



business a.m.
TOWARDS MORE EFFICIENT MARKETS

African banks maintain resilience amid difficulty, EIB survey shows

PHILLIP ISAKPA

A NEW REPORT BY THE European Investment Bank (EIB) based on a 2023 survey of Banking in Africa has found that banks on the continent have continued to show resilience despite operating in what the EIB described as “a difficult environment.”

The report titled “Uncertain Times, Resilient banks: African Finance at a Crossroads” released under the EIB’s eighth annual Investment in Africa report and

covering the continent’s banking system, found that banking in Africa continues to show resilience and a desire to support private-sector development despite operating in a tough environment.

“Key banking indicators, such as capital ratios, profitability and non-performing loans, have not deteriorated despite the challenges the region is facing,” the EIB report noted.

This resilience, according to the report, may rightly be attributed initially to pandemic support measures to bolster the continent’s banking system, but it said such measures have been wound down, and that “most key bank metrics remain solid.”

The survey result also showed that African banks’ concerns have changed over time. For instance, while at the onset of the pandemic the primary concern of the banking sector in Africa in 2021 was asset quality, while still remaining an issue for some banks, new concerns emerged in 2022 “against the backdrop of rising inflation and higher domestic interest rates, which caused worry about local currency funding costs,” the report noted.

The report noted that these concerns have remained notwithstanding rising bank profits from higher net interest margins.

Page 4

NEWS

Nigeria: Industrial scale embrace of AI



BART NNAJI, ONE OF AFRICA’S FOREMOST scientists, has warned that Nigeria must, as an urgent, deliberate policy, embrace Artificial Intelligence on an industrial scale, if it must join the 4th Industrial Revolution (4IR). As a way of achieving this...

Page 4

FINANCE & INVESTMENT

Nigeria’s equity market scorecard 2023



THE EQUITY MARKET IS confounding sceptics with a rise of 31.5% year-to-date [as of September 18] while the total return (including the effects of reinvesting dividends) is 38.3%. At the beginning of the year a 1-year T-bill yielded 5.35% pa and

Page 13

COMMENT

Booby trap for NGX hostile takeover



IT USED TO BE A GREAT PRIVILEGE and status symbol to work at The Nigerian Stock Exchange up till 2010, before the palace coup at the board sent virtually all of us in the management packing. The rest they say is history but our sympathy for the system remains...

Page 9

Nigeria @ 63: Insurance offers hope amid economic adversity

CYNTHIA EZEKWE & ONOME AMUGE

AS NIGERIA CLOCKS 63 YEARS, the country’s insurance industry operators are still struggling to overcome the problems concerning ignorance of its values and acceptance, growth of premium generation and meaningful contributions to the gross domestic products (GDP) of the economy.

In fact, the most recent GDP data published by the National Bureau of Statistics (NBS) showed that the insurance sector combined with finance, totalled a meagre 5.35 percent in Q1 2023. This indicated a low insurance sector development contribution to the national economy which is seen as one of the worst insurance contributors to GDP on the African

continent.

A 2022 industry survey by Augusto and Co. noted that Nigeria’s level of insurance penetration was less than one percent, considered an abysmal performance given that the country has a population of over 200 million people who could inspire a booming

insurance industry under the right circumstances.

However, this also shows that there are abundant opportunities for growth in the industry if judiciously exploited, considering the country’s large and

Page 2

COMPANIES & BUSINESS

UBA’s H1 profit tops banking sector

THE UNITED BANK OF AFRICA (UBA) has emerged the most profitable bank in Nigeria so far in 2023 as its key financial metrics and revenues from its operations...

Page 24

TECHNOLOGY & INNOVATION

Moniepoint, Nithub boost tech talent

NITHUB UNIVERSITY OF LAGOS IN PARTNERSHIP WITH MONIEPOINT INC, Africa’s leading digital financial services provider, has announced the graduation...

Page 30

COMMODITIES & AGRICULTURE

Climate-smart agric for food security

Nigeria currently strives to overcome food insecurity and advance economic growth through agricultural productivity, but experts have warned that producers might just...

Page 22

For subscription call: 07039371360

N250

No 295



L-R: Oladele Sotubo, chief executive, Stanbic IBTC Capital; Yewande Sadiku, head, investment banking, international, Standard Bank Group; Michael Nzewi, managing director/CEO, CardinalStone Partners; Mele Kyari, group managing director, NNPC Plc; Bolaji Balogun, CEO, Chapel Hill Denham; Wale Edu, minister of finance and coordinating minister of the economy, Federal Republic of Nigeria; Patience Oniha, director-general, Debt Management Office Nigeria (DMO); Demola Sogunle, group chief executive, Stanbic IBTC Holdings; Temi Popoola, chief executive officer, Nigerian Exchange Limited (NGX); Elile Olutimayin, head of the asset management division of CardinalStone Partners Limited, during the Opening Bell Ringing Ceremony at London Stock Exchange, recently.

VISIONARY VOICES

Indian Women Are More Vulnerable



PUNE/NEW DELHI - Of the many natural disasters that afflict India each year, floods are by far the most prevalent. This is no surprise, given that around 40 million hectares of land in the country are prone to flooding, and nearly 75% of the annual rainfall comes in the space of a few months.

Page 12

EXECUTIVE KNOWLEDGE SERIES

Too Many Meetings, Too Little Time (to Work)



WHAT IF THERE WAS a better way to schedule meetings for team coordination?

In January, Shopify deleted 12,000 recurring meetings from its staff’s calendars. The e-commerce firm also reinstated a no-meeting Wednesday policy. The idea wasn’t to prevent meetings from happening...

Page 15

Nigeria @ 63...

Page 1

diverse populace, and the introduction of new innovative products and channels of distribution beyond the traditional channels to reach new segments of the market.

A historic perspective of the Nigerian insurance industry shows that despite the slow growth in the past 63 years, insurance has witnessed a gradual development compared to the early stages of the country's independence, driven by technology, regulation, and changing demographics.

Reports show that the insurance industry in the early years after independence in 1960, was very small and underdeveloped, with only a few foreign companies operating in the country.

The first major change in the industry came in the 1970s, when the Nigerian government started to actively promote and regulate the insurance sector. This included the establishment of the National Insurance Corporation of Nigeria (NICON), which was tasked with providing insurance products to Nigerians, as well as promoting the industry and regulating the activities of insurance companies. The government also established the Nigerian Insurance Commission (now known as NAICOM) to oversee the industry.

The 1990s were a time of rapid growth and expansion for the insurance industry in Nigeria. This was fueled by a number of factors, including economic reforms, the liberalisation of the insurance sector, and an increase in foreign investment. The number of insurance companies in the country increased significantly, and the industry started to offer more innovative products and services.

The start of the new millennium saw the Nigerian insurance industry enter a new phase of growth and maturity. The sector became more competitive, with more players entering the market and more focus on customer service and innovation. This was also a time when the government started to introduce more stringent regulations, such as requiring insurance companies to maintain a minimum capital requirement. In addition, the use of technology started to become more prevalent, with many companies offering online services and e-commerce solutions.

The insurance industry continued to evolve in the 2010s, with a greater focus on financial inclusion and innovation. The government also implemented reforms to make the sector more efficient and customer-centric. At the same time, there was an increase in the use of mobile technology to deliver insurance products and services, especially in rural areas. The current landscape of the insurance industry in Nigeria is quite dynamic. On the one hand, there is a lot of potential for growth and innovation, as the country's economy continues to develop and new technologies become available. On the other hand, there are also challenges, such as the low penetration rate of insurance products and services, the lack of trust in the industry, and the need for further regulatory reforms. But overall, industry experts believe the future looks bright for the insurance industry in Nigeria.

One of the most promising areas considered a potential for massive growth is microinsurance, which is insurance designed for low-income people and communities. With the rise of mobile technology, microinsurance can be delivered in a cost-effective and efficient way, making it a viable option for the mil-

lions of Nigerians who are currently uninsured. Another area of potential growth is the expansion of bancassurance, which is the distribution of insurance products through banks, as well as the introduction of Takaful insurance and microinsurance which is expected to provide affordable coverage for low-income earners.

Commenting on the evolution of the insurance sector, Peter Irene, former managing director of International Energy Insurance PLC, opines that the performance of the insurance industry has deteriorated when compared to early stages of development.

"Today, brokers are kings, they dictate pricing but in those days, insurance companies dictated prices according to the risk. That is why today all insurance prices are low when compared to the level of risks assumed. The underpricing of risk is prevalent. Because they underprice, some of them cannot pay claims.

"Insurance is not deep today. Almost all the premiums are transferred abroad. As it stands today I don't think all the insurance companies put together can insure one plane," he lamented.

Irene regretted that the building of capacities has been abandoned, noting that all the legal cessions of 20 percent that started sometime in 1978 was mismanaged by both Nigeria Re and NICON and has been discontinued.

The insurance expert pointed out that the biggest change he can see is the impact of technology on the insurance sector, adding that the biggest challenge is underpricing, which according to him, can be solved through close supervision by NAICOM.

Taking an optimistic approach to the issue, Gus Wiggle, founder of Carefirst Consult, a claims management company, noted that there have been significant changes in the insurance industry since independence when the industry was still in its infancy stage to its current state of competition.

Wiggle traced the evolution of the insurance industry to the establishment of National Insurance Commission as a regulator, firstly as a department of the Ministry of Trade, to a semi-independent to the present position, noting that it is part of the significant changes that has taken place.

Speaking on how technology has impacted the insurance industry in the past 63 years, he remarked that technology has enabled many insurance companies to automate and streamline their processes and operations and thereby reducing cost and time of transaction and also improved the accuracy and reliability of data and information.

According to Wiggle, technology has facilitated and improved communication between customers and insurers and has significantly fostered innovation and competition which has enabled the emergence of new players in the insurance industry such as insurtech startups, digital platforms and aggregators.

These players, he observed, have introduced new business models, products, and services that challenge the traditional insurance practices and offer more value to customers.

However, the principal consultant in the insurance industry admitted that insurance in Nigeria is still faced with barrages of challenges, despite the achievements it has recorded in 63 years, noting that key amongst them is the passive trust issues that the industry has not been able to overcome. He also bemoaned the



L-R: Fabrizio Bolondi, vice chairman/managing director, Nigerian Agip Oil Company (NAOC); Osagie Okunbor, managing director, Shell Petroleum Development Company of Nigeria Limited; Simbi Wabote, executive secretary, Nigerian Content Development and Monitoring Board (NCDMB); Oritsemeyiwa Eyesan, representative of group chief executive officer, NNPC Limited; and Shane Harris, chairman/managing director, ExxonMobil, during the NNPC Limited and NCDMB signing of MoU on Optimization Contracting Cycle in the Oil Industries with TotalEnergies; Shell; Chevron; Nigerian Agip; and Exxon Mobil, at the NNPC Towers in Abuja recently.

low penetration and awareness, noting that the penetration level is said to be under 1.6 percent of the adult population. "There is also another school of thought that believes that the industry is suffering from insufficient capital to meet the increasing demand for insurance products and services, especially in the face of economic and social risks. The industry also faces a shortage of skilled and qualified personnel, as well as limited access to technology and innovation," he added.

Wiggle observed that the insurance industry in Nigeria operates under a prescriptive and outdated legal framework that hampers its growth and development, adding that NAICOM, as the main regulator, faces challenges in ensuring compliance, supervision, and protection of policyholders and beneficiaries.

Expressing his concerns, he said, "The industry also faces issues such as rate-cutting, fraud, and unethical practices. We have seen some companies whose licences were withdrawn, what's the faith of the policyholders? There is a company still operating but have not been able to pay policyholders their benefits three years after signing their discharge vouchers. Why should such a company still be operating with a licence in this country?" Against this backdrop, he pointed out that one of the ways of solving the problems which has hindered the growth of the insurance industry is to enhance insurance education and awareness. "The insurance industry in Nigeria needs to invest more in creating and disseminating insurance knowledge and information to the public, especially at the grassroots level. The industry also needs to collaborate with relevant stakeholders, such as the government, media, civil society, and religious groups, to promote the culture and benefits of insurance," he said. He stressed the need to increase capital and human resources, noting that the insurance industry in Nigeria needs to raise its capital base to meet the minimum requirements set by NAICOM, as well as to improve its solvency and competitiveness.

He stated further that the industry needs to attract and retain more talent, as well as adopt new technologies and innovations that can enhance its efficiency and effectiveness.

On his projection for the future of the insurance industry, he said, "I have high hopes and expectations for the future of the insurance industry in Nigeria. I think that the industry has a lot of potential and opportunities to grow and contribute to the economic and social development of the country."

Wiggle noted that he hopes the insurance industry in Nigeria will in-

crease its penetration and awareness among the population, especially the young, urban, and middle-class segments, who have more disposable income and demand for insurance products and services.

