not allowed, we need to do it right, we need to engage our children in different vocational skills training."

He, however, charged the beneficiaries who had been trained on how to repair

phone, make soap, build shoes and how to tie Gele (local head gears).to make use of the kits judicious.

"This programme has started since January, series of training has gone and this week now we had a lot of training on vocational skills on how to make shoes, gele, and how to do some other things and we are giving them a start-up kits that they can just start the business with.

"Actually the issue we are tackling is child labour practices among cocoa farmers in Ondo state, so this is to tell our parents that these children can do or use their time for a better thing than going to the farm with their father or mother.

"These children can use their time for more useful things where they can get more money rather than being a thugs on the street and the rest. So the Lutheran World Relief is saying that in Idanre and Ifedore local government areas of Ondo state, we must eradicate this issues of child labour practices among our cocoa farmers.

"We advise these children to take the vocational skills and the startup kits seriously, because the Lutheran World Relief has given them something to leave on and legacy that other people don't have. I think government can also look at the way we are doing it and do something similar too to ensure that the communities are more empowered in the State", he said.

GOVERNANCE

Plateau govt denies using 47% CAPEX on official vehicles

By Nathaniel Gbaoron, Jos

THE Plateau State Government has refuted claims that 47% of its Budgetary Capital Expenditure (CAPEX) was spent on official vehicles, calling it a "gross misrepresentation".

An online medium had accused the Plateau State Government of allocating a significant sum of N3.9 billion in the first quarter of 2024 for purchase of motor vehicles, constituting approximately a quarter of the N16 billion budgeted for Capital Expenditure for the year.

Reacting to the publication in a press statement issued and made available to Journalists in Jos recently, Musa Ibrahim Ashoms, Commissioner of Information and Communication, said "The N3.9 billion allocated for official vehicles represents approximately 2.5% of the total budget for the year, not 47% as reported".

Ashoms explained that the previous administration left office with all functional

vehicles, forcing the current Government to procure new ones.

"His Excellency used second-hand cars for nearly a year, and Ministries, Departments (MDAs), and Agencies had no functional vehicles to operate effectively until the budgetary provisions for new vehicles were met", he explained.

The Government also cited high inflation rates and a surge in the exchange rate as factors that influenced the procurement of vehicles.

Ashoms added that the State's capital expenditure budget for the first quarter of 2024 included critical projects like infrastructure development, healthcare, and education saying, the expenditure on official vehicles was necessary for efficient operation and service delivery.

He said Government remains committed to responsible financial management, ensuring that all expenditures undergo rigorous scrutiny and align with the State's development goals.

INVESTMENT

Oyo woos investors in US, highlights state's economic potentials

By Remi Feyisipo, Ibadan

THE Oyo State Government has reached out to some sons and daughters in North America to key into the various investment opportunities in the State by taking advantage of the landmark developmental projects across the State under Governor Seyi Makinde's Administration.

Dotun Oyelade, the Commissioner for information, expressed this while delivering a keynote address on the occasion of Ogbomoso Sons and Daughters North America Convention, held in Atlanta Georgia, USA, recently.

Oyelade said the Seyi Makinde's Administration had continued to lay last-

ing infrastructural legacies across all the geopolitical zones of Oyo State which had made the State an haven for many private investors.

He stated that from Agribusiness to over 200km good inter-zonal and intra-zonal road network, laudable investment in effective security structure, ongoing upgrade of the Ladoke Akintola International passenger and cargo airport, formerly known as Ibadan airport, among other projects, would be beneficial to potential diaspora investors, saying that Ogbomoso sons and daughters should play their part in the development of their home State.

He said, "The Seyi Makinde administration is investing a lot in the Agri-

cultural sector and one of its areas of concentration is in the provision of road infrastructure to link all the economic zones in the State.

"Lack of good roads to connect to agricultural areas had been the bane of taking full advantage of our God-endowed farmlands. In this regard the state government has strategic roads linking all Agribusiness zones in the State. We have the 65km Ibadan/Iseyin road completed for the Ijaye Agribusiness Industrial Estate.

"We have the 38km Oyo, Fasola/Iseyin road for Fasola Industrial Estate. Also the Ogbomoso-Fapote-Iseyin road linking the LAUTECH School of Agriculture, Iseyin.

OPINION



By Ota Akhigbe

Africa's path to disaster resilience

AFRICA, a continent blessed with immense potential, is also acutely vulnerable to a range of disasters, from natural calamities like floods and droughts to man-made crises. The impact of these disasters is often exacerbated by weak health systems, leading to significant loss of life and livelihood. Even though the problems are really bad, digital health can help us recover and build things back up.

Digital health, the convergence of healthcare and information technology, offers a powerful tool for building resilience against disasters. Using data and technology, we can change how we handle disasters from start to finish. One of the most critical applications of digital health in disaster management is in early warning systems. Real-time data from satel-

lites, weather stations, and mobile devices can be used to predict and monitor natural hazards. We can share this information with people by using text messages, phone apps, and social media. This helps people get ready for bad weather. For example, when it rains really hard, we can send warnings to people in low-lying areas using phones. This gives people time to leave their homes or get ready to stay safe. These kinds of warnings can really help to stop floods from causing too much damage.

Beyond early warning, digital health plays a crucial role in resource allocation. Data on disaster damage helps governments and aid organisations determine which places need assistance most urgently. This information can be used to optimise the distribution of food, medicine, and other essential supplies. Digital tools can help people work together for relief efforts where it's needed most and make sure resources are used wisely.

Digital health is a catalyst for transformative community engagement. Mobile health applications serve as powerful tools

for data collection, enabling real-time tracking of health needs, disease outbreaks, and vaccination status. This data empowers communities to become active stakeholders in their health, fostering a sense of ownership and agency. Active participation in disaster response and recovery efforts trans-

Data on disaster damage helps governments and aid organisations determine which places need assistance most urgently. This information can be used to optimise the distribution of food, medicine, and other essential supplies

forms individuals into architects of their community's resilience. What people do helps everyone feel like they're working together. This makes it easier for communities to get stronger and be ready for the next problem. Also, social media can enable people to share information about how to prepare for disasters and encourage others to do the same.

Africa is at the forefront of leveraging digital health for transformative change, as evidenced by

initiatives like the Insights Learning Forum (ILF). This annual gathering brings together digital health pioneers and policymakers to address critical challenges facing the continent. The 2024 edition, themed "Digital Innovations in Public Health Practice: Innovations and Impact," is particularly

relevant to our discussion. Sessions such as "Optimising Geospatial Data for Enhanced Disaster Response and Public Health Preparedness" directly align with the importance of data-driven approaches in disaster management. Events like the ILF help people share knowledge and work together. This speeds up the creation and use of new digital health tools that keep people safe and healthy.

Realising the full potential of digital health

in disaster management requires overcoming critical challenges. Paramount among these is the safeguarding of sensitive personal information. Data collected for disaster response must be treated with the utmost care to uphold individual rights and trust. A robust cybersecurity infrastructure is indispensable to prevent data breaches, ensuring the integrity and reliability of digital systems. We can only get people to trust and use digital health tools to help in a crisis if we protect people's information.

To fully unlock the transformative potential of digital health in disaster management, substantial investments in digital infrastructure are imperative. This necessitates the expansion of internet connectivity to reach even

Ota Akhigbe is a seasoned development professional and strategic leader driving positive social change across Africa. As Director of Partnerships and Programs at eHealth Africa, she is at the forefront of leveraging digital health solutions to build resilient communities and improve lives.

the most remote corners, the development of robust and scalable digital health platforms, and the cultivation of a skilled workforce capable of harnessing these technologies. Governments, businesses, and groups that help other countries need to work together to make sure everyone can use technology. When everyone can use technology, it helps communities not only survive hard times but also do better afterward. This will lead to new ideas, strength, and a better future for everyone.

In conclusion, digital health is a game-changer in disaster management. Digital health is our weapon against disaster. It fortifies communities, shields them from catastrophe's impact, and ultimately saves lives. It is imperative that we invest in digital health infrastructure, prioritise data privacy and security, and foster partnerships to unlock the full potential of this transformative technology. The best way to deal with disasters in the future is to use information and technology to help Africa get stronger. We need to use these tools to keep people safe.



By Omotola Lawson

Focus on Nigerian toy businesses: Consumer protection - A safe haven for parents, trainers and toy-entrepreneurs

IN today's digital age, online shopping has become a prevalent part of consumer behaviour worldwide, including Nigeria. However, the growth of e-commerce also comes with significant challenges, particularly in ensuring consumer rights are protected. If we want the country to grow and progress in the online business, it must become a safe space where consumer rights are vigorously protected.

Consumers often face several fears when ordering online. These include the risk of receiving substandard or counterfeit goods, the potential for fraud and financial loss, privacy breaches, and the lack of recourse when problems arise. Many consumers worry about the authenticity of the products, the security of their payment information, and the reliability of the delivery process. There are also concerns about delivery delays, receiving incorrect items, and difficulty in returning products.

Various measures are in place to safeguard consum-

ers. In Nigeria, the Consumer Protection Council (CPC) was established to oversee the rights and interests of consumers. Additionally, the Federal Competition and Consumer Protection Commission (FCCPC) is crucial in ensuring that businesses adhere to fair trade practices. These agencies work to address consumer complaints, conduct investigations, and enforce laws designed to protect consumers.

In the context of the burgeoning online business landscape, it's essential to highlight that consumer protection must be as robust online as offline. Online businesses, such as those on platforms, must adhere to stringent regulations to ensure consumers are not exploited. The government can promote consumer rights protection by implementing policies that require transparency from e-commerce businesses, such as clear return and refund policies, accurate product descriptions, and secure payment systems. Moreover, penalties for non-compliance with these regulations should be severe enough to deter fraudulent activities.

To promote consumer rights in the online space, the government could:

Strengthen regulatory structure: The government should enforce specific laws on e-commerce to ensure consumer protection. This includes establishing clear guidelines for online transactions and holding businesses accountable for violations.

Enhance consumer awareness: Educate consumers about their rights and how

to exercise them effectively. This could involve public awareness campaigns and educational programmes.

Improve access to remedy mechanisms: Simplify the process for lodging complaints and seeking remedy. Providing a user-friendly platform for reporting issues can empower consumers to take action when their rights are violated.

Encourage fair competition: Ensure a level playing field for all businesses to prevent monopolistic practices that can harm consumers. Promoting competition can lead to better prices and higher-quality products and services.

Implement technology solutions: Utilise technology to monitor and enforce compliance with consumer protection regulations. Automated systems can help detect and prevent fraudulent activities in real time.

Online business registration. A general campaign by the CPC that encourages the general public to only shop from online businesses that display their registration details on their online sales platforms/social media handles. A general campaign for every online business to display their registration numbers on their online store as proof of authenticity.

In Nigeria, several consumer protection mechanisms are in place. The CPC and FCCPC are at the forefront, working diligently to ensure that consumer rights are upheld. The CPC's mission includes addressing consumer complaints, conducting investi-

gations, and ensuring that businesses adhere to fair trade practices. The FCCPC, on the other hand, focuses on promoting competition and ensuring that consumer protection laws are enforced.

Concerns consumers face when ordering online:

Product authenticity: Many consumers fear that the products they purchase online may not be genuine. This concern is especially prevalent with branded items, where counterfeits are common.

Payment security: The security of payment information is a significant concern. Consumers worry about their financial data being stolen or misused during online transactions.

Delivery issues: Delays in delivery or receiving the wrong items are common issues online shoppers face. This can lead to frustration and distrust in online businesses.

Return and refund policies: Difficulty returning products or getting refunds is another primary concern. Consumers need assurance that they can easily return products if they are unsatisfied.

Privacy concerns: The fear of sharing or selling personal information without consent is a significant issue for many consumers.

How consumers are protected:

Consumer protection laws: Nigeria has enacted several laws to protect consumers. The Consumer Protection Council Act and the Federal Competition and Consumer Protection Act are crucial. These laws provide a frame-

work for addressing consumer grievances and ensuring fair trade practices.

Regulatory bodies: The CPC and FCCPC are responsible for enforcing consumer protection laws. They investigate consumer complaints, conduct inspections, and take action against businesses that violate consumer rights.

Online reviews and ratings: Platforms like Jumia and Konga provide consumer reviews and ratings for products and sellers. This helps consumers make informed decisions based on the experiences of other buyers.

Secure payment gateways: E-commerce platforms use secure payment gateways to protect consumer financial information during transactions. This reduces the risk of fraud and data breaches.

Return and refund policies: Clear return and refund policies are essential for consumer protection. E-commerce platforms are required to provide transparent policies to ensure that consumers can return products and get refunds easily.

The role of government in promoting consumer rights protection:

Strengthening legislation: The government should continually update and strengthen consumer protection laws

Omotola Lawson is a Toy Distribution Entrepreneur and Government-certified Instructor in Nigeria.

to address emerging challenges in the e-commerce sector.

Consumer education: Educating consumers about their rights and how to exercise them is crucial. This can be achieved through public awareness campaigns and educational programmes.

Collaboration with E-commerce Platforms: The government can work closely with e-commerce platforms to ensure they adhere to consumer protection regulations. Regular audits and inspections can help in this regard.

Technology solutions: Leveraging technology to monitor and enforce compliance with consumer protection laws can be effective. Automated systems can help detect and prevent fraudulent activities in real time.

International collaboration: Collaborating with international bodies and other countries can help in sharing best practices and addressing cross-border e-commerce challenges.

Ensuring proper consumer protection in the online business space is crucial for fostering trust and encouraging participation in the digital economy. By addressing the fears and concerns of consumers, the Nigerian government can create a safer and more reliable online marketplace. This, in turn, can drive economic growth and innovation, benefiting both consumers and businesses. Strong consumer protection measures are not just a regulatory requirement but a fundamental aspect of a thriving, modern economy.

OPINION

STRATEGY & POLICY



By M.A. Johnson

Crude politics between regulators and Dangote Refinery

of the challenging business climate, Nigeria needs 'business titans' like Aliko Dangote. However, over the years, successive governments have struggled to effectively manage the industry and develop policies that safeguard both businesses and consumers. Ideally, we would have seen national and sub-national policies and strategies designed to cultivate more 'business titans' akin to Dangote across various sectors of the economy.

Ascent to tiger nation status

Some industry experts who have observed Dangote's ascent to "business tiger" status argue that he has consistently maintained a cordial relationship with whichever government is in power. So what? They further contend that politicians have granted him undue advantages over his competitors. The current rift between him and the regulator, they say, stems from his falling out of favour with those in power. A low-grade media war between the regulator and Dangote Refinery is evident, with accusations and counter-accusations flying back and forth. One thing is certain: the truth will eventually come to light in the fullness of time.

Allow me to take a moment to express my perspective. Nigeria is in dire need of numerous "business tigers" across both the oil and non-oil sectors. These are visionary CEOs whose companies can navigate and thrive even in challenging economic climates. Unfortunately, many private enterprises have been shutting down recently for various reasons. This has not only stifled economic growth but also failed to generate a demand for skilled workers, exacerbating the brain drain issue.

We've all heard of the Asian Tigers—those four powerhouse economies of Hong Kong, Singapore, South Korea, and Taiwan. They earned their stripes

by embracing education and implementing economic policies focused on exports and rapid industrialization. This strategic approach has enabled them to sustain impressive economic growth since the 1960s, propelling

However, over the years, successive governments have struggled to effectively manage the industry and develop policies that safeguard both businesses and consumers

them into the ranks of the world's wealthiest nations.

These nations are often dubbed the "four little dragons." In his book, "The Four Little Dragons: The Spread of Industrialization in East Asia," author Ezra F. Vogel unveils a fascinating fact: these countries, despite making up less than one percent of the world's land mass and housing under four percent of the global population, have achieved remarkable industrialization and economic prowess.

The Asian Tigers owe much of their economic success to the flying geese theory of development. In this scenario, Japan led the way, with the dragons following closely behind. A professor once explained to me that these nations, despite being at different stages of economic growth, harnessed the power of interactive growth through emulative learning to propel their economies forward.

Our aspiration is to see Nigeria rise to the status of a "Tiger" nation within Africa. For Nigeria to lead as the foremost goose in the continent, followed by a flock of other nations, significant challenges must be addressed. How can Nigeria achieve this under the current harsh business climate marked by policy inconsistency, weak sectoral linkages, fluctuating foreign currency rates, devaluation of the Naira, bureaucratic hurdles, and soaring costs of doing business? As an advocate for a level playing field for all business own-

ers in the country, I believe these issues must be tackled head-on.

Bone of contention

Returning to the core topic, Aliko Dangote stands out as a "business tiger" in the world of commerce. Why,

you ask? He owns one of the largest petroleum refineries globally. Recently, the media has been abuzz with controversies surrounding the Dangote refinery. The ongoing saga between Dangote Refinery and NNPC has led many analysts to reasonably conclude that there are significant murky dealings that need to be urgently and thoroughly investigated for the sake of public accountability.

A former minister was quoted in a newspaper questioning, "How can a project of such national significance be entangled in such a profound and embarrassing controversy, especially under the scrutiny of both local and international investors?" Indeed, a refinery valued at approximately \$20 billion undeniably qualifies as a "national interest project" by any standard.

Aliko Dangote has claimed that international oil companies (IOCs) operating in Nigeria are obstructing his attempts to purchase locally produced crude oil for his \$20 billion refinery. The IOCs have remained silent amid accusations of price gouging. Meanwhile, the Nigerian National Petroleum Corporation Limited (NNPC) has branded Dangote a monopolist. Frustrated and irate, the oil tycoon retorted to the regulator, "Let them buy me out and run the refinery the best way they can."

"They have labelled me a monopolist." The constraints of crude oil supply has forced Dangote Refinery

to import crude from Brazil and the United States to bridge the local supply gap. To support his business plan, Dangote Refinery is considering buying crude oil from Libya, Angola and any oil producing countries. Out of the 20 percent equity participation with the NNPC, only 7.2 percent had been fully paid before the deadline issued to the company to acquire the stake.

During a televised interview at the State House, regulators, particularly the NMDPRA led by Farouk Ahmed, accused Dangote Refinery of having unsafe sulphur levels. This accusation was made in the presence of NNPC GMD Mele Kyari. While Farouk Ahmed, as a regulator empowered by the Petroleum Industry Act (PIA), has the authority to raise valid safety concerns and prevent monopolistic practices for the benefit of consumers, he did not specify what the permissible sulphur level should be.

Alternatively, provide evidence that Dangote Refinery is evolving into a monopoly within the oil industry. Additionally, Dangote has alleged that certain officials from the national oil company possess blending plants in Malta. The GMD of NNPC has refuted these claims. However, it has been widely reported that Nigeria's petrol imports from Malta have surged to \$2 billion.

According to Nairametrics, there are currently 10 refineries installed across various parts of the country, including four government-owned refineries and the Dangote Refinery. The Kaduna, Warri, and Port Harcourt refineries have been non-operational for nearly 20 years due to ongoing Turn Around Maintenance (TAM). This raises the question: why is TAM taking such a long time and where

MA Johnson, Rear Admiral (Rtd).

did regulators test Dangote's products for sulphur content? It is possible that third-party laboratories scattered around the country were utilised for this purpose.

What's next?

According to findings from BusinessDay, the Dangote Refinery is poised to exert significant pressure on approximately 90 refineries in Europe, which may face closure due to the intense competition. In light of accusations of monopolistic behaviour, Dangote has abandoned plans to invest in the country's steel sector. This context sheds light on why Aliko Dangote, in a viral video, expressed his hope that "God will permit all Nigerian entrepreneurs to go to heaven." While he did not elaborate on his reasons, it is likely due to the challenging business environment.

The ongoing rift between Dangote and the regulators could potentially harm employment and deter investments, casting a shadow over Nigeria's global image. Amidst this turmoil, reports have surfaced that Gabon's President, Brice Oligui Nguema, has extended an invitation to Aliko Dangote to invest in the nation's cement and fertiliser sectors. While advocating for a better investment climate is crucial, it alone won't suffice to foster more competitive domestic enterprises.

For firms navigating Nigeria's complex business landscape, having the organisational agility to capitalise on an improved business climate is crucial. The ongoing rift between Dangote and the regulators raises the question: will it dismantle the entrenched cabal of fuel importers and other vested interests that have thrived in a dysfunctional system? In the spirit of national interest, it would be prudent for the Federal Government, Dangote, and NNPC to come together, engage in meaningful dialogue, and find common ground. Thank you.

THE current drama between Dangote Refinery and the NNPC reminds me of an article I read somewhere titled "The Bear, Lion, and Tiger: A Lesson in Business Adaptation with Jeff Bezos." In the article, Jeff Bezos was reported by the author to have posed a question seemingly out of the blue in a conference of CEOs many years ago, "Who would win in a fight, a bear or a lion?" He followed up with a response: "It depends on the terrain." Businesses will win in a favourable climate for investors, and they will not survive where the environment is hostile as a result of policy inconsistency and parochial interests of regulators.

On regulators Concerning regulators, I remember what a scholar wrote somewhere:

"Regulators being government-granted monopolies with a captive 'client' base are unregulated. There is no robust regulation of their performance. There is no quality-assurance regulation of the job these regulators do. They are not accountable to the public in a meaningful way. In theory, agencies are regulated by the political process, but the political process is so ineffective at regulating the regulators that the regulators are de facto unregulated."

The foremost principle for any regulator, in my view, should be to protect consumers and foster the growth of Nigerian businesses. Period. Regardless

The call for a nationwide protest should have been avoided

By Kenechukwu Aguolu

THE call for a nationwide protest against hardship on Thursday, August 1st, 2024, has caused anxiety among Nigerians. There are divergent views about whether the protest should be held or not. Using what happened during the ENDSARS protests, which led to the loss of lives and properties, as a precedent, it will be difficult to predict the outcome of such a protest. There are fears it may be hijacked by hoodlums and become violent.

The question arises: how did we get here? The eco-

nomics policies introduced by the administration have brought untold hardship, though they were expected to be short-term and yield long-term economic benefits for the nation. Apart from the hardship, there is also an issue of trust in the government. The current level of unease and anger among Nigerians could have been avoided if the government had handled its affairs better.

Words can start and end a war. Government officials and political officeholders should be sensitive and avoid careless statements while communicating with the public through press interviews, press releases, social media, etc. Additionally, the Nigerian government should match its words with actions to build trust. Also, giving

timelines that cannot be met should be discouraged.

The government, having promised Nigerians that their sacrifices will pay off, should also be seen to be making sacrifices and cutting costs. For example, political office holders should be encouraged to reduce the sizes of their convoys, the number of their aides, the number of foreign trips, and the size of their delegations. Flamboyance should be discouraged.

The approval by President Bola Ahmed Tinubu of the suspension of duties, tariffs, and taxes for the importation of certain food commodities, including husked brown rice, wheat, maize, and cowpeas through land and sea for 150 days, and the proposed importation of 250,000 metric tonnes of wheat and maize

by the Federal Government should have come earlier. It is worrisome that weeks after the announcement, food prices are still soaring, as it seems full implementation of the food importation policy has not commenced.

One would have thought that a sensitive matter like a new national minimum wage would have received prompt attention from the government and be implemented by now without the need for labour unions going on strike. The delayed approval of the new national minimum wage sent wrong signals to Nigerians, portraying the government as indifferent to their plight. Actions speak louder than words.

Nigerians should be made more aware of the achievements of the Tinubu

administration and their significance. Some major achievements include the payment of the seven billion dollars in forex backlogs, the unification of the forex market, the student loans scheme, the consumer credit scheme, and the Renewed Hope Housing scheme. Ironically, many people aware of these achievements do not understand their significance and may therefore trivialise them. The national orientation agency has a big role to play in this regard.

The Compressed Natural Gas (CNG) initiative has dragged on. Nigerians still await the CNG buses promised by the Federal Government, aimed at reducing transportation costs, which have been a significant challenge. The high cost of trans-

portation has made it difficult for people to commute to their places of work or business. It has also significantly impacted the prices of goods and services. Any government intervention that reduces transportation costs would be appreciated.

The call for a nationwide protest is understandable given the hardship Nigerians are going through; however, it should be discouraged as it may result in a worse outcome than the ENDSARS protest. The government has once again called for patience. Do Nigerians trust the government? The current situation calls for more patriotism from Nigerian leaders and citizens alike. The government should not wait for strikes or protests before acting appropriately.

OPINION



By Dakuku Peterside

In government, size matters

ANY government can easily undermine its credibility if it sends mixed signals on essential policy issues or initiatives, flip-flops from one policy or strategic direction to another, and turns essential socioeconomic frameworks into a yo-yo game. The outcome and resultant consequences have been consistent: a total erosion of integrity and trust in the government. This has been more glaring in the critical decision on Nigeria's government size and its twin, cost of governance. In government, size matters! But what matters most is the ideological underpinning of what determines size, relative to goals and objectives. The size of the government in Nigeria has, over the years, been a contentious issue, primarily because of its linkage with bloated bureaucracy, huge recurrent expenditure, and negative impact on economic growth. It is common sense that as the size and cost of the government skyrocket, there will be less funding for development interventions.

The Elephant in the room
At this time, we can see that the more specific challenges and consequence of not having the right service architecture that matches context, resources and state objectives is manifested in the multiplicity of Min-

istries, Departments, and Agencies (MDAs) that perform similar functions or have overlapping responsibilities, hence the increased cost of governance and an increasing misery index.

These challenges have been the bane of governance in Nigeria and merit attention. Successive administrations in Nigeria recognised this elephant in the room and set up processes to tackle these challenges. One would have wondered why it is taking too long to streamline government and governance when everyone knows and agrees it needs to be done. The answer lies in one thing - the political will and courage to take an action that has enormous political ramifications and may affect millions directly and indirectly, supposedly in terms of government jobs and the quality of services the government provides. The current administration acknowledged this inverse relationship between the ballooning size of government and economic growth. Hence, at various times, the president had promised to streamline the size of government ministries, departments, and agencies. The president made several consequential statements to address the challenge of the unsustainable size and cost of government. The most applauded was his commitment to implementing the Steve Oronsaye report on mergers and streamlining of government agencies. This column dealt with the issue in a piece titled "High Cost of Government, Low Outcome". In that piece, it was my argument then as it is now that "I acknowledge as a fact that a US-type presidential system tends to be big by constitutional re-

quirements. And in a country where the government is both an industry and a social welfare institution, the tendency for big expansive government is high".

Streamline or create more MDAs

Nearly a year later, the government is clearly in a

been established between the Buhari administration's last days and the Tinubu administration's promise to implement the Oronsaye report. Some of such institutions are the Nigeria Data Protection Commission, the National Social Investment Programme, and the Nation-

servicing cost expenditure accounts for a greater percentage of our spending. Expanding the government's footprint during economic distress can significantly hamper economic growth, widen our debt profile crisis since we often borrow to fund recurrent expenditures, worsen inflation, kill private enterprise, and affect the most vulnerable among us.

Inhibitor or economic growth

Unarguably, a combination of a large, bloated government in a third-world country and inefficient public service is an inhibitor of economic growth.

Today's technological advancements, even locally, have made it easier to rely on e-governance technology to provide seamless services in government to government, government to business, and government to citizens. Some state governments are at the foundational level of setting up e-governance to improve their services. Edo and Akwa Ibom states in the south-south, Enugu and Ebonyi in the southeast are creating the architecture for this. The future is e-governance. It is inevitable. So, the earlier we adopt, adapt and refocus the civil service towards being service-oriented and not job creation-oriented, the better it will be for the efficient government running.