He stated that he expects the industry to leverage new technologies and innovations, such as digital platforms, mobile applications, artificial intelligence, and blockchain, to reach out to more customers and offer them more convenient, affordable, and customised solutions.

"I hope that the insurance industry in Nigeria will improve its capitalization and human resources, to meet the increasing and diversified risks and needs of the market. I expect that the industry will attract more investment, both domestic and foreign, to enhance its financial strength and stability. I also expect that the industry will develop more talent and skills, as well as foster a culture of learning and innovation, to enhance its efficiency and effectiveness," Wiggle said.

Wiggle also charged NAICOM to enhance its capacity and authority to regulate, supervise, and enforce the rules and standards of the industry, as it is pertinent the industry adheres to ethical principles and professional codes of conduct.

On the journey so far, Ekerete Gam-Ikon, a management consultant in insurance, noted that the insurance regulator, NAICOM, has issued quite a number of regulations and guidelines to anticipate and create opportunities for deepening insurance penetration rate in Nigeria, some of which are yet to be fully exploited by insurance operators.

According to Gam-Ikon, the need for insurance awareness and customer education had been affirmed to be necessary for the growth and development of the insurance industry in Nigeria, and there have been significant efforts both from the regulatory and practitioners angles, which have resulted in more advocacy about insurance over the past few years.

He noted further that the adoption of tech solutions to manage insurance operations across the entire insurance value chain has increased, adding that there is more efficiency in the delivery of insurance products and services and the impact can be seen in the financial reports of insurance companies.

"Policyholders have become better engaged in terms of the prompt responses of insurance companies with respect to delivery of policy documents, product distribution and payment of claims," he said.

Gam-Ikon also noted that technology has tremendously impacted the insurance industry in Nigeria

especially in the last ten years.

According to him, the industry may have been late but has seemingly caught up nicely with other sectors in this regard, with insurtech fast becoming the new growth engine into the future for the insurance sector.

"Clearly, with the insurance incumbents partnering with the Insurtech firms, we can hope to see significant improvements in the responses of operators to policyholders' needs and demands.

We already have tech solutions that drive sales for insurance companies and ease settlement of claims. We are going to see more impact of insurance technology in the years ahead in the insurance industry in Nigeria," he opined.

Commenting on the biggest challenges facing the insurance industry in Nigeria, and the possible solutions, the insurance consultant identified three biggest challenges in the insurance industry in Nigeria, namely; ineffective market communication, lack of product innovation and inability to attract the attention of policymakers and investors.

He contended that addressing these problems would require the collective action of insurance operators and the positive support of the regulators, stressing that getting reinsurers, insurers and brokers to work together in terms of stakeholders' engagement is a necessary step.

In terms of product innovation, Gam-Ikon said the insurance industry in Nigeria needs to work harder at developing and revitalising products that meet the needs of the insuring public.

"Quite sadly, no insurance company offers trade credit guarantee and it seems to have slipped off our hands, as a class of insurance," he lamented.

Dwelling on how the regulatory environment has so far impacted the insurance industry, he observed that the insurance industry in Nigeria has been hugely impacted by the regulatory environment.

According to Gam-Ikon, the announcement of the new premium rates for motor insurance by the regulator is still a challenge rather than an opportunity for operators and their customers. Based on this, he suggested that the sales of motor insurance, especially the third party, needs to be tackled from the point of sales, i.e., vehicle licensing offices across the country.

Gam-Ikon expressed optimism over the future of the Nigerian insurance industry as more operators engage the insuring public, leveraging the opportunities created by regulations, improved technology and guidelines of the regulators.



NEVER MISS A TUNE



Subscribe to music and streaming services like Apple Music, Netflix, Amazon Prime and more with the **UBA Prepaid Card**.



Don't have a UBA Prepaid Card? Get one at any branch nationwide

Ben Eguzozie



BART NNAJI, ONE OF AFRICA'S FOREMOST scientists, has warned that Nigeria must, as an urgent, deliberate policy, embrace Artificial Intelligence on an industrial scale, if it must join the 4th Industrial Revolution (4IR).

As a way of achieving this, Nnaji advised the Nigerian government to immediately take concrete steps to make the country a significant AI participant, to be at par with frontline AI developers like the United States, the United Kingdom, China, South Korea, the European Union, and India.

In particular, Nnaji advised that the ministry of communication and creativity should be regarded as a frontline development ministry, adding that the Nigerian Communications Commission (NCC) and the National Office for the Acquisition of Technology should receive priority status.

He also urged the Nigerian federal government to drastically reduce tariffs on certain information technology equipment, or even abolish them, to encourage massive adoption of AI nationwide.

"AI holds the key to our participation in the Fourth Industrial Revolution, driven by Big Data, Internet of Things. We lost the First Revolution (1IR) which was the Agricultural Revolution, the Second (2IR) which was the Industrial Revolution, and the Third (3IR) which was the Digital Revolution," said, Nnaji, who did his post-doctoral research fellowship in AI at the Massachusetts Institute of Technology (MIT) in the US, before joining the University of Massachusetts as a professor and director of the robotics and automation laboratory at the same University before his 27th birthday.

Nnaji gave the strong advice at the fifth convocation ceremonies of Michael and Cecilia Ibru

Nigeria needs industrial scale embrace of AI to join 4IR, says Nnaji, ex-minister

● Must aim to be at par with AI frontline developers



L-R: Governor Peter Mbah of Enugu State; Governor Alex Otti of Abia State; Governor Chukwuma Soludo of Anambra State; and Governor Hope Uzodimma of Imo State, at the South East Summit on Security and Economy held at Landmark Event Centre, Owerri Imo State recently.

University at Agbara-Otor near Ughelli in Delta State, where he also received an honorary doctorate in science.

He said, on their path, Nigerians must also adopt AI on an industrial scale in order to join the rest of the world in the 4th Industrial Revolution now sweeping across the globe.

Nnaji, a former Nigerian minister of science, and later power, said "AI has come to stay", asserting before a large audience comprising academics and researchers from other universities, as well as business executives, philanthropists, and community

leaders, including the founder of the university, Cecelia Ibru, its vice-chancellor, Ibiyinka Fuwape, a professor.

Nnaji, recognised as one of the three top academic engineers in the world in industrial engineering, before he returned to Nigeria in 2004, said, "AI has become ubiquitous especially with Generative AI which enables machines, that is digital systems, to do things faster, cheaper and better through repetitive tasks and, in the process, achieve greater autonomy. This means that they perform tasks without human control or human input, and this

process keeps on improving rapidly," he added.

According to him, unlike previous revolutions in history, Nigeria does not require massive resource infusion before leaping into the 4th Industrial Revolution.

"The computer and the Internet have made things much cheaper, faster, and shorter, as a person can stay in the comforts of his or her home and still be in touch with cutting-edge technology, including AI," the professor of robotics and automation laboratory, declared.

Nnaji is winner of the Nigerian

National Order of Merit, the nation's highest honour for intellectual achievement. He said AI was helping humanity in every area of life, ranging from healthcare to mass communication, business management, education, legal advice, creativity, and credited much of the new progress to ChatGPT4 launched last November by OpenAI.

The ChatGPT4 launched by OpenAI "can write a novel for you, and in your name within a few minutes, just as it can write an office memo or an advert jingle or a legal opinion on a complex matter, or solve a mathematical or scientific question", Nnaji, an AI and robotics expert, said.

For example, Nnaji said all one needed to do, was to write the keywords, or a few words, on what one wanted; and prompt the words; and in a jiffy, everything is all his/hers.

However, he said he was delighted at the increasing number of Nigerians who are embracing AI, calling for intensive training of IT specialists in both academic and professional institutions in Nigeria and abroad.

"We must borrow a leaf from India which prioritised Science, Technology, Engineering, and Mathematics (STEM); and has consequently excelled in medical tourism, manufacturing, food security, and moon and sun exploration".

Nnaji, however, pointed out some of the dangers associated with AI, including job losses and deep fakes. ChatGPT has replaced the customer teams in some companies because it is more efficient and faster in attending to customer needs than humans.

Africa banks maintain...

Page 1

In the EIB 2023 survey, however, it found that "banks are mainly concerned about the cost or availability of funding in foreign currency," which it stated mirrors the situation in sovereign debt markets where much of the debt is issued in foreign currencies like the US dollar.

The profits being made by banks in the continent, according to the survey result, are, however, being driven by more positive than negative factors with two of the biggest drivers being higher interest rates and higher business volumes.

The report also stated that issues with asset quality, a reduction in asset values and staff costs have been the biggest drag on profits as about 80 percent of banks expect profits to be higher in 2023 compared to 2022.

With 33 banks involved in the exercise, half of those that responded to the 2023 EIB Banking in Africa survey, say they wish to grow their lending operations at a faster pace over the next 12 months, but at the same time, the result also shows that banks are

also exercising caution as credit standards expected to tighten.

"Funding could also be a constraint for banks wishing to expand their operations," the survey also found.

For this year's survey, the report developed a financial conditions index for Africa based on individual indices for Nigeria, South Africa, Egypt and Kenya, Africa's leading financial markets.

The report noted that the index shows that financial conditions improved after the initial shock of the pandemic, mainly because of lower interest rates and resilient stock markets.

"However, from mid-2021, a significant tightening in credit occurred as inflation increased, leading to a reversal of monetary policy and causing African exchange rates to weaken. This deterioration suggests increased difficulty in accessing finance," the report stated.

The survey report also found that public lending was crowding out private credit. It explained that "crowding out occurs when banks choose to put their money in public debt rather than lend to the private sector."

According to the report, the so-called severity of crowding out index, which was updated in this report, "indicates that bank holdings of public debt grew in Africa since the beginning of the pandemic, putting pressure on lending to the private sector."

The severity of crowding out, the report stated, "was also driven in recent years by a recovery in gross domestic product growth from pandemic lows, which has fueled the private sector's demand for credit," noting that crowding out pressures are highest in East Africa and lowest in North Africa.

Also reported is the rapid growth of the public bond markets in the continent with outstanding sovereign debt in sub-Saharan Africa, excluding South Africa, being more than 20 times higher in 2021 than in 2010 and seven times higher in North Africa.

"Hard currency sovereign bonds issued by sub-Saharan African economies are held by overseas investors, which makes these investments more prone to the flight of investors searching [for] less risky assets. Sub-Saharan African debt is predominantly is-

sued in US dollars, which accounts for 83% of all hard currency government bonds in the region," the report explained.

Also reported based on the survey is the fact that there was increasing loans to women as it shows that 65 percent of banks currently have a gender strategy in place, and another 19 percent plan to implement one soon.

Specifically, it found that women make up 29 percent of the workforce in sub-Saharan Africa, and 33 percent of firms are female led, revealing a significant gender gap.

"Female-led firms employ more women than male-led firms. The data show that well-managed enterprises are more likely to be led by women. Female-led firms tend to invest in innovation, export goods and services and offer employee training. In addition, over half of the banks sampled in the survey report a lower rate of non-performing loans among businesses led by women than men. Female-led firms also have marginally lower rates of bankruptcy and were less likely to close as a result of the pandemic, despite being as badly affected as male-led

firms," the report pointed out.

The survey also provided the environment under which banks in Africa are operating in the face of rising climate risks, for which it noted that "as climate risks grow, it is important to understand the scale of the risks facing the financial sector," with a review of the climate risk on bank balance sheets and analysis of the exposures of domestic banks in 21 African countries to sovereign debt, household debt and debt from various industrial sectors.

It explained that out of the 21 countries studied, 13 have banking sectors that are highly exposed to physical risks, meaning that physical risk is a greater concern for banks in Africa than the green transition, as emissions in many countries are already low.

The result of the survey found that 59 percent of banks already have a climate change strategy and a further 22 percent plan to introduce one.

Also, 65 percent of banks currently consider climate risk when evaluating new clients or projects, with an additional 23 percent planning to follow suit.

Ben Eguzozie



EGYPT, AFRICA'S THIRD BIGGEST economy after Nigeria and South Africa, is to export renewable electricity generated from solar and wind to Britain. The project, which would be unveiled during an energy summit in London this week, would generate some £3.7 billion to the North African country.

Britain would receive the renewable electricity via installation of subsea cables that would connect Egypt and Europe via the Mediterranean.

The project is a collaboration between the Copelouzos Group and Infinity, with a focus on tapping into North Africa's renewable energy potential. It would transmit energy generated by North African solar and wind farms to Greece and the rest of Europe through a 965-kilometre cable line. The energy generated from these farms would be equivalent to 10 gigawatts (GW).

Egypt, by far, is harnessing to its advantage the vast renewable energy potential in North Africa, seen as one of the few regions in the world with the highest clean energy potential. Apart from the Britain £3.7 billion project, Egypt is also examining proposals to export the Sun to Europe via Greece.

In particular, Egypt's gigantic renewable electricity feat puts Nigeria's energy transition (ET) programme, with untapped huge solar energy potential, on notice. With an advantaged location in the tropics which of-

Nigeria's ET plan on notice as Egypt sells £3.7bn renewable power to Britain



L-R: Jeff Yue, acting project manager, China Civil Engineering Construction Corporation (CCECC) in charge of the Red Line Train Project; John Zhen, general manager, CCECC; Governor Babajide Sanwo-Olu of Lagos State; and Abimbola Akinajo, managing director, Lagos Metropolitan Area Transport Authority, (LAMATA), during an inspection visit of the governor to the red line train station under construction in Lagos, recently.

fers an abundance of sunshine all year round, with over 2,600 hours of sunlight per year (about 7 hours of sunlight daily, on the average), renewable energy experts believe Nigeria has the environmental conditions and the economic war chest to tap into renewable energy sources, especially solar.

Sadly though, some 90 million Nigerians out of the country's population of 210 million, have no access to electricity. Despite abundant natural energy sources, Nigeria faces significant

electricity supply challenges suffocating its industrial growth, limiting commercial undertakings from expanding and making expected profits, including the wellbeing of the people. For now, the country's energy transition (ET) calendar puts investment action to 2060, nearly forty years from now.

On their part, North African nations like Morocco, Egypt, Algeria and Mauritania are capitalising on vast swaths of uninhabited land, solar radiation intensity, offshore wind capacity,

existing pipeline networks and transmission capacities.

In addition, Morocco, currently Africa's biggest clean energy producer, is already 'exporting the Sun' to Europe through Spain. Its plan to install as many as 12 million solar panels and over 500 wind turbines to provide up to 8 percent of the UK's electricity, is judged as one of the world's renewable energy megaprojects. Algeria has the largest wind energy potential, capable of producing more than 7,000 gigawatts if fully harnessed;

while Mauritania's combined wind and solar energy potential is estimated to be nearly four times what the country produces a year.

The International Energy Agency's (IEA) Renewables 2020 report indicates that renewable energy capacity is set to expand by 50 percent between 2019 and 2024, led by solar energy. With strong belief that the future lies in using renewable energy, experts predicted that solar, wind and hydropower projects are rolling out at their fastest rate in four years. Hence, renewable energy experts are making a strong case for Nigeria's urgent investments in renewable energy.

Global renewable power capacity is expected to grow by 2,400 gigawatts (GW) over the period 2022-2027, an amount that is equal to the entire power capacity of China today, according to IEA's Renewables 2022. This expected massive increase is said to be 30 percent higher than the growth forecast just a year ago, thereby highlighting how quickly national governments have thrown additional policy weight behind renewables. It is said that renewables are set to account for over 90 percent of global electricity expansion over the next five years, overtaking coal to become the largest source of global electricity by early 2025.

Mismanagement in plastic industry costing Nigeria N10bn annually

Onome Amuge



NIGERIA LOSES N10 BILLION annually from unorganised and unregulated plastic recovery management systems in the country, as the third highest producer in Africa with an estimated 1.6 million metric tonnes of plastic waste production fails to harness the economic potential in plastic waste recycling.

Ola Oresanya, former commissioner for environment, Ogun State, stated this at the just concluded fourth edition of Lagos Waste Forum, themed: 'Investing in Plastics Recovery Towards a Circular Economy.'

According to the environmental development expert, Nigeria generates 12 million tonnes of plastics every year and one tonne of plastics mobbed costs between N250,000 to N300,000 (US\$0.32 to US\$389.49) whereas, in the international market, it has been sold at N1.2 million to N1.5 million (US\$1557.95 to US\$1947.43).

Oresanya stressed there is so much money to be made and employment to be generated if Nigeria can explore a new economic model that will unlock its potential.

He noted that in Ogun State alone, there are a lot of companies which are into plastic recycling manned by Asians, while some

Nigerians were merely waste collectors, adding that Nigerians had been travelling outside the country in search of greener pastures while abandoning huge opportunities in plastic recycling.

"In Ogun State alone, there are so many recycling plants which recycle at least 1000 tonnes of wastes daily with huge amounts running into millions of naira accrued.

"These are done by Asians who have mastered the art over the years with competence.

"Some Nigerians are just comfortable with being collectors," Oresanya said.

In another development, the Manufacturers of Nigeria (MAN) called for a circular economy as a solution for the challenges in the plastics and packaging industry which has a global market value estimated to be over \$260 billion, according to Statista.

Speaking at the 10th Propak exhibition held recently in Lagos, Segun Ajayi-Kadiri, director-general, Manufacturers Association of Nigeria (MAN), noted that though the sector has for years been a generator of huge revenue and employment, its challenges had remained unresolved, thereby hindering its growth.

The MAN DG, described the linear economy as 'resource-depleting', considering that most often, it focuses more on profitability at the detriment of product conservation.

On the other hand, he noted that

the circular economy emphasises sustainability, resource efficiency, and environmental responsibility.

Highlighting the pressing need to curtail plastic waste and its environmental repercussions, Ajayi-Kadiri said the transition from linear to circular economy represents an extraordinary opportunity for innovation and expansion within the plastic and packaging sector.

However, he noted that transition would come with challenges and risks as it involves rethinking traditional business models, re-designing products for longevity and recyclability, and overhauling supply chains. These changes, he admitted, can be costly and disruptive, especially in the short term.

He added that it requires visionary leadership and a commitment to long-term sustainability.

"Also, for the circular economy to survive, there would be a need for financial support for its framework that would enable the plastic and packaging industry to unlock its green economic growth," he said.

Ajayi-Kadiri suggested that Nigeria can explore green financing mechanisms such as green bonds and loans to provide the requisite capital for investments in recycling infrastructure, research and development, and eco-friendly technologies to boost investments in a circular economy.

Business A.M



Dakuku Peterside, a turnaround expert and an independent maritime consultant, says sustainable development of the African maritime sector is crucial to unlocking the potentials of the continent and making it a huge contributor to the world economy.

Peterside made the submission at the Agenda For African Development Senior Managers Forum on Environmental Management System in African Seaports at the Arab Academy for Science, Technology and Maritime Transport in Alexandria, Egypt.

Participants were drawn from 15 African countries, with funding from the Egyptian Agency of Partnership for Development (EAPD).

Revealing statistics that Africa accounts for less than three percent of global trade and just about 15 percent intra-African trade compared to Europe (68%), Asia (58%), North America (48%), and Latin America (20%), he argued that African leaders under the auspices of African Union (AU) must quickly activate the African Continental Free Trade Area (AfCFTA) aimed at boosting intra-African trade.

The immediate past DG/CEO of Nigerian Maritime Administration and Safety Agency (NIMASA), noted that with the United Nations Economic Commission for Africa (UNECA) estimating that AfCFTA could boost intra-African trade by up to 33 percent

Dakuku canvasses sustainable development in Africa's maritime sector

and cut trade deficit by 51 percent, time was of essence in promoting trade.

According to him, "This increase in trade will lead to higher demand for maritime transport, create new market opportunities and spur investment in port infrastructure."

While stressing that the maritime sector will play a key role, he argued that it would involve tackling issues such as strengthening governance, improving infrastructure, investment in human capital, and improving the operating environment.

The former chairman of Association of African Maritime Administrations (AMAA) added further that for the maritime industry to play its role as facilitator of growth in the continent, there is the need to fast track its development and sustainability anchored on the environment, society and economy.

Peterside revealed that developing a sustainable African maritime industry entails concise policy and sustained commitment to implementation, governance structure, robust monitoring and enforcement regime, conducive operating environment, investment in technology, digitalization, automation and innovation, among others.



STATES & LOCAL FINANCE

The IGR Initiative

MARTIN IKE-MUONSO

Martin Ike-Muonso, a professor of economics with interest in subnational government IGR growth strategies, is managing director/CEO, ValueFrontiera Limited. He can be reached via email at martinoluba@gmail.com

Science, technology, innovation and subnational revenue growth

process. There is also an angle of establishing and supporting technology incubators and accelerators for commercializing research outcomes. This package provides startups and innovators with resources, mentorship, and networking opportunities.

Innovation commercialization promises to revolutionize subnational governments' internally generated revenue (IGR) landscapes. Route-to-delivery is by facilitating the transition of innovative ideas, products, or technologies into marketable goods and services. In doing so, it unleashes many economic opportunities that can significantly bolster the subnational IGR. First, innovation commercialization promotes economic diversification. Subnational governments can reduce their dependence on limited revenue sources by nurturing a culture of innovation and supporting local businesses in bringing novel solutions to the market. This diversification enhances financial resilience and mitigates the risks associated with overreliance on a single industry or revenue stream.

Moreover, the innovation commercialization process generates a ripple effect on employment. As new businesses emerge and existing ones expand to accommodate innovative ventures, job opportunities increase. A burgeoning workforce translates to higher income levels among residents, contributing to significant tax revenues for subnational governments. Furthermore, successful innovation commercialization initiatives often attract domestic and foreign investments. Investors are attracted to places with a history of innovation and a friendly business climate. This influx of investments stimulates economic growth and expands the tax base, allowing subnational governments to harness the financial benefits of thriving entrepreneurial ecosystems. Innovation commercialization has emerged as a catalyst for both economic and revenue growth at the subnational level, ushering in a brighter and more prosperous fiscal future for these regions.

The innovation commercialization process nurtures entrepreneurship and ignites the growth of small and medium-sized enterprises (SMEs). As innovative ideas metamorphose into thriving businesses, they become potent engines of economic activity. They generate employment opportunities, elevate residents' income levels, and significantly contribute to the local economy. This, in turn, amplifies tax revenues for subnational governments, which can be reinvested in vital public services. Moreover, successful innovation commercialization initiatives often yield new and transformative products or services that stimulate heightened consumer spending and retail activities. This uptick in economic vibrancy translates to increased sales tax revenue, further enriching the IGR landscape.

Commercializing innovations at the subnational government level is not merely an opportunity but a strategic imperative for revenue generation and economic

growth. To harness and monetize innovations within their domains effectively, subnational governments must embark on a carefully orchestrated journey with several key steps. First, creating a robust innovation ecosystem forms the foundation for innovation commercialization. Subnational governments should cultivate environments that encourage creativity and entrepreneurship. Establishing innovation hubs, research institutions, and partnerships between universities and local businesses is essential. This dynamic ecosystem fosters a culture of innovation that attracts talent and ideas that can be transformed into revenue-generating ventures.

Understanding local needs and opportunities is of paramount importance. Subnational governments should conduct thorough needs assessments and market analyses to identify areas where innovation can have the most significant impact. Subnational governments can align innovation with pressing needs by tailoring innovation efforts to address specific local challenges, ensuring that the resulting solutions resonate with the community and drive revenue growth. Moreover, investing in research and development (R&D) is non-negotiable. Subnational governments should allocate resources to support R&D initiatives, fund research projects, and incentivize local universities and institutions to engage in innovative research. This investment advances the frontiers of knowledge and generates a pool of creative ideas and technologies that can be commercialized for economic gain.

Second, the protection of intellectual property rights is paramount. Subnational governments must ensure a robust intellectual property framework that safeguards the rights of innovators and incentivizes them to commercialize their ideas. This includes working with local scientists and innovators to obtain patents, copyrights, and trademarks. A secure and fair intellectual property environment encourages innovators to invest in bringing innovations to the market and fostering revenue generation. Additionally, through grants, low-interest loans, or equity investments, subnational governments can provide the necessary capital to kickstart and scale innovation-driven ventures. Access to funding is often a critical factor in the success of innovation commercialization efforts.

Streamlining regulatory processes is a vital step. Subnational governments should work with federal regulatory institutions to simplify regulations and create a business-friendly environment that reduces bureaucratic hurdles for startups and innovators. Quick and efficient licensing, permitting, and regulatory procedures are essential to encourage innovation-driven enterprises to flourish. Furthermore, it is crucial to promote collaboration. Subnational governments should foster partnerships among businesses, research institutions, and gov-

ernment agencies. Public-private partnerships are potent drivers of innovation commercialization. Collaborative efforts can leverage the strengths of various stakeholders, accelerate innovation, and create a supportive ecosystem for revenue-generating ideas. Education and skill development play a significant role. A skilled workforce is essential for successful innovation commercialization.

Subnational governments should ensure that necessary infrastructure is in place to support innovation and technology-based businesses. Adequate infrastructure is the backbone of successful innovation and commercialization. Practical marketing innovations are vital. Therefore, states and local governments should develop marketing strategies and provide support mechanisms to help innovators reach broader audiences. This includes creating platforms, offering resources, and guidance on practical market innovations. A well-executed marketing strategy can significantly impact the success of innovation commercialization efforts.