Big and small governments have their relative advantages and disadvantages, but the multiplicity

of MDAs with overlapping responsibilities serves no purpose other than to drain scarce resources. It simply reduces government services to social security rather than productive labour. The greatest challenge of a multiplicity of MDAs that are also inefficient is that they stifle the spirit of entrepreneurship and innovation, encourage waste, promote corruption, mediocrity, and politics triumph over national interest. Even more fundamental than the multiplicity of MDAs or cost of governance is the impact of the misalignment of governments' words and actions. It does irreparable damage to public trust.

This administration's multiplicity of government MDAs, as well as the size and cost of governance, is best understood by correlating its words with the actions that follow. When used as an instrument of popular appeal, words could mean something different in politics and public life from their ordinary literal meaning. It is action that builds trust and credibility. It is time the government stuck with its goal of adopting or adapting the Oronsaye report on streamlining the MDAs to achieve efficiency, save cost, create policy consistency and build public trust. Nigeria is in a difficult place now, and businesses and citizens want clarity of policies and direction. Even the MDAs and civil service need clarity and a roadmap for the future. I recommend that the government comes out clearly and tell Nigerians where they are on this issue of the ideology, purpose and size of government. The government's words must match their actions.

Peterside is a management turnaround professional, leadership coach and public affairs analyst

The size of the government in Nigeria has, over the years, been a contentious issue, primarily because of its linkage with bloated bureaucracy, huge recurrent expenditure, and negative impact on economic growth

dilemma. Instead of streamlining the size of government, we are likely to see MDAs increase by the end of the year. In the past six months, the National Assembly has initiated bills to create more than two dozen new agencies and institutions. According to Order Paper, a parliament watchdog publication, under its Oronsaye Report Tracker project, 25 establishment bills have been passed since the presidential proclamation. Most recently, President Bola Tinubu signed the Acts establishing the Southeast and North-West Development Commissions into law. Mr President also announced the creation of the Ministry of Livestock Development, the 49th Federal Ministry. The presidential think tank suggests that the Ministry of Livestock is the silver bullet that will solve the perennial farmer-herder conflict, assuming that the Ministry of Agriculture is not a fit-for-purpose agency to manage such.

Several new agencies and commissions have already

al Senior Secondary Education Commission. It appears that this is an unending exercise. The burgeoning of government ministries and agencies paints a picture of desperation and a government throwing everything it has at solving intractable socio-economic challenges or improving standards, but in reality, it is adding to the problem of an over-bloated government without the efficiency needed to deliver on the ethos of a public-private partnership model for economic growth.

It is evident that the government urgently needs a comprehensive plan to refocus its desire to manage interests and its responsibility to right size/streamline the size of MDAs or its twin; cut the cost of governance. The consequences of inaction will be appalling. What is the effect of increasing the size of government and, by implication, the cost of governance at a time of national economic distress? At a time when the debt profile is at an all-time high, inflation is taking a toll and debt

Nigeria's minimum wage boost: A double-edged sword

By Oluwafemi Mayowa, Olusola

IN a bustling office in Lagos, Chinyere, an HR manager at a mid-sized manufacturing company, stared at the latest news on her screen. The Nigerian government had just announced a substantial increase in the national minimum wage from ₦30,000 to ₦70,000, effective from May 1, 2024. The legislation also included a clause to reduce the review period from five years to three years. As she read, she couldn't help but think about the implications for her company and its employees.

The news of the wage hike spread quickly, creating a ripple of mixed reactions among workers. For many, like Musa, a factory worker supporting a family of five, this change promised a significant improvement in living standards. "This increase will help me afford better schooling for my children and manage daily expenses more comfortably," Musa said with a hopeful smile. The hike was expected to reduce poverty and boost purchasing power for numerous workers across Nigeria.

However, not everyone shared this optimism. Fola, a small business owner running a local grocery store, expressed concern about the potential for increased inflation. "With the dollar already at ₦1600, I'm worried that prices will skyrocket

further, making it harder for everyone, including my customers, to cope," she explained. Fola's fears were not unfounded, as higher wages could lead businesses to adjust prices to cover the increased wage bills, potentially negating the intended benefits of the wage hike.

For HR professionals like Chinyere, the new minimum wage presented a daunting challenge. Ensuring compliance while maintaining employee morale required a strategic approach. The company needed to review its current salary structure immediately, adjusting budgets and updating HR policies and payroll systems within the next few months. This process would be crucial for achieving full implementation by the end of six months from the announcement.

As the company grappled with these changes, Chinyere realised the importance of clear and transparent communication. She planned a series of meetings, emails, and notice board updates to inform employees about the new wage structure and its effective date. Personalised letters would be sent to those directly affected, explaining the details and addressing any concerns. Support mechanisms, including Q&A sessions, were put in place to assist employees through the transition.

Companies facing financial constraints, like Fola's grocery store, had to consider alternative strategies. Cost optimisation became a priority, with businesses looking to renegotiate supplier contracts and reduce non-essential expenses. Fola, for instance, de-

cidated to localise her vendors, switching to local web and email hosting services to minimise the impact of the dollar exchange rate.

Exploring new revenue streams also became essential. Fola began offering home delivery services to attract more customers and boost sales. Engaging with employees about flexible work arrangements, such as part-time roles or job-sharing, helped manage wage costs without compromising employee satisfaction. While the government pledged support for a smooth transition, businesses were advised to plan strategically and manage costs effectively to meet the new legal requirements.

Despite the challenges, the new minimum wage presented an opportunity for Nigerian businesses to revalu-

ate their operations and foster a more engaged workforce. HR professionals like Chinyere played a crucial role in ensuring a smooth implementation, balancing the needs of the company with the well-being of its employees. For small business owners like Fola, strategic planning and creative solutions were key to navigating this significant change.

As the President prepared to sign the bill into law, the country stood on the brink of a new economic era. The increase to ₦70,000 offered a glimpse of hope for many, but also underscored the complexities of economic reform in a challenging financial landscape. The journey ahead required resilience, adaptability, and a commitment to creating a sustainable future for all Nigerian workers.

EDITORIAL

PUBLISHER/EDITOR-IN-CHIEF
Frank Aigbogun

EDITOR
Tayo Fagbule

DEPUTY EDITORS
Lolade Akinmurele
Odinaka Anudu (News)
John Osadolor (Abuja)

NEWS EDITOR (online)
Temiloluwa Bamgbose

CHIEF MARKETING &
SALES OFFICER
Ijeoma Ude

GM BUSINESS DEVELOPMENT (North)
Bashir Ibrahim Hassan

ADVERTISEMENT MANAGER
Queen Nkwocha

FINANCE MANAGER
Adedayo Adetoye

COPY SALES MANAGER
Florence Kadiri

DIGITAL ADVERT SALES MANAGER
Linda Ochugbua

EDITORIAL ADVISORY BOARD

Imo Itsuelli
Mohammed Hayatudeen
Afolabi Oladele
Vincent Maduka
Opeyemi Agbaje
Amina Oyagbola
Bolanle Onagoruwa
Fola Laoye
Chuka Mordi
Akinsola Johnson
Juliet Anammah
Charles Anudu
Tunji Adegbesan
Eyo Ekpo
Wiebe Boer
Paul Arinze
Ivana Osagie
Boye Olusanya
Ayo Gbeleyi
Haruna Jalo-Waziri
Clement Isong
Toyin Adegbite-Moore
Vivien Shobo
Austin Okere
Rani Isma

ENQUIRIES

NEWS ROOM
08164361208
08067478413
08033160837 Abuja

ADVERTISING
08033225506
08033042209

SUBSCRIPTIONS
01-2799101
07032496069
07054563299

DIGITAL SERVICES
08026011296

www.businessday.ng
sign up for <https://bit.ly/bdnewsletters>

6A George Street, Off Mobolaji
Johnson Avenue, Ikoyi,
Lagos, Nigeria.
01-2799100

LEGAL ADVISERS
The Law Union

Tinubu-tactics' Shock Therapy: Will it revive Nigeria's economy or sink it further?

PRESIDENT Bola Tinubu insists his radical reforms are the bitter pill Nigeria needs to swallow to bring discipline to its chaotic market. Yet, for millions, this prescription threatens to plunge them into deeper poverty.

Take Chike Nwosu, a 24-year-old carpenter in Lagos, Nigeria's bustling commercial hub. Since Tinubu's sudden removal of petrol subsidies, Nwosu's life has been upended. With commuter costs skyrocketing, Nwosu now sleeps on his workbench in the carpentry shop to save on travel expenses. His monthly paycheck of roughly ₦72,000 barely covers his needs, let alone those of his widowed mother and younger siblings.

The elimination of the petrol subsidy, which had kept Nigerian fuel among the cheapest in the world,

has devastated Nwosu's already precarious existence and pushed millions into poverty. This drastic move is part of Tinubu's so-called "Tinubu-tactics"—a shock therapy approach that aims to inject market discipline into Nigeria's faltering economy.

In this concept, "Shock therapy" refers to a set of sudden and drastic economic measures intended to transition a country from a centrally planned economy to a market-driven one. These measures often include reducing state subsidies, devaluing the national currency, and liberalising trade. The intent is to rapidly implement changes to stimulate economic growth and stability.

However, the abrupt nature of such reforms can lead to significant social and economic upheaval, dispro-

This drastic move is part of Tinubu's so-called "Tinubu-tactics"—a shock therapy approach that aims to inject market discipline into Nigeria's faltering economy

tionately affecting the poorest segments of the population.

Tinubu, a former governor of Lagos known for his wealth and political influence, argues that removing the subsidy and massively devaluing the naira are essential steps to stabilise the economy. Under his predecessor, Muhammadu Buhari, Nigeria's GDP shrank in per capita terms due to ineffective, intervention-

ist policies. Oil, while contributing a modest portion to the country's GDP, dominates government revenue, highlighting Nigeria's overdependence on this resource.

"Our economy has been in desperate need of reform," Tinubu, 72, declared in a national address. "It has been unbalanced due to flawed foundations and an over-reliance on oil revenues." Acknowledging the "hardship" these reforms impose, he insisted they are necessary "repairs" for long-term economic stability.

"Tinubu-tactics" has polarised opinions. Critics argue it is a return to the shock therapy of the '80s and '90s that will impoverish millions in pursuit of market purity. They cite recent anti-tax protests in Kenya as a warning of potential unrest.

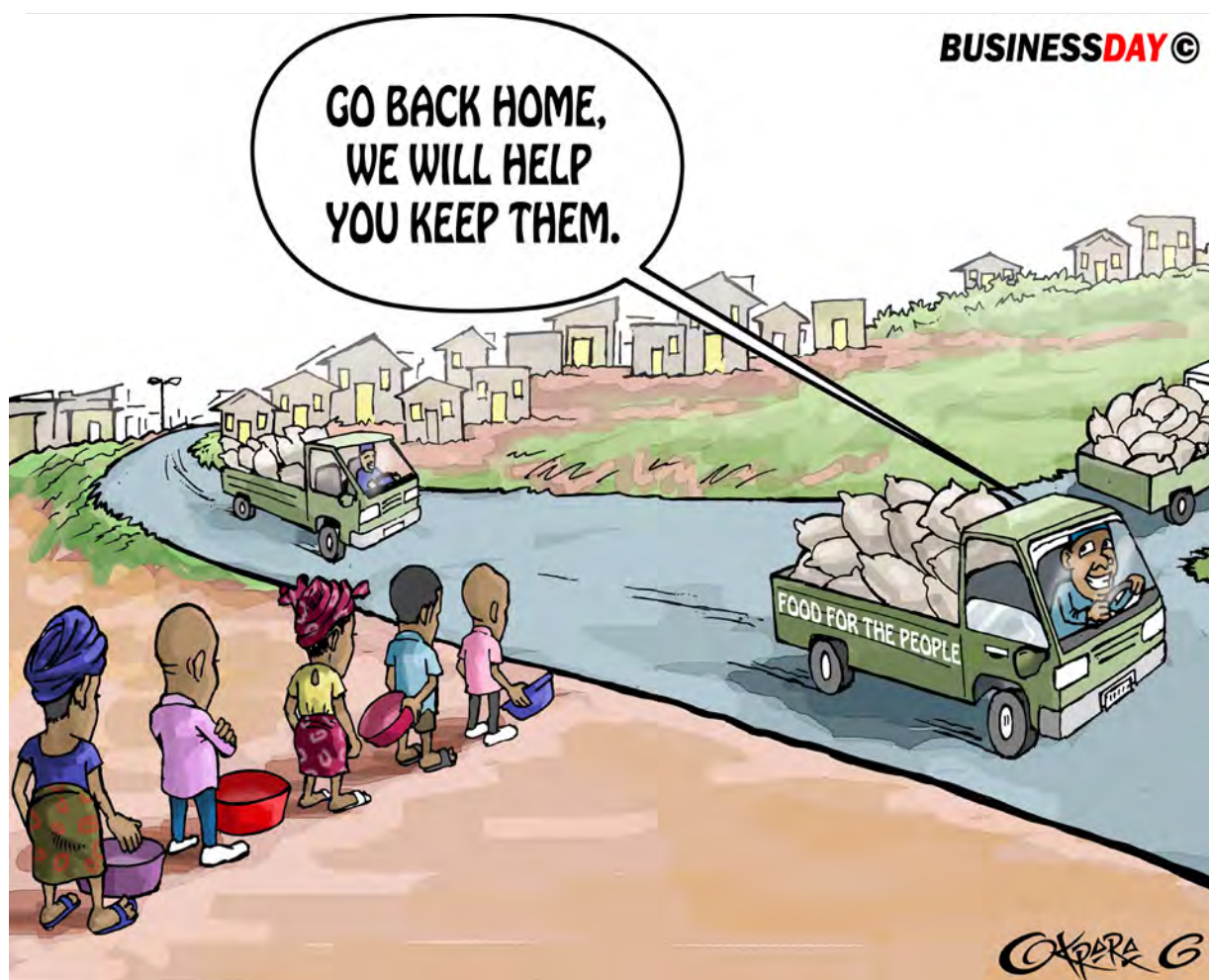
Tinubu's supporters, however, believe these reforms are the jolt the economy needs after years of stagnation, corruption, and cronyism. "These reforms may cause short-term pain but they are essential for long-term economic stability and growth," asserts Adebayo Akinola, co-founder and president of Sabi, a logistics solutions company.

Regardless of potential long-term benefits, the immediate impact of these economic measures, enforced without the cushion of a robust social security system, has been severe. Fuel prices have tripled, and two sharp currency devaluations have driven the cost of imported goods through the roof, pushing inflation to a three-decade high of nearly 34 percent.

Food prices have surged even more, making basic staples like rice, milk, and maize unaffordable for many and escalating malnutrition rates. The Food and Agriculture Organisation estimates that 26.5 million of Nigeria's 220 million people are food insecure, with at least 9 million children at risk of wasting, a condition that stunts development.

Desperation has driven hungry groups to raid food warehouses, and deadly stampedes have erupted over emergency rations distributed by some states, a meagre attempt at relief termed "palliatives."

As Nigeria navigates this turbulent economic overhaul, the question remains: will "Tinubu-tactics" usher in a new era of market discipline and growth, or will it deepen the plight of millions already on the brink? The stakes are high, and the nation's future hangs in the balance.



MISSION STATEMENT

To be a diversified provider of superior business, financial and management intelligence across platforms accessible to our customers anywhere in the world.

OUR CORE VALUES

BusinessDay avidly thrives on the mainstay of our core values of being The Fourth Estate, Credible, Independent, Entrepreneurial and Purpose-Driven.

- The Fourth Estate: We

take pride in being guarantors of liberal economic thought

- Credible: We believe in the principle of being objective, fair and fact-based

- Independent: Our quest for liberal economic thought

means that we are independent of private and public interests.

- Entrepreneurial: We constantly search for new opportunities, maintaining the highest ethical standards in all we do

- Purpose-Driven: We are committed to assembling a team of highly talented and motivated people that share our vision, while treating them with respect and fairness.

Andersen Digest



Dr. Josh Bamfo
Partner & Head
Transfer Pricing
E: joshua.bamfo@
ng.andersen.com



Abisola Agboola
Senior Manager
Transfer Pricing
E: abisola.agboola@
ng.andersen.com

Understanding Transfer Pricing Implications of Intra-Group Business Structures

The Distributor-Marketer versus Limited Risk Distributor

Distribution arrangements are a major source of functional characterisation issues, usually arising when a group entity manufactures a product and sells to its related party for distribution. To illustrate this issue, let us assume we have two (2) related entities, Nigeria Co, that purchases finished products from its offshore related party, Foreign Co, for distribution in the Nigerian market. Nigeria Co has been loss-making for the last few years.

An FAR analysis determines that Nigeria Co licenses the trademarks and trade names associated with the globally well-known products and is responsible for performing both distribution and marketing functions to create market awareness of the branded products. Nigeria Co therefore bears the market risks associated with the success or failure of the distribution of the products as an entrepreneur in the Nigeria market. As a result, it is entitled to all the net profits or losses that it generates from the marketing and distribution of the products, while ensuring that it makes the necessary arm's length payments for the products it purchases from Foreign Co, royalty payments to its related party and any other related party transactions.

To demonstrate the arm's length nature of the purchase of the branded products from its related party, where reliable data does not exist to compare the price charged for a comparable transaction under similar circumstances between two independent parties, a one-sided profit-based test is usually employed. This typically involves selecting the most appropriate method that would yield the most reliable result and the least complex entity involved in the controlled transaction, based on the characterisation of both entities from the FAR analysis.

In this scenario, considering that Nigeria Co is an entrepreneur performing significant functions and bearing significant market risks, it is likely to be the more complex entity compared to Foreign Co, which may be performing a contract manufacturing function for Nigeria Co. As such, a one-sided profit-based method such as the Transactional Net Margin Method (TNMM) could be applied to test the reasonableness of the net profit markup that Foreign Co should charge Nigeria Co for the contract manufacturing function, while Nigeria Co enjoys the resulting profits or suffers the resulting loss from its operations as an entrepreneur.

However, where the tax authorities have a different understanding of FAR analysis of the two entities, this creates a major source of dispute and risk because it would likely change the characterization of both entities, potentially resulting in changes to the TP method, tested party selected and the expected taxable profits to be earned by both entities.

Let us assume that the tax authorities' FAR analysis determines that Nigeria Co performs only distribution functions, does not bear market risks and does not license any trademarks and tradenames associated with the products. On the other hand, Foreign Co is responsible for the manufacturing of the branded products; marketing of the product in Nigerian market; owns and exploits all the intangibles relevant for the manufacture, marketing and sale of the products; guarantees to remunerate Nigeria Co an arm's length distributor margin irrespective of market risks.

With this understanding, the tax authorities may re-characterize Nigeria Co from a distributor-marketer operating as an entrepreneur that bears market risks and can therefore suffer losses, to a Limited Risk Distributor (LRD) entitled to a routine distributor returns; net margin that comparable independent distributors earn. In this case, the tax authorities may adjust the profitability of Nigeria Co from losses to a positive net margin and assess additional tax liabilities.

The Agency/Sourcing versus Buy-Sell /Central Purchasing Procurement Arrangements

Another intra-group arrangement that has been highly contentious during TP audits is the functional characterisation of a procurement entity.

Group entities may need to enter into a procurement arrangement with a related party to achieve economic efficiencies and in some cases deal with foreign exchange challenges in some local markets. There are typically two forms of procurement arrangements: a) a procurement agent/sourcing company, and b) a buy-sell/central purchasing entity.

A procurement agency or sourcing arrangement typically involves a group entity saddled with the responsibility of sourcing for products needed by other group entities from third party vendors. It may carry out some quality checks on behalf of the group entities that it is sourcing the products for.

However, a major function that it does not perform is that it does not purchase the products being sourced from the third parties and therefore bears no risks related to the products. Rather, it links the third-party vendors to the group entities who then consummate the transaction. As such, the typical remuneration for the procurement agent or sourcing company is an arm's length markup on the total cost of providing the sourcing services (salary cost of the procurement personnel and the portion of overheads).

However, for a buy-sell or central purchasing arrangement, the procurement entity collects the orders from its related parties, sources for third party vendors, performs the quality checks, purchases the products using its own funds and takes ownership and then resells products to its related parties. The typical remuneration for this type of procurement arrangement is an arm's length markup on the product cost.

Irrespective of the seemingly obvious distinction between both arrangements, this has been a major source of contention during TP audits in Nigeria and across a number of African jurisdictions. It is one of the highest TP risk areas considering that should the taxpayer take the position that the procurement arrangement involves a buy-sell/central purchasing entity, but the tax authorities believe that the procurement entity is an agency/sourcing entity, this may result in an adjustment of the procurement remuneration from a markup on product cost to a mark-up on service cost which may result in very significant TP adjustments and therefore assessment of additional tax liabilities that tend to run into millions of dollars.

Concluding Remarks

TP is one of the highest sources of tax risk that a taxpayer with significant related party transactions faces. Proper characterisation of entities involved in related party transactions and the ability of taxpayers to defend these characterisations during TP audits is critical in mitigating some of these risks. Further, having a robust TP documentation is the taxpayer's first line of defence. To this end, having a TP advisor well versed in the TP guidelines, with significant TP experience locally and internationally cannot be overemphasized.

One of the highly contentious areas during a Transfer Pricing (TP) audit is the characterisation of related entities based on the functions performed, assets utilised and risks assumed (commonly referred to as an FAR analysis) relating to a controlled transaction. The functional characterisation of the entity informs the expected returns that should be earned and the expected taxes to be paid.

Functional characterisation can be contentious because in practice, businesses in the same industry may have different functional profiles, or the same business may restructure, resulting in a change in functional characterisation. Further, sometimes, the tax authorities may disagree with the taxpayer's functional characterisation of its business. Since functional characterisation impacts the treatment and expected returns of an entity, changes or disagreements on this could potentially pose a significant TP risk exposure to a taxpayer. As such, this article sheds light on this major TP risk area and suggests some measures to help mitigate the risk.

Technical Appreciation of Functional Characterisation

Central to the application of the Arm's Length Principle (ALP) is the concept of comparability analysis. An FAR analysis plays a key role in performing comparability analyses.

Regulation 11(4)(b) of the Nigeria TP Regulations (NTPR) states that "In determining whether two or more transactions are comparable, the following factors shall be considered to the extent that they are economically relevant to the facts and circumstances of the transactions... (b) The functions undertaken by the persons entering into the transaction taking into account the assets used and risk assumed."

Thus, depending on the type of transaction being analysed and the TP method applied to demonstrate the arm's length nature of the transaction, an FAR analysis and the resulting characterisation of the transaction and/or the entities involved in the transaction can be significantly important in achieving reliable results.

Next, we review two forms of intra-group business structures relating to the purchase/sale of tangible products that tend to face functional characterisation disputes during TP audits.

“TP is one of the highest sources of tax risk that a taxpayer with significant related party transactions faces. Proper characterisation of entities involved in related party transactions and the ability of taxpayers to defend these characterisations during TP audits is critical in mitigating some of these risks.”

Disclaimer: The purpose of this article is to provide information and comments on developments within the Nigerian tax and regulatory space. This article does not constitute professional advice or opinion and may not be relied upon as such. Please seek the services of a business adviser should you require professional advice or opinion on the issue.

*** Andersen Nigeria has been ranked as a Tier 1 Firm in Tax and Transfer Pricing by ITR World Tax in 2024 ***

Setting the trend. Shaping the future.



COMPANIES & MARKETS

FCMB's three-month earnings rise to N31bn, highest in 13 years

By Chinwe Michael

FCMB Group, a financial institution in Nigeria, has recorded an 18 percent rise in its earnings for the second quarter of 2024, BusinessDay analysis shows.

According to the group's latest financial statement, its after-tax profit rose to N30.7 billion in Q2, the highest in 13 years, from N26.1 billion in the same period of 2023.

Interest income calculated using the effective interest rate rose to N143.7 billion from N82.9 billion. In contrast, the group's interest expense surged 119 percent to N92.9 billion from N42.3 billion driven by the high-interest rate environment.

But for the first six months of the year, the lender's earnings rose to N59.4 billion from N35.4 billion.

FCMB's after-tax profit (N'bn)



Chart: BusinessDay • Source: NGX • Created with Datawrapper

Its gross revenue surged by 58 percent to N374.4 billion in H1 from N256.1 billion in the same period of 2023. In Q2, gross earnings also rose to N195 billion from N150.7 billion in the same period last year.

Further breakdown of the H1 financial results shows that FCMB's interest income

grew by 80.5 percent, as all major contributory lines recorded an increase in loans and advances to customers (68 percent), and cash and cash equivalent (101.2 percent).

The bank recorded a 47 percent growth in net interest income to N106.1 billion in the first half of the year from

N72 billion in the same period of the previous year.

Net fee and commission income increased to N25 billion from N22 billion during the period.

Items in fees and commission income include; service fees (N12.6 billion), electronics fees and commissions (N10.8 billion),

account maintenance fees (N5.8 billion), asset management fees (N4.05 billion), commission on off-balance sheet transactions (N1 billion), letters of credit commission (N814 million) and administration fees (N141 million).

The bank's other gains fell to N37 billion from N52 billion driven by a significant decline in foreign exchange gains to N35 billion from N50 billion.

Other operating expenses increased to N26.4 billion from N19 billion, on the back of an increase in the Asset Management Corporation of Nigeria levy amounting to N14 billion.

Earnings per share increased to N6.01 kobo from N3.58 kobo.

Total assets grew to N5.9 trillion, aided by loans and advances to customers which rose to N2.4 trillion.

Total liabilities also rose to N5.4 trillion from N3.37 trillion, this was significantly driven by deposits from customers totalled N3.87 trillion while deposits from banks increased to N447 billion.

The group's shareholders' funds rose to N533 billion in H1 from N344 billion in the same period of 2023.

Net cash flows from operating activities increased to N262 billion from a negative N175 billion.

Net cash flows from/ (used in) investing activities recorded a negative of N58 billion from a negative of N38 billion. Net cash flows from/ (used in) financing activities recorded a negative of N67 billion from N3 billion.

Cash and cash equivalents at the end of the period totalled N717 billion from N384 billion in the same period of 2023.

Experts advocate structural reforms to tame Nigeria's rising inflation

By Eniola Olatunji

NIGERIA'S rising inflation, largely attributed to cost-push factors, should not be tackled with interest rate hikes, experts have said.

Instead, they advocated for addressing structural issues such as agriculture and security to attract foreign direct investments and stimulate economic growth.

This was made known at the first edition of ST. RACHEAL'S people consulting's leadership & economic summit last Thursday. The event themed 'Economic Prosperity - The Secrets of Audacious Leaders' brought speakers & a global audience to educate but most importantly proffer solutions to the myriad of challenges bedeviling Nigeria.

"The stagflation we are witnessing is cost-push as a result of three times increase in petrol price, 300 percent naira devaluation and farmers unable to farm because of insecurity," Akinjide Adeosun, chairman at ST. RACHEAL'S people consulting said.

He said Nigeria must return to 'Partial Subsidy' to ensure gains are felt



L-R: Olurotimi Coker, Consultant Psychiatrist at Lagos State University; Eniola Ajayi, Former Ambassador to the Netherlands; Kayode Fayemi, Former Governor of Ekiti State; Akinjide Adeosun, Chairman ST.RACHEAL'S People Consulting & Olubamiwo Adeosun, former Secretary to the State Government of Oyo-State and Nubisi Nwokoma, Professor of Economics at the University of Lagos at the 2024 Leadership & Economic Summit and launch of ST.RACHEAL'S People Consulting Limited in Lagos recently.

by everyone and that the provision of palliatives is not inclusive and not sustainable.