Supporting exports and global expansion is also critical. Subnational governments should assist innovators in exploring international markets by offering export incentives, facilitating trade missions, and providing access to global networks and partnerships. Expansion beyond local borders can unlock new revenue streams and promote economic growth. Continuous monitoring and progress evaluation are essential. Subnational governments should regularly assess the impact of innovation commercialization initiatives. Tracking metrics, such as job creation, revenue generation, and economic growth, are critical in gauging the success of startups and innovation-driven projects. Regular evaluation allows governments to fine-tune their strategies and effectively allocate resources.

Finally, subnational governments in Nigeria will benefit significantly from promoting technology innovation commercialization. Subnational governments facilitate market expansion and consumer choices through new products and services resulting from their investments in innovation and commercialization. By nurturing innovation ecosystems, they catalyze local entrepreneurship and creativity, leading to the emergence of revenue-generating startups. These businesses create jobs, stimulate economic growth, and contribute significantly to local tax revenues. Moreover, technology-driven innovations can enhance infrastructure, attract investments, and bolster tourism—all of which augment internally generated revenue.

● business a.m. commits to publishing a diversity of views, opinions and comments. It, therefore, welcomes your reaction to this and any of our articles via email: comment@businessamlive.com

ALTHOUGH NOT READILY apparent, a symbiotic relationship exists between science and technology innovation and subnational revenue growth, which is exploitable in Nigeria. The dynamic loop of this symbiosis starts by turning innovative ideas into income-generating assets and extracting internally generated revenue from them. Again, the mobilized revenue finances scientific research and technological innovation development. Governments enable researchers, startups, and entrepreneurs to bring their innovations to the market by allocating resources and implementing funding programmes. Understanding the importance of subnational revenue in the commercialization process can guide policymakers and stakeholders in making informed decisions to foster innovation and economic growth. For instance, one key influence on the commercialization process is the availability of adequate funding, which the independent revenue of subnational governments can provide. State and local governments also facilitate this process by fostering a conducive environment for innovation and supporting the commercialization of innovative solutions. These efforts promote economic growth and job creation and boost independent revenue streams, which are reinvestable in fostering scientific research and technological innovation.

We illustrate this symbiosis further using two examples. The first is perhaps where a subnational government establishes innovation hubs and other supporting infrastructure, including research labs and coworking spaces, to foster collaboration between researchers, entrepreneurs, and investors. Such supportive ecosystems and financial resources attract startups and investors interested in commercializing research outcomes. Collaboration provokes successful spin-offs, technology transfers, and job creation, driving opportunities for the government to earn various fees, fines, and personal income taxes as part of internally generated revenue. A second case, albeit very similar to the first, is when a subnational government introduces research grants targeted explicitly at startups engaged in technological innovation. In turn, these startups apply for these grants to fund their R&D activities, prototype development, and market validation. Subnational government funding of these grants supporting the commercialization efforts of startups would enable them to overcome financial barriers and accelerate their path to the mar-

ket. Again, that facilitation process reinforces the dynamic cycle of innovation commercialization, generating independent revenue for the government.

Although not exhaustive, the two cases presented above show the criticality of subnational government funding for the innovation commercialization process. Government funding enables researchers and innovators to develop prototypes, conduct market research, seek intellectual property protection, and scale up their operations. Subnational governments leverage independent revenue sources to fund such activities. There are at least three deployable approaches. The first is providing grants and funding programmes designed to support research and innovation initiatives. Researchers, startups, and small businesses receive assistance in bridging the gap between research outcomes and commercialization. The second includes tax incentives encouraging businesses and investors to support R&D and technological innovation. Such incentives at the subnational level encompass significant waivers and reductions in fees and tariffs charged by the state and local governments. By reducing the financial burden on businesses, they receive a boost to further invest in commercialization. The third is to facilitate collaboration between the public and private sectors. Subnational governments can facilitate such partnerships by providing financial support, infrastructure, and access to research facilities. In return, private entities contribute their expertise, resources, and market knowledge to commercialize their research outcomes.

Other ways in which subnational governments can intervene include research and development (R&D) spending or public sector investment, establishing technology transfer offices (TTOs), and setting up technology incubators and accelerators. Substantial investments in R&D activities are essential to lay the foundations for innovation, generating and supporting R&D projects, infrastructure development, and recruiting skilled researchers. By investing in R&D, subnational governments create an environment conducive to innovation and commercialization. Additionally, by establishing and maintaining Technology Transfer Offices (TTOs) within research institutions, subnational governments facilitate the transfer of technology and knowledge from academia to industry. A vital element of the facilitation process is to provide resources, expertise, and support to researchers and entrepreneurs, helping them navigate the commercialization



**SUNNY CHUBA
NWACHUKWU**

Sunny Nwachukwu (Loyal Sigmite), PhD, Fellow (ICCON), Fellow (CSN), a pure and applied chemist with an MBA in management, is an Onitsha based industrialist, and Vice President (finance), Onitsha Chamber of Commerce. He can be reached on +234 803 318 2105 (text only) or schubtd@yahoo.com

On patriotism, self sufficiency and economic efficiency

spired by love for their respective countries because they kept preventing damage and losses to their countries. Unfortunately, however, this is not the case in my own domestic climate, and it makes me lament and cry out. Why are we not doing it or getting it done the right way like these other nationals?

Primarily, the Nigerian economy has most unfortunately drifted from the expected economic performance standards to an embarrassingly all time low in price stability (vis-a-viz the very worrisome Naira exchange rate that is currently around 1,000 naira per US dollar; interest rate and the biting inflation on all goods and services, including the commodity price index). This observation has been identified to be linked to an abysmally low administrative performance of those placed in authority to manage the national economy, and ensure economic security. This is a situation that bothers on productivity, and it is an inefficiency issue (administratively) that has adversely impacted national economic efficiency. However, the perceived ailing nation's economy, which has been sliding steadily with speed to a near-collapsed state, can be recovered and improved upon by cleaning up the mess frontally, changing the narrative and doing things differently.

With a larger perspective, the global economy presently grapples with climate issues affecting all nations of the world with different forms of environmental challenges that involve great losses (lives and valuable properties). These issues are aggressively being pursued and vigorously addressed through advocacy programmes at the United Nations, with the ongoing climate action measures the whole world

multilaterally signed in 2012 (the Kyoto agreement). The measures being taken involve application of a control mechanism on the rising global temperature (global warming) not to exceed +1.5 ; through a decarbonization process against the greenhouse gases emitted into the atmosphere, caused by the activities of man on energy production and consumption (sourced from fossil fuels). This challenge and threat to human life and man's sustainable existence on earth focuses seriously on energy efficiency and its climate compliance, which aggressively advocates zero tolerance for abuse of environmental compliance.

Frankly speaking, the energy business in Nigeria's Niger Delta region (artisanal refineries), popularly known as 'Kpo Fire,' where crude means or method is applied to heat up the distillation kettles of those illegal/artisanal refineries, with naked fire that devastates the entire operating environment, polluting everywhere with thick smokes of carbon dioxide/monoxide (CO₂/CO) from constant burning of localised wildfire, that fills the atmosphere with black dirty soot; is not legitimate and is unscientific in practice. This crude local and unscientific refining technique creates a potent source of health hazards. However, the unscientific and crude refining technique calls for urgent attention of the government, to encourage our indigenous technology and innovatively improve on the local method through scientific research and development (R&D). The government's attention should also address both the environmental mess, find a solution that properly engages those illegal refiners legitimately, than throwing away the baby with the bathwater, as recently

observed from the actions of the Pipeline Infrastructure Nigeria Limited that destroyed illegal refineries by setting them ablaze, thereby further escalating the global warming risks, instead of mitigating climate change.

The relevant regulatory organs of the federal government and other professional institutions (the likes of NESREA, NMDPRA, PTI Warri, etc) are needed to optimally and professionally do the needful for a scientifically proven and certified technology on the simple local technique, as an improved and affordable indigenous refining mode that could compete in terms of scientifically certified product's yield standards, against the orthodox modular refining unit that is super-expensive (due to its content of a complex catalytic converter unit). Such indigenous but laudable strategic approach (if successfully actualized) would go a long way to reducing all forms of criminalities attached to these illegal and crude means applied by artisanal operators within the region (including crude oil theft). The supposedly scientifically improved indigenous refining technique could efficiently perform as our unique local refining mode that can prospectively reduce the pressure on FX by totally eliminating refined products imports.

Our energy imports, as observed, "automatically import inflation into the economy" (assuming the gigantic Dangote Refinery or the 4 government owned moribund refineries are excluded from this picture). I am, therefore, persuaded that local refineries must be up and running for provision of refined products, towards attainment of self sufficiency for economic efficiency leading to economic

THE TEAM

EXECUTIVE EDITOR
Phillip Isakpa
Tel.: 234 809 400 0025
phillipi@businessamlive.com

BUSINESS & TRANSPORT EDITOR
Mike Ochonma
Tel.: 234 809 940 0166
mike.ochonma@businessamlive.com

LEAD, TECHNOLOGY & INNOVATION BUSINESS
Alexander Chiejina
Tel.: 234 803 806 5454
alexander.chiejina@businessamlive.com

JOURNALIST
Onome Amuge

GRAPHICS
Christopher Ikosa
Chinedum Onyema

IMAGE EDITOR
Pius Okeosisi
Tel.: 234 802 904 0531
photo@businessamlive.com

Businessnewscorp Limited

Phillip Isakpa
Adedotun Akande

Tiamiyu Adio
Isaac Jayeola

OFFICE ADDRESS:
10B Stella Osholanke Street, Off International Airport Road, Ajao Estate, Isolo Lagos.
Tel.: +234 (0)803 5555 568
Email: info@businessamlive.com
Website: www.businessamlive.com

security, through patriotic administrative performance of those whom it is their responsibility, to rethink and efficiently exploit the hydrocarbon capital stock, than having it as stranded assets (now that fossil fuels are being phased out for energy transition process, globally), at the downstream subsector of the petroleum industry.

PATRIOTISM, A NATIONAL VIRTUE that lays emphasis on values and beliefs, a manifestation of love on a people through stewardship rendered in public service and governance, is the bedrock for national economic development. Patriotism involves loyalty, devotion, dedication with a sense of attachment, unquestionable integrity with vigorous support for one's country. As a vast global traveller (having travelled widely in many continents of the world, in the course of business engagements), my interest was captured each time in places like South Africa, Greece, Qatar, Thailand and China, by the manner and ways foreign nationals show deep commitments in discharging their national assignments at their respective duty posts, selflessly protecting the interests of their countries (no matter the condition they found themselves at any point in time). These amazing observations made me have a rethink about my own country Nigeria, and what goes on in virtually all public institutions. As one keenly observed, the nationals enthusiastically working for their countries at their respective duty posts exuded diligence without guise, steadfast allegiance that is unconsciously in-

The Coaching Psychologist

with **JOSHUA AWESOME, PHD**



Joshua Awesome is a Coaching Psychologist/Executive and Business Performance Coach who has supported over 100,000 professionals across Africa and the globe. He can be reached via: joshua@mindinstitute.africa

AMID THE ELECTRIFYING atmosphere of a recent 'African Aviation Sustainability' gathering, a captivating question resonated, piercing through the air like a beacon of enlightenment: "Are You Walking Alone?" This thought-provoking inquiry wasn't just a mere utterance but rather an introspective nudge, challenging the aviation industry's status quo. The query took center stage during a captivating presentation by a dynamic Kenyan aviation leader, who delved into the imperative of

raising awareness about their industry. This enlightening session was both intellectually stimulating and delightfully entertaining, featuring a humorous anecdote from the speaker's own experiences. As we delve deeper into this article, we will explore the profound insights from this aviation rendezvous, culminating in the quote, "In my New York Times Bestselling book I co-authored with Brian Tracy I said, 'People Enable People To Succeed.'"

Takeaway 1

Elevating aviation awareness with humour and humanity

The Kenyan aviation leader's bewildering phone call was a masterpiece of humour, deftly infusing levity into a serious discourse. This humour served as the perfect prelude to the first takeaway - the dire need to make aviation awareness a delightful and relatable experience. By blending education with humour and humanity, the aviation industry can capture the attention of a broader audience. It's no longer sufficient to simply disseminate information; instead, the industry must spark engaging conversations that both inform and entertain.

"In my New York Times Bestselling book I co-authored with Brian Tracy, I said, 'People Enable People To Succeed,'" remarked the Kenyan aviation leader. This profound statement underscores the essence of

Soaring together Insights from the African Aviation Sustainability event

human connection and collaboration in achieving collective goals. In the context of aviation awareness, it highlights that people enable others to succeed by sharing knowledge, experiences, and even laughter.

Takeaway 2

Bridging knowledge gaps through the power of storytelling

The comical phone call between the aviation leader and her clear colleague underscored a fundamental knowledge gap within the industry. The second takeaway emphasizes storytelling as a potent tool for closing these gaps. Stories have a unique ability to simplify complex subjects, making them accessible to a broader audience. Whether it's explaining the intricacies of fossil fuels or decoding the enigma of aviation, weaving compelling narratives can be a powerful method to enhance understanding and create a more informed community within the aviation sector.

"In my New York Times Bestselling book I co-authored with Brian Tracy, I said, 'People Enable People To Succeed,'" the Kenyan aviation leader reiterated. These words reso-

nate deeply in the context of storytelling. People enable others to succeed by sharing stories that impart knowledge, lessons, and a sense of connection. When these stories revolve around aviation, they not only educate but also inspire a passion for the industry.

Takeaway 3

Collaborative enlightenment for sustainable skies

The resonating question, "Are You Walking Alone?" prompts a profound reflection on the necessity of collaboration within the aviation industry. The conference underscored the third takeaway - the significance of collective efforts in fostering sustainability. Sharing knowledge, experiences, and the occasional humorous anecdote cultivates an environment where stakeholders work together towards a common goal. Building a united front ensures that the aviation sector remains not only viable but also evolves into a sustainable force for the future.

"In my New York Times Bestselling book I co-authored with Brian Tracy, I said, 'People Enable People

To Succeed," emphasized the Kenyan aviation leader. This quote encapsulates the heart of collaboration in the aviation sector. People enable each other to succeed by collaborating, sharing ideas, and collectively working towards a sustainable future for aviation.

Conclusion

The African Aviation Sustainability gathering was more than a conference; it was a celebration of shared knowledge, laughter, and a collective commitment to a sustainable aviation future. By embracing humour, storytelling, and collaborative efforts, the industry can transcend barriers and soar to new heights together. The question, "Are You Walking Alone?" is not just a rhetorical query; it's a rallying call for unity, innovation, and sustainability. It beckons the aviation industry to navigate the skies collectively, with awareness, humour, and a shared vision for the future.

As we conclude this insightful journey, we are reminded of the words spoken by the Kenyan aviation leader, "In my New York Times Bestselling book I co-authored with Brian Tracy, I said, 'People Enable People To Succeed.'" Indeed, it is people, their stories, and their collaborative spirit that will enable the aviation industry to succeed in its mission to achieve sustainable skies for generations to come.



OLUFEMI ADEDAMOLA OYEDELE

Olufemi Adedamola Oyedele, MPhil. in Construction Management, managing director/CEO, Fame Oyster & Co. Nigeria, is an expert in real estate investment, a registered estate surveyor and valuer, and an experienced construction project manager. He can be reached on +2348137564200 (text only) or femoyede@gmail.com

Global assessment of the business side of football (2)

a problem to football, and there is a peril that restricting spending will just reinforce the power of already dominant clubs.

Egon P. Franck proved a business model for FFP in 2013, in "Financial Fair Play in European Club Football - What is it All About?", whilst Thomas Peeters and Stefan Szymanski in Economic Policy, Volume 29, Issue 78, 1 April, 2014, presented the case against it. Some people look at the business model of sports leagues in the United States, where clubs have ruled on issues such as salary caps, the draft system for recruiting players and wide-scale revenue sharing. US leagues are certainly profitable, and a significant contributor to this is the absence of a system of relegation, which means that the consequences of sporting failure are quite limited. However, many fans of weak teams complained that their teams will never improve in that their owners have no incentive to compete, and many cities lack the opportunity to play at the highest level since there is no feasible mechanism to enter the league.

In comparing the American and European systems, it has been established that owners of American teams are often seen as "profit-maximisers" who view professional sports as businesses and avenues for making money. In Europe (and most of the world) football clubs have generally been seen as "win maximisers" - spending as much as

possible on the success of the team subject to breaking even. In 1971, Peter James Sloane wrote on "win maximisation" in "The Economics of Professional Football Revisited". Stefan Késenne developed the concept of win maximisation in 1996 in "The Win Maximization Model Reconsidered - Flexible Talent Supply and Efficiency Wages". This may just be a reflection of the competitive nature of the European system, but it also reflects a different attitude to the purpose of clubs.

While some clubs like Manchester United are run like businesses with shares sold in the stock exchange, some clubs (notably Barcelona, Atletico and Real Madrid in Spain and most of the clubs in the Bundesliga like Hertha Berlin, Bayern Munich and Hamburg) are not businesses only in the normal sense but membership associations which elect their management board. These clubs have other departments for basketball, athletics, chess, table tennis, lawn tennis, bowling and handball. Some clubs are sponsored by companies. These companies include Opel which sponsored Borussia Dortmund between 2017 and 2022 and GLS, the current sponsor since 2022. Even in England where clubs have long operated as limited liability companies with shareholders, the owners seem more interested in the prestige of ownership than making money. Football is a veritable

tool for the advertising community (e.g. West Ham), individual owners of clubs (e.g. Roman Abramovich, the former owner of Chelsea) and companies (e.g. Qatar Investment Authority, the owners of Paris Saint Germain).

In 1998, the German Football Association (DFB) allowed the clubs of the Bundesliga, which are traditionally run as member associations, to transform their professional football departments into commercial companies. However, at the same time, provisions were made to make sure that majority of voting rights (50 plus 1) were within such companies and not in external parties or investors. This is against the principles of business. The non-business angle to football administration might change as Americans have started to buy up clubs in England - notably the Glazer family at Manchester United have taken a lot of money out of the club. There is a possibility that the European model might eventually be replaced by the American model, especially if the larger clubs decided to break away and form their own league. However, any such change may not be in the interests of fans, and could expect to meet widespread resistance, not least from politicians.

Football is globally seen as the biggest entertainment industry and can be political. One can imagine the re-emergence of the rivalry between football clubs like Stationery

Stores, Enugu Rangers, Shooting Stars of Ibadan, Leventis United, Abiola Babes, Kano Pillars and Bendel Insurance in the Nigerian local league or Mighty Jets of Nigeria, Cotton Sport of Cameroon and Ashanti Kotoko of Ghana or Wydad Casablanca of Morocco versus Esperance de Tunis in African Champions League. Apart from the game of Rugby which has 15 team members, football is the game with the biggest team members with 11 players. It has the largest fans and because it is not easy to predict matches, football has the greatest fans in the world. This great fans means there are good business opportunities in selling tickets and sports souvenirs.

Football teams also sell advertising rights to companies and have hotels, restaurants, gyms, meeting rooms and sports stores around their stadium for income generation. Some have training schools for junior and feeder teams and trade their players to make money. Remo Stars Football Club, owned by Najabet (pool-betting) sponsor, Kunle Soname, makes money selling their players to international leagues. Football is not only a game but a business, income and employment generator to any country that can develop it as a business concern. For corporate organisations, sport is tax-efficient as it can serve as a veritable advertisement tool while reducing profit before tax and eventually, tax paid to governments.

● *business a.m. commits to publishing a diversity of views, opinions and comments. It, therefore, welcomes your reaction to this and any of our articles via email: comment@businesslive.com*

MONEY HAS HAD A HUGE impact on football in the last 50 years. In reality, football clubs in the United Kingdom are more than just businesses - they are community assets. A local government usually will not allow a stadium to be sold off without providing a new one for its local club. As a result, club managers know that they can risk financial failure without risking the life of the club itself. This is a version of the 'too big to fail' problem that affects the banking industry. UEFA introduced the system of 'Financial Fair Play' (FFP) to try to limit the spending of clubs. However, it is not clear that these regulations are really benefiting the fans. Given that community clubs never disappear, it is not clear why making losses is



ABUBAKAR A. NUHU-KOKO

Abubakar A. Nuhu-Koko of the Sokoto Energy Research Center (Energy Commission of Nigeria), Usmanu Danfodiyo University, Sokoto, is a researcher in petroleum policy and economics, and founder and pioneer executive director, The Shehu Shagari World Institute for Leadership and Good Governance, Sokoto, Nigeria. He can be reached on +234 706 330 6887 or aanuhukoko4000@gmail.com

Renewable energy as solution to Nigeria's electricity supply crisis

The challenge of chronic shortage of electric power in Nigeria due to poor performance of the public power sector resulted in privatising it in 2013 under the now defunct Nigeria Electric Power Sector Reform Act, NEPSRA (2005). It created a situation where more than 200 million Nigerians living in a country that has an installed electricity generation capacity of around 13,700 MW which in 2020, only around 4,500 MW of it were available to them due to gas and other infrastructure and technical constraints - in comparison to South Africa, with less than 100 million inhabitants - but which generates 51 GW.

Nevertheless, Nigeria has come up with new energy and power policies and laws. One of which is the National Renewable Energy and Energy Efficiency Policy (NREEP) AND Vision 30:30:30 which calls for the installation of 30 Giga watt, by 2030 with a share of 30 percent renewables in addition to the latest Electricity Act 2023) which further devolved and decentralised electricity generation, distribution and regulation to subnational governments and private investors. Therefore, with these new enabling laws and policies harnessing of the nation's bountiful renewable energy resources, utilising their potentials of energy efficiency, integrating renewables via mini grids and thus, scaling rural and suburban electrification targeted at the provision of reliable, affordable, and

sustainable clean energy for the Nigerian people; especially provision of energy to disadvantaged parts of the population that have not had access to modern energy services, a pathway to success now looks clearer. The good news is that in addition to the new policies and enabling laws, the European Union and German Ministry of Economic Cooperation and Development (BMZ) are supporting the Nigerian government in this direction under their flagship jointly funded Nigerian Energy Support Programme (NESP) implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GMBH and the Nigerian Federal Ministry of Power and other local partner institutions

In order to meet this demand, the consideration and implementation of interconnected off grid/mini-grids based on green renewable energy resources (which Nigeria offers in super abundance) as possible solution, is hereby proposed. The literature on the advantages of harnessing renewable energy resources for generation of utility grade electricity and energy is beyond review in this brief narrative. For instance, it has been established in the literature that cheap green energy from renew-



able energy resources can be produced and even exported to other countries if political and corruption and security challenges are eliminated. These challenges discourage foreign and local investors from pumping money into large scale interconnected grids relying on renewable energy resources and successfully tackling the challenges of bringing sustainable clean energy to Nigeria.

However, with the constitutional amendment that removed electricity generation, distribution and transmission from the Exclusive list to Concurrent list and with new Electricity Act (2023) that replaced the Nigeria electric power Sector Reform ACT, NEPSRA (2005), subnational governments can now be involved in generation, distribution and transmission of electricity but only within the state - for instance, each local government council can be tasked to generate at least 2.5 MW using solar energy or a combination of conventional

and renewable energy resource across each state. They can equally establish their own independent electricity markets by establishing the necessary regulatory agencies and laws governing them.

It is against the above backdrop that some Nigerians are urging the subnational governments to take this opportunity to provide decentralised off grid electricity in their respective domains using for instance, solar photovoltaic mini premium grids which are innovative approaches for attracting public private investment to the Nigerian Electricity Supply Industry (NESI) and delivering premium services (24/7) in ring-fenced areas and or under-served or unserved areas. Furthermore, the decentralised or unbundled mini grids are part of electricity distribution franchising projects developed in a manner of embedded generation or an additional generation source (mostly solar energy or small hydropower plants) which aim to deliver reliable 24/7 service. Hence, state governments and other willing private investors and key stakeholders need to actively participate and key into the implementation of the electricity Act (2023) for it to succeed. Doing this will improve the availability and reliability of electricity across the 36 states of the federation and the FCT and will greatly reduce Nigeria's greenhouse gas emissions' carbon footprint and accelerate Nigeria's energy transition process.

● *business a.m. commits to publishing a diversity of views, opinions and comments. It, therefore, welcomes your reaction to this and any of our articles via email: comment@businesslive.com*

THE SOLUTION TO NIGERIA'S electricity conundrum lies in renewable energy resources (sunshine, wind, biomass/bioenergy and river streams), which are abundantly available in almost all of the 36 states and the Federal Capital Territory, Abuja. Over the past decades attempts were made by various governments, both military and civilian administrations, to solve the electricity supply deficits in Nigeria in order to meet the very growing need of energy supply, but without much tangible sustainable results after spending huge sums of money.



SOLA ONI

Sola Oni, an integrated communications strategist, Chartered Stockbroker and Commodities Broker, is the Chief Executive Officer, Sofunix Investment and Communications. You can reach him at onisola2000@yahoo.com

Booby trap that sets up NGX for hostile takeover

career. But the spate of staff attrition in the last two years suggests that all is not well in the market. Since demutualisation is just two years old, one can argue that it is too early to assess the relevance or otherwise of the new group structure of the Exchange. However, if morning shows the day, there is a need to examine what is fast becoming an underbelly of the group structure, the implications on the Exchange that promises to be the Nigerian investment gateway and the way forward.