"I recommend Nigeria engages the World Bank, Africa Development Bank or Afrexim Bank to pay subsidy direct to vendors to minimise probable maladministration of subsidy experienced in the past," Adeosun added.

Others are reducing petrol prices and USD exchange rates by one-third and engaging retired security personnel to help at the ward level.

"This will reduce insecurity and assist with food security," he said.

Nubisi Nwokoma, di-

rector of the Centre for Economic Policy Analysis and Research of the University of Lagos said Nigeria's surging inflation is a cost-push phenomenon.

"So I do not support the hike in monetary policy rates. The stand that the monetary policy committee has taken is to attract FPIs," he said.

Nwokoma said the government needs to address structural issues like agriculture, and security to be able to attract FDI.

He added that given the volatilities in the exchange rate, investments in real estate and foreign currency-denominated assets could be a good hedge against loss

of value.

The removal of fuel subsidy has provided a breathing space for the government to enhance its expenditure programmes in the economy. Expectedly, it has been highly inflationary and has aggravated the loss of value of naira assets.

Joseph Nnanna, chief economist at Development Bank of Nigeria said revenue has been a challenge with oil theft persisting, insecurity affecting agricultural production, poor infrastructure, and the high cost of sourcing FX affecting manufacturing.

He said at the subnational level everyone should be responsible for growth at their level and inclusive growth means everyone feels about the society.

"There's a relationship between a hike in the monetary policy rate and economic growth. When the interest rate increases it becomes more difficult for SMEs to borrow.

"Since last year FAAC allocation has been over N1 trillion, meaning that there's so much liquidity in the economy and technically there should be a level of improvement across the country through the tiers of government," Nnanna added.

Salamatu Suleiman retires as non-executive director of Stanbic IBTC

By Ifeoluwa Adebayo

STANBIC IBTC Holdings Plc, a member of Standard Bank Group, has announced the retirement of Salamatu Suleiman as an independent non-executive director on the board of the company, effective July 26, 2024.

A statement on Friday affirmed that the retirement followed the completion of her regulatory tenure on the board.

"The Board is indeed grateful to Suleiman for her invaluable contributions to the Company during her tenure on the Board and wishes her the very best in her future endeavours," it added.

Suleiman obtained an LLB (Hons) degree from Ahmadu Bello University, Zaria, Nigeria in 1981 as well as an LLM (with Distinction in "Multinational Enterprise and the Law") from the London School of Economics & Political Science in 1987.

She is the chairperson of the National Human Rights Commission of Nigeria, a member of the ECOWAS Council of the



Wise, and the Vice Chair of the West Africa Network for Peacebuilding Regional Board.

She was appointed Honourable Minister of Women Affairs and Social Development and Minister of State, Foreign Affairs, Federal Republic of Nigeria in December 2008 and 2010 respectively. In February 2012, she was appointed Commissioner, Political Affairs, Peace and Security, ECOWAS Commission, and completed her tenure at the end of April 2016.

Suleiman joined the Board of Flour Mills of Nigeria Plc. as an independent non-executive director in March 2017 and also an Independent non-executive director of Stanbic IBTC Holdings Plc before she retired.

COMPANIES & MARKETS

Guinness Nigeria gets new non-executive director

By Chinwe Michael

GUINNESS Nigeria Plc, a beverage alcohol company in Nigeria, has announced the appointment of Vivien Shobo as an independent non-executive director, effective September 1, 2024.

The company disclosed this in a statement on Sunday. Shobo is currently the chief executive officer of FVS Advisory Partners.

“The appointment of Shobo aligns with Guinness Nigeria Plc’s commitment to strengthening its leadership with seasoned professionals who bring diverse perspectives and deep expertise,” the statement said.

She previously served as the chief executive officer of Agosto & Co., a Pan African credit rating agency, from September



2003 to December 2019. Under her leadership, Agosto & Co. solidified its market position and diversified its product and revenue base.

She is also a fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and holds an MBA in Finance from Manchester Business School, UK. Management and leadership programs from Harvard Business School, Wharton Business School, and Lagos Busi-

ness School.

Shobo is renowned for her expertise in macro-economic variables and economic research, having overseen numerous industry reports covering sectors such as Banking, Oil and Gas, Power, and Manufacturing. She is a sought-after speaker at both local and international African capital market conferences.

In addition to her professional accomplishments, Shobo is a lifetime member of Women in Management, Business, and Public Service, a non-profit organisation dedicated to increasing women’s representation in leadership roles. She is also a member of the International Women’s Society and the Nigerian Chartered Institute of Directors (CIoD).

Anergy, SchoolTry partner to boost solar supply to schools

By Ifeoluwa Adebayo

ANERGY, a commercial renewable energy solution, has collaborated with SchoolTry, an EdTech company, to expand energy access with solar power across Nigerian schools.

The partnership initiative brings full-service solar power systems closer to schools and a learning platform on a long-term lease-to-own financing model spanning five to ten years, according to a statement.

It added that the collaboration will empower educational institutions with the sustainable, cost-effective, noiseless, and uninterrupted power solutions

needed to provide a conducive learning environment and deliver digital learning experiences for students.

“We are optimistic about working with SchoolTry to achieve energy reliability for learning institutions. We believe that energy access is a catalyst for growth and powering academic excellence across Nigeria will intensify learning and innovations in our schools” Femi Adeyemo, CEO of Arnergy said.

He said the company will utilise its extensive expertise to manage end-to-end need assessments, installations, and maintenance of cutting-edge

solar power technologies for designated institutions.

“This commitment ensures that the schools have consistent and stable access to clean solar energy, ending their dependence on erratic grid supply and cost-intensive generators,” he said.

Ismail Eleburuik, CEO of SchoolTry expressed his enthusiasm for the partnership with Arnergy to revolutionise education in Africa.

“Together, we will bridge the energy access gap in schools and equip students with the skills they need to succeed in the digital age,” he said.

SanlamAllianz announces merger, launches in Ghana

By Modestus Anaesoronye

SANLAM and Allianz have announced the launch of their joint venture brand, SanlamAllianz, in Ghana. This follows the regulatory approvals the Sanlam and Allianz businesses in Ghana obtained recently to merge and rebrand to SanlamAllianz.

The SanlamAllianz joint venture, which was launched in September 2023, is the leading pan-African non-banking financial services company, which operates in 27 countries across the continent.

The CEOs of the two businesses are Tawiah Ben-Ahmed, chief executive officer/MD of SanlamAllianz Life Insurance

Ghana, and Mabel Nana Nyarkoa Porbley, chief executive officer/MD of SanlamAllianz General Insurance Ghana.

SanlamAllianz’s ambition is to leverage its global and pan-African expertise, and unlock growth in Africa’s high-potential economies, in line with its purpose to empower generations to be financially confident, secure, and prosperous. This will be achieved through supporting financial inclusion through innovative, cutting-edge technology and diverse financial services that create shared value for all stakeholders.

Heinie Werth, SanlamAllianz CEO said, “Launching the Sanla-

mAllianz brand in Ghana marks a new milestone for us and the broader financial services market and our commitment to doing business in Ghana. It demonstrates our strategy to leverage our expertise to create leading businesses in the economies where we choose to operate and supports our intention to enable access to financial services.”

“The joint venture will also leverage the combined economies of scale of our shareholders, Sanlam and Allianz, as well as greater distribution opportunities, shared knowledge, and existing partnerships in telecommunications and bancassurance to benefit our customers,” Werth added.

Business Event



Gina Raimondo (l), US secretary of commerce; and Doris Uzoka-Anite, minister of industry, trade and investment, at the signing of a memorandum of understanding between the United States and Nigeria, outlining new avenues of commercial cooperation, in Washington, DC



L-R: Chinedu Azodoh, co-founder, MAX; Williams Fatayo - CEO and co-founder, truQ; Victory Wilson, moderator; Oluwaseun Omotoso, chief operating officer, Gokada; and Aderonke Olubowale, director of operations, Shuttlers, after a panel session on Shaping the Future of Mobility: Innovations, Challenges, and Opportunities for Africa, during the Global Tech Africa, in Lagos.



L-R: Abike Dabiri-Erewa, chairman, Nigerians in Diaspora Commission; Sylvia Onyalu, head, Northern operations, Optiva Capital Partners; George Akume, secretary to the Government of the Federation; and Amaka Okeke-Lawal, executive director, Optiva Capital Partners, at the commemoration of National Diaspora Day sponsored by Optiva Capital Partners in Abuja.



L-R: Joachim Adenusi, convener, Nigerian Risk Summit and Awards; Ademola Kasumu, MD/CEO, KAS Prints; Omowunmi Mabel-Adewusi, general counsel/HRD, AXA Mansard Insurance plc representing, Rashidat Adebisi, chief client officer, AXA Mansard Insurance plc; Oluwakemi Babalogbon, executive director, risk management, MOFI; Samson Ishaku Bugama, commissioner of agriculture and natural resources, Plateau State; and Deji Tunde-Anjous, during a special recognition award for Rashidat Adebisi at the Nigerian Risk Summit and Award, in Abuja.

BIG INTERVIEW

GCF Accreditation, major boost for Nigeria's climate financing, sustainable development - Okpanachi, MD/CEO, DBN

Tony Okpanachi is the Managing Director/CEO of Development Bank of Nigeria (DBN). He is a seasoned banker with over 30 years' experience. Before his appointment at the DBN, he served as the Deputy Managing Director of Ecobank Nigeria Limited, a position he held since April 2013. Before that, he was the Managing Director, Ecobank Kenya and Cluster Managing Director for East Africa, Ecobank. He was also at various times, Managing Director of Ecobank Malawi and Regional Coordinator for Lagos and South West, at Ecobank Nigeria. He holds a Doctorate degree (Ph.D.) in Development Economics from Nile University, Master's in Business Administration (MBA) from the Manchester Business School UK, a Master of Science degree in Economics, from the University of Lagos and a Bachelor of Science degree in Economics, from the Ahmadu Bello University, Zaria, Nigeria. In this interview, Okpanachi told Onyinye Nwachukwu, BusinessDay's Abuja Bureau Chief, how the recent accreditation by the Green Climate Fund (GCF) will boost DBN's developmental roles as well as help Nigeria's fight against the devastating impact of climate change. Excerpts ...

THE DBN has just received the Green Climate Fund (GCF) accreditation, making it the first direct access entity (DAE) and the only authorised Nigerian channel for accessing green financing from the Fund. What does this mean, and how will it boost the bank's developmental mandate?

The first thing to note is that climate change has become an existential threat to humanity as extreme weather conditions continue to cause devastating effects on livelihoods. Globally, we have seen the depletion of grazing lands for livestock, rising sea levels causing excess flooding that displaces communities, changing rainfall patterns that negatively affect agricultural yields, poor water and air quality that impact health, and extensive loss of biodiversity, including plant and animal species. These and more are some of the consequences of climate change that the world faces today. The Green Climate Fund (GCF) is the world's largest dedicated fund, helping small island states and least developed and developing countries reduce their greenhouse gas emissions and enhance their ability to respond to climate change. This it does by channelling climate finance to these countries and investing in their adaptation and mitigation activi-

ties through a project portfolio that is implemented by its partner organisations, known as accredited entities. These accredited entities, which can either be international accredited entities or direct access entities (DAEs), develop funding proposals to be considered by the GCF. They also oversee, supervise, manage, and monitor their respective GCF-approved projects.

Now, DBN's accreditation by GCF will benefit Nigeria in many ways. Through this collaboration, Nigeria will receive a boost in its fight against the effects of climate change in terms of desertification, global warming, unpredictable rainfall patterns, storms, and floods, as well as assist the country's efforts towards achieving sustainable development and promotion of environmentally friendly technologies in key sectors of the economy, including agriculture, manufacturing, healthcare, education, transport, logistics, etc. It will also help create greater awareness on climate change, culminating in greater involvement of Nigerians in climate actions, prompting a shift towards a green economy, raising the Nigerian portfolio in climate financing globally, and unlocking more climate funds. With the accreditation, the DBN is empowered to go ahead to develop and submit funding proposals

for projects and programmes, oversee management and implementation of projects and programmes, deploy a range of financial instruments such as concessional loans, co-financing and blending for loans, and mobilise private sector capital for such climate change initiatives.

The accreditation also covers projects that fall under the categories of basic fiduciary standards, specialised fiduciary standards, project management, on-lending and/or blending for loans, Environmental and Social Categorization (ESS Risk) Category B, and medium-sized projects. Our excitement is that this is indeed a great milestone, not just for DBN but for Nigeria as a whole, given the opportunities it provides for the country to build resilience against climate change.

Can you break this down in terms of how much DBN can access from the GCF to enable businesses to address climate-related issues? If you can also speak to how the fund will be administered, in terms of whether on a concessionary basis or benchmarked against the monetary policy rate?

DBN has been accredited under the Medium Category, which means it can access GCF's funding for projects be-



tween \$50m and \$250m. It has also been accredited for on-lending, blending for loans, and project management only. This also means at this stage, DBN cannot access grant funding, equity, and guarantee instruments from GCF. However, plans are underway to seek an upgrade to include these instruments in the future. To underscore the importance of this, we all know very well the issue of climate change and the challenges that we are facing globally, and Nigeria is not exempt. This is the first time we are getting direct access entity accreditation for Nigeria. DBN, being now a direct access entity, has provided Nigeria an opportunity to be able to attract some of this funding for climate adaptation and mitigation to different companies.

This means that projects for climate adaptation and mitigation between \$50 million and \$250 million, DBN is able to package and send to

GCF for funding. Projects of that size and purpose can be brought to DBN to process, package, and send to access the funds. So it is a major breakthrough, and I believe that we need to share with our partners and Nigerians. Beyond that, DBN, being a bank that is focused essentially on micro, small, and medium enterprises (MDMEs), understands the critical roles they play in the economy, the transition to the green economy, the importance of the circular economy, the blue economy, and all that. The accreditation is therefore an opportunity to draw attention and position these MSMEs to access those funds for green projects, and then, of course, to position the country to attract funding globally. As you are aware, there was a commitment of over \$100 billion to finance climate adaptation and mitigation in developing countries and small island countries. Nigeria is one of those countries, and we believe that with this accreditation we are also positioned to draw the attention of this funding. If you also recall, at the last meeting of the GCF, about



\$1 billion was approved for similar projects. Again, we believe that now that the DBN has a direct access entity and is working with the National Council on Climate Change (NCCC), we will be able to come out with projects to process and tap into that funding. That, in a nutshell, is what it is all about, and it is quite a major breakthrough for Nigeria, especially in our drive towards a green economy.

Talk us through the process of the accreditation.

From experience, most other countries or partners that have been accredited usually take a minimum of about four to five years from the beginning. First, you have to get more like 'a no objection' from the Ministry of Environment to show intent to go ahead and get accredited as a direct access entity. By that you commit that whatever you are going to do is in alignment with the indices agreed by the government, and as a country. So we applied, got that no objection from the Ministry of Environment, and then started the application process. We also worked with the NCCC to ensure that we are aligned with the indices of Nigeria, as captured in our application. We went through a very rigorous process before the final approval and last accreditation. I can assure you that there are, in fact, thousands of entities applying, but in the end, I think, if I recall, there were only six that were accredited globally. That tells you how rigorous the process was for DBN to be among the few. But the important thing is that whilst we note that a major work was done to get this accreditation, greater work needs to be done to get in projects that can qualify to access the funding. And it starts with the project preparation, project appraisal, and then sponsorship of those projects to GCF themselves which must approve that they align with what they want to finance, and then, of course, the financing will come. As I mentioned earlier, at the last meeting, almost a billion dollars globally was announced, but I do not think that any project in Nigeria was funded. But now with the DBN, projects in the country will be able to get, especially within that medium category, between \$50 million to \$250 million.

We need all the funding that we can attract given our precarious situation. But with the rigorous process in getting this accreditation, I'm concerned that it will

also be tough accessing the fund. Do you think that Nigerian entities are positioned to meet up with the requirements? Is there any cap on what they can draw from the fund?

Our next step is to come up with some kind of guidelines, again working with NCCC, which has a major role to play in, first and foremost, clearing those projects in line with the indices. This is before the project comes to DBN to appraise, package, and then sponsor to GCF. So, we start by giving that guideline broadly, and a lot of education and awareness will go out. Secondly, we know that other projects have succeeded—what are the learning points from them, what are the hurdles, and how did they scale through? We are going to learn from that; we are not going to reinvent the wheel. That is also going to help with our committee of experts that will ensure that projects get funded. We want to ensure minimal rejections, and that means putting in a lot of the work before the project itself is sent to the GCF. In terms of caps, there are none. This means that as long as you go through the process and you are able to meet those criteria, you get it. As long as you are able to prepare yourself and get good projects ready for financing to attract funds from them, we will get it done. So the onus is on us, working with NCCC and other partners, to ensure that projects that we are going to sponsor for the Fund meet all these criteria. We do not want to have a lot of rejections, pushbacks, or even questions being asked that may prolong the process of getting the needed financing.

In specific terms, which kinds of projects qualify for this funding?

First and foremost, the projects have to align with climate adaptation or mitigation, for instance, renewable projects, which will reduce carbon emissions. Those are called green projects because, in adapting, you want to reduce the greenhouse emissions to the climate, you want to reduce or mitigate the risk of climate change, and all the projects have to be aligned with that and all the indices committed to by Nigeria. It is not sector-specific; any sector can have projects that adapt to or help to mitigate climate change. So it could come from different sectors. For example, if you are doing renewable energy and you are bringing alternative sources of energy, that's a different area. If you are providing another alternative to your production process that you know is going to reduce carbon emissions, it's another area. So it's not specific. But the ultimate objective is to ensure that at each point in time, the project is either adapting to climate change or mitigating it; that's the key thing. How it is helping us to meet Nigeria's determined contribution to reduce climate emissions is key. The exciting thing is that GCF funds will be administered on a concessionary rate basis and project-specific, not one-size-fits-all. It will come through a structure that will involve close collaboration with the NCCC for project selection, appraisals, and alignment with the Nigerian NDC's. Shortlisted projects will then require detailed funding proposals that will be sent to the GCF for approval. I must note again that the resources can only be used for climate mitigation and adaptation projects, which must be aligned with Nigeria's NDC focus areas. And it is concessionary because of the anticipated impact on climate-related issues, so they want to encourage you to take it. Also note that the money will be repaid, not free.

We are also interested in knowing how the DBN has leveraged its partnership with financial intermediaries to expand its reach and impact on MSMEs across Nigeria. Any challenges, and how have you addressed them?

One of the merits of DBN's wholesale model is the advantage it provides to leverage the extensive and vast network of its Participating Financial Institutions (PFIs) to reach MSMEs dispersed across the country. Interestingly, the bank has strategically partnered with over 69 PFIs across commercial banks, microfinance banks, and other financial institutions as of the end of 2023. We have also worked out strategies to partner with more PFIs within the financial sectors to disburse loans more effectively. As you can imagine, we have encountered and surmounted diverse challenges in the course of our work. Among such challenges is limited financial literacy among MSMEs and the varying capabilities of PFIs. We have made remarkable progress in addressing this through regular targeted training programmes and continuous technical assistance support. One of DBN's mandates revolves around providing technical assistance to PFIs, enhancing their capability and willingness to lend to MSMEs. Again, through strategic partnerships with or-

underserved sectors and regions?

The DBN has particularly focused on underserved segments and regions by channelling significant resources to women- and youth-owned businesses. It also remains unwavering in its support for women-owned MSMEs, recognising the unique challenges they face in accessing financial and business development services.

It was exciting and encouraging to see the bank's commitment to supporting women entrepreneurs being recognised with an honourable mention at the 2022 Global SME Finance Awards. The bank has also directed efforts towards empowering the youth, who constitute approximately 70 percent of Nigeria's population and are the nation's greatest assets. As you may well know, innovation remains at the core of DBN's operations, which is why the bank has introduced innovative products such as longer-tenured loans and the Finance Finance product, which facilitates funding for financial institutions that have active MSME portfolios but are unable to receive direct funding from DBN.

The DBN has achieved an "AAA" rating from GCR and other favourable ratings from other agencies. Can you speak to what qualified the bank for this rating in terms of strategies and operational efficiencies?

At the DBN, we are all proud of this rating, although this is not the first positive global rating we have received. That said, DBN's exceptional creditworthiness can be attributed to several strategies, including: Robust Risk Management, in which we have implemented comprehensive risk management frameworks that ensure the quality and safety of our loan portfolios. Another strategy is our strong financial performance. As you know, we have consistently reported impressive financial performance, including our ability to maintain high levels of liquidity and profitability, and this has been crucial. Another strategy is our operational excellence. At the DBN, our focus on operational efficiencies, including the use of technology and streamlined processes, has enhanced the bank's service delivery. And of course, strategic partnerships, which include various collaborations with reputable financial institutions, consultants, and development partners, have bolstered our credibility and financial strength.

We are also interested in knowing how the DBN has leveraged its partnership with financial intermediaries to expand its reach and impact on MSMEs across Nigeria. Any challenges, and how have you addressed them?

One of the merits of DBN's wholesale model is the advantage it provides to leverage the extensive and vast network of its Participating Financial Institutions (PFIs) to reach MSMEs dispersed across the country. Interestingly, the bank has strategically partnered with over 69 PFIs across commercial banks, microfinance banks, and other financial institutions as of the end of 2023. We have also worked out strategies to partner with more PFIs within the financial sectors to disburse loans more effectively. As you can imagine, we have encountered and surmounted diverse challenges in the course of our work. Among such challenges is limited financial literacy among MSMEs and the varying capabilities of PFIs. We have made remarkable progress in addressing this through regular targeted training programmes and continuous technical assistance support. One of DBN's mandates revolves around providing technical assistance to PFIs, enhancing their capability and willingness to lend to MSMEs. Again, through strategic partnerships with or-



rganisations such as Google Nigeria and the Entrepreneurship Development Centre (EDC) of the Lagos Business School, we have facilitated capacity-building programmes for Nigerian MSMEs to enable these businesses to become financially viable. Additionally, with the introduction of a learning management system, the bank has, as of December 2023, equipped over 5,000 MSMEs with the necessary knowledge and skills to overcome financing challenges and pursue growth aspirations.

The continued rise of the Monetary Policy Rate (MPR) by the Central Bank of Nigeria to tame inflation has obviously resulted in a high cost of borrowing. How is the DBN stepping in to help MSMEs and small corporations navigate this challenge?

We recognise the difficulties businesses face in this challenging economic landscape, and this has indeed increased our resolve as an institution to accelerate and catalyse access to finance for MSMEs. It is on the back of this understanding and commitment that we have developed an interest drawback programme that incentivizes the PFIs to on-lend to businesses in key impact segments and sectors of the economy. As you do know, there is a close relationship between cost of capital and risk perception; therefore, reducing both the inherent and perceived risk in the MSME sector will go a long way in reducing the cost of capital. To this end, we have developed a robust capacity-building programme to enhance the capacity of MSMEs to thrive and become fund-ready. This has helped in unlocking more affordable financing.

We all understand the critical role that measurement and evaluation play in delivering intended outcomes. In specific terms, how does the DBN measure its impact on job creation, poverty reduction, and economic growth?

Our core mandate and impact target is to support Nigeria's economic transformation and sustainable socioeconomic growth through financial and non-financial support mechanisms to enable a vibrant, diverse, and growing MSME sector. One of the most tangible impacts of increased MSME financing is job creation, which is well acknowledged. As of December 2023, DBN's activities had resulted in the creation of about 1.2 million jobs. What we do is try to assess the impact of our initiatives across three different levels, namely, at the ecosystem level, at the Participating Financial Institution (PFI) level,

and at the MSME level. For instance, at the ecosystem level, DBN's impact target is focused on improving investor confidence to support MSMEs. This leads to new investors and sources of capital in the ecosystem, alongside a variety of fit-for-purpose funding models and supportive regulations and policies. Indicators of this include the percentage of DBN's loan book funded through new investors and the number of MSME finance policies or regulatory instruments drafted with DBN input.

The second level is the PFI, where we have outlined the impact target to include equipping PFIs with an improved understanding of the MSME sector. This enables them to become better positioned to provide appropriate products and services to the MSME sector. What we do is measure this through indicators such as the number of PFIs reporting an increased understanding of the MSME sector as well as an increased ability or willingness to lend to MSMEs, leveraging DBN loans, guarantees, and capacity building. For the MSME level, key metrics include the percentages, volume, and count of loans disaggregated by gender, youth, sector, and geography. Over the next 5 years, and in line with our new strategic direction, our target is to disburse at least 30 percent of loans outstanding to youth-led MSMEs, 40 percent to women-led MSMEs, and 15 percent to MSMEs in underdeveloped geopolitical zones/focus states.

Obviously, there is still so much work to be done, especially in the Nigerian MSME space. So what do DBN's expansion plans look like, in terms of both geographic reach and product offerings, to further deepen its impact on the MSME ecosystem?

We are bold to say that DBN has firmly established itself as the primary development bank supporting MSMEs in Nigeria. With the recent launch of a new 5-year strategic plan, we aim to accelerate impact and reach over 2 million MSMEs, reflecting our commitment to scaling greater efforts and driving sustainable growth in the Nigerian market. A key plan to expand the bank's geographic reach is by increasing presence in under-served regions, particularly in the North-East and North-West. I must emphasise that we are broadening our product offerings to include more tailored financial solutions for impact segments such as green, youth, and gender-based financing. Beneficial collaborations with more financial intermediaries are key, and we are leveraging technology to scale impact over the bank's new strategic cycle.

PROPERTY & LIFESTYLE

How efficient land mgt, mortgage can drive growth in housing sector - Experts

By Chuka Uroko

LAND management in Nigeria is largely inefficient as both tenure system and ownership structure remain rigid and primitive, and therefore not supportive of growth in economic activities such as industrialization, agriculture and real estate/housing.

Proper management practices can enhance land use for farming, increase crop yields, and reduce conflicts over land ownership between farmers and herders. It leads to increased construction activities and growth in the housing sector and, by extension, the economy.

Experts note that efficient land management anywhere in the world is important for sustainable development and overall stability, citing agriculture which remains a cornerstone of Nigeria's economy, meaning that efficient land management is crucial for optimizing its productivity.

"Effective land management strategies are essential to combat issues of environmental challenges, including



L-R: Ugochukwu Chime, president, Copen Group; Hakeem Ogunniran, founder/MD, Eximia Realty; Ahmed Dangiwa, minister of housing and urban development; Mathew Asimolowo, chairman, Makarius The Luxury Place; Abdullahi Gwazo, minister of state for housing and urban development; Festus Adebayo, convener, African International Housing Show (AIHS); and Toyin Ayinde, former president, Nigerian Institute of Town Planners, at the opening ceremony of AIHS 2024, in Abuja.

deforestation, soil degradation, and desertification; it is needed to protect the country's diverse ecosystems, and ensure that natural resources are used responsibly," Ugochukwu Chime, Group Managing Director, Copen Group, noted.

Chime, who spoke at the 2024 edition of Africa Inter-

national Housing Show in Abuja, explained that, in terms of economic development, land is a vital asset that could drive growth, adding that a clear land tenure systems and robust management practices are necessary to attract investment, stimulate real estate markets, and foster economic prosperity.