The CEOs of the three subsidiaries do not report to the Group CEO. The companies operate in silos with individual Board and Management. Since 2010, CEOs of NGX at different levels have been coming from outside. Given the current structure, if Onyema retires, I do not think his successor will automatically come from within as the job will likely be advertised. This implies that internal staff shall have to compete with the external applicants, an indication of lack of succession plan in an organisation whose business is highly technical.

The seemingly unattractive work environment that is unfolding at NGX has raised a red flag to suitability and sustainability of the group structure. The Nigeria Exchange Limited may be making money through listing and trading charges but are the other subsidiaries financially viable? Do they have enough staff to generate income?

At the pace that NGX is going, staff morale is dwindling by the day. The glamour of working at the Exchange is diminishing. There is nothing wrong with a group structure if it is properly managed. Singapore Exchange Limited (SGX Group) operates a conglomerate of nine divisions. Each division

handles specific businesses. The market trades in equity, fixed income, currency and Commodity. But the divisions do not operate in silos. Brazilian Stock Exchange demutualised in 2007 and operates a comfortable group structure.

In a group structure which is practised by some leading companies in Nigeria, every staff belongs to the group. They are technically on secondment to the subsidiary and the group Chief Executive Officer is the most senior CEO. The Group CEO can emerge from the CEO of any subsidiary as leading a subsidiary is a tutelage to lead the entire group.

The group structure model of NGX appears strange and therefore esoteric. It is at variance with all-known models in this era of dynamic and flexible management systems. There is a compelling need by the various Boards and Management of each entity to address this ugly situation. It is either the NGX model is badly implemented or deliberately created to weaken the system and make it attractive to corporate raiders.

Corporate raiders are always on the prowl.

They simply need to pick up the holdings of many shareholders, especially institutional ones, at a premium through a crossed-deal without infringing on the easy-to-breach Rule 17 of NGX which deals with issuers' information disclosure. FMDQ is already poised to execute the hatchet job. For a valid peer review, FMDQ's silver spoon background should be discounted from its financial muscle. Its heavy weights are some of the key drivers of the Nigerian fiscal and monetary policy landscape. It is only in

Nigeria where one can be a judge in his own court. After some initial resistance from the shareholders, FMDQ had in June this year snapped up 16.61 percent holdings of Artemis Limited and 5 percent stake of Leadway Insurance, totaling 21.61 percent in CSCS through NASD PLC. FMDQ shot into fame with trading in debt instruments when it came on board.

Those who understand the market history will agree that trading in debt instruments was the strength of The Nigerian Stock Exchange during its formative years. It was more popular than equity when uncle Olutola Mobolurin and his peers were actively engaged in manual trading. But at a point, the infectious share purchase through Initial Public Offerings (IPOs) and rise in the activities of shareholders' associations overshadowed trading in debt instruments and the market became top-heavy in equity trading. FMDQ took advantage of the niche market. Currently, the bankers are the ones mainly reaping the dividends of the debt and currency market to the exclusion of the stockbrokers. It is not too late for NGX to reverse the trend.

The acquisition of CSCS shares would have been achieved about two years ago but for the Otunba Abimbola Ogunbanjo led Board that strenuously resisted all the moves by FMDQ during his tenure as the President of the mutual NSE. As a seasoned corporate lawyer, he knew the implications on the future existence of the Exchange. His voluntary resignation as the Chairman of NGX PLC last year was a great sacrifice to douse the raging tension ahead of the Annual General Meeting. He shall go into the Exchange's history as the last Presi-

dent of the mutual Exchange and the first Chairman of Nigerian Exchange Group PLC under demutualisation. By virtue of the monopoly it enjoys in the debt and currency markets, FMDQ has acquired sufficient financial muscle to launch a hostile takeover of NGX and turn it into its subsidiary.

It must be noted that the current management of NGX is doing a lot to further globalize the operation, increase market capitalization, boost capacity and democratise investments across financial assets. But NGX is a global brand and should not make itself a target for acquisition. The current structure is a booby trap. As a low-hanging fruit, it does not diminish the Exchange's stature if the subsidiaries are turned into departments while the organisation operates a single but professional Board with eyes on corporate governance. This will enhance efficiency, save cost, create a level playing field for all staff and strengthen the substance and essence of the position of the Group Chief Executive. This is a tough option that may likely hurt certain top positions and affect some staff. But it is the reality.

Today, NGX is no longer a monopoly exchange and stockbrokers are multi-dimensional professionals. They can trade on FMDQ, NASD PLC, Lagos Commodities and Futures Exchange (LCFE) Afex and other platforms, including offshore. But NGX is a legacy that should not be allowed to lose its original identity. It is the face of stockbrokers. Its existence is a product of the sweat of different generations. If the current situation is not addressed, stockbrokers may wake up one black day to discover that NGX is no more. At 62, it will be an irony of history if the premier Exchange in Nigeria surrenders to corporate raiders and loses its global identity, which has been rising for over three decades. The forefathers of this citadel of capitalism shall weep in their graves.

PROJECT SYNDICATE



GORDON BROWN

Gordon Brown, a former prime minister of the United Kingdom, is Chair of Education Cannot Wait's High-Level Steering Group.

EDINBURGH - After India's G20 summit and the UN General Assembly this month, world leaders will attend the International Monetary Fund and World Bank meetings in Marrakesh, before heading to the UN Climate Change Conference (COP28) in Dubai. But there is little optimism that these summits will deliver meaningful progress in tackling our greatest challenges, not because of any lack of resolve, but because the global rulebook we have been following since the end of World War II is no longer fit for purpose.

The world's growing fragmentation was confirmed at the G20 summit. Though the meeting signaled

India's arrival as a major power, Prime Minister Narendra Modi's moment of triumph was fleeting. The summit did little to prevent the 2020s from almost certainly becoming a low-growth decade.

Despite the African Union's admission as a full member of the G20, the Global South received scant relief for its crushing debts. And though G20 members are responsible for 75% of global carbon emissions, the summit failed to address the scale of the climate financing gap. Acting on the findings of the G20's Capital Adequacy Review, the Biden administration has committed to secure an additional \$25 billion for the World Bank; but that figure falls far short of the \$260 billion annual fillip that former US Treasury Secretary Lawrence H. Summers recommended in the Singh-Summers report to the G20 this year.

Instead, the summit concludes a year in which China and the West have been erecting new "iron curtains" in technology, trade, investment, and data - foreshadowing a future of "one world, two systems." With this new protectionism came a downgrading of the G20. Whereas former US President Barack Obama recognized the G20 as the premier forum for global economic cooperation, current US National Security Adviser Jake Sullivan sees the G7 (Europe, America, and Japan) as the "steering committee of the free

Fixing Global Governance

world."

The G20's relegation is a by-product of the shift from a unipolar to a multipolar world, from a hyper-globalized economy to one that might be called "globalization lite," and from neoliberalism toward neo-mercantilism. For the last 30 years, economics determined political decision-making. Now politics - and nationalist politics at that - is driving policymaking. Zero-sum politics is triumphing over "win-win" economics.

In 1999, when I attended the first G20 (then composed only of finance ministers), American hegemony was at its peak, and the US Federal Reserve and US Treasury were happy to be called "the committee to save the world."

When the global economy unraveled in 2008, the United Kingdom and others called on G20 member-state heads of government to come together for the first time. At the London G20 in 2009, we were keen that China join with the West in buttressing the global economy with \$1 trillion of support. We could already see that the world was heading in a more multipolar direction.

The London summit also commissioned India's then-prime minister, Manmohan Singh, to oversee a review of the prevailing international architecture. Then, at the Pitts-

burgh summit in the fall of 2009, the G20 agreed on a global compact for growth, to be spearheaded by the IMF, which would publish annual assessments to identify both the risks facing the global economy and the opportunities for coordinated action.

But as the West retreated into austerity policies and embraced new forms of protectionism, these initiatives fizzled out. Under Donald Trump, the United States broke from its tradition of (usually) acting multilaterally, and pursued unilateralism even as a multipolar world was coming into play.

However, climate change, the COVID-19 pandemic, and the energy and food crisis of 2022 confirm that the issues we face today are truly global problems in need of global solutions. Progress cannot be achieved by bilateral and regional interventions alone; it requires globally coordinated action.

In elevating the G7 at the expense of the G20, we need to ask what happens the next time there is a global financial crisis and we cannot find a way to bring all the major players together. What chance will we have of progress in reducing global emissions and preventing "free riders" in a world of "everyone for himself"? What chance do we have of dealing with global inequality if countries

see the world only in terms of "us versus them," and where there are no forums in which to find common ground?

True, US President Joe Biden acknowledges the need for global cooperation and is the most internationalist of recent US presidents. But while his own G20 agenda was not wrong-headed, it was half-hearted, preferring bilateral alliances to globally coordinated action. Equally, China presents itself as a champion of the global rules-based order and promises to uphold the UN Charter; yet its top leader, Xi Jinping, did not even attend the G20 or this month's UN assembly.

These rare moments where preparation meets opportunity are when we must act together. US President John F. Kennedy's nuclear test ban treaty, Ronald Reagan and Mikhail Gorbachev's nuclear-arms reductions, and the historic 1987 agreement to address the depletion of the ozone layer all showed that strong leaders can ensure radical changes of direction. Today's leaders must not wait for a catastrophe before being forced into action.

Permacrisis: A Plan to Fix a Fractured World by Gordon Brown, Mohamed A. El-Erian, Michael Spence, and Reid Lidow will be published on September 28, 2023.



**MARCEL
OKEKE**

Marcel Okeke, a practising economist and consultant in Business Strategy & Sustainability based in Lagos, is a former Chief Economist at Zenith Bank Plc. He can be reached at: obioraokeke2000@yahoo.com; +2348033075697 (text only)

GIVEN WHAT THE NIGERIAN economy has been through since June 2023 sequel to the removal of decades-old petrol subsidy by the President Bola Ahmed Tinubu administration, the policy could be described as one with the most unexpected negative impacts. Unsurprisingly, like an albatross, the impetuous policy has turned an ignominious badge on the government of the day; yet, the 'ghost' of fuel subsidy has kept looming large in the Nigerian polity. Every facet of life of the citizenry has been disrupted; with millions pushed down below poverty line unwittingly.

President Bola Ahmed Tinubu in his inaugural address on 29 May 2023, announced that "fuel subsidy is gone," but this singular pronouncement and kindred policies of his government have practically thrown the Nigerian economy into an abyss. Prior to the fuel subsidy removal, the price of petrol (Premium Motor Spirit, PMS) was at about N185 per litre, but soon after the presidential fiat ("fuel subsidy is gone"), the price of the commodity literally jumped through the roof — standing at between N500 and N600 per litre. In no time, this jump in the price of PMS drove up the prices of all goods, services and commodities to unprecedented levels.

As the prices of even the basic necessities of life (food, shelter, transportation, etc.) went beyond the reach of not a few Nigerians,

Gone yesterday, back today. Nigeria's ubiquitous fuel subsidy

inflation rate took a quantum leap — now standing at almost 26 per cent — the highest in about two decades. Concomitantly, the purchasing power of most people, standard or quality of life have deteriorated: translating into a rising misery index for the citizenry. Coincidentally, as the ripple effects of the fuel subsidy removal were permeating the nooks and crannies of the lives and livelihoods of all Nigerians, the Tinubu administration also announced the floating of the Naira.

The Naira floatation (or unification of all exchange rates) promptly led to an unprecedented devaluation of the local currency vis-a-vis the dollar and other hard currencies. From an official exchange rate (at Investor & Exporter window) of N460/US\$1 by end-May, the rate hit about N800/US\$1 by end-August. In the parallel market, the exchange rate has since hit and crossed the N1000/US\$1 level. The freefall of the local currency is yet on.

Even as these trends are evolving, rather than addressing frontally, the root cause(s) of fuel subsidy that had been draining trillions of Naira from our public till, the Tinubu administration elected to licence more importers of PMS. Yet, it has been the complete dependence on (wholesale) importation of PMS for all local needs that warranted subsidy in the first place. A politic or perceptive approach to effective fuel subsidy removal would have been to proactively ensure local refining or availability of PMS. In other words, the nation's existing giant refineries (that have been lying dormant) should be re-streamed or privatised for improved capacity refining and management.

Alongside this, should also be the licensing and building of many modular refineries in line with global specifications and regulatory standards. The licensing of more importers of PMS, rather than addressing the fraud-ridden supply side of petrol, is unwittingly escalating the problems of the down-

stream oil sector. It is no brainer that the people being licensed to import PMS will keep sourcing dollars from the already 'heated' foreign exchange (forex) market. This joins in piling up pressure against the Naira — that has been on a tailspin — having already lost much value against the dollar.

The import of this scenario has been that as the licensees for PMS importation bring in the commodity at a high landing cost, its pump price is driven up. This is already playing out; as the importers procure dollars at a very high exchange rate, they push to factor this into their selling price. So, as the Naira freefall goes on ad infinitum, the prices of PMS at the pump must, all things being equal, keep rising. Indeed, acute forex scarcity has become a cog in the wheel of the PMS importation drive. Reports show that after the first batch of 27 million litres of petrol imported by Emadeb Energy in July, independent oil marketers have not been able to bring in a single drop of petrol. The national oil firm, the Nigerian National Petroleum Company Limited (NNPCL), has remained the sole importer of petrol.

This NNPCL's monopoly in the downstream sector has so far made a mess of the deregulation of the sector, giving NNPCL the power to continue to fix prices, and putting the country at risk of some rounds of fuel scarcity. The argument by the Nigerian Midstream and Downstream Petroleum Regulatory Authority (MMDPRA) and NNPCL that other marketers were free to import petrol (as those who had applied for importation licences had been given) does not hold water. The high and volatile exchange rate does not make business sense for marketers other than NNPCL to keep importing PMS.

Indeed, Mike Osatuyi, the national controller of operations of the Independent Petroleum Marketers Association of Nigeria, is reported to have said that marketers were not

importing petrol because of forex scarcity and the increasing price of crude oil at the international market. At this dead end, the NNPCL may have gone back to its 'old game' of 'dual citizenship' as an operator and regulator — a sole importer and price determiner! This could be why in spite of rising prices of oil in the international market (now at about US\$95/barrel) the pump price of PMS is 'kept' at N620 per litre.

It is noteworthy that the Dangote Refinery that has since been projected as the 'saviour' in terms of local supply of PMS has rather presented a forlorn hope to Nigerians. Commissioned in the last week of May 2023 by (then outgoing) President Muhammadu Buhari, the plant is yet to commence production almost four months after the ceremony. Indeed, reports indicate that the Dangote Refinery is most unlikely to be the solution to the PMS supply problem in Nigeria. Devakumar Edwin, its executive director, told S & P Global Commodity Insights recently, that oil refined in the facility would be bought in US dollars, not naira. He defended the decision by saying that the refinery's location is in a free trade zone.

In the face of all these, when the Tinubu administration seems to be at its wits' end, the International Monetary Fund (IMF) has voiced its unalloyed support and encouragement to fuel subsidy removal and forex rates unification. That is, the enthronement of full market forces in all pricing decisions in Nigeria. The IMF Representative in Nigeria, Ari Aisen, said in a Channels TV programme that the removal of fuel subsidies and unification of exchange rates must continue for Nigeria to reach macroeconomic stability.

However, given the results of these economic liberalisation initiatives in the past four months, the government, from all indications, is overwhelmed by their negative impacts on the economy. Scarcity of foreign exchange is worsening;

solution to PMS supply problem is nowhere in sight. Businesses are being forced into bankruptcy, while some have closed shop in Nigeria, and relocated to other climes. Even the apex bank — Central Bank of Nigeria — seems to be resorting to 'unorthodox' and esoteric methods in ensuring that the forex rate is kept at around N700/US\$1 — thereby throwing transparency to the winds. This, in all consideration, is not sustainable; neither does it inspire investor-confidence nor engender improved productivity.

Ironically, while the IMF is 'encouraging' the government to sustain the painful reforms, practically all sectors of the Nigerian economy are gasping for breath. Today, neither the expected gains of the reform measures are being realised nor are the citizenry convinced the journey will lead to 'anywhere'. This, in part, is why Organised Labour (Nigerian Labour Congress and Trade Union Congress) and their allies are still up in arms, several months after the reforms were put in place. Indeed, for the umpteenth time, 'palliatives' negotiations between the government and the Organised Labour failed. Apparently, in order not to further 'rock the boat', the CBN cancelled its Monetary Policy Committee (MPC) meeting that was to be held on September 25 and 26. Usually, the MPC parley comes with critical updates on the economy; and also indicates the outlook.

As it is, Nigerians are at the moment left in the dark, as the government shrouds in secrecy its handling of oil subsidy and Naira floatation. One thing that is obvious is that the Tinubu administration has not made any progress in enthroning the reign of market forces both in the forex market and downstream oil sector. On the contrary, the entire economy has been pushed further into the woods. Unfortunately!

● business a.m. commits to publishing a diversity of views, opinions and comments. It, therefore, welcomes your reaction to this and any of our articles via email: comment@businesslive.com

PROJECT SYNDICATE



**MARK
MALLOCH-BROWN**

Mark Malloch-Brown, a former deputy United Nations secretary-general and co-chair of the UN Foundation, is President of the Open Society Foundations.

NEW YORK — "We do not seem to have any common values on which we can all agree, nor common goals to which we all aspire." Ghanaian President Nana Akufo-Addo hit the nail on the head when he made this observation during his address to the United Nations General Assembly last week. At a time when interlocking crises are escalating, the international order appears increasingly fractured, and there is profound uncertainty about the role

Africa Is the Future of Multilateralism

of the UN itself. Where can we find the impetus and direction needed to restore multilateralism?

Answering that question requires a deeper understanding of the attitudes, concerns, and hopes of people around the world. To this end, Open Society Foundations, the philanthropic organization I lead, recently ran one of the largest studies of global public opinion ever conducted. Our Open Society Barometer surveyed more than 36,000 people from a diverse group of 30 countries that represent roughly two-thirds of the world's population.

The responses shed some light on the unifying values and goals that are conspicuously absent from today's global governance system. They show that people around the world still have faith in democracy, but in an age of crisis and inequality, they want it to deliver tangible improvements in their own lives.

The figures from Africa were particularly striking. Eight of the 30 countries we surveyed — Egypt, Ethiopia, Ghana, Kenya, Nigeria, Senegal, South Africa, and Tunisia — are on the continent. Of course,

responses varied significantly on some questions, reflecting different historical and political circumstances. For example, 63% of Egyptians believe that military rule is a good way of running a country, compared to 40% of Ethiopians and only 20% of Senegalese. At the same time, an even higher proportion of Egyptians yearn for democracy; evidently, they are unsure whether their brief experimentation with it could be considered a success. Notably, while most respondents across the 30 countries we surveyed expressed feelings of insecurity and inequity, these sentiments were most pronounced in Africa. Similarly, respondents from the continent were among the most anxious about climate change's negative impact on their lives and livelihoods. In Kenya and Ethiopia, for example, 83% of respondents voiced such concerns.

Of the five countries where our polling found the greatest fear that political unrest would lead to violence within the next year, four were in Africa: Kenya, South Africa, Nigeria, and Senegal. African respondents were also the most likely to say

that inequality between countries is a bigger challenge now than it was in 2022. This sense was strongest in Ethiopia, Kenya, and Senegal, but all eight African countries were in the top half of that chart.

Likewise, while a majority of respondents in most countries shared certain views regarding the necessity of global changes, those majorities were generally the largest in Africa. For example, African respondents, led by those in Nigeria and Kenya, were the most inclined to say that "human rights reflect values I believe in" and among the most likely to agree that "tools such as travel bans and freezing bank accounts are useful ways to bring human rights violators to justice."

Africans, more so than respondents from other continents, agreed that countries should open more safe and legal routes for refugees. They strongly backed the rebalancing of international institutions, with many advocating for lower-income countries to have a greater say in global decision-making. Seven of the ten national groups most supportive of the statement "high-in-

come countries should give more money to the World Bank" were from Africa. Taken together, these results suggest that Africa is like the rest of the world — just more so. Given that the continent is on the front lines of the so-called "polycrisis," Africans experience its pressures more immediately than most. But they are also most likely to embrace the necessary solutions, such as reforming global governance structures and the international financial architecture, stabilizing today's chaotic interdependence, and making massive new investments in sustainable development.

At the global level, the poll suggests that people are much more forward-leaning in their expectations of multilateralism than their political leaders. They want effective international solutions to the pressing problems in their lives. Nowhere is this truer than in Africa.

For those of us seeking future champions and ideas for multilateral reform, it is clear that we must look beyond the usual suspects — Western governments zealously protecting their power and privilege — and instead tap into the wellspring of the Global South. This is where the future lies.



**JOHNSON
CHUKWUEMEKA ANORUO**

Johnson Chukwuemeka Anoruo is a 19-year-old first-year Industrial Chemistry student at the Federal University of Technology, Owerri (FUTO), and a budding writer.

IMO STATE, LOCATED IN southeastern Nigeria, is blessed with vast agricultural resources and rural communities that form the backbone of its economy. This essay aims to present a vision of my dream Imo State by 2040, where the rural economy flourishes, leading to widespread prosperity and development. The rural economy in Imo State is currently facing various challenges and limitations. Limited access to infrastructure, including roads and electricity, hampers the transportation of goods and services. Insufficient funding and access to credit restrict the growth and expansion of rural enterprises. Furthermore, the lack of modern technology and limited market access hinder innovation and market competitiveness. Despite these challenges, Imo State possesses inherent opportunities and strengths that can be leveraged for future growth. The state boasts of abundant natural resources, a vibrant agricultural sector with fertile land, suitable climate conditions, and a skilled workforce.

Vision for Imo State's Rural Economy by 2040

My vision for Imo State in 2040 is a thriving rural economy marked by flourishing agriculture, interconnected value chains, and vibrant enterprises. The key elements include increased productivity, seamless market access, technological advancements, sustainability, and youth empowerment. Goals include higher agricultural output, a diversified economy, and empowered communities. Achieving this vision entails leveraging agricultural resources, empowering the youth, investing in infrastructure, fostering technological innovation, improving finance access, and promoting environmental conservation, among others. Let us take these points one by one.

1. Leveraging Agricultural Resources

Imo State's agricultural revolution aims to unlock the potential of its fertile land through modernization and diversification. By embracing sustainable practices like organic farming and agroforestry, the goal is to achieve productivity while preserving the environment. Crop diversification and support for high-value cash crops empower farmers, enhancing their income and benefiting the local economy. The development of infrastructure, including irrigation systems, roads, and storage facilities, ensures efficient farming operations and minimizes post-harvest losses. This comprehensive approach cultivates a sustainable agricultural sector that serves as a stronghold for rural economic development in Imo State.

2. Empowering Young People

Empowering Imo State's youth is key to igniting a prosperous rural economy. By providing access to education, training, and resources, we can nurture their skills and unlock their potential as drivers of growth.

Creating job opportunities in agriculture and related sectors, fostering entrepreneurship, and offering funding and mentorship programmes will attract and retain young talents in rural areas. This investment in youth will not only reduce rural-urban migration but also fuel the thriving rural economy of Imo State, where economic development and community empowerment go hand in hand. Together, let us pave the way for a brighter future by empowering the leaders of tomorrow.

3. Developing Appropriate, Resilient, and Sustainable Infrastructure

Imo State recognises the vital role of infrastructure in driving rural prosperity. By investing in roads, bridges, and transportation systems, the state facilitates the smooth movement of goods and services, opening new opportunities for rural communities. Access to reliable electricity, water, and telecommunications networks attracts businesses and investors, while modern markets and storage facilities optimise the value chain and minimise losses. Through this transformative journey, Imo State lays the foundation for economic growth, where infrastructure serves as the gateway to prosperity, connecting communities and fostering success.

4. Enhancing Technology and Innovation

Imo State is set to undergo a remarkable rural transformation through technology and innovation. By establishing broadband infrastructure and leveraging e-



Transforming Imo State's Rural economy: A vision for 2040

commerce platforms, farmers will directly connect with consumers, leading to enhanced market access. Moreover, the integration of farm management systems, precision agriculture, IoT devices, data analytics, and mobile banking services will optimise resource utilisation, reduce costs, and improve productivity. This digital revolution will empower rural communities, propel them into the digital age, and create a prosperous future for Imo State.

5. Improving Access to Finance and Credit

Access to finance is a vital catalyst for rural prosperity in Imo State. By providing small businesses with the necessary capital, they can expand their operations, enhance productivity, and create jobs, leading to overall economic growth. With financial support, entrepreneurs can invest in new technologies, acquire equipment, and hire more staff. This will enable them to compete effectively in local and global markets.

Additionally, access to finance offers resilience during economic downturns and opportunities for expansion during periods of growth. By nurturing this connection, Imo State can witness a flourishing rural landscape, where businesses thrive, communities prosper, and a bright future unfolds.

6. Conserving Natural Resources

Imo State is dedicated to nurturing its natural resources for sustainable rural prosperity. Through visionary policies and practices, the heartland aims to conserve and responsibly utilise land, water, and forests. By promoting value-added industries like agro-processing and eco-tourism, Imo State generates jobs and income while preserving the environment. The state also prioritises research and development to discover innovative and sustainable ways to leverage its resources. This commitment positions Imo State as a global leader in eco-consciousness, ensuring a prosperous and harmonious future for rural communities and the environment.