"When land rights are well-defined and protected, it creates a stable environment for economic activities, leading to increased investment and development opportunities," Chime said, pointing out that the inefficient land system is the reason for low value of land in the country.

"Less than 6 percent of

the land resources are documented and registered with the various Deeds Registries; less than 10 percent of the land parcels are covered with effective and comparable cadastral origin and orientation which is why Nigeria has over \$300 billion in dead capital, representing over 60 percent of the country's

Gross Domestic Product (GDP)," he said.

Chime suggested a strong legal framework and effective policy implementation as essential components of efficient land management, adding that strengthening these frameworks ensures that land is managed according to established regulations, curbing illegal land grabs and supporting equitable development.

He stressed that robust policies and their diligent enforcement are necessary to achieve sustainable and orderly land use. Earlier, in the course of the housing show, Matthew Ashimolowo, Senior Pastor at Kingsway Christian Centre, Maryland, Lagos, had underscored the importance of land as a factor of production and real estate growth enabler.

Speaking to the theme of the housing show which was, 'Financing the Housing We Need,' Ashimolowo noted that given the high interest rate on housing finance which means that mortgage is non-existent in the country, given the experience in other economies, land is the next destination.

Report sees warehousing, logistics contributing the most to economy in 2024

By Chuka Uroko

A new report on Nigerian real estate market has projected that, with relative political stability in the country, warehousing and logistics will be contributing the most to the economy from the real estate sector.

The report, released recently by Ubosi Eleh + Co, a firm of estate surveyors and valuers based in Lagos, is largely a review of real estate market activities in Nigeria in 2023 and projections into 2024.

The report, which describes 2023 as a year of uncertainties that required conservative approach to investment, notes that although the hospitality sector in the northern region of the country was undermined by security challenges, there will be a better performance in 2024.

This will be a lot better in the southern part of the country, particularly in Lagos where hospitality real estate experienced investment surge in the previous year with the entry of new players into the market.

On the retail sector, the report is optimistic that, despite the myriad of challenges, notably unreliable electricity supply, the devaluation of the Naira and insecurity, the sector would prosper in 2024 because as

retail outlets align with Nigerian consumers' preferences, there would be increased transactions as economic prosperity surges.

The report notes, however, that while retail outlets would maintain patronage, the diminished purchasing power of the consumers will result in decrease in the average basket size of shoppers.

Similarly, it projects that, due to the economic downturn, tenants hunt for vacant spaces in big malls would be challenging. Conversely, investors in modest shopping plazas and supermarkets sitting on less than 100 square metres should anticipate substantial rewards.

"Notwithstanding the down turn in the economy, population growth and the desire to own property would spur growth in the residential market, particularly in the major cities in the country, namely Lagos, Abuja, and Port Harcourt," Chudi Ubosi, Principal Partner at Ubosi Eleh, said.

Ubosi anticipates property prices to experience significant increase arising from inflation and construction cost hikes. The office space market, according to the report, will see increased vacancy rates following the adoption of remote working models and downsizing of

space needs by occupiers, pointing that the decline in tenant demand resulted in little rental growth or slight decline in certain sectors.

The report explained that the uncertainties that defined the market in the year under review came largely from the general elections of that year. "In an election year, people are skeptical. The investment environment is uncertain and many would rather hold on to their money. Real estate responds to the environment as well," Ubosi noted.

He added that, besides the election, two other factors also defined economic activities during the year and they were the withdrawal of petrol subsidy by the Bola Tinubu government on May 29, 2023, and the devaluation of the Naira against other currencies.

The report says that the withdrawal of petrol subsidy triggered energy cost induced inflation as transport cost increased by 30-50 percent. Similarly, the official exchange rate of the Naira increased from N457.314 in January of that year to over N794.53 per dollar.

On the whole, the report posits that Nigeria's economy experienced mixed performance in 2023, characterized by a subdued growth and persistent inflationary pressures.

INFRASTRUCTURE MAINTENANCE

With Tunde Obileye

Ways facilities managers can deal with inflationary pressures

LAST year witnessed unprecedented rise in the cost of living that led to increased inflation. Whilst cost of living is a global issue, it is a major challenge for the facilities management industry in Nigeria due to some peculiar factors.

The impact of inflation on FM can be significant as facilities managers are responsible for maintaining and managing the physical infrastructure of a built environment. Inflation can increase the cost of goods and services such as cleaning supplies, maintenance equipment, and energy. As the cost of these goods and services increases, the overall budget for FM may need to be increased to maintain the same level of service.

Inflation can affect the cost of labour when workers demand higher wages to maintain their purchasing power. This can lead to increased labour costs for the FM sector which can also impact the overall budget. Inflation can also affect a FM organization as a whole, potentially reducing its competitiveness and profitability. As a result, it is important for facilities managers to closely monitor inflation and its impact on the organization and its facilities management operations.

Being aware of global inflationary pressures, FM leaders need to understand how these factors impact FM costs and strategize on ways to manage these costs. This will be the key challenge going forward.

With skyrocketing energy prices compounding the issues

facing facilities management, FM leaders will do well to concentrate on managing this increase and to keep cost under control.

We all know that continued pressure to reduce costs and maintain or increase quality despite increasing inflation is a perennial challenge. We have to demonstrate to customers that FM should be considered a value-added service.

Facility managers can counter inflation by implementing a variety of strategies. One way is to create a budget that accounts for potential increases in costs, such as raw materials, labour, and utilities. By anticipating these increases and factoring them into the budget, facility managers can ensure that they have the necessary funds to continue operations without interruption.

Another strategy is to increase efficiency and productivity in order to reduce costs. This can be achieved through a variety of means such as implementing lean operational processes, optimizing workflows, and introducing new technologies that automate tasks and reduce the need for labour.

Another strategy is to implement cost-saving measures, such as energy conservation and waste reduction, and negotiating better rates with vendors and suppliers to lock in prices for extended periods of time. This can help to mitigate the effects of inflation on the cost of goods and services.

In addition, facility managers can consider diversifying

their revenue streams by offering new products and services. This can help to increase revenue and offset any losses that may be incurred due to inflation.

Facility managers can use a combination of these strategies to effectively counter inflation and protect their bottom line. These strategies will undoubtedly support operational efficiencies, staff welfare, and sustainability and will present the biggest opportunities for progressive FM companies.

FM services must continue to evolve to connect people, assets and spaces with a digitally connected workforce, using intelligent analytical platforms which can be smartly and centrally managed and monitored by utilizing the Internet of Things (IoT), Building Management Systems (BMS), Cloud, and Artificial Intelligence (AI)-based technologies. However, attracting and retaining tech-savvy talent is a huge challenge.



Obileye is a UK-trained lawyer and CEO, Great Heights Property and Facilities Management Limited
Email: Tundeobileye@greatheightslimited.com

MARKETING

Advertising: Steve Babaeko bows out as AAAN president, leaves footprint behind

By Daniel Obi

ON July 2, 2020, Steve Babaeko, a visionary leader in the world of marketing communication industry was elected president of Association of Advertising Agencies of Nigeria, AAAN at their 47th yearly meeting. He took over from Ikechi Odibo-led executive who equally took over from Kayode Oluwasona.

Steve's journey to the presidency seat began few years when Babaeko served as the Publicity Secretary and later Vice President of the association. On July, 20, 2024, Steve bowed out as president of the association, having completed his term. He handed over to Lanre Adisa, another humble but pushful marketing communication executive with relentless drive.

Babaeko's tenure as AAAN president was momentous as himself and his executive were instrumental to some of AAAN's landmark achievements. Babaeko, Group CEO of X3M Ideas who is media friendly which is an indication of openness listed some of his accomplishments while chatting with BusinessDay at Abeokuta, venue of the 51st yearly meeting.

He said among the

achievements recorded since 2020 when he was elected, is the appointment of the first female director of the association. This, he explained, is reflective of the association's commitment to diversity and inclusion and one that sets a precedent for the future leadership of the AAAN.

Other achievements include the launch of AdCademy, in partnership with Henley Business School, an initiative conceived to enhance professional development and strategic capabilities of members

“AAAN, he equally stated, is hugely involved in the ‘Brand Nigeria Campaign’, which is hoped to spark the country's rebranding journey that is proposed to begin in October this year”



Steve Babaeko

to ensure that the association continues to lead the line of innovation in the industry. Through strategic partnerships, he added, the association's reputation and relevance within the industry and beyond have been enhanced, while a collaborative and engagement culture has bred a strong sense of community within its diverse membership.

The AAAN, he equally stated, is hugely involved

in the ‘Brand Nigeria Campaign’, which is hoped to spark the country's rebranding journey that is proposed to begin in October this year.

“These achievements and more stand as a testament to our collective dedication and vision for the future of AAAN. We have remained steadfast in our commitment to fulfil the promises made during our campaign and today, I am proud to say that we leave our association in a

stronger position than ever before,” he said.

Reflecting on the challenges, he noted that the encountered challenges were overcome with the support and cooperation of all the members, which have resulted in the remarkable achievements.

At the conference, the advertisers appraised the Advertising industry's relevance to nation building, as they discussed ‘Breaking the Mold-Creativity and National Development’. Babaeko noted that the current economic realities necessitated the theme.

The conference featured presentations by filmmaker, Femi Odugbemi, and Chichi Nwoko of WHAT Media. In his presentation, Odugbemi prescribed the use of creative storytelling, noting that countries like South Korea have used creative storytelling through media to shape their national identity. ‘Similarly, Nigeria has the potential to tell compelling stories that can foster unity and drive development’.

On the topic, Babaeko said as a nation, we have a huge opportunity to use creativity as a tool for national development and break away from the mould of the negative spirit that seemed to have enveloped the nation.

“Though there are so many things we can improve upon as a country, but some less endowed nations have been able to find the positive energy to talk positive about themselves. This is what Nigeria should emulate. As custodians of creative industry which is advertising sector being the arrow head of the creative industry, the time has come for us to use the tool of creativity as a big weapon to turn around the negative story about Nigeria and turn it positive”.

Babaeko agreed that government has a huge responsibility to show some hope for the citizens, and give the hope for the citizens but said as a people “we need to stand up and checkmate the cynicism about the country”.

Chichi Nwoko said breaking the mould, creativity and national development is all rooted on education. It is important to educate the young people and get them to understand values and what Nigerian nation stands for.

She regretted that that many of the young people are not in school to learn traditional manner.

The onus is on society and parents to make amends where necessary and be the first teacher to our children.

Stakeholders commend MacArthur Foundation's Kole Shettima for socio-economic impact

LEADING voices in the Nigeria Civil Society community, drawn from various fields; media, academic and non-governmental organisations, have commended the MacArthur Foundation Director in Nigeria, Kole Shettima for media development in Nigeria.

The speakers, including policy advocate, Erelu Bisi Fayemi, Media Entrepreneur, Simon Kolawole, Television Host, Kadaria Ahmed, and others who spoke on Shettima reeled out beautiful attributes and listed other various ways through which Shettima used MacArthur Foundation to impact individuals and NGOs in Nigeria to promote transparency and credibility in governance.

Media Entrepreneur and Publisher of The Cable Online, Simon Kolawole, though commended Shettima's contribution to advance of press freedom and media development, he made a quick reference to the various leadership qualities in Shettima which all leaders who wish to succeed must imbibe.

Kolawole said, “Beyond Shettima's contribution to society growth, especially his commitment to training

journalists in the area of investigative reporting and provision of equipment and tools for the media, one more thing I have found very exciting about Shettima is his simplicity. He has a listening here, he operates an open door policy -no fence around him and he picks calls and replies messages promptly. These are attributes I think all leaders who want to govern well and succeed should emulate.”

According to the founder of Akin Fadeyi Foundation (AFF) organiser of the event, ‘the Impact Series



Kole Shettima

with Kole Shettima' was put together not only to celebrate the anti-corruption investor but to create a forum for members of the civil society community to engage, evaluate and give advice where necessary on good governance and fight against corruption. Fadeyi described Shettima as one change agent who lives and wakes with a thought on how to better Nigeria.

Erelu Fayemi, who described Shettima as a brother and friend who has done a lot to lift Nigeria and make leaders accountable, commended Akin Fadeyi Foundation for organising the impact series in honour of Shettima, while he's still alive and charged all the guests on the platform to begin thinking of how best to celebrate their loved ones and leaders while they are alive.

“Today is special for me because we all gather on this platform to speak about one man who has done a lot to change our country's narrative. Shettima is one man who has created a way to make Nigerian leaders accountable despite the challenges associated with such endeavour.” Erelu Fayemi said.

Nile Group breaks barriers with female-led executive team

By Daniel Obi

THE management structure of the newly unveiled media entertainment company, Nile Group is all female-led-executive, the company has said.

The female-led executive team, a cadre of highly accomplished professionals have excelled in their respective fields. Each member brings a unique set of skills and experiences, contributing to the strategic decision-making process and driving the company's growth and success.

According to a statement, Biola Sokenu is the Group Executive Director for the Nile Group. Lolu Desalu was appointed Group Executive Director of Nile Group while Nowekere Alexis Segun-Ojo has been appointed General Manager, Distribution &

Marketing for Nile Entertainment. Abimbola Craig was appointed Vice President, Productions, while Bukky George-Taylor was appointed Vice President, Luxury Entertainment, Nile X

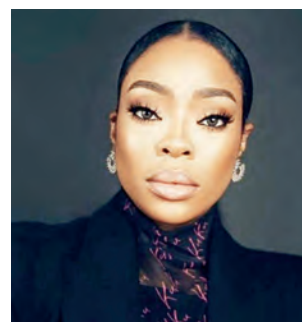
In the statement, Nile Group's CEO, Moses Babatope, expressed excitement about the female-led executive team, stating, “We are thrilled to have such a talented and diverse group of women leading our organisation. At Nile group, we are committed to promote a diverse and inclusive environment.”

“Appointing a female-led executive team reflects our dedication to empowering women in leadership roles and driving innovation through diverse perspectives. Their expertise and passion will drive our company forward and

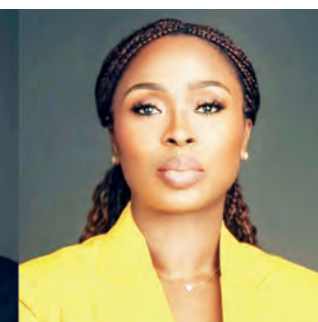
help us achieve our goals. We believe that by breaking barriers and embracing diversity, we can create a stronger and more successful business.”

The statement described Biola Sokenu as an icon in the entertainment industry, with a career spanning over two decades. She has been instrumental in driving financial strategy and growth for some of the world's most renowned media companies. Lolu Desalu, a seasoned marketing guru with over 18 years of experience, has championed business strategy, brand building, and strategic partnerships across various industries including entertainment, banking, gaming, and technology.

Nowekere Alexis C.I. Segun-Ojo according to the statement will oversee Distribution and Marketing for Nile Entertainment both locally and internationally. With over 13 years of expertise in public relations, brand strategy, and strategic communication, her impressive career trajectory showcases exceptional leadership and a proven track record of driving growth and innovation. Abimbola Roli Craig, an outstanding filmmaker, producer, and media executive with a proven track record of delivering high-quality content to global audiences, will assume the role of Vice President, Productions.



Lolu Desalu, group executive director, Nile Group



Biola Sokenu, group executive director, Nile Group

BD TECH

In association with



Smartphone access, affordability key drivers of e-commerce growth — Sunil Natraj

In this interview, Sunil Natraj, Chief Executive Officer of Jumia Nigeria, discuss the e-commerce landscape, Jumia's new operational strategy, challenges with same-day delivery with Temitayo Jaiyeola

In recent times, Jumia has changed its operational strategy, especially in Nigeria. Could you walk us through these transitions and how the company measures growth?

OUR strategy is centred on simplicity, particularly in navigating Nigeria's complex macroeconomic environment. We aim to streamline operations comprehensively by maintaining optimal stock levels, ensuring a seamless flow from suppliers to customers, and facilitating hassle-free returns. We have optimised every stage of our supply chain with efficient stock management practices and robust partnerships with key suppliers nationwide.

Our website offers clear and transparent ordering options such as 'Pay on Delivery,' 'Buy Now Pay Later,' and bank transfer upon receipt of goods. This setup lets customers pay via bank transfer upon delivery, streamlining transactions conveniently. Our objective is to simplify the entire supply chain process. Recently, we relocated to a modern integrated warehouse in Isolo, centralising our operations for faster product delivery and improved customer satisfaction.

Additionally, we have enhanced our customer issue reporting process, simplifying every aspect of our operations for mutual benefit and sustainable business growth. Our focus remains on key growth metrics, such as gross merchandise value and total order volume, which continue to guide our business strategy effectively.

Since the launch of the integrated warehouse, what have been your key lessons and take away so far?

Simplification has greatly improved our operations. We can now manage operations for all of Nigeria from a single location, ensuring faster product delivery to consumers and efficient handling of returns and complaints. This streamlined approach has significantly enhanced the overall consumer experience.

How has consumer purchasing behaviour shifted amidst record-high inflation in the country? Specifically, what products are experiencing increased demand, and where are people reducing spending?



Sunil Natraj

Amidst the current inflation rates, we have observed a shift in consumer purchasing behaviour. Rather than reducing their overall spending, consumers are reprioritising their purchases. For instance, customers who previously opted for high-end smartphones now choose more affordable models. This shift reflects a change in preferences rather than a decrease in consumption.

At Jumia, our commitment is to ensure that customers are provided with a wide range of options, enabling them to make informed choices that suit their budgets and needs. This commitment to enriching their buying experience remains steadfast. We mainly focus on enhancing the consumer experience in categories that drive substantial growth, such as smartphones, televisions, household appliances, health and beauty, and fashion items. These categories continue to contribute to our overall growth trajectory.

The e-commerce sector experienced significant growth due to COVID-19. How has this growth been sustained? Which product categories are Nigerians increasingly purchasing online? And what unique characteristics of the Nigerian e-commerce landscape differentiate it from other global e-commerce landscapes?

In Nigeria, West Africa, and Africa, the e-commerce sector operates amid inflation and a constantly changing economic envi-

ronment. Consequently, consumer behaviour shows a cyclical pattern as people adapt to these economic pressures. Globally, e-commerce companies focus primarily on key categories, and our strategy aligns with this approach. While some companies may occasionally diversify into additional categories, the core focus remains consistent.

Despite the economic dynamics that Nigerians continue to navigate, we have observed a robust trajectory in these key categories. COVID-19 accelerated the shift towards online shopping, but our sustained success hinges on offering relevant products at competitive prices. This approach has enabled us to maintain our historical user numbers in Nigeria. Looking ahead, regardless of the pandemic, we anticipate continued growth in the e-commerce sector as we effectively meet the evolving needs of consumers.

The unique characteristics of the Nigerian e-commerce landscape include its adaptation to local economic conditions and the emphasis on providing a diverse range of payment options, such as 'Pay on Delivery' and 'Buy Now Pay Later.' These features differentiate the Nigerian market from other global e-commerce landscapes, reflecting the innovative and adaptive nature of e-commerce in Nigeria.

Do you think social media is reshaping the e-commerce landscape? What strategies have you

implemented to adapt to these changes?

People may choose to buy through social media channels if two conditions are not met: The item is unavailable on established e-commerce platforms like Jumia, and the price on these platforms is perceived as prohibitively high compared to the social media channel in question.

However, customers benefit from greater assurance for transactions on Jumia. They trust that Jumia offers competitive pricing, genuine products, and reliable return policies. Establishing this trust requires significant expertise and credibility. Therefore, as long as we maintain competitive pricing and product availability on our platform, customers will unlikely shift to social media for their purchases.

While social media serves as a supplementary channel for sales and enhances the credibility of online shopping, our primary focus remains on driving strong traction through our platforms. We see social media as an opportunity to expand our reach and enhance our supply offerings in the future.

Why has achieving 24-hour delivery or same-day delivery in Nigeria remained a challenge?

Everything is theoretically possible, but for these services to be feasible, there must either be a high demand for them or consumers willing to pay for express services, understanding the premium attached to such deliveries. Worldwide, express delivery typically comes at a high cost, often considered extravagant. Currently, in our country's context, we face significant obstacles in this regard. Given the limited demand for express services and the associated high costs, it becomes difficult for any company to implement on a large scale. While technically feasible, the expense involved at present makes it a costly endeavour.

Logistics plays a critical role in e-commerce, and recently, operating costs have increased due to factors such as distance and overall logistics expenses. How is your company managing these challenges, and what are your long-term strategies to address them?

Our philosophy is centred on simplicity—doing simple things well across Nigeria. One of our key initia-

tives has been establishing pick-up stations throughout the country. These stations operate similarly to efficient post offices of the past: you visit, provide your order number or identification, pay via bank transfer, and collect your parcel promptly.

Pick-up stations offer several advantages. They are open for extended hours, allowing you to visit at your convenience, plan your day effectively, and retrieve your parcel without the complexities often associated with home deliveries. Unlike home deliveries, where rider scheduling issues can occur, pick-up stations streamline the process, ensuring a smoother experience and providing strong value to our customers.

This approach simplifies logistics and helps us manage costs effectively in the current economic climate, where operating expenses have increased significantly. Ultimately, delivering to pick-up stations is more efficient and cost-effective, providing greater overall value to consumers.

How do you see the general e-commerce landscape evolving in another 5 to 10 years? What trends are you most excited about? What trend do you think will shape the space?

E-commerce is set to grow rapidly in this country. We are fortunate to be in a time where technology is also growing. Mobile phone penetration is growing rapidly, and technology is getting cheaper because the cost of accessing a mobile phone has dropped significantly. You are getting technology that used to be maybe \$2,000 for today \$1,000 in the palm of your hand, transactions are getting enabled, bank transfers are the rule of the day-to-day, and credit cards are even with us. These are all fascinating mechanisms for us.

Technology advancements, particularly in smartphone accessibility and affordability, have significantly eased transactions and boosted confidence in online shopping. As technology becomes more accessible, it fosters greater comfort and trust among users engaging in e-commerce. Banking services are also expanding rapidly, driven by cultural and economic trends, further enhancing the global e-commerce landscape. These developments collectively contribute to the growth and evolution of e-commerce on a global scale.

Great Value Always

10GB
Bigga Plan
N3,300

15GB
Bigga Plan
N4,400

20GB
Bigga Plan
N5,500

25GB
Bigga Plan
N6,600

Recharge via the "MySmile" App
or visit www.smile.ng.com

(T&Cs Apply)

TECHNOLOGY

The digital divide: A persistent challenge

By Olufemi Oluoje Kazeem

THE global nature of information and communications technology (ICT) presents developing countries like Nigeria with an unprecedented opportunity to compete in the global economy. ICT has the potential to reduce physical barriers, increase market access, enhance trade efficiency and provide a competitive impelling force in today's information society. However, a significant digital divide – the IT gap between developing and developed nations – persists.

Information and communications technology (ICT) has ushered in a new era for developing countries like Nigeria. This global phenomenon presents an unprecedented opportunity for them to compete in the modern, information-driven economy.

Nigeria, Africa's most populous country with over 200 million people, has made concerted efforts in recent years to bridge this divide.

A major milestone was the licensing of Global System for Mobile Communication (GSM) operators and a Second National Operator in 2001, which triggered an ICT revolution. This impressive growth makes Nigeria's telecommunications market the most lucrative in Africa.

To create an enabling environment for ICT adoption in education, research and development, the Nigerian government and international partners like the International Centre for Theoretical Physics (ICTP) in Italy have undertaken various initiatives over the years. These include:

The Nigerian Universities Network (NUNet) Project: Launched in 1995 to facilitate email connectivity and information exchange between Nigerian universities and research centers, and with the outside world. While a laudable vision, NUNet's limited scope of only providing email services hampered its impact.

The Public Service Network (PSNet): An ongoing project by the National Information Technology Development Agency to develop a national ICT backbone and provide e-governance, e-commerce and internet services across Nigeria's 36 states.

Computers for All Nigerians Initiative (CANI): A public-private partnership launched in 2006 to improve access to computer hardware through a subsidised hire-



purchase scheme for civil servants.

Digital Bridge Institute: Established in 2004 by the Nigerian Communications Commission as an international training centers to address the dearth of skilled telecommunications manpower.

Mobile Internet Unit: Locally-made buses converted into mobile cyber centres and training facilities to boost internet penetration, especially in rural areas.

While these initiatives demonstrate commitment by the Nigerian government, their implementation has been hampered by several challenges – lack of a truly enabling environment, inconsistent policies and funding, capacity deficits, poor power supply and quality of service

“**Despite the challenges, there is reason for optimism. With a projected ICT market value of \$10 billion by 2010 and the fastest telecoms growth rate in Africa, Nigeria is well-positioned to become the continent's digital powerhouse economy**”

issues. Policy reversals like the unexpected merger of government ministries in 2006 derailed key ICT policy formulation efforts.

For Nigeria to realise its aim of becoming an ICT hub and harnessing technology as a catalyst for socio-economic transformation, an effective ICT taskforce comprising all stakeholders is imperative. This body would assist policymakers in formulating sustainable programmes, coordinate research and education networks, develop innovative solutions leveraging ICT infrastructure, provide specialised training and promote cost-effective technologies.

Expanding and stabilising the national power grid is also critical, as epileptic supply has crippled ICT training and development efforts, especially in rural areas. Creating a dedicated ICT ministry headed by a seasoned professional would ensure focused leadership and implementation of the government's digital agenda.

Strengthening regulatory institutions like the National Information Technology Development Agency, Nigerian Communications Commission and Computer Professionals Registration Council is imperative. They should facilitate an enabling environment that provides investors, firms and consumers the confidence to drive ICT-enabled development.

Moreover, the public and private sectors must prioritise funding for capital-intensive ICT infrastructure and en-

sure continuous investment in maintenance. Indigenous innovative capabilities must be nurtured through demand-driven research and development focused on local needs.

Despite the challenges, there is reason for optimism. With a projected ICT market value of \$10 billion by 2010 and the fastest telecoms growth rate in Africa, Nigeria is well-positioned to become the continent's digital powerhouse. However, concerted efforts from all stakeholders – government, private sector, academia and civil society – are crucial to bridge the digital gulf separating Nigeria from the globalised knowledge economy.

Human resources remain Nigeria's most precious asset. Building capacities through quality training and education is imperative to produce the critical mass of personnel required to manage a modern ICT-driven economy and society. An ICT revolution anchored on knowledge and innovation could unlock Nigeria's vast potential and secure its rightful place as Africa's digital leapfrog into the 21st century.

To bridge this divide, targeted efforts are necessary. These include investing in infrastructure development, particularly in underserved regions; promoting digital literacy programs at all levels of education; and creating affordable internet packages. Additionally, public-private partnerships can play a crucial role in driving innovation and expanding access to technology.



Olufemi Oluoje Kazeem, a seasoned software developer residing in the United Kingdom boasts more than 7 years of expertise in the software development field.

With a rich background collaborating with diverse organizations both in Nigeria and internationally, He currently serves as a tech coach at Unlock Academy in the United States. In this role, he has successfully mentored and assisted approximately 3,200 students in enhancing their skills for a successful career in software development. Additionally, he has contributed to the creation of AI-powered applications aimed at enhancing the productivity, profitability, and cost efficiency of small and medium-sized enterprises (SMEs).