Tracking implementation

and performance: What milestones are required for these goals?

The first milestone is to increase the number of value-added industries in rural areas by 20% by 2025, creating at least 10,000 new jobs. This can be achieved through policies that promote entrepreneurship and innovation in rural areas, as well as investments in infrastructure and access to finance.

The second milestone is to increase the adoption of sustainable agricultural practices among smallholder farmers by 30% by 2027, resulting in increased crop yields and improved soil health. This can be achieved through training programmes, extension services, and incentives that encourage farmers to adopt sustainable practices.

The third milestone is to establish at least five eco-tourism sites in rural areas by 2030, attracting at least 50,000 visitors annually and generating significant revenue for local communities. This can be achieved through investments in tourism infrastructure, marketing, and community engagement.

The fourth milestone is to increase the proportion of renewable energy sources used in rural areas to 50% by 2033, reducing dependence on fossil fuels and promoting environmental sustainability. This can be achieved through policies that promote renewable energy development, as well as investments in energy infrastructure and technology.

The fifth milestone is to achieve a 50% reduction in deforestation rates in rural areas by 2035 through effective conservation policies and sustainable land use practices. This can be achieved through policies that promote sustainable forestry practices, as well as investments in forest conservation and restoration.

The sixth milestone is to increase access to basic infrastructure such as roads, electricity, and clean water in rural areas by 2038, improving the quality of life for rural communities and attracting more investment. This can be achieved through investments in infrastructure development and maintenance, as well as policies that promote private sector investment in rural areas.

Overall, these milestones represent an ambitious vision for rural development that prioritises economic growth, environmental sustainability, and social inclusion. Achieving these milestones will require strong leadership, effective policies, and sustained investments over the long term.

Imo State by 2040: A Vision of a Thriving and Sustainable Rural Economy

In my dream for Imo State in 2040, I envision a rural economy that has overcome its challenges and unlocked its true potential. Infrastructure is no longer a barrier, as roads and electricity networks crisscross the state, facilitating seamless transportation and connectivity. Adequate funding and accessible credit empower rural enterprises to thrive and expand, fuelling economic growth.

Innovative technology boosts Imo State's agriculture, attracting investment and creating value-added products. Sustainability takes centre stage, with renewable energy and responsible land management driving eco-tourism and economic growth.

Furthermore, the empowerment of rural communities is a central tenet of this vision. Young people are provided with quality education and training, equipping them with the skills needed to excel in various sectors. Entrepreneurship is encouraged, and support mechanisms such as mentorship programmes and access to finance nurture the growth of rural enterprises. The resulting job opportunities uplift communities, reduce poverty, and enhance living standards.

Imo State's rural economy holds the promise of a prosperous future. By creating jobs, prioritising inclusivity, and improving living standards, we can reduce poverty and inequality. Establishing dedicated agencies, setting indicators, and implementing monitoring systems will drive progress. In my vision for 2040, Imo State's rural economy is a vibrant force, fostering overall development. With collective efforts, targeted investments, and sustainable practices, we can unlock its immense potential. This dream will bring prosperity and transform lives, making Imo State a model of rural economic success. Let us remain optimistic and committed to turning this vision into reality.

● *business a.m. commits to publishing a diversity of views, opinions and comments. It, therefore, welcomes your reaction to this and any of our articles via email: comment@businessamlive.com*



PROJECT SYNDICATE

American Tactics vs. Chinese Strategy



STEPHEN S. ROACH

*Stephen S. Roach, a faculty member at Yale University and former chairman of Morgan Stanley Asia, is the author of *Accidental Conflict: America, China, and the Clash of False Narratives* (Yale University Press, 2022).*

NEW HAVEN – The debate over the difference between tactics and strategy is as rich as it is enduring. In his seminal 1996 article in the Harvard Business Review, Harvard's Michael Porter tackled this issue head on. While his focus was business, his arguments can be applied much more broadly – including to today's Sino-American rivalry.

Porter differentiated between “operational effectiveness” and strategy, arguing that nimble companies had become well practiced in the former, but had dropped the ball on the latter. He also drew a sharp contrast between tactical tools – such as benchmarking, re-engineering, and total quality management – and competitive strategies aimed at “choosing a different set of activities to deliver a unique mix of value.”

Roughly 2,500 years earlier, Chinese military strategist Sun Tzu offered an equally profound perspective. In *The Art of War*, Sun wrote, “Strategy without tactics is the slowest route to victory,” stressing the complementarity of these two aspects of military decision-making. But Sun also counseled, “Tactics without strategy is the noise before defeat” – an admonition not to fixate on short-termism.

Notwithstanding Porter's role in shaping the modern debate about strategy, today's American body politic has little patience for long-term thinking. This was not always the case. George Kennan, first as a diplomat and later as an academic, devised the containment strategy that the United States used against the Soviet Union during the

Cold War. Andrew Marshall, as the head of the Pentagon's Office of Net Assessment, pushed the envelope on US military strategy. And Henry Kissinger, of course, was the ultimate practitioner of what has been dubbed “Grand Strategy.”

But these were exceptions, not the rule. Ever since former US President George H.W. Bush famously mocked “the vision thing” ahead of the 1988 presidential campaign, strategy has been held in low regard in Washington. The real-time feedback of ever fickle focus-group polling has become the North Star of US policy decisions.

That is especially the case in the Sino-American conflict, which over the last five years has morphed from a trade war to a tech war to the early stages of a new cold war. The US Trade Representative's Section 301 report, published in March 2018, framed America's tactical approach to its Chinese adversary, hinting at the tough actions that were soon to come.

This stands in stark contrast to China's more strategic approach, exemplified by its five-year plans and longer-term industrial-policy initiatives, such as the controversial Made in China 2025 program, the Internet Plus Action Plan, and the New Generation Artificial Intelligence Development Plan. Like them or not, these goal-oriented initiatives come complete with metrics aimed at defining a trajectory from point A to point B.

The US, however, has focused more on penalizing China for defying the rules and norms of the global system – holding China accountable, for example, for violating the terms of its WTO accession in late 2001. This has taken the form of tariffs and sanctions – unilaterally imposed by the US – which were quickly followed by tit-for-tat retaliation from China.

From the start of the trade war in mid-2018, it has been American tactics vs. Chinese strategy. This mismatch has important consequences, not least for the so-called “phone war,” the new front in the Sino-American tech conflict. The opening salvo came this past August, when Huawei, China's leading technology company, took the US by surprise with the release of its new Mate 60 Pro smart-

phone. The launch was undoubtedly timed to coincide with US Commerce Secretary Gina Raimondo's visit to Beijing.

A TechInsights teardown commissioned by Bloomberg News revealed that the new Chinese smartphone is powered by a seven-nanometer Kirin 9000s chip fabricated by SMIC, China's leading semiconductor manufacturer. While it still lags behind Apple's new iPhone 15, which runs on a three-nanometer chip, Huawei's breakthrough shocked sanctions-focused American officials by offering an indigenous product with 5G-like capabilities.

This is what happens in a conflict where one side is focused on tactics and the other on strategy. It should come as no surprise that Huawei has responded strategically to America's aggressive tactical campaign to restrict its core businesses and supply-chain dependencies. When the US Commerce Department first put Huawei on the entity list for export controls in 2019 – striking a severe blow to the company's once dominant smartphone – it forced the hand of China's most R&D-intensive enterprise. Porter couldn't have asked for more.

America's tactical approach to the Chinese tech sector has been directed at the country's military-civil fusion; the intent is to prevent the application of dual-use technologies to the production of weapons. Both Raimondo and National Security Adviser Jake Sullivan have warned that the US may use this same lens to assess the new Mate 60 Pro. That means the US could also be taking dead aim at China's ultimate consumer-information appliance, with potential adverse implications for the consumer-led strain of Chinese growth that most Western economists, myself included, have long favored.

But China is not without clout in the phone war. Under the dubious guise of security concerns, it has started to restrict iPhone purchases by government officials, and there are hints that it might broaden the ban to include workers at state-owned enterprises. This is hardly inconsequential for America's most valuable company, given that the Chinese market accounts for nearly 20% of Apple's total global revenue. The biggest risk of all: Apple's reliance on China as its main production and assembly base, despite early attempts to move operations to India and Vietnam.

In the end, it's hard to argue with either Porter or Sun. Tactics are not enough to compensate for a lack of strategic thinking. Just ask Huawei and the world's largest smartphone market. And try telling that to Washington.

VISIONARY VOICES



JOYITA ROY CHOWDHURY



PRARTHNA AGARWAL GOEL

Joyita Roy Chowdhury is Assistant Professor of Economics at FLAME University. Prarthna Agarwal Goel is Assistant Professor of Economics at Guru Gobind Singh Indraprastha University.

PUNE/NEW DELHI – Of the many natural disasters that afflict India each year, floods are by far the most prevalent. This is no surprise, given that around 40 million hectares of land in the country are prone to flooding, and nearly 75% of the annual rainfall comes in the space of a few months.

But as rising temperatures increase the frequency and severity of natural disasters, floods in India have become deadlier and more destructive (relatedly, cyclones have grown more intense). The country has the highest number of flood-related fatalities in Asia, and the economic damage caused by flooding has swelled from nearly \$1.4 billion in 2013 to \$11.5 billion in 2020. While this escalation has upended the lives of many rural Indians, who account for 65% of the population, women have borne the brunt of its impact.

There are many reasons why natural disasters disproportionately affect women in India. For starters, they comprise a significant share of the agricultural sector's workforce. In 2021-22, 57.3% of working-age women in India were employed in agriculture, compared to 34.4% of men. Despite a structural employment shift to non-agricultural sectors, many rural women have been unable to take advantage of these opportunities, owing to limited resources and mobility restrictions. Working on family farms or as agricultural wage laborers, they are exposed to the economic volatility caused by floods and other extreme weather. Moreover, since only 14% of women in India own land, very few have the ability to adapt and respond to climate change.

Family responsibilities,

Why India's Women Are More Vulnerable to Disasters

as well as other constraints imposed by traditional cultural practices and patriarchal social norms, reinforce this dynamic by preventing women from participating in activities – including non-agricultural employment – outside the household. This, in turn, makes women more vulnerable to flooding than men: they have higher mortality rates and less access to relief measures.

Besides the immediate threat to their lives and livelihoods, women are more susceptible to violence in the wake of a natural disaster: a global systematic review has found an increase in rape, sexual assault, and human trafficking in such situations around the world. In the months following 2005's Hurricane Katrina, for example, the percentage of women in southern Mississippi reporting intimate partner violence (IPV) increased from 33.6% to 45.2%, and low-income mothers were relocated to temporary mass shelters that many viewed as unsafe for themselves and their children.

Likewise, research based on National Family Health Surveys has shown a rise in IPV in four Indian states after the 2004 tsunami, with physical and sexual violence increasing by 61% and 232%, respectively, in Tamil Nadu and emotional violence increasing by 122% in Karnataka. Moreover, between 2010 and 2019, floods in the Indian state of Bihar damaged more than half a million houses, forcing residents to move to temporary refugee camps where women faced verbal and sexual harassment.

Violence against women is deeply rooted in social and structural problems, such as their lower socioeconomic status, gender-based disparities in resource distribution, unsafe environments, and limited access to support services, all of which can be exacerbated by natural disasters. For example, loss of employment from such catastrophes can weaken households' bargaining power and cause psychological and financial stress for men, often leading to an increase in alcohol and drug use – typical triggers of IPV. Women are even more constrained than before, and yet the same social and cultural barriers that prevent their shift to non-agricultural employment remain intact, precluding them from engaging in economic decision-making.

Disasters not only increase IPV but also make communities unsafe. Adolescent girls are at high risk of sexual abuse and exploitation, mainly because of their dependence on others. Makeshift camps that serve displaced people are often

rife with crime. Men seek sexual favors in exchange for basic needs such as food, water, and shelter, and women are often raped and sexually assaulted. Moreover, traveling long distances to collect firewood and drinking water, as well as unreliable street lighting, only leads to higher rates of victimization.

The long-term effects of floods and other natural catastrophes are equally devastating. The economic shock caused by such a disaster can create an environment of negative growth for women who have been socially and economically deprived. For example, flood damage usually precipitates a dramatic and sustained fall in agricultural employment, severely constraining women's future opportunities outside the home.

To prevent natural disasters from disproportionately harming Indian women, the government must enact laws that curb gender-based violence, such as liquor bans, as well as policies that improve police responsiveness, such as staffing stations with female officers. Securing greater economic independence will also be essential, and policymakers must work with other stakeholders to ensure that women have access to alternative employment opportunities, including in the dairy industry and other agriculture-adjacent sectors