Email: olufemi@softstack.org.uk. Whatsapp: +2348023584566

FUTURE OF POWER

• On-Grid • Off-Grid • Hydropower • Policies

NERC bars NBET as DisCos buy power directly from GenCos

By Dipo Oladehinde

POWER distribution companies (DisCos) in Nigeria have been given the green light by the regulator to buy electricity directly from producers of the commodity after over 10 years of relying on an intermediary called the bulk trader.

In its new order on the Transition of Bilateral Trading in the Nigerian Electricity Supply Industry, the Nigerian Electricity Regulatory Commission (NERC) stated that Discos can now purchase electricity directly from generation companies (GenCos) without NBET acting as an intermediary.

“NBET shall forthwith cease to enter into new contracts for the purchase and resale of electricity and ancillary services in the Nigerian Electricity Supply Industry,” the commission ordered.

This directive is in accordance with Section 7(2) of the Electricity Act 2023.

It was also stated that any contract executed by NBET in violation of this order shall not be approved by the commission and will be treated as an infraction subject to regulatory sanctions.

According to the regulator, the order aims to steer the electricity market towards bilateral contracting for energy and capacity between gen-



eration and/or trading licensees and distribution licensees, thus limiting the Federal Government's fiscal exposure to market risks.

The new order is also intended to foster a more competitive market structure, as envisioned by the Electricity Act, by repositioning NBET from its current role as the sole bulk electricity trader in the Nigerian Electricity Supply Industry.

NERC stated that the order will “provide an equal opportunity for all hydro and thermal GenCos with existing ‘take-and-pay’ contracts with NBET to reduce their contracted capacities by

trading directly with Discos on a bilateral basis.”

It will also transition the contractual framework for bulk energy trading in the NESI to “take-or-pay” contracts, thereby fostering increased certainty and market discipline among market participants.

The commission revealed that since 2022, it has issued trading licenses to ten private companies interested in trading electricity bilaterally with Discos and eligible customers.

This interest in electricity trading indicates significant potential in wholesale electricity trade outside the NBET

single-buyer pool.

“The commission has further received requests for regulatory approval from some aspirational Discos for the purchase of electricity from parties other than NBET, i.e., directly from the GenCos or through other trading licensees.

“On the supply side, the commission has received notifications from several GenCos signaling their intention to exercise their partial or full exit rights contained in their Power Purchase Agreements with NBET to contract for the supply of electricity directly to Discos, other bulk traders, and eligible customers,

in accordance with the provisions of the Act.

“The key incentive for GenCos contracting bilaterally for energy and capacity with Discos is to secure satisfactory off-take commitments backed by some form of payment guarantees, thus enabling more predictability in generation and gas availability,” the order read in part.

“With the just released 2024 Multi-Year Tariff Order for each Disco, it would appear that Discos are now generally allowed to procure bilateral power from generation companies, directly,” Ayodele Oni, an energy law expert and partner at Bloomfield Law Practice, said. “This is in preparation for the transition of the bulk trader, NBET.”

He said Discos indebted to the market would be required to enter into payment arrangements with NBET “and invariably the new contracting party, as NBET is anticipated to be dissolved in 2024”.

“Whilst acknowledging the challenges in the market, there is a positive attitude towards the initiative, which would eliminate middlemen, build accountability and allow the GenCos and Discos and GasCos (gas companies) to trade with each other bilaterally based on their actual capacities on agreed terms includ-

ing agreeing innovative forms of securitisation,” he said.

Already, nine GenCos, 16 offtakers including two Discos have ongoing bilateral contracts, according to Oni, who said the TCN would appear to have recorded better performance under this arrangement.

“For this initiative to record success, accountability of all parties and sanctity of contracts is key in order that service level agreements will need to be firmed up with appropriate liquidated damages provisions,” he said.

He said under bilateral contracting, some residential customers' electricity costs may go up in the interim. “But maximum demand customers will relish this as it would most invariably lead to improved supply for them,” he added.

An industry watcher described the development as a game changer, saying it could “finally bring about the competition and efficiency that the sector has desperately needed for years”.

Liquidity challenges have persisted in the Nigeria electricity supply industry since the privatisation, with GenCos complaining of not receiving full payment for the electricity supplied by them.

Dangote Cement goes green with 1,500 CNG Trucks for Nigeria operation

By Abubakar Ibrahim & Faith

DANGOTE Cement Plc has targeted the deployment of 1,500 Compressed Natural Gas (CNG) delivery trucks across its Nigerian operations as a step toward cleaner energy adoption in the country.

Arvind Pathak, the Group Managing Director of Dangote Cement, disclosed this today at the company's virtual conference call for investors and analysts.

“We are procuring 1,500 CNG trucks and progressively we plan to phase out the aging of our diesel-powered trucks and replace them with 100 percent CNG trucks,” he said.

According to Pathak, the company's plan to

phase out diesel-powered trucks for CNG-powered trucks started four years ago. “In those eras, we used to have a dual-fired engine, which means it's both partially on CNG and partially on diesel. And we have approximately around 1,400 trucks of that vintage.”

Meanwhile, the company has incorporated

300 CNG-powered trucks into its fleet in just the first six months of 2024, as outlined in its unaudited financial results.

At the company's 15th Annual General Meeting (AGM) held in Lagos two months ago, Aliko Dangote, chairman of the company, revealed the commitment by the company to transition-

ing thousands of its delivery trucks to run on CNG by 2025.

He said the decision was to add to the Federal Government's quest towards reducing dependence on fossil fuel, thereby enhancing the nation's energy independence and contributing to a more secure energy future.

“We are now going to start using CNG vehicles, especially with the new policy of the Federal Government, launched by the Renewed Hope Agenda by His Excellency, President Bola Tinubu.

“By the end of next year, all our trucks that are operating in the company will be running on CNG, and that is a whole lot of money that we are going to invest. But we are equal to the task, and we will continue to push and make sure that we continue to make our shareholders happy.”

In April, President Tinubu directed the mandatory procurement of compressed-natural-gas-powered vehicles by all government ministries, departments, and

agencies in line with his commitment to ensuring energy security, driving utility, and cutting high fuel costs.

Alluding to what Dangote said on the use of CNG as an alternative fuel for its cement trucks, Pathak noted that in response to the heightened inflationary environment, “we implemented new and innovative business strategies that helped to drive up revenues, contain costs, and protect margins.

“These initiatives included fuel mix optimisation, propelling the use of alternative fuels to replace more expensive fossil fuels. We also began the phased transition from diesel power trucks to full CNG trucks.”



ENERGY INTELLIGENCE

OPL 276 to start production within two years - Lekoil

Nigeria is looking to boost its oil production in the coming years to generate more value for its economy, which is still very much reliant on oil exports. In an interview with BusinessDay, EDWARD DURING, the chief financial Officer, of Lekoil Nigeria Limited, in this interview with DIPO OLADEHINDE, shared insights on the company's operation in Nigeria, challenges faced, and how they are being addressed.

WHY do we have the Dangote refinery importing crude amidst the several oil-producing companies operating in Nigeria?

Well, perhaps part of the reason for importing crude oil is our production levels not being as high as they should be. Currently, production is only 1.3 million barrels per day, though we can produce up to 4 million barrels a day. With the significant increase in refining capacity, thanks to refineries like Dangote's, there is a greater demand for crude oil to keep these refineries operational.

Not everyone sells to Dangote or other Nigerian refineries; some choose to sell abroad, as it's an open market. Consequently, refineries may need to import crude to meet their needs. However, if we increase national production—potentially even doubling it—we could reduce or eliminate the need to import crude to run our refineries.

What's your view about Africa's Energy Bank?

Government policies and regulations are linked to the challenges faced by the industry, but we are starting to see improvements. The industry is highly regulated with significant red tape, and previously, issuing a contract could take years.

However, recent Executive Orders have aimed to reduce this time, and it's crucial that these changes are fully implemented and not just theoretical. We need to see actual reductions in processing times and not revert to old practices. With proper investment and a clear regulatory path, we can progress rapidly.

Even the international oil companies (IOCs) that are divesting aren't leaving Nigeria entirely; they're simply re-strategizing and focusing on different areas, such as deep offshore. This shift leaves onshore and shallow offshore fields for indigenous companies to develop. Nigeria still has substantial resources, and achieving the target of producing four million barrels a day is feasible, despite currently producing about 1.3 million barrels per day.

Climate change challenges and the reluctance of many countries to invest further in fossil fuels present significant hurdles. Securing investments is more difficult



than before, but with the right investments, Nigeria is well-positioned to attract capital and enhance production.

Can you talk to us about some of Lekoil's current projects in the Nigerian oil and gas space?

Lekoil has four fields at various stages of development. The first is the producing Otakikpo field, in partnership with Green Energy. Another field, OPL276, is on the brink of development, with production expected to commence within the next 18 to 24 months. OPL310 is also slated for development in a similar timeframe.

Additionally, there is an exploration field, OPL325. Over the past five years, Lekoil has experienced growth, both financially and in production capacity, which has doubled. This growth has led to increased revenue and profits. We aim to sustain this momentum, boosting production volumes and financial performance over time.

What are the challenges you have encountered in the sector and how do you think they can be addressed?

Investment poses a significant challenge, largely due to concerns about global warming, climate change, and the international market's reduction in industry

investments. This issue affects not just Nigeria but everyone globally. Transition fuels, such as natural gas, represent a potential solution as the cleanest fossil fuel, and focusing on them could attract investments. Nigeria, along with the entire African continent, needs to develop its investment mechanisms. Establishing an African bank, for instance, would be beneficial, reducing our reliance on Western funding.

I know you just talked about regulation, do you see the high foreign exchange, and other fiscal policies impacting your operations?

Well, no. Whenever there's change, there's always uncertainty, there's always destabilisation. These policies, foreign exchange, the fuel subsidy removal, are all making operations feel very chaotic at the moment and causing lots of fluctuations. But it makes sense economically to remove the subsidy and leave the FX to float out there.

I think it's a matter of time before the impact is seen. I think it is going to end up where it will benefit the country. Take the subsidy, for example, the country could not afford it but the government kept paying and it was difficult to stop at some point. Now that it has finally been stopped, you will see with

time, people will get used to the market, and the market will adjust itself to a point where the actual value is being realized.

The exact price will be realised while the demand and supply forces will determine the correct value because it costs money to do that, the country's reserves were being used to regulate the Naira. These things don't happen overnight. Previous systems have been in place for many years. You have to just give it time; this is not the time to give up and pull out; you have to see it through to the end. As the Special Advisor to the President on Petroleum Affairs said, they have plans for other areas, other things that need to be reviewed and improved on. And once they get to the answer, they can then implement, maybe, other Executive Orders. It's a very good first step and it needs to continue.

Which of the Executive Orders are you referring to?

Well, the Executive Orders that have had the most significant impact on our business are those concerning local content and contracting and procurement. Historically, the contracting process was fraught with lengthy delays, often taking three to four years to complete. This wasted time could have been used to develop and start producing from a field.

In my experience working with production-sharing contracts, which require extensive compliance, such prolonged timelines made planning and execution extremely challenging. It's difficult to plan for activities that should be completed in three to four years when the contracting alone takes so long.

Recently, these processes have been reduced to about six months on paper, thanks to the new Executive Orders. However, these improvements must be fully implemented in practice. People have to be willing to implement these changes to make a real difference.

Can you share your view and expectations from the implementation of the Petroleum Industry Act?

The PIA is still relatively new, we are all working to understand its full implications. From what we've seen so far, the PIA offers many positive aspects. Its goal is

to simplify processes and attract investors to the country. Unlike before, the regulations are well-documented, which enhances investment terms. However, the key factor is compliance. It is encouraging to see that industry regulators and the government are actively enforcing the PIA's terms.

Investors now have a clear understanding of the rules, and if they adhere to them, they can expect to achieve their intended returns. For us, the primary benefit is the certainty provided by knowing exactly what the rules are and seeing that they are being implemented consistently by both the government and investors. This certainty is a significant relief, removing a major concern.

What are some of the organisational plans Lekoil is focused on in the next five to ten years?

By next year, we expect to double our production and within two years from that, double our production capacity again, which means by five to ten years, we should be northwards of 50,000 barrels a day to 100,000 barrels a day.

In terms of importance to the sector, what stands out for you in conferences like this?

Firstly, networking is paramount. If you ask anyone here, they'll likely emphasize networking as the key benefit. It's an opportunity to meet fellow professionals, government officials, regulators, and others in the industry, all in one place. This setting is ideal for conducting side businesses and making valuable connections.

The primary advantage for me is the networking opportunities, but the conference also addresses important industry issues. For example, there has been ongoing discussion about Nigeria's need to increase its production, which currently stands at around 1.3 million barrels per day. While progress is slow, action is being taken. The government is reducing red tape and simplifying processes, making it easier for us to develop and increase production.

Change is happening, albeit gradually, but it's a positive step forward. Conferences like this play a crucial role not just in making new contacts but also in discussing business and advancing our business agendas.

TRANSPORT

Nigeria's automakers want NAIDP, compulsory patronage by government MDAs

By Amaka Anagor-Ewuzie

NIGERIA'S automakers have called on the Federal Government to sign the National Automotive Industry Development Plan (NAIDP) into law to reposition the automotive industry for economic growth and development.

This was contained in a communique issued at the maiden Nigeria Auto Industry Summit (NAISU) organised by the Nigeria Auto Journalists Association (NAJA) in collaboration with the National Automotive Design and Development Council (NADDC).

They urged the government to ensure that all agreements reached during the signing are fully implemented.

According to the communique, governments at all levels must lead by example by patronising vehicles assembled in Nigeria.

This would help to conserve FX and create employment through auto assemblers who have invested heavily in Nigeria's economy.

The communique revealed that stakeholders reached the above agreement in response to the low patronage faced by local automakers.

"Government can drive

compulsory patronage of locally assembled and manufactured vehicles by all government functionaries, establishments, agencies and parastatals and this can be achieved using an executive bill.

"The government must ensure that all imported used vehicles, including salvaged, must be accompanied by certificates of integrity by originating countries.

"The government should through its fiscal and monetary policies, tackle inadequate access to finance; take a second look at interest rates offered by Nigerian banks which are significantly higher compared to other countries," automakers requested in the communique.

They called for the restriction of the inflow of used vehicles to ensure a balance between industry needs and consumer preferences for Nigeria to reap automotive industry benefits.

They also requested for a review of the zero differentials between imports of fully built-up (FBU) and Completely Knocked Down (CKD) commercial vehicles, which presently stand at 10 percent.

In terms of the Compressed Natural Gas (CNG) drive, they agreed that it

must be incorporated in the policy and existing assemblers should be given a fair chance to partake in supplies rather than the current 'unclear processes' used in allocating 1,000 units to a few companies.

"Government must simplify the CNG process by harmonising the workings of the Federal Ministry of Finance and that of the Nigeria Customs Service on the issue of gazetted

duty-free allowance on CNG equipment," the communique disclosed.

They urged the government to prioritise automotive parks by engaging with the Nigeria Free Trade Zone Authority and completing the Automotive Safety Test Centres across the country by 2025.

"The proceeds from the levy charged on the imported passenger vehicles should be used for

its purpose, which is the development of the automotive industry, especially in the area of Vehicle Credit Scheme.

"The government should sustain and encourage import deletion as a way to discourage a situation where second-hand vehicles continue to undermine local manufacturing," they said in the communique.

Meanwhile, to drive long-term growth, stake-

holders emphasised the need for backward integration and urged the government to incentivise CKD assembly through contract manufacturing.

"Nigeria needs to join other countries that have developed their economies through investment in the automotive sector and its value chain like the production of body parts with significant local content.

"Government should midwife the emergence of a corporation that will provide shared industrial infrastructure such as punchline, press, machining, casting, stamping, fabrication, and moulding infrastructure," it said.

It also said that legacy assembly plants should be encouraged to invest in modern and more efficient production technology and attain competitiveness through economies of scale and securing unity of purposes across all relevant agencies of government.

"The government should develop and implement an automotive raw materials and component manufacturing master plan. Tyre, battery, and glass manufacturing should be revived as a precursor to revamping local manufacture of welded parts and plastic and rubber parts.



L-R: Okide Kenneth Ezigbo, MD, Hello Energy; Elizabeth Ebi, and Diamond Uju, both directors, Gas Distribution Services Limited (GDSL) representing chairman, GDSL, at the Compressed Natural Gas Facility Management agreement signing ceremony in Lagos recently.

Luxury bus owners dissociate members from planned protests

By Amaka Anagor-Ewuzie

LONG-distance road transport owners and operators have dissociated members from the planned nationwide protests slated to commence on Thursday, August 1.

The transporters under the umbrella body of the Association of Luxury Bus Owners of Nigeria (ALBON), described the planned protests as an ill wind that would blow no good.

Briefing journalists on ALBON's position after a meeting in their Abuja office, the association led by Nonso Ubajaka as president, said experience has

shown that such protests are usually infiltrated by hoodlums who use the opportunity to unleash violence.

According to Ubajaka, members reasoned that if held, the protests could lead to loss of lives and wanton destruction of properties.

He said the resolution of the members of his association had been conveyed to Said Alkali, minister of Transportation, to whom they made it clear that they would not be a part of the planned protests.

The association acknowledged the economic hardship in the country, with Nigerians feeling the impact of rising food prices and the high

cost of living crisis.

The ALBON leadership, however, urged those planning to protest to rethink and seek more peaceful ways of getting the government to address the problems, including making themselves available for peaceful dialogue.

The ALBON President drew attention to the fact that members' vehicles operate from Utako to other parts of Nigeria, as well as from other cities and towns to various destinations across the country, making their vehicles vulnerable to attack.

Stressing that members could not afford to risk making their buses the targets of violent protests, Ubajaka called for meaningful dialogue while the government worked towards finding solutions to economic problems.

"We don't want to put our businesses at risk and expose the lives of the people we serve to danger through protests," he said.



NGO to recognise state governments for investing in good road

By Amaka Anagor-Ewuzie

THE Automobiles And Road Safety Initiative, a non-governmental organisation, said it is perfecting plans to give recognition to state governments for showing exceptional effort in road construction and rehabilitation.

The NGO, which organises the Nigeria Annual Automotive Industry Exhibition & Award, said the award is slated for October 3 in Lagos and would appreciate the worthiest State Governments for their laudable efforts in the construction of many roads within their states.

It is expected that the outstanding contributions of automotive stakeholders in the country, their products and services, will be celebrated.

Samuel Oriowo, president of the NGO, decried the fact that State Governments anticipate vehicles to be 100 percent road-worthy when roads in the states are not vehicle-worthy.

He said the state government's efforts at construction, rehabilitation and maintenance of their intra-state roads are changing the narrative.

"State Governments that performed well in the construction of their intra-state roads; maintenance and rehabilitation have been nominated to receive Awards of Excellence in Intra-State Mobility & Transportation, and the Most Excellence in Road Safety, for enabling smooth intra-state mobility and safety of motorists as well as a reducing in road crashes within the states as attested to it by Nigerian Automotive stakeholders in the diverse states," Oriowo said.

Oriowo said Saidu Alkali, minister of Transportation and Bisi Kazeem, deputy corps marshal at FRSC Deputy Corps Marshal Training, will be presenting the awards on behalf of the Board of Trustees of the Automobiles And Road Safety Initiative.

He said Commissioners in charge of Works/Transport and the Permanent Secretaries in the ministries are expected to represent their states.

He said other automobile brands in the country shall be recognised in various categories.

The backbone of every automobile engine is lubricants and standard lubricants shall be honoured with the Foremost Automobile Lubricant Brand of the Year.

Other award categories include Most Innovative Automotive Accomplishments of the Year, Most Distinguished Auto Technician of the Year, Most Distinguished Nigerian Automotive Stakeholder of the Year, Foremost Automobile Fuel Retailer of the Year, Leading Auto Three-Wheeler of the Year, Most Innovative Achievements Award, Leading Automobile Dealership of the Year, and Exceptional Automotive Fuel Treatment Brand of the Year, among others.

BUSINESS DAY

4
SEPT
2024

TOURISM CONFERENCE 2024

THEME

**Unlocking Nigeria's Tourism Potential:
Strategies for Sustainable Growth and
Global Competitiveness**



Scan the code
to register



HEADLINE SPONSOR

INDUSTRY
PARTNER



**For participation and sponsorship, please call
Patience 07062478245 | patience.uket@businessday.ng**

FMDQ Daily Quotations List											29-Jul-24	
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.												
Bonds												
Rating/Agency	Issuer	Description	Issue Date	Coupon (%)	Outstanding Value (₦bn)	Maturity Date	TTM (Yrs)	Yield (%)	Closing Price			
Benchmark Federal Government of Nigeria (FGN) Bonds												
		*12.50 22-JAN-2026	22-Jan-16	12.50	1199.74	22-Jan-26	1.48	19.94	90.84			
		*21.00 20-MAR-2026	20-Mar-24	21.00	700.00	20-Mar-26	1.64	19.25	102.28			
		*16.2884 17-MAR-2027	17-Mar-17	16.29	1035.03	17-Mar-27	2.63	19.68	93.21			
		*19.94 20-MAR-2027	20-Mar-24	19.94	1251.93	20-Mar-27	2.84	19.63	100.53			
		*13.98 23-FEB-2028	23-Feb-18	13.98	1625.52	23-Feb-28	3.57	20.02	85.06			
		*21.00 20-MAR-2028	20-Mar-24	21.00	558.24	20-Mar-28	3.64	19.97	102.47			
		*14.55 26-APR-2029	26-Apr-19	14.55	1040.31	26-Apr-29	4.74	19.84	84.11			
		*18.50 21-FEB-2031	21-Feb-24	18.50	1206.80	21-Feb-31	6.57	21.01	91.21			
		*12.50 27-APR-2032	27-Apr-22	12.50	848.11	27-Apr-32	7.74	18.03	77.31			
		*19.00 21-FEB-2034	21-Feb-24	19.00	1482.28	21-Feb-34	9.57	22.00	88.15			
		*12.1493 18-JUL-2034	18-Jul-14	12.15	1075.92	18-Jul-34	9.97	19.32	68.77			
		*12.50 27-MAR-2035	27-Mar-20	12.50	972.04	27-Mar-35	10.66	18.72	71.65			
		*12.40 18-MAR-2036	18-Mar-16	12.40	926.14	18-Mar-36	11.63	18.59	70.87			
		*16.2499 18-APR-2037	18-Apr-17	16.25	1796.66	18-Apr-37	12.72	18.65	86.38			
		*15.45 21-JUN-2038	21-Jun-23	15.45	691.34	21-Jun-38	13.89	19.80	79.56			
		*13.00 21-JAN-2042	21-Jan-22	13.00	1393.75	21-Jan-42	17.48	17.51	75.62			
		*14.80 26-APR-2049	26-Apr-19	14.80	1765.67	26-Apr-49	24.74	17.50	84.74			
		*12.98 27-MAR-2050	27-Mar-20	12.98	1595.41	27-Mar-50	25.66	18.63	69.91			
		*15.70 21-JUN-2053	21-Jun-23	15.70	1770.16	21-Jun-53	28.89	18.20	86.29			
FGN Sukuk												
	FGN Roads Sukuk Company 1 PLC	16.47 FGNSK 26-SEP-2024	26-Sep-17	16.47	100.00	26-Sep-24	0.16	23.01	98.79			
		15.743 FGNSK 28-DEC-2025	28-Dec-18	15.74	100.00	28-Dec-25	1.41	20.47	94.38			
		11.20 FGNSK 16-JUN-2027	16-Jun-20	11.20	162.56	16-Jun-27	2.88	19.74	81.83			
FGN Green Bond												
	FEDERAL GOVERNMENT OF NIGERIA	14.50 FGGB 13-JUN-2026	13-Jun-19	14.50	15.00	13-Jun-26	1.87	19.52	92.36			
Rating/Agency	Issuer	Description	Issue Date	Coupon (%)	Outstanding Value (₦bn)	Maturity Date	Avg. Life/TTM (Yrs)	Risk Premium	Valuation Yield (%)	Modelled Price		
Sub-National Bonds												
AA-/GCR; A-/Agusto	LAGOS STATE GOVERNMENT	17.25 LAGOS IB 11-AUG-2027	11-Aug-17	17.25	30.28	11-Aug-27	1.70	1.00	20.68	95.51		
	LAGOS STATE GOVERNMENT	13.00 LAGOS N 20-DEC-2031	20-Dec-21	13.00	131.82	20-Dec-31	4.48	1.00	20.87	79.21		
Corporate Bonds												
AA-/GCR	DANGOTE CEMENT PLC	12.50 DANGCEM I 30-APR-2025	24-Apr-20	12.50	100.00	30-Apr-25	0.75	2.84	26.88	90.62		
Bbb-/Agusto; BBB-/DataPro	PARATHAN PARTNERS FUNDING SPV PLC	13.50 PAFP SPV I 27-JUL-2025	27-Jul-22	13.50	10.00	27-Jul-25	0.99	2.11	25.53	89.98		
BBB-/GCR; A-/Agusto	UNION BANK OF NIGERIA PLC	15.75 UNION I 3-SEP-2025	07-Sep-18	15.75	6.31	03-Sep-25	1.10	1.42	24.15	92.22		
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	1.20	3.78	25.75	90.79		
Aa/Agusto	ACCESS BANK PLC	15.50 ACCESS BANK 23-JUL-2026	23-Jul-19	15.50	30.00	23-Jul-26	1.23	2.94	24.69	90.93		
AA-/GCR; B3/Moody	DANGOTE CEMENT PLC	11.85 DANGCEM IA 30-APR-2027	27-Apr-22	11.85	4.27	30-Apr-27	2.75	1.03	20.73	81.96		
AAA-/GCR; BBB-/DataPro	VIATHAN FUNDING PLC	16.00 VIATHAN (GTD) 14-DEC-2027	15-Dec-17	16.00	5.88	14-Dec-27	2.03	1.00	20.42	93.15		
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	2.39	3.29	22.87	85.84		
D/GCR; A/DataPro	ARDOVA PLC	13.30 ARDOVA PLC IA 12-NOV-2028	12-Nov-21	13.30	9.36	12-Nov-28	2.29	1.51	21.04	87.23		
AA-/GCR; B3/Moody	DANGOTE CEMENT PLC	12.35 DANGCEM IB 30-APR-2029	27-Apr-22	12.35	23.34	30-Apr-29	4.75	1.12	21.06	74.53		
BBB-/GCR; A-/Agusto	UNION BANK OF NIGERIA PLC	16.20 UNION II 27-JUN-2029	27-Jun-19	16.20	30.00	27-Jun-29	4.91	3.35	23.33	79.71		
AAA-/GCR; Aa/Agusto	*NMRC	14.90 NMRC 129-JUL-2030	29-Jul-15	14.90	5.33	29-Jul-30	3.52	1.00	20.99	86.01		
B-/GCR; A/DataPro	ARDOVA PLC	13.65 ARDOVA PLC IB 12-NOV-2031	12-Nov-21	13.65	12.23	12-Nov-31	3.79	1.73	21.88	81.82		
AA-/GCR; B3/Moody	DANGOTE CEMENT PLC	13.00 DANGCEM IC 30-APR-2032	27-Apr-22	13.00	88.40	30-Apr-32	7.75	1.52	20.14	72.48		
AAA-/GCR; Aa/Agusto	MTN NIGERIA COMMUNICATIONS PLC	14.50 MTNN IB 30-SEP-2032	30-Sep-22	14.50	104.91	30-Sep-32	8.17	1.00	19.96	78.35		
Aa/Agusto; AAA-/GCR	*NMRC	13.80 NMRC II 15-MAR-2033	21-May-18	13.80	8.89	15-Mar-33	5.35	1.00	21.24	78.23		
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	9.58	1.56	23.02	71.70		
Rating/Agency	Issuer	Description	Issue Date	Coupon (%)	Outstanding Value (\$mm)	Maturity Date	TTM	Yield (%)	Closing Price			
FGN Eurobonds												
B2/Moody's; B/S&P; B+/Fitch	FGN	7.625 21-NOV-2025	21-Nov-18	7.625	1118.35	21-Nov-25	1.32	8.01	99.51			
B2/Moody's; B/S&P; B+/Fitch		6.50 NOV-28-2027	28-Nov-17	6.500	1500.00	28-Nov-27	3.33	9.35	91.99			
B2/Moody's; B/S&P; B+/Fitch		8.375 MAR-24-2029	24-Mar-22	8.375	1250.00	24-Mar-29	4.65	9.99	94.09			
B2/Moody's; B/S&P; B+/Fitch		8.747 JAN-21-2031	21-Nov-18	8.747	1000.00	21-Jan-31	6.48	10.19	93.28			
B1/Moody's; B/S&P; B+/Fitch		7.875 16-FEB-2032	16-Feb-17	7.875	1500.00	16-Feb-32	7.56	10.35	87.27			
B2/Moody's; B/S&P; B+/Fitch		7.625 NOV-28-2047	28-Nov-17	7.625	1500.00	28-Nov-47	23.35	10.73	73.55			
B2/Moody's; B/S&P; B+/Fitch		9.248 JAN-21-2049	21-Nov-18	9.248	750.00	21-Jan-49	24.50	10.72	87.36			
Commercial Papers												
A1/GCR; A/DataPro	FIDSON HEALTHCARE PLC	FDHC CP V12-AUG-24	07-Nov-23	16.00	3.95	02-Aug-24	4	1.00	26.06	25.98		
A/Agusto; A/DataPro	GZ INDUSTRIES LIMITED	GZL CP II 13-AUG-24	17-Nov-23	19.00	18.38	13-Aug-24	15	3.44	28.08	27.76		
A1+/GCR	DANGOTE CEMENT PLC	DANC CP XII 27-AUG-24	01-Dec-23	16.50	76.34	27-Aug-24	29	3.68	27.79	27.19		
Bbb/Agusto; A3/GCR	CORONATION MERCHANT BANK LIMITED	CMBL CP II 24-SEP-24	28-Mar-24	24.00	10.71	24-Sep-24	57	6.11	29.20	27.93		
Bbb/Agusto	AFRINVEST (WEST AFRICA) LIMITED	AFRI CP II 21-OCT-24	25-Jan-24	18.00	7.96	21-Oct-24	84	5.53	27.59	25.94		
A2/GCR; A/Agusto	FBN QUEST MERCHANT BANK	FBNQ CP XXVII 25-OCT-24	31-Jan-24	13.75	4.84	25-Oct-24	88	1.00	22.91	21.71		
A/Agusto	UAC OF NIGERIA PLC	UACN CP VIII 3-DEC-24	08-Mar-24	24.50	9.50	03-Dec-24	127	4.38	27.25	24.90		
A3/GCR; Bbb/Agusto	COLEMAN TECHNICAL INDUSTRIES LIMITED	CTL CP XIV 20-DEC-24	25-Mar-24	25.00	7.68	20-Dec-24	144	4.90	28.33	25.49		
A3/GCR; Bbb+/Agusto	CAPITAL SAGE TECHNOLOGY LIMITED	CPST CP X 14-FEB-25	20-May-24	28.50	3.24	14-Feb-25	200	4.59	29.19	25.17		
Days to Maturity	Maturity	Closing Rate (%)	Yield (%)									
Benchmark Nigerian Treasury Bills												
10	8-Aug-24	21.11	21.23									
38	5-Sep-24	21.50	21.99									
87	24-Oct-24	20.00	21.00									
101	7-Nov-24	21.00	22.30									
129	5-Dec-24	22.78	24.78									
178	23-Jan-25	22.04	24.70									
192	8-Feb-25	24.59	28.25									
220	6-Mar-25	24.13	28.24									
255	10-Apr-25	24.00	28.83									
283	8-May-25	22.65	27.48									
311	5-Jun-25	20.89	25.12									
Benchmark Open Market Operation Bills												
8	8-Aug-24	19.70	19.79									
92	29-Oct-24	21.51	22.74									
134	10-Dec-24	20.56	22.24									
162	7-Jan-25	20.72	22.82									
211	25-Feb-25	20.00	22.61									
246	1-Apr-25	21.20	24.73									
281	6-May-25	21.40	25.62									
316	10-Jun-25	23.90	30.14									
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		
Funds												
Cordros Money Market Fund	Cordros Asset Management Limited	9.23	12-Jul-24	92,264,804.00	100.00	100.00	100.00	19.03	2,035,729.00	97,964,271.00		
First Ally Asset Management Money Market Fund	First Ally Asset Management Limited	0.59	26-Jul-24	1,500,000,000.00	0.39	1.00	1.00	17.77	105,000.00	1,499,895,000.00		
FSDH Treasury Bills Money Market Fund	FSDH Asset Management Limited	6.79	15-Aug-22	67,945,620.00	100.00	100.00	100.00	10.10	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	487,765,342,487.00		
SFS Fixed Income Fund	SFS Capital Nigeria Limited	6.90	25-Jul-24	6,410,967,872.00	1.08	1.08	1.08	15.04	0.00	10,000,000,000.00		
Stanbic BTC Bond Fund	Stanbic IBTC Asset Management Limited	25.93	26-Jul-24	100,336,737.00	258.39	258.39	258.39	NA	43,246.00	999,956,754.00		
Stanbic BTC Money Market Fund	Stanbic IBTC Asset Management Limited	527.61	26-Jul-24	527,806,282,773.00	1.00	1.00	1.00	20.19	1,536,331,998.00	548,463,668,002.00		
Emerging Africa Money Market Fund	Emerging Africa Asset Management Limited	3.56	26-Jul-24	3,574,672,106.00	1.00	1.00	1.00	20.01	3,574,672,106.00	1,425,327,894.00		
Emerging Africa Balanced Diversity Fund	Emerging Africa Asset Management Limited	0.32	26-Jul-24	258,811,704.00	1.24	1.24	1.26	5.45	258,811,704.00	740,188,296.00		
Emerging Africa Bond Fund	Emerging Africa Asset Management Limited	1.10	26-Jul-24	930,987,370.00	1.18	1.18	1.18	NA	930,987,370.00	569,012,630.00		
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 BTC Dollar Fund	Stanbic IBTC Asset Management Limited	0.57	26-Jul-24	373,645,983.00	1.53	1.53	1.53	NA	659,663.00	519,340,337.00		
Emerging Africa Eurobond Fund	Emerging Africa Asset Management Limited	0.003	26-Jul-24	28,019.00	107.80	107.80	107.80	NA	28,019.00	21,981.00		
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		
Chapel Hill Denham Infrastructure Debt Fund	Chapel Hill Denham Management Limited	103.49	30-Jun-24	960,946,520.00	107.89	N/A	N/A	N/A	N/A	N/A		
Fund Name	Issuer	Net Asset Value (₦bn)	Valuation Date	No. of Units Issued	Net Asset Value Per Unit	Bid Price (₦)	Offer Price (₦)	Yield (%)	No. of Units Redeemed	No. of Units Outstanding		
Vetiva S&P Nigeria Sovereign Bond ETF	Vetiva Fund Managers Limited	0.44	25-Jul-24	3,520,359.000	124.17	123.1						

LIVE @ THE EXCHANGES

Top Gainers/Losers as at 29 July 2024

GAINERS

Company	Opening	Closing	Change
AFRIPRUD	9.5	10.45	10.45
CUTIX	5.15	5.51	5.66
ETERNA	16.2	17.8	17.8
OANDO [MRF]	20.35	20.35	22.35
CUSTODIAN	10.2	11	11.2
NSLSTECH	0.42	0.42	0.46

LOSERS

Company	Opening	Closing	Change
CAVERTON [MRF]	1.5	1.35	1.35
WAPIC	0.86	0.78	0.78
ABCTRANS	0.77	0.7	0.7
NEIMETH [BLS]	1.96	1.81	1.81
NASCON	34	32	32.35
DEAPCAP [DWL]	0.51	0.49	0.49

Market Statistics as at Monday 29 July 2024

ASI (Points)	98,132.15
DEALS (Numbers)	10,096
VOLUME (Numbers)	379,132,593
VALUE (N billion)	8.706
MARKET CAP (N Trn)	8.706

Stock market opens week on a negative note

By Iheanyi Nwachukwu

NIGERIA'S equities market opened the new week on negative note (-0.07percent) as investors sold mostly stocks of Transcorp, Caverton Offshore Support, Neimeth and Coronation Insurance.

The Nigerian Exchange Limited (NGX) All-Share Index (ASI) and Market Capitalisation decreased from preceding trading day's 98,201.49 points and N55.605trillion to 98,132.15 points and N55.716trillion. In 9,942 deals, investors exchanged 370,646,118 shares worth N8.111billion.

"Looking forward, the equities market is expected to show mixed performance as investors adopt opportunistic investment strategies. We foresee selective buying of fundamentally strong stocks

continuing into the upcoming week. Market activity is anticipated to rise

due to ongoing banks' recapitalisation efforts, second quarter (Q2) filings,

"Conversely, elevated interest rates in the fixed income market are likely

to exert a negative influence on equities as investors capitalise on higher fixed income yields. Overall, fund managers and investors are advised to maintain an opportunistic approach to capitalise on prevailing market opportunities," United Capital analysts said.

Shares of UBA, FBN Holdings, Access Holdings, Universal Insurance and GTCO were actively traded. Caverton decreased from N1.50 to N1.35, down by 15kobo or 10percent. Also, Coronation Insurance decreased from 86kobo to 78kobo, down by 8kobo or 9.30percent. Transcorp decreased from N11.90 to N10.85, down by N1.05 or 8.82percent, while Neimeth decreased from N1.96 to N1.81, losing 15kobo or 7.65per-

cent.

"We expect the market to maintain a bearish this tone this week, driven by recent announcements that are likely to heighten short-term uncertainty. While upcoming corporate earnings have the potential to bolster investor confidence, two factors could counterbalance this optimism.

"Firstly, the attractive yields in the fixed income market may divert fund flow. Secondly, the growing uncertainty surrounding the proposed windfall tax on banks could cast a shadow over the sector, dampening sentiment and potentially offsetting the positive impact of strong earnings. Nonetheless, we expect the equities market to close negatively by the week's end," said Meristem research analysts said.



Fidelity Bank gets regulatory approval to extend offer till August 12

FIDELITY Bank Plc has extended by two weeks its ongoing combined offer (public offering and rights issue). The bank applied and received the approval of Nigeria's Securities and Exchange Commission (SEC) to extend the closing date of the application and acceptance lists till August 12, 2024. The acceptance and application lists for the Rights Issue and Public Offer would have closed on Monday July 29, 2024.

Fidelity Bank Plc opened its public offer and Rights Issue on Thursday June 20. The bank is currently in the market raising a total of up to N127.100billion by way of a Rights Issue to existing shareholders and a Public Offer (the Combined Offer). The Combined Offer is a part of the bank's strategy to increase its share capital base in compliance with the revised minimum capital requirements for Nigerian commercial banks introduced by the Central Bank of Nigeria (CBN) on March 28, 2024.

Under the Rights Issue,

3.2 billion ordinary shares of 50 kobo each are offered in the ratio of 1 new ordinary share for every 10 ordinary shares held as of January 5, 2024, at N9.25 per share.

For the Public Offer, 10 billion ordinary shares of 50 kobo each are offered to the general investing public at N9.75 per share.

As part of the capital raising process, Fidelity Bank on Thursday June 20 (same day the offer opened) held a Facts Behind the Offer presentation at the Nigerian Exchange Limited (NGX).

Fidelity Bank told the capital market community and investors that N19.009billion or 20 percent of the offer proceeds will be invested in the bank's IT infrastructure; N66.53billion or 70 percent of the offer proceed will be invested in business and regional expansion, while its investment in product distribution channels goes as follows: renovation of branches (N6.65billion or 7percent), investment in ATMs (N950.49million or 1 percent), and investment in POSs (N1.90billion or

2 percent of the offer proceeds).

Further check shows that Fidelity Bank will allocate N9.029billion or 9.50 percent of the offer proceeds to investment in cyber security capabilities; N7.603billion or 8 percent of the offer proceeds will be allocated to software licences and hardware; while additional investment in network infrastructure will gulp the bank N2.376billion or 2.5percent of the combined offer proceeds. These investments according to the bank will be completed in 48 months after the offer.

Also, Fidelity Bank will be investing N9.504billion or 10 percent of the offer proceeds on lending to the retail business segment; N14.25billion or 15 percent of the offer proceeds on lending to the SME Segment; N40.39billion or 42.50 percent of the offer proceeds on lending to the corporate and commercial segment; while investment in regional expansion will gulp N2.37billion or 2.50 percent of the offer proceeds.

Guinness loss widens to N54.76bn as finance cost spikes by over 100%

GUINNESS Nigeria Plc has released its audited financial statements for the year ended June 30, 2024.

Guinness Nigeria Plc loss for the year came in higher at N54.766billion, from loss of N18.168billion in 2023, representing 201percent increase.

The company's net finance costs rose by 117.79 percent to N99.087billion in 2024, from N45.496billion in 2023. Its loss before income tax (LBT) rose to N73.679billion from

N22.138billion loss before tax in 2023 financial year.

The brewer's full year revenue of N299.489billion as against N229.440billion represents 31percent increase. Its profit from operating activities printed at N25.407billion in 2024, from N23.357billion in 2023, up 9percent.

No dividend has been recommended by the Board of Directors for approval at the forthcoming Annual General Meeting as against N15.639billion it paid as dividend in 2023.

Guinness Nigeria, with market capitalisation of N139.089billion is listed on the beverages - Brewers/Distillers subsector of the Consumer Goods sector of the Nigerian Exchange Limited (NGX). The brewer's 2.190billion shares outstanding are valued at N63.5 per share as at July 26. Recently, Guinness Nigeria Plc disclosed Tolaram plans to acquire Diageo's shareholding in the company.

Under the terms of an agreement signed on June 11, 2024, Tolaram will acquire Diageo's 58.02percent shareholding in Guinness Nigeria, and enter into long-term license and royalty agreements for the continued production of the Guinness brand and its locally manufactured Diageo ready-to-drink and mainstream spirits brands. The transaction is expected to be completed during Fiscal 2025, subject to obtaining the requisite regulatory approvals in Nigeria.

Last 7 Days Trades

Date	Price (Naira)	Volume
Jul-25-2024	63.5	425,573.00
Jul-24-2024	64.05	78,484.00
Jul-23-2024	64.05	33,251.00
Jul-22-2024	64.05	107,931.00
Jul-19-2024	64.05	297,811.00
Jul-18-2024	64.05	457,315.00
Jul-17-2024	64.05	272,573.00

ICT TALK

in Association with



Google's Gemini to enhance operations for African businesses

By Boluwatife Omotayo

Google has said that its AI model, Gemini, can help African businesses enhance operations.

The tech giant disclosed this at its AI in Action event, which aimed to educate businesses on the importance of Gemini in scaling up their operations. Google said, "Business owners now have the opportunity to engage a collaborative creative partner that can help them make business decisions faster and drive better performance."

It noted that Gemini's richness is reflected in its effortless interaction with prompts, which differs from asking questions on Search. "Gemini assimilates prompts as a science and an art and can present responses with sight, sounds, images, and videos." "Business owners can



utilise Gemini to help with various tasks, whether it's research and information gathering, writing and content creation, operations and management, business strategy, and planning, or marketing and sales."

Yvette Baez, Google's Business Strategist for AI, shared that the company's solutions can potentially transform businesses.

"AI has swiftly transformed from an intriguing concept into a powerful asset

for businesses. Its capacity to stimulate economic growth and create unprecedented opportunities is undeniable. No longer confined to text-based interactions, AI now offers a multisensory experience, delivering information through visual, auditory, and even video formats.

"As such, our work in this area has focused on responsibly building helpful products and platforms that can assist businesses to improve and overcome their most

pressing challenges—making otherwise static information, useful," he said.

Google also announced that it has expanded access to its AI models, such as Gemini 1.5 Pro in Vertex AI for cloud customers and developers and Open Model Gemma, designed to assist customers with various types of code. Upgrading Gemini Code Assist will help customers code more efficiently and identify and resolve security threats.

Improvements have also been made to Gemini for Google Workspace across its Gmail, Meet, and Chat offerings, where the AI can access and process information, allowing it to provide summaries, answer questions, and generate content based on personal documents. Gemini can now pull data from various Google services like flights, hotels, maps, and YouTube, in addition to Workspace data, which is helpful for upwardly mobile business executives.

YouTube subscription payment simplified with Verve card integration

By Temitayo Jaiyeola

NIGERIAN YouTube premium users can now pay for their subscriptions using Verve cards.

This development follows months of subscription payment challenges after banks stopped supporting foreign subscription payments due to FX restrictions in the country. In 2023, Verve partnered with Google, the parent company of YouTube, to make digital transactions on the Google Play Store easier and more accessible for Nigerians.

The new partnership between Verve and YouTube aims to improve the payment experience for premium subscribers.

With over 65 million users, Interswitch's Verve card has expanded its acceptance to several countries and services globally. Vincent Ogbunude, Managing Director of Verve International, said, "Through this strategic partnership, Verve is dedicated to

redefining the digital payment experience, empowering our cardholders with unparalleled convenience and accessibility."

Cherry Eromosele, Executive Vice President of Group Marketing and Corporate Communications at Interswitch Group, added, "Subscribers can now benefit from a more streamlined process when renewing their YouTube Premium memberships, with the added assurance of Verve's secure and reliable payment infrastructure. This collaboration signifies that African consumers are not just passive participants in the global digital economy but are active contributors, enjoying services with the same ease and efficiency as their global counterparts."

Verve cards have gained prominence over Mastercard and Visa cards as more fintech in the country lean towards locally available options. According to research by Statista, Verve controls 54 percent of the Nigerian card market.

How NITDA is using technology to accelerate economic growth

By Boluwatife Omotayo

KASHIFU Inuwa, the Director General of the National Information Technology Development Agency (NITDA), has said that technology is integral to achieving economic growth in Nigeria.

He said this during a panel session titled "Unlocking Liquidity: Catalysing Growth through Strategic Investments and Innovation" at the Global Tech Africa Conference recently held in Lagos.

Highlighting the pivotal role of digital transformation in Nigeria's economic development, Inuwa said, "Digital transformation is imperative for reforming our economy into an inclusive and sustainable one. To achieve this, we must prioritise building digital skills and infrastructure. We can significantly augment productivity by empowering our citizens with digital capabilities."

He added, "Digital is no longer a luxury but a necessity for economic progress." He outlined several NITDA initiatives to enhance the country's digital infrastructure and skill set, positioning Nigeria as a leading player in the global digital economy.

"We've identified twelve IT skills in high demand locally and internationally," he said. "Based on this research, NITDA has launched the '3 Million Tech Talent' initiative to bridge the global talent deficit projected to reach 85 million by 2030. This initiative aims to transform Nigeria into a global talent factory, supplying skilled professionals to the worldwide market."

In addition to skills development, the DG discussed his agency's initiatives on digital infrastructure.

"NITDA is working on several projects to provide connectivity and digital learning centres nationwide. One such

project, 'Project 774,' in collaboration with state and local governments, aims to equip all 774 local governments with the necessary digital infrastructure. These efforts are designed to ensure that citizens in remote areas have access to digital skills and opportunities," he said.

NITDA also focuses on innovation and product development by creating technology development hubs. According to NITDA's Director General, the agency has already set up a proof-of-concept facility at the National Center for Artificial Intelligence, equipped with 3D printers to support hardware development. Plans are also underway to establish similar facilities in each geopolitical zone, enabling startups to manufacture their products locally.

Recognising the challenges faced by startups and small and medium-sized enterprises (SMEs), Inuwa emphasised the need for governance and structure.

Seven steps to protect your startup from email scams

By Boluwatife Omotayo

SUCCESSFUL startups are known for navigating complex landscapes. While securing funding and building a strong team are critical, safeguarding the organisation from cyber threats is equally important.

Phishing scams and other email-borne attacks pose a significant risk to startups, potentially leading to financial losses and reputational damage. This article outlines seven essential steps that startups can implement to protect themselves from email scams and ensure the security of their data.

Look for red flags
Email scams often have telltale signs. Misspellings, messages sent outside typical business hours, a mismatch between the sender's email address and the reply-to address, unusual links and attachments, and a sense of urgency all embody the concept of a scam. It is

much worse when you have a combination of many of them.

Contact the sender

When you receive suspicious emails purported to be from colleagues, supervisors, and other people in your circle, it is important to reach out to them to confirm their authenticity. Importantly, ensure not to contact them through any link sent in the suspicious email or by the email from which it came.

Check with your IT team

Tech support scams have been very prevalent lately. According to a report, tech support scams were the most widely reported kind of elder fraud in 2023. These emails are made to look like they are from your organisation's technical department or a tech operator you use on your phone. They may also come as text messages from a telecom service.

Be (even more) wary of phone calls

Cybercriminals have long

used email as their weapon of choice. Recently, criminals have relied on fraudulent phone calls to hack into organisations. Always be skeptical of unexpected calls, even if they come from a legitimate-looking contact, and never share confidential information over the phone.

Use multi-factor authentication

Multi-factor authentication usually requires codes, PINs, or fingerprints to log in along with your regulator username and password. Adding an extra layer of security beyond hack-prone passwords makes it far more difficult for cybercriminals to access your email accounts.

Implement stricter payment processes

Review and strengthen your payment approval processes to add checks and balances against fraudulent invoices. Use fingerprint functions, email verifications, and secure passkey to secure your bank accounts and paywalls.

We have invested in a world class digital service infrastructure

Partner with us, as we continue to enable people, processes and technology

Cloud

Hosting

Fibre Connectivity

Cybersecurity

+2348073990518

cc@galaxybackbone.com.ng
www.galaxybackbone.com.ng



NEWS

WAGE

Tinubu signs N70,000 minimum wage bill into law

By Anthony Ailemen

PRESIDENT Bola Tinubu on Monday signed the Minimum Wage Act (Amendment) Bill into law thus giving effect to the new national minimum of N70,000.

The signing was witnessed by principal members of the National Assembly led by Godswill Akpabio, the Senate president, who joined the Federal Executive Council (FEC) meeting at the State House, presided over by Tinubu.

It was the first time the legislature leadership would be joining the FEC meeting since President Tinubu took power on May 29, 2023.

A source close to the meeting told BusinessDay that the invitation to the NASS leadership which arrived at about 1.30pm, was impromptu, and was also in furtherance of ongoing efforts to dissuade Nigerians from the planned nationwide protest against bad governance in the country.

"Their invitation was impromptu because they were not part of our agenda," the source said.

Speaking to journalists

after the signing, Akpabio said the national minimum wage was for the whole nation, having now become a law. He noted that the new minimum wage was for the federal, state and local governments, the private sector and even individual employers.

"I think this is a great day for the workers in the country. We are not only doubling the minimum wage, we have added something on top. Initially, it was N30,000, now it is N70,000.

"Like I said, this is minimum, this is not maximum. Any employer that has a capacity can pay as much as you want. But no Nigerian worker will offer services and be paid anything less than N70,000 from today.

"That is the implication of this act. It applies all over the nation. And we are excited that this is happening at a time like this through President Bola Ahmed Tinubu; a man who cares for the Nigerian workers," he said.

He said the entirety of the National Assembly moved quickly and passed the bill in one day out of excitement.

"We felt that this was not something we could delay. So, I think the workers are happy.

"I want to use this opportunity to call on those who are attempting to foment trouble; that you have a right to protest. It is your fundamental right. It is there in the constitution.

"But you don't have a right to destabilise the country. The right to protest should not be turned into the right to unleash violence. It's very clear that people behind this are very amorphous, very faceless," said Akpabio.

He said the current hardship experienced by Nigerians was not caused by the Tinubu administration, which was just one year old.

"It is the outcome of years of insecurity. Many people could not go to farms for almost 10 years and know that and the president has risen to the occasion.

"Every food item that is coming in now will come in without any restrictions; bring in food because Nigerians need to eat. And then at the same time, most things are coming in with a lot of waivers.

"So, for me, I'm excited that yes, indeed, the government is doing what it should. And we the leaders in the National Assembly, we are touching our various constituencies," he said.

He appealed to the youth not to allow any group to mislead them politically, noting that the destruction of any property would cost Nigeria money.

Julius Ihonvbere, who represented Tajudeen Abbas, the speaker of the House of Representatives, said the signing into law of the minimum wage bill showed that the government cared about the people.

"So, I think this movement from N30,000 to N70,000 and reducing the negotiation from five to three years is a clear demonstration of a commitment to redirect, refocus and reposition Nigeria for greatness," he said.

President Tinubu had on July 18 increased the Federal Government's offer on the national minimum wage from N62,000 to N70,000, with an assurance that it would be reviewed after three years, instead of five years.

LEGAL

Lagos High Court returns Ikoyi property to family, revokes FG's possession

By Wasiu Alli

A Lagos State High Court has issued a ruling returning No. 1, Oniru Street, Ikoyi to the owners, excluding it from the properties previously granted to the Federal Government of Nigeria.

This is contained in a judgment document signed by Justice A.M Lawal, the presiding judge of the court and seen by BusinessDay.

The Federal Government had been granted possession of the Ikoyi property through its legal representative, G. U. Giwa & Co., in a judgment delivered on April 1, 2023.

However, the Lagos judge overturned the earlier judgment after the rightful owners of the property, who had been abroad and unaware of the judgment, filed a notice of preliminary objection on May 31, 2024.

The owners, in their argument, stated that their property was wrongly confiscated without proper diligence, leading the court to reverse the earlier ruling and recognise their rights to the property.

No 1, Oniru Street, off Bourdillon, Ikoyi, Lagos is owned by the late Ndiokho family and was inherited from UAC.

On June 16, 2022, the Federal Government of Nigeria, through its legal

representative, Messrs. G. U. Giwa & Co., filed an originating summons (suit no. ID/3863LMW/2022) seeking possession of the property in question.

The Nigerian government was the plaintiff (claimant), while the occupiers or persons in occupation were named as defendants in the lawsuit. The government asked the court to grant it possession of seven properties including No 1, Oniru Street, off Bourdillon, Ikoyi, Lagos.

The application was granted because the defendants, currently in occupation of the property, were trespassers and occupying the premises without the authorisation or consent of the Federal Government, which was the rightful owner of the property.

The Ndiokho family, represented by their legal team, Adegboyega Adeleke & Co, led by Adewole Adeleke, with A.O Ajesigiri and I.E Ozobodo, filed a motion dated May 21, 2024, seeking an order of court setting aside the possession granted FGN.

Justice Lawal, after considering the submissions of parties, Philip Ndiokho, the 7th defendant, Ima Ofulue being the intervener who filed an affidavit of ownership, set aside the order of possession in the earlier judgment of April 1, 2023.

MEDIA

Seven-Up launches Supa Komando to inspire BB Naija fans

By Anthony Udugba

SEVEN-Up Bottling Company targets Big Brother Naija fans with its new Supa Komando commercial, aimed at inspiring and motivating customers to persevere through life's daily challenges.

The commercial themed 'Fire on Naija', was unveiled during the Big Brother Naija season 9 premiere on Sunday, July 28 2024 featuring Do2tun 'The Energy Gad, Nigerian OAP, ex Big Brother Naija housemates, Neo Akpofure, Cross, Saskay and Erica with a message of resilience to its Nigerian consumers.

Yewande Ade-Alao, senior brand manager, marketing at Seven-Up Bottling Company, said the commercial highlights some of the daily challenges faced by consumers and how Supa Komando serves

as a reliable companion during tough times.

"It is imperative that our communication continues to reinforce the message that Supa Komando inspires consumers to 'Fire on' in their daily hustle. Every day, we all face challenges in our journey towards growth and success. When faced with overwhelming situations or daunting tasks, Supa Komando stands as a beacon of inspiration, motivating consumers to channel their inner strength, and achieve their goals," Ade-Alao said.

The commercial portrayed various Supa Komando consumers, including a student, a production manager, a content creator, a skater and an entrepreneur, all feeling overwhelmed while dealing with varying challenges as they go about their daily hustle.



L-R: Nnamdi Okonkwo, GMD, FBN Holdings; Tijjani Borodo, president, Institute of Directors (IoD); UK Eke, chairman, board of governors, Institute of Directors Centre for Corporate Governance (IoDCCG); and Funmi Ekundayo, president, Institute of Chartered Secretaries and Administrators, at the 2nd National Corporate Governance summit organised by IoDCCG in Lagos on Thursday.

AVIATION

NAMA suspends planned 800% increase in flight charges

By Ifeoma Okeke-Korieocha

THE Nigerian Airspace Management Agency (NAMA) has suspended its earlier announced 800 percent increase in navigational charges.

The suspension followed a directive to that effect by Festus Keyamo, the minister of Aviation and Aerospace Development, in acknowledgement of the current economic challenges faced by Nigerians.

This was disclosed in a

statement signed by Abdul-lahi Musa, director, public affairs and consumer protection, NAMA.

The minister emphasised the need for further consultation before implementing any changes, highlighting the importance of being sensitive to the plight of Nigerians amidst these economic challenges.

Farouk Umar, managing director/CEO of NAMA, at a recent conference in Lagos, highlighted the significant economic pressures faced by

the aviation industry, exacerbated by global economic volatility, fuel price hikes, and currency instability.

He outlined strategies for survival and growth, including operational efficiency, embracing innovation and technology, strengthening infrastructure, and fostering collaboration and partnerships.

Farouk also discussed the financial challenges NAMA faces, noting that the agency relies on statutory fees and charges for manag-

ing the airspace.

The Nigerian airspace management agency had proposed an increase in its fees to sustain its operations and ensure the safety and efficiency of Nigeria's airspace.

The new unit rate/minimum charge for en-route was set to increase to N18,000 from N2,000 per flight, while the unit rate/minimum charge for terminal navigation charge (TCN domestic) was to rise to N54,000 from N6,000 per flight with effect from September 1, 2024.

NEWS



President Bola Tinubu (sitting) signing N70,000 national minimum wage into law at Presidential Villa Abuja, yesterday. With him are: From left: Abubakar Bichi, chairman, House Committee on Appropriation; Kumo Bello Usman, chief whip, House of representatives; Julius Ihonvbere, house leader; Femi Gbajabiamila, chief of staff to the President; Godswill Akpabio, Senate president; Jubril Barau, deputy Senate president; and Opeyemi Bamidele, Senate leader.

BIG STORY

Panic buying worsens petrol scarcity ahead protest

...Black marketers thrive ...Normalcy expected in 10 days

By Cynthia Egboboh, Abuja, Abubakar Ibrahim & Faith Esifioh

AS Nigeria braces for a potential nationwide protest against the rising cost of living, the country is grappling with an intensifying petrol scarcity that threatens to exacerbate public discontent.

Long queues at fuel stations, soaring prices and widespread frustration have become the norm in the lead-up to the planned demonstrations. The petrol shortage has forced many Nigerians to resort to panic buying, leading to long queues across fuel stations.

According to reports, long queues and dry pumps have become the norm in states like Lagos, Ogun, and some parts of the Federal Capital Territory (FCT).

The scarcity, which progressively worsened over the weekend, saw petrol prices skyrocket, further straining the finances of everyday Nigerians.

Many vehicles now spend

hours in fuel queues, while public transportation services are becoming increasingly unreliable due to fuel shortages.

Adewale Bakare, an Uber driver, shared his frustration at a filling station in Lagos.

"I have been here since 10 a.m., and it's now 3 p.m. No fuel means no work, no money to feed my family," he said.

The official price of petrol at the pump ranges from N568 to N800 per litre, depending on the location. However, with the current crisis, the 'black market rate' has surged to N1,300 -N1,600 per litre, leaving many unable to afford the fuel they need.

Reports have indicated that some fuel attendants demand as much as N2,000 before attending to their customers, turning the crisis into a lucrative business.

"It's outrageous, but what choice do we have? If I don't get the fuel, my boss won't be able to get to work," said

Chinedu Eze, a private driver, who described how he had to part with N5,000 to get 20 litres of fuel (excluding petrol cost).

Supply challenges fueling petrol scarcity

In an interview with BusinessDay, Zarma Mustapha, deputy national president of the Independent Petroleum Marketers Association of Nigeria (IPMAN), said the ongoing scarcity is due to supply challenges.

He said there is currently no product to be taken by IPMAN members.

Meanwhile, the Nigerian National Petroleum Company (NNPC) Limited has attributed the fuel supply and distribution challenges to issues in the discharge operations of several vessels.

According to a release by the state-owned oil company, the tightness in fuel supply and distribution witnessed in some parts of Lagos and the FCT is a result of a hitch in the discharge operations of a couple of vessels.

"The Company further

states that it is working round the clock with all stakeholders to resolve the situation and restore normalcy in the operations," the release signed by Olufemi Soneye, chief corporate communications officer of the NNPC, read.

Petrol scarcity hits hard

However, the situation on the ground remains dire as Nigerians are left grappling with the harsh realities of the fuel crisis, where getting petrol often comes at a steep and unofficial price.

Douglas Stephen, a businessman, said that he had to leave home early this morning to get fuel. Despite his early start, he still spent an hour waiting to fill up his tank.

BusinessDay found that the landing cost of petrol stood above N1,000 on Monday, indicating that the Federal Government is subsidising the product.

Mustapha of IPMAN revealed that the landing

Continues on page 31

Why Lagos revoked building permits...

Continued from page 1

still under construction in the Maryland area of the state that killed five construction workers and injured many others.

Olajide Babatunde, special adviser to Governor Babajide Sanwo-Olu on e-GIS and Urban Development, gave the explanation during a visit to the scene of the collapse incident in the company of Gbolahun Oki, general manager of the Lagos State Building Control Agency (LASBCA).

Babatunde ordered builders of new projects to reapply for validation of the permits given to them, stressing that it has become necessary for owners of ongoing building projects to revalidate their documents with LASBCA, warning that non-compliance would lead to site closures.

"All commencement certifications in Lagos are revoked effective immediately. This applies to everyone with a construction site, including those in the Big Five category. Return to the LASBCA office to revalidate that document. If you decide not to go for the revalidation, we are going to seal your site," he warned.

Lagos has seen many building collapse incidents in the last seven months of the year. There were five building collapse cases in Lagos between January and May 2024.

Building Collapse Prevention Guild says 326 buildings collapsed in Lagos in 49 years to 2023.

According to stakeholders in the state's built environment, the Maryland collapse was "one incident too many."

Besides the loss of lives which is too costly to bear, investments are also lost and that literally makes the state's real estate sector too unsafe to attract new investments,

especially from foreign interests.

These collapse incidents, according to Babatunde, shouldn't have happened because they were avoidable. He blamed property owners and developers for negligence and also for violating building regulations despite the state government's preventive measures.

He said that it was important for builders to obtain a Certificate of Completion or Fitness for Habitation before giving out their buildings for occupation, warning that the government would prosecute anyone violating this rule.

As part of measures to prevent future collapses, the special adviser announced that LASBCA would increase enforcement efforts, including using private consultants to inspect buildings, disclosing that the agency had already taken steps such as issuing stop-work orders and sealing buildings despite facing challenges from limited resources and hostile developers.

He solicited collaboration from professionals with the government to strengthen regulation enforcement in the state. Oki highlighted the agency's response to the recent building collapse, assuring that it would conduct comprehensive inspections in the affected estate and demolish unsafe structures. He stressed the need for rigorous inspections and approvals due to the area's poor soil conditions.

"All construction sites must have a full team of professionals to ensure adherence to building codes," he said, adding that the agency would ensure strict enforcement of construction hours and prohibit on-site sleeping to improve workers' safety.

There was a peaceful atmosphere at Circle Mall located in the Lekki area of Lagos. The mall, which was also looted during the #EndSARS protest in October 2020, houses several stores belonging to brands such as Samsung, Apple, Nike, Oraino, ShopRite, KFC, among others.

An official, who spoke with our correspondent, dismissed the claims that the mall is planning to close down due to the planned nationwide protest.

"There will be a meeting today at the headquarters. I can't give anything concrete now until after the meeting,"

Continues on page 31

BIG STORY

Shopping malls, businesses tighten security measures ahead hunger protest

Damilola Olufemi, Taofeek Oyedokun, Iniobong Iwok, Godsgift Onyedinefu, Joy Jimoh, Favour Okpale, Ojochenemi Onje, & Cynthia Egbogoh

FOLLOWING the announcement of a nationwide protest scheduled to commence on August 1 across the country, shopping malls and business owners have tightened their security measures.

Some Nigerians are planning to protest to express their displeasure over the economic hardship in the country using the hashtag, #EndBadGovernanceInNigeria.

At Adeniran Ogunsanya Shopping Mall in Surulere area of Lagos, Business-

Day observed that business activities were on with no traces of disturbance.

The mall was filled with customers from the entrance gate to the car parks. They purchased several items for personal use.

Speaking with BusinessDay, an official said the mall has no plan to shut down.

He said that security mechanisms have been put in place to forestall any attack on its facility or customers.

"As you can see, the mall is open. We have security men on the ground already. We don't intend to close unless something bad happens on the first (day of the protest). We have plans to

open the mall for customers' patronage. The management does not have any intention to close down."

In 2020, it was reported that protesters stormed the Adeniran Ogunsanya Shopping Mall, destroying several goods and looting products worth millions of naira.

Reacting to the incident while taking steps to prevent a repeat, the official said, "What happened in 2020, I think, was lapses of the government. But this time, I don't think they would watch and allow people to break into shops and loot."

However, one of the customers of the shopping mall, who identified herself as Eburnoluwa Adenike, said it

is the right of every citizen to protest and express their displeasure over a particular government or policy but hopes it would go smoothly without riots, looting, or violence.

"I hope the protest will not go wrong just as in 2020. It is also another reason why I'm here today. I need to buy some things for upkeep should it be in case."

A visit to the Leisure Mall in Surulere, Lagos, showed there was no panic.

A security officer, who preferred to be anonymous, disclosed that security personnel have been mounted to prevent any form of attack within the mall.

He noted that its manage-

ment has deployed every means to secure its customers and assured no plan of closing down because of the protest.

But Chukwuemeka Rolands, a business owner at Bode Thomas, Lagos, said: "The protest will hold regardless. The hardship is too much. However, I am hopeful security measures are put in place by the police, and there won't be intimidation of protesters."

Meanwhile, security personnel have mounted strategic places in the area, including the popular Tselim Balogun Stadium, Ojuelegba Roundabout, and Bode Thomas Street, our reporter observed.

NEWS



L-R: Hareh Aswani, managing director, Tolaram Group; Adesuwa Ladoja, MD/CEO, Lagos Free Zone; Olasupo Olusi, MD/CEO, Bank of Industry; and Dinesh Rathi, group finance director, Tolaram Group, during the facility tour of the Lagos Free Zone by Olusi, in Lagos, recently.

Naira crude sale ends 20-year...

Continued from page 1

Federal Executive Council today adopted a proposal by President Tinubu to sell crude to Dangote Refinery and other upcoming refineries in Naira," Onanuga said on his X account on Monday.

He added, "The FEC has approved that the 450,000 barrels meant for domestic consumption be offered in Naira to Nigerian refineries, using the Dangote refinery as a pilot. The exchange rate will be fixed for the duration of this transaction."

He said Afreximbank and other settlement banks in Nigeria will facilitate the trade between Dangote and NNPC Limited, noting that the game-changing intervention will eliminate the need for international letters of credit.

He further said that it will also save the country billions of dollars used in importing refined fuel.

"Dangote Refinery at the moment requires 15 cargoes of crude, at a cost of \$13.5 billion yearly. NNPC has committed to supply four.

"But the FEC has approved that the 450,000 barrels meant for domestic consumption be offered in Naira to Nigerian refineries, using the Dangote refinery as pilot. The exchange rate will be fixed for the duration of this transaction."

Onanuga said the intervention will eliminate the need for an international letter of credit, further saving the country of dollar payments.

Reacting to the development, Femi Soneye, communications chief at NNPC said,

"Exactly what we have been advocating is that the crude be shared amongst all local refineries."

Dangote to sell products in naira

Zacch Adedeji, executive chairman of the Federal Inland Revenue Service (FIRS), said the sale of byproducts from Dangote refinery to distributors will also be conducted in naira.

"And what does it mean to our economy? One, the pressure on foreign exchange will be reduced," Adedeji said.

He said as of Monday, Nigeria spends between 30 percent to 40 percent of foreign exchange on the importation of petrol consumed by the country.

According to Adedeji, "Monthly, we spend roughly \$660 million in this exercise and if you analyse that will give us \$7.92 billion annually."

"With this approval today, through the FEC led by Mr President, this has been reduced by a minimum of 90 percent. Because what we have today, the transaction will now be down in our

local currency not only to Dangote Refinery but to all local refineries for all our local consumption and this will stabilise the pump price," he said.

FG to save \$7.92bn
Adedeji further said that with the new approval, the foreign exchange spent on petrol will be reduced to a maximum of \$50 million per month, rounding off to \$600 million annually.

"This is a total reduction of 94 percent and saving us 7.32 billion," Adedeji said.

"So, this is a major innovation in solving Nigeria's problem permanently. Not only will it have more employment but we will definitely be in charge of one of the mainstays of our economy.

"So, I congratulate the council members, Mr. President, and also congratulate the operator, the NNPC and Dangote refinery and also the lead arranger, Afriximbank because kudos should go to the President of the African Export-Import Bank (Afreximbank), Prof. Benedict Oramah, for Aramco for these initiatives, because these are people that work behind the scenes to make sure that what we witnessed today,

happened."

What does this mean?
Sanusi Lamido Sanusi, former governor of the Central Bank of Nigeria (CBN), said the move is expected to curtail a longstanding practice of siphoning public funds through the NNPC.

"For decades, the NNPC has been allocated 440,000 barrels of crude oil daily under the guise of domestic supply for its non-functional refineries. This opaque system has facilitated various financial irregularities, including questionable swap deals and foreign exchange manipulations," he said.

"The government will gain visibility into the value of the allocated crude, the revenue generated by the NNPC, and the costs incurred by private refineries like Dangote's," Sanusi said.

Soji Agboola, CEO of Barrel Nigeria, said Dangote Refinery will benefit from cost stability, and the CBN will not need to worry about pressure from the Dangote Refinery to source USD for buying crude oil from NNPC.

Responding to questions about foreign exchange (FX) earnings, Agboola said the fundamental thing is to strengthen the Naira to some extent and reduce pressure on the FX Reserve.

"The elephant in the room would be limited forex earnings. A solution to this would be to diversify our export base to include more than just oil. If this is well implemented, it makes a lot of sense. But given all the dynamics at play, proper execution is crucial here," he noted.

Jide Pratt, country manager of Trade Grid, believes the President's approval to sell crude oil in Naira will reduce Nigeria's reliance on the dollar.

Shopping malls, businesses tighten...

Continued from page 30

Kayode Ibidamitan, center manager of Circle Mall, told BusinessDay.

Seriki Fawaz, a sales manager at Royalline Phones and Accessories at the mall, told BusinessDay that, "We were affected when the 2020 incident happened. I have discussed this with my boss and he suggested that we should move some items from this store, especially the expensive ones, like iPhones and MacBooks. We are moving them to a safer place."

Other stores within the premises said they were aware of the planned protest and hoped that the experience of 2020 would not repeat itself. However, they were awaiting the directives of the mall management to know the next line of action.

Poor state of Nigerian economy

Nigeria is currently contending with a record high inflation rate of 34.19 percent (in June 2024) due to the two-time devaluation of the naira and removal of petrol subsidy.

The inflationary trends have raised Nigeria's interest rates by a combined 800 basis points from 18.75 percent last July to 26.75 percent currently as the central bank continues to deploy monetary tools to restore the battered economy.

Food inflation, which constitutes the largest percentage of the headline inflation, is currently 40.87 percent. The costs of energy and transportation have skyrocketed in the last one year, making life difficult for the masses.

Panic buying worsens petrol...

Continued from page 30

cost of petrol stands at over N1000, exceeding the current pump prices in Nigeria, which range from N660 to N800 per litre, depending on the location.

"So, you cannot buy the product from the refinery at the international price and then sell it at the prevailing price at the retail outlets. If you do, you are going to lose a huge amount of money, which is a difference of between N400 and N500/litre," Mustapha said.

Worsening fuel scarcity in Abuja

BusinessDay on Monday observed the long queues in some filling stations that have the product to sell in Abuja. Some filling stations were shut down.

Black marketers leveraged the rush to sell petrol

Fears of protest hijack are real

President Bola Tinubu has appealed to the organisers of the protest to give him more time to address the economic hardships.

Security agencies, including police and military, have warned of the possibility of the protest being hijacked by vested interests and leading to violence.

Protesters blocks Kaduna road

Scores of protesters on Monday blocked Kaduna Road, a highway in Niger State linking Kaduna to Abuja.

Many of the protesters expressed frustration with the state of affairs and the high cost of living in the country.

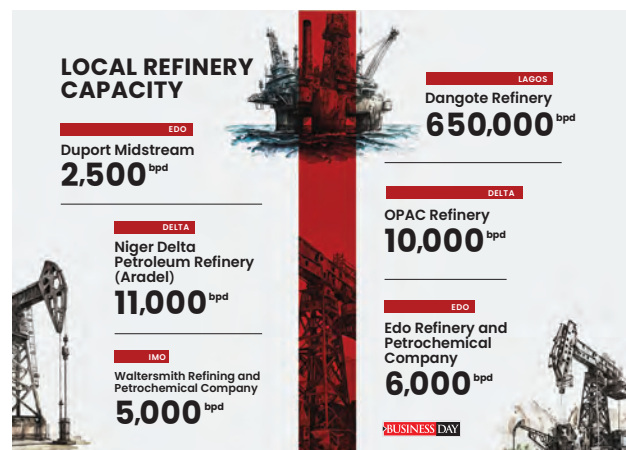
They also want a solution to the spate of insecurity and killings.

According to Premium Times, the protesters carried placards with several inscriptions such as 'We Are Not Slaves', 'Enough is Enough', 'Stop Anti-Masses Policies', 'Hardship Is Unbearable' and 'Fuel Subsidy Must Be Back.'

This is coming in a few days to the planned nationwide protest across the country.

Tensions are mounting in the Federal Capital Territory (FCT) of Nigeria as residents brace for the protest.

"We don't know what to expect. I was at the market on Saturday and I bought foodstuffs that would last me for a long period. But I will be home throughout. I will not go out due to the experience I had during #Endsars," Nenyne Romuche, an Abuja resident, said.



Relief as NCC orders telcos to unblock...

Continued from page 1

scriber at the MTN store in Lagos said.

Over the weekend, telecommunication firms began to bar lines not linked with National Identification Numbers (NINs). This followed months of deadline extensions which started in December 2020. At the end of 2023, the regulator asked telcos to disconnect lines that had not been successfully linked with NINs across three phases.

Since February 2024, tel-

cos have been implementing a phased disconnection of lines. This disconnection has affected at least 50 million lines. The phased disconnection is meant to end on July 31, 2024.

However, telcos, especially MTN, have begun to bar phone lines not linked with their NINs days before NCC's deadline - to the outrage of many subscribers.

This move has now been reversed after the NCC ordered telcos to unblock every subscriber impacted by telcos' earlier move. The

commission, in a statement signed by Reuben Muoka, director of public affairs of NCC, said, "The consumer is our priority, therefore, considering the challenges the blockages have caused, the commission has directed all operators to reactivate all lines that were disconnected over the weekend in view of the short time available for consumers to undertake the verification of their NINs with their SIMs.

"Reactivated consumers are to note that this is for a limited period to allow them to properly link their NIN to their SIM."

The regulator noted that subscribers were barred because they had not verified their NINs with their SIMs. It highlighted that many phone lines were yet to be linked with verified NINs despite constantly reviewing its deadline.

On Monday, the Association of Licensed Telecommunication Operators of Nigeria (ALTON), the umbrella body for all telcos, stated that customers whose lines were blocked were those with mismatch between their records on both databases (i.e., SIM and NIN).

It dispelled rumours that

the ongoing barring exercise was linked to the planned national protest.

"There's absolutely no connection between the two. The NIN/SIM link registration deadline has earlier been set for 31st July 2024," ALTON said.

As of March 2024, Nigeria had 219.01 million connected lines, 81.79 million of which are on MTN. On Monday, some of these subscribers were left frustrated as they stormed telco stores nationwide. The MTN store at Bode Thomas in Lagos had a long queue that spilled to the sidewalks and beyond the

street curb.

MTN's store at Allen Avenue, Lagos, was jam-packed. At the time of BusinessDay's visit (8:30 a.m.), customers at the MTN store at Berger, Lagos, threatened to break into the store because they were not being attended to. There are also unconfirmed reports that a MTN store in FESTAC was vandalised.

Telcos have since released a guideline for subscribers on how to unblock their lines, and a visit to some of the stores revealed a vast reduction in subscribers, an indication that lines have been restored.

NEWS



Alim Abubakre (l), founder, TEXEM, UK; and Yetunde Ilori, president, Chartered Insurance Institute of Nigeria (CIIN), during her recent investiture ceremony as president, CIIN in Lagos, recently.

POWER

Togo, Benin, others owe Nigeria \$14.19m for exported electricity in Q1

By Cynthia Egboboh

NONE of the four international bilateral electric power customers serviced by the market operators from Nigeria made any payment against the \$14.19 million invoice issued to them for services rendered in the first quarter of 2024, the Nigerian Electricity Regulatory Commission (NERC) report has shown.

According to NERC's first quarter 2024 report, the international customers, including PARAS-SBEE, Transcorp - Soci t  B ninoise d'nergie Electrique (SBEE), Mainstream - Nigerian Electricity Society (NIGELEC) power utility firm in Niger Republic and Odukpiani- Compagnie Energie Electriques du Togo (CEET) owed \$3.15 million, \$4.46 million, \$1.21 million and \$ 5.36 million respectively.

The report also indicated that Ajaokuta Steel Co. Ltd

and the host community (special customers) did not make any payment towards the N1.27 billion (NBET) and N0.09 billion (MO) invoices received in first quarter of 2024.

"This continues a longstanding trend of non-payment by this customer and the commission has communicated the need for intervention on this issue to the relevant Federal Government authorities. A continuation of the non-payment may trigger total disconnection from the grid," NERC stated in the report.

Similarly, none of the bilateral customers within the country made any payment against the cumulative invoice of N1.860 billion issued to them by the MO for services rendered within the same period in 2024.

The total revenue collected by all DisCos in the period was N291.62 billion out of N368.65 billion billed to customers. Also, the total

energy received by all DisCos was 7,171.93GWh while the energy billed to end-use customers was 5,769.52GWh, translating into an overall billing efficiency of 80.45 percent.

Ikeja DisCo collected the highest revenue (N57.88 billion) in the period, followed by Eko DisCo, at N48.74 billion, while Yola DisCo collected the least revenue of N5.46 billion.

Also, of the total revenue in the period, Abuja DisCo collected N48.60 billion, Ibadan DisCo, N30.35 billion; Benin DisCo, N22.46 billion, Enugu DisCo, N21.24 billion, Port Harcourt DisCo, N20.39 billion.

Others include Kano DisCo, N13.62 billion, Jos DisCo, N13.29 billion, Kaduna DisCo, N9.60 billion.

The aggregate ATC&C loss recorded across all 11 DisCos in the period was 36.36 percent, which comprised 19.55 percent in technical and commercial losses,

and 20.83 percent in collection loss. "The aggregate ATC&C loss of 36.36 percent recorded in 2024/Q1 is 8.86pp higher than the allowed aggregate efficient loss target (27.50 percent) applied in the computation of the tariffs in the MYTO.

The Aggregate Technical, Commercial and Collection (ATC&C) loss is a summation of billing losses incurred by a DisCo due to its inability to bill 100 percent of energy delivered to customers (technical and commercial losses) and the collection losses arising from the DisCo's inability to collect 100 percent of the bills issued to customers.

"This means that cumulatively, DisCos recorded losses that are 8.86pp higher than what was allowed to be recovered from the customers – these inefficient losses that are not recoverable from customers will adversely affect DisCos' profitability.

ELECTRICITY

Electricity subsidy jumps 151% to N633bn despite tariff increase

By Cynthia Egboboh, Abuja

SUBSIDY payment on electricity gulped over N633.30 billion in the first quarter (Q1) of 2024, representing a 151 percent increase from N252.76 billion reported in Q4, 2023, according to the Nigerian Electricity Regulatory Commission (NERC) quarterly report.

The total amount spent on subsidy in the first three months of the year is higher than N628.61 billion paid as subsidy from January to December 2023.

BusinessDay's check showed that subsidy gulped N36.02 billion in the first quarter, N135.23 billion in the second quarter, N204.6 billion in the third quarter

and N252.76 billion in the fourth quarter of 2023.

According to the NERC, the increase is due to the government's policy to harmonise exchange rates, while also issuing a policy directive that end-user customer tariffs remain at the rates that came into effect in December 2022.

It also blamed the high subsidy on the absence of cost-reflective tariffs across all electricity distribution companies (DisCos).

"It is important to note that due to the absence of cost-reflective tariffs across all DisCos, the Government incurred a subsidy obligation of N633.30 billion in 2024/Q1, an average of N211.10 billion per month,"

NERC said.

This is despite the recent increase in tariff payable by electricity customers in Band A.

The NERC, in April 2024 approved a 240 percent increase in electricity from N66 per kilowatt-hour to N225 per kilowatt-hour. This increase however affected only Band A customers, who benefit from 20 hours of electricity supply daily.

The DisCos however recorded a shortfall in revenue collection as compared to electricity billed, as the total revenue collected by all DisCos in the period was N291.62 billion out of N368.65 billion billed to customers.

Also, the total energy received by all DisCos was

7,171.93GWh while the energy billed to end-use customers was 5,769.52GWh, translating into an overall billing efficiency of 80.45 percent.

Ikeja DisCo collected the highest revenue (N57.88 billion) in the period, followed by Eko DisCo at N48.74 billion. Yola DisCo collected the least revenue of N5.46 billion.

Of the total revenues collected in the period, Abuja DisCo collected N48.60 billion; Ibadan DisCo collected N30.35 billion; Benin DisCo got N22.46 billion; Enugu DisCo generated N21.24 billion, while Port Harcourt DisCo collected N20.39 billion.

Others include Kano DisCo at N13.62 billion; Jos DisCo, N13.29 billion; and Kaduna DisCo, N9.60 billion.

TRADE

Nigeria, US sign agreement to boost trade, investment

• To focus on agriculture, creative economy, other sectors

By Favour Okpale, Abuja

NIGERIA and the United States of America have signed a memorandum of understanding (MOU) to strengthen bilateral trade and investment and bolster economic ties between the two nations.

The two countries agreed to enhance the business environment, facilitate private sector-led trade and investment projects, develop direct business relations, and implement mutually beneficial actions.

According to Nigeria's Ministry of Industry, Trade and Investment, in a statement on Sunday, the agreement was formalised on the sidelines of the 2024 African Growth and Opportunity Act (AGOA) forum in Washington, DC.

The MOU was signed by Doris Nkiruka Uzoka-Anite, minister of industry, trade and investment, and Gina Raimondo, U.S. secretary of commerce.

The agreement focuses on key economic sectors, including infrastructure,

agriculture, sports and the digital and creative economy, and cross-cutting areas such as investment promotion and regulatory reforms.

It also establishes a framework for regular consultations at various levels, including business-to-government, government-to-government, and business-to-business engagements.

Uzoka-Anite said the MOU marked a pivotal moment in Nigeria-U.S. economic relations. She stated that by focusing on critical sectors like infrastructure, agriculture, and the creative and digital economy, the government lays the groundwork for sustainable economic growth and job creation.

"This partnership underscores our commitment to nurturing an enabling environment for investment and trade, which is crucial for President Bola Tinubu's economic development agenda. We're particularly excited about the opportunities this presents for our fast-growing tech sector and the potential for knowledge transfer and innovation."

PROTEST

Mamman mandates VCs to safeguard varsities

By Charles Ogwo

TAHIR Mamman, the minister of education, has asked vice-chancellors to take proactive steps to safeguard the university communities ahead of the planned August 1 nationwide protest against bad governance in Nigeria.

The minister gave the directive in a circular issued by Chris Maiyaki, the acting executive secretary of the National Universities Commission (NUC), made available to journalists on Monday in Abuja.

Mamman in the circular also counselled students to remain on campus and focus on their academic pursuits to avoid exposure to any potential danger during the planned protest.

"The Federal Government is not unaware of the

rights of any Nigerian to peaceful protest but it is concerned about the safety of staff, students and university property should there be any protest action.

"Consequently, the minister has directed that vice-chancellors of all Nigerian universities take proactive steps to ensure the security and safety of the university community, including staff and students," the statement reads in part.

The minister further directed that the vice-chancellors should issue specific statements to assure staff and students of their safety.

"It is also advisable that students remain on campus to focus on their academic pursuits to avoid exposure to any potential danger during the planned protests," the circular reads.

PROTEST

Hunger protest: Senate summons emergency session for Wednesday

By Godsgift Onyedinefu

THE Nigerian Senate has summoned an emergency session ahead of the nationwide protest billed to start on August 1.

The Senate and House of Representatives had on July 23, 2024, embarked on a recess which will end on September 17, 2024.

According to an internal memorandum from the clerk of the Senate, the

emergency session is to hold on Wednesday, July 31, 2024.

The memo reads: "Dear Distinguished Senators, The president of the Senate, Senator Godswill Obot Akpabio, has directed that an emergency plenary sitting of the Senate be convened on Wednesday, July 31, 2024.

"Distinguished Senators are requested to make all necessary arrangements to attend as issues of national importance will be discussed."

INTERNATIONAL NEWS



Venezuelan protests break out as government claims election win

PROTESTERS gathered in towns and cities across Venezuela on Monday after President Nicolas Maduro claimed victory in a tense weekend election, despite growing evidence of a resounding win for the opposition.

During the afternoon crowds appeared in urban streets, as well as outside national electoral authority (CNE) offices across Venezuela.

The CNE said just after midnight that Maduro had won a third term with 51% of the vote, a result that would extend a quarter-century of socialist rule. Later it proclaimed Maduro president for 2025 to 2031, adding he had won "the majority of valid votes."

But governments in Washington and elsewhere

cast doubt on the results and called for a full tabulation of votes.

Independent exit polls pointed to a landslide win for the opposition following enthusiastic shows of support for its presidential candidate Edmundo Gonzalez and opposition leader Maria Corina Machado on the campaign trail.

"We're fed up with this, we want freedom, we want to be free for our children," motorcycle taxi driver Fernando Mejia, 41, told Reuters as he marched in the city of Maracay with his family.

The street protests followed earlier "cacerolazo" demonstrations - a traditional Latin American protest in which people bang pots and pans - in neighborhoods throughout

Biden administration officials, briefing reporters about the vote on condition of anonymity, accused the government of "electoral manipulation"

the country. Many of those marching had taken their pots with them.

In the Caracas neighborhood of El Valle, police fired tear gas in a bid to disperse protesters.

In Coro, the capital of Falcon state, protesters tore down a statue depicting late president Hugo Chavez, Maduro's mentor. Earlier, there were scuffles between opposition and government supporters at polling sites in Caracas and other places.

Gonzalez won 70%, said Machado, who has been barred from holding public office in a decision she says is unfair.

Rules were violated on polling day, the opposition said, citing its witnesses being prevented from attending counts, among other issues.

U.S. nonprofit the Carter Center, who sent observers to Venezuela for the vote, called on the electoral authority to immediately publish the results by polling station.

The electoral authority is meant to be an independent body but the opposition says it acts as an arm of Maduro's government.

Gonzalez has not called for supporters to take to the streets and has warned against violence, even as reports trickled in of arrests and intimidation of his supporters.

Many Venezuelan voters despaired at news of another six-year term for Maduro, who has presided over an economic collapse, the migration of about a third of the population, and a sharp deterioration in diplomatic relations,

crowned by sanctions imposed by the United States, the European Union and others which have crippled an already struggling oil industry.

"Maduro yesterday shattered my greatest dream, to see my only daughter again, who went to Argentina three years ago," said retiree Dalia Romero, 59, in Maracaibo. "I stayed here alone with breast cancer so that she could work there and send me money for treatment."

"Now I know that I'm going to die alone without seeing her again," she said through tears.

U.S. Secretary of State Antony Blinken said Washington had serious concerns that the official results did not reflect the votes of the people. -Reuters

Blinken says US has 'serious concerns' about announced result of Venezuelan election

SECRETARY of State Antony Blinken said the United States has 'serious concerns' about the announced result of Venezuela's hotly contested presidential election that authorities say was won by incumbent Nicolas Maduro.

Speaking in Tokyo on Monday shortly after the announcement was made, Blinken said the U.S. was concerned that the result reflected neither the will nor the votes of the Venezuelan people. He called for election officials to publish the full results transparently and immediately and

said the U.S. and the international community would respond accordingly.

"We have seen the announcement just a short while ago by the Venezuelan Electoral Commission," he said. "We have serious



concerns that the result announced does not reflect the will or the votes of the Venezuelan people."

"It's critical that every vote be counted fairly and transparently that the electoral authorities immediately share information with the opposition and independent observers without delay and that the electoral authorities publish the tabulation of votes. The international community is watching this very closely and will respond accordingly," Blinken said. -AP

Netanyahu vows retaliation against Hezbollah after weekend strike as US warns against escalation

ISRAELI Prime Minister Benjamin Netanyahu on Monday vowed heavy retaliation against Hezbollah amid furious diplomatic efforts to prevent a spiral into regional war following a weekend rocket strike that killed 12 children in the Israeli-controlled Golan Heights.

Israel has blamed Hezbollah for Saturday evening's rocket from Lebanon that slammed into a soccer field where the children were playing in the mainly Druze town of Majdal Shams. In an unusual move, Hezbollah denied

any role in the strike.

U.S. Secretary of State Antony Blinken spoke with Israeli President Isaac Herzog on Monday, emphasizing the "importance of preventing escalation" and discussing efforts to reach a diplomatic solution to months of conflict.

Israel and the Iranian-backed Lebanese Hezbollah have exchanged fire almost daily over the border since the war in Gaza erupted in October. Each side has seemed intent on avoiding an escalation that would bring their full firepower against each other. But the

exchanges have mounted, and the latest strike threatened reprisals and counter-reprisals that could spiral into full-fledged war.

Early Monday, Israeli strikes hit a motorcycle in Lebanon near the border, killing two people and wounding three others, Lebanese state media said. The strikes, mirroring the pace of the daily cross-border fire, did not appear to be Israel's retaliation for Saturday's attack.

Thousands of mourners laid to rest on Monday the 12th victim of the strike. The body of 11-year-old Guevara Ibrahim was carried through the streets of Majdal Shams in a procession of black-clad mourners. -AP

SPORTS

Man United considering new £2bn stadium to replace Old Trafford

By Anthony Nlebem

MANCHESTER United are making plans to construct a brand new 100,000-capacity stadium, estimated to cost £2 billion, to replace the iconic Old Trafford. The ambitious project, backed by co-owner Sir Jim Ratcliffe, could be completed by 2030.

The proposed stadium would surpass Wembley as the largest in the UK and become the second-largest in Europe, behind

Barcelona's Nou Camp.

While the final decision on whether to rebuild or redevelop Old Trafford is still pending, both the club and Ratcliffe lean towards constructing a completely new stadium on adjacent land. This vision aims to modernize the club's facilities and create a state-of-the-art venue for fans and players alike.

Man United are exploring public-private funding options for the project and considering potential naming rights deals.

The club is also planning a broader regeneration of the area around Old Trafford, known as the Stadium District. Prime Minister Sir Keir Starmer has expressed openness to discussing government support for transport links, which would be crucial for the new development.

Rebuilding Old Trafford could exceed £2 billion, similar to Real Madrid's £2.4 billion Bernabeu redevelopment. However, the commercial benefits of a new stadium



are substantial compared to improving the existing one at an estimated cost of £1.1 billion. Building a new stadium next door would allow the team to continue playing at Old Trafford, minimizing disruption and ensuring continued revenue from 75,000 sell-out crowds.

A survey of 30,000 fans showed a roughly 50-50 split in preference between rebuilding and constructing a new stadium. Ratcliffe aims for a decision by the end of the year. The Old Trafford task force, led by Lord Coe, has met four times,

primarily focusing on building a new stadium. Club officials emphasize the importance of maintaining Old Trafford's status as the largest club ground in the country, potentially overshadowing the 90,000-seater Wembley to become what Ratcliffe describes as the 'Wembley of the North.'

The new design must reflect the essence of the current stadium and Manchester's industrial heritage. Former United defender Gary Neville has been particularly vocal about the new stadium's appearance during recent

task force meetings. United aims to avoid an overly modern look for the new Old Trafford, preserving its heritage while creating a state-of-the-art venue.

While rebuilding Old Trafford remains an option, the challenges and costs involved make a new stadium the preferred choice. The club is studying successful stadium projects, including SoFi Stadium in Los Angeles and Tottenham Hotspur Stadium. Ultimately, the decision will depend on various factors, including funding, planning permission, and fan feedback.

Arsenal sign Bologna defender Calafiori in £42m deal

By Anthony Nlebem

ARSENAL have signed Italian defender Riccardo Calafiori from Bologna for a fee that could rise to £42 million, including add-ons.

While the exact fee was not disclosed, British media reports confirm that Calafiori, 22, has joined the Emirates Stadium on a five-year deal worth £42 million (\$54 million) after representing Italy at Euro 2024.

The 22-year-old, who started Italy's three group games at Euro 2024, has

immediately joined up with his new teammates in Philadelphia.

"I'm really happy to be here," said Calafiori. "I waited a lot. I hope we are going to do something great this season."

Calafiori, who spent one season at Bologna, is versatile, capable of playing as a central defender or at left-back, and has previously played on the left wing. Last season, he made 30 appearances in Serie A, scoring two goals and providing five assists, helping Bologna secure

a fifth-place finish and a spot in the Champions League.

Arsenal manager Mikel Arteta described Calafiori as a "great signing," stating, "Riccardo is a big personality and character, with specific skills which will make us stronger as we push to win major trophies. He has already shown great development in recent seasons with his performances for both Bologna and Italy, with his progression and development in the past year being really impressive. We're looking forward to working with Riccardo, integrating him into the squad, and supporting him in the years to come."

Calafiori becomes Arsenal's second major signing of the summer transfer window, following David Raya's permanent move from London rivals Brentford. The Gunners are looking to build on their impressive performance last season, where they finished just two points behind Premier League champions Manchester City.



Nadal to decide future after defeat to Djokovic

By Anthony Nlebem

RAFAEL Nadal announced he will decide on his tennis future after the Olympics following a straight-sets defeat to long-time rival Novak Djokovic at the Paris 2024 Olympic Games on Monday.

"When this tournament is over, I will make the necessary decisions based on my feelings and desire," said Nadal after losing 6-1, 6-4 in his 60th career meeting with Djokovic.

Nadal, playing in just his seventh tournament of the year due to injury disruptions, admitted that at 38, he no longer has the stamina of his younger

years. The Spanish star, who won Olympic gold in singles in 2008 and doubles in Rio 2016, captured his last Grand Slam title with a 14th French Open victory in 2022. His ranking has since dropped to 161 in the world.

In May, Nadal faced his first-ever opening-round loss at the French Open and subsequently skipped Wimbledon to focus on the Olympics. "For many people, it makes little sense, I have been suffering for two years," added Nadal, describing Monday's loss as "tough."

"If I feel that I am not competitive, I will decide to stop. I just try my best every single day, trying to enjoy a thing that I have

been enjoying for so much time. I have been suffering a lot of injuries over the last two years. So if I feel that I am not competitive enough to keep going or physically I'm not ready to keep going I will stop and let you know."

Despite the defeat, Nadal still hopes for a gold medal in the men's doubles, where he is partnering with Carlos Alcaraz.

Monday's victory marked Djokovic's 31st win in their rivalry, which began on the Roland Garros clay courts in 2006. Nadal was largely outclassed in the highly anticipated encounter, only coming briefly to life when he won four games in a row in the second set.

SPORTS

Arsenal reignite interest in Osimhen



By Anthony Nlebem

ARSENAL have renewed their interest in signing Nigerian striker Victor Osimhen from Napoli this summer, according to Corriere dello Sport.

The Nigeria international has been heavily linked with a move away from Serie A, and Napoli president Aurelio De Laurentiis has been steadfast in his valuation of Osimhen, insisting on the €130 million release clause. While Arsenal were previously deterred by the high price tag, they are now reportedly willing to return to the negotiating table.

Osimhen was previously close to joining PSG, but the French club seems to be backing away due to the high asking price. Arsenal faced a similar issue earlier in the transfer window, deeming the deal for the Napoli forward too expensive.

Osimhen has expressed his desire to play in the Premier League, making him an attractive target for the Gunners. With their impressive performance last season and the potential departure of Gabriel Jesus, Arsenal are keen to strengthen their attacking options.

Reports in Italy now suggest that the Gunners have returned

to the negotiating table and have made contact with the Serie A side. Osimhen is expected to cost around J85 million for any interested parties.

Adriano Del Monte has described Osimhen as “one of the best players in the world.” Despite injury struggles, the Nigerian international enjoyed a productive season last term, scoring 17 goals and providing four assists across 27 starts. His preferred destination remains the Premier League, increasing the chances of a move to North London. Chelsea is also keeping tabs on his situation.

Mikel Arteta’s side narrowly missed out on the Premier League title last season, finishing just two points behind champions Manchester City. Arsenal is now seeking to bolster their squad by signing a world-class striker.

Chelsea remain interested in the Nigerian international, but Arsenal’s renewed pursuit could intensify the competition for Osimhen’s signature. The transfer saga is far from over, with both Arsenal and PSG eager to secure the services of the highly-rated striker. Osimhen has publicly expressed his desire to play in the Premier League, telling Sky Sports in January: “Of course, one day, definitely.”



NFF invites applications for Flying Eagles coaching job

By Anthony Nlebem

THE Nigeria Football Federation has requested applications from suitably qualified candidates for the coach of Nigeria’s U20 men’s team, the Flying Eagles.

The position became vacant following the promotion of Ladan Bosso to the U23 team.

According to NFF, qualified candidates must possess a CAF B License, have at least five years of coaching experience, and demonstrate a strong understanding of Nigerian football. Leadership skills, effective communication, and a proven track record of success are essential qualifications.

Interested coaches are expected to submit their applications until August 4, 2024. The NFF will select the most suitable candidate after a thorough evaluation process.

The Flying Eagles have a rich history in African and world football, and the new coach will be tasked with maintaining the team’s competitive edge and achieving success in upcoming competitions.

D’Tigress record historic win over Australia in Paris Olympics opener

By Anthony Nlebem

NIGERIA’s women’s national basketball team, D’Tigress, recorded a historic 75-62 victory against Australia in their opening Group B game at the Paris 2024 Olympics.

The African basketball champions, led by coach Rena Wakama, built a commanding

lead, outpacing world number three Australia by as much as 13 points by the end of the second quarter at the Pierre Mauroy Stadium on Monday. This victory marks D’Tigress first Olympic win in 20 years.

The last Olympic win for D’Tigress came at the Athens 2004 Games, where they defeated South Korea in a clas-

sification game after being eliminated from medal contention.

Ranked 12th globally, D’Tigress’s spirited performance against the higher-ranked Australians, currently third in basketball’s power ranking, highlights the team’s growth and potential on the world stage.



Paris 2024: Canada appeal to CAS over points deduction

By Anthony Nlebem

CANADA’s women’s football team have launched an appeal to the Court of Arbitration for Sport (CAS) on Monday after being docked six points in the ongoing women’s Paris Olympic football tournament due to a spying scandal.

The Swiss-based CAS stated that Canada Soccer and the Canadian Olympic Committee had filed an appeal against the punishment imposed by football’s world governing body FIFA over the weekend. A hearing is “likely to take place” on Tuesday, with a verdict expected

on Wednesday.

Reigning Olympic champions Canada were penalized with a six-point deduction and a fine of 200,000 Swiss francs (\$226,000) by FIFA after a staff member used a drone to spy on a rival team’s training session last week.

Analyst Joey Lombardi received an eight-month suspended prison sentence and was sent home after being caught flying the drone over a New Zealand training session ahead of their match, which Canada won 2-1. Coach Bev Priestman and assistant coach Jasmine Mander were banned by FIFA from all football-related activities for

one year, along with Lombardi. The appeal to CAS focuses solely on the points deduction, not the bans.

Despite winning both of their matches so far at the Paris Games, against New Zealand and France, the points penalty leaves Canada with zero points and only one Group A game remaining. They must beat Colombia on Wednesday to advance to the quarter-finals and keep their hopes of repeating their gold medal triumph from the Tokyo Games alive.

Priestman issued a letter of apology on Sunday, expressing that she was “absolutely heartbroken” over the incident.

ECONOMIC ANALYSIS

Will Nigeria's looming protest lead to relief or further despair?

By Oluwatobi Ojabello

BARUGA James, a 44-year-old fisherman with a family of four, has lived in the swampy environment of Makoko all his life. Each day, he wakes up not knowing how he will feed his children.

"I am a fisherman," he says, "but the meagre income from fishing is no longer sustainable. Things are too expensive. Sometimes, I fish for hours, even overnight, in the deep sea, yet the money I make doesn't buy as much as it used to."

Baruga used to be happy as a fisherman. He could feed his family and send his children to school. But now, it's very hard. He wonders how long he must wait for people to come and give his community, the Makoko residents, food and gifts for survival. A happy man turns unhappy amid the rising cost of food.

Ahmed Kazeem, a young man living in the Shomolu area, speaks with passionate frustration: "Honestly, it is sad we found ourselves at this crossroads. I work in a bank and earn over N250,000 monthly, but I spend N180,000 on food and transport alone in a month.

This doesn't even include my wife's expenses and other costs. It's disheartening to see that I can't save anymore; I'm just trying to survive. My living standard has dropped significantly, and the hardship is too much. The worst part is, there's no solution in sight."

Sadly, this is a very tough period for Nigerians. Everyone is feeling the pinch of hardship. As the non-vulnerable become vulnerable, what then happens to those already struggling? It's a question that remains unanswered, despite the desperate cries of the nation.

According to World Bank projections, about 40.7 percent of Nigerians are estimated to live below the international poverty line by the end of 2024. Key factors driving these dire projections include the removal of the petrol subsidy, loose monetary policy, and naira depreciation.

The ripple effects of these policies have been relentless, pushing the inflation rate to a staggering 34.19 percent—the highest since March 1996. This record-breaking inflation is driven predominantly by food costs, which have soared to 40.87 percent.

The escalating costs of transporting farm produce, coupled

The Catalyst of Struggling Nigerians: Nigeria's Economic Indicators (2024)

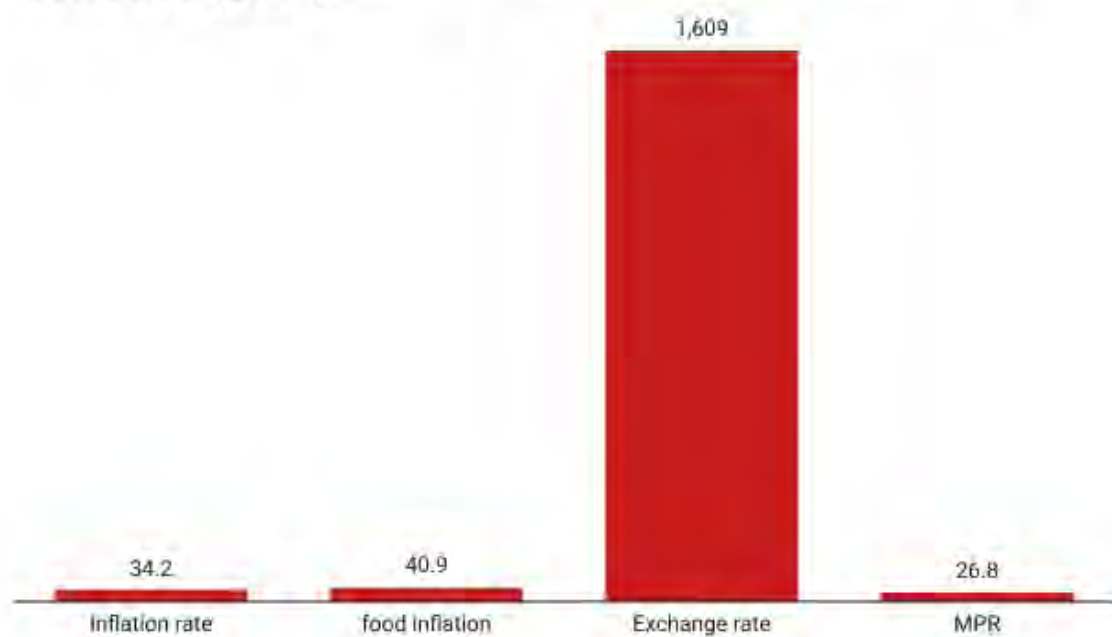


Chart: BusinessDay * Source: NBS/FMIQ * Created With Datawrapper

with severe security challenges in food-producing areas, have only exacerbated the situation.

This situation paints a bleak picture for millions of Nigerians struggling to survive amid skyrocketing prices and a deteriorating economy.

According to the National Bureau of Statistics (NBS), core inflation (which excludes volatile items such as food and energy) also saw a significant rise, hitting 29.5 percent in June 2024. This increase is attributed to

higher import costs and the pass-through effect of exchange rate depreciation.

Although Yemi Cardoso, the governor of the Central Bank of Nigeria (CBN), has shown resilience in tackling stubborn inflation, the situation remains unrelenting. Despite various efforts, including increasing the Monetary Policy Rate (MPR) by 800 basis points in 2024 alone, with the most recent hike of 50 basis points bringing the MPR to 26.75 percent, the economic situation continues to deteriorate. This leaves many Nigerians wondering how to navigate these difficult times.

In the face of seemingly insurmountable challenges pushing millions of Nigerians into poverty, there is an ongoing campaign for a nationwide protest set for August 1st, 2024. Among their demands is an end to bad governance, which they blame for the nation's hardship and hunger.

Many analysts support the protest, stating that the hardship is unbearable and shows no signs of abating. They argue that people are becoming beggars, and even those who once gave are now tending towards begging—a sad reality of the true economic climate.

The cost of food has become unaffordable. A market survey by BusinessDay at Mushin, Oyigbo, and Bariga markets in Lagos State reveals that a large,

medium, and small tuber of yam now costs an average of N10,000, N4,500, and N3,500, respectively. Meanwhile, a crate of eggs averages between N4,500 and N4,700. Beans are out of reach, rice is prohibitively expensive, and Garri is a luxury—staple foods for the vulnerable have now become unattainable.

On the other hand, some analysts oppose the protest, claiming it serves the political interests of unknown sponsors. They warn that allowing the protest might lead to more economic woes, citing the End SARS protests and the situation in Kenya as examples.

Joe Ajaero, the NLC President, expressed his concern that as more people join the labour market daily, the risk of angry and hungry mouths could increase the level of insecurity in the country. "Nigerians have been hard pushed and pressed right against the walls of deep deprivation and acute want," he stated.

As the date for the national protest approaches, the NLC calls on President Tinubu to invite the protest leaders for discussions on their grievances. Ajaero emphasised the need for this dialogue to prevent a repeat of the End SARS experience, which left many homes with bitter and unforgettable memories.

He noted that millions of Nigerians are angry about the state of the national economy. "When

most Nigerian families are forced to eat one miserable meal a day, and eating from the dustbin is now seen as a luxury, it calls for serious government intervention," Ajaero said.

He highlighted the difficulty of advising patience to those suffering from the current economic downturn. "It is very tough to tell a Nigerian who has lost their job to maintain their cool.

It is a herculean task to ask a nursing mother, unsure of her next meal, to be at ease. It is almost impossible to demand patience from a youth who has been out of school for six years without a job and has aged parents to care for."

Ajaero insisted that during these difficult times, the right of Nigerians to complain must be fully respected. "The Organised Labour movement, led by the NLC, has recently protested against the suffering brought about by harsh economic policies, including the astronomical hike in the price of refined petroleum products," he added.

At this critical juncture, we must ask ourselves: How can policymakers, community leaders, and citizens come together to address this crisis? What strategies can be implemented to ensure that no one goes to bed hungry?

Yayah Kareem, a human rights activist, says one immediate solution is to open the borders at zero cost for all staple foods, with strict regulations to monitor market prices and prevent price gouging. While this can temporarily alleviate the food crisis, a comprehensive solution requires addressing the root cause: insecurity.

A robust strategy would involve restructuring the security forces, rotating northern force heads to the east, eastern heads to the south, and southern heads to the west. This would help combat regional biases and enhance effectiveness in tackling insecurity disrupting the food supply chain.

Additionally, strengthening agricultural support systems can increase local food production, reducing reliance on expensive imports. Coupled with targeted social welfare programmes, these measures can provide financial assistance and essential services to vulnerable populations, paving the way for a more stable and equitable future for all Nigerians.

Oluwatobi Ojabello, senior economic analyst at BusinessDay, holds a BSc and an MSc in Economics as well as a PhD (in view) in Economics (Covenant, Ota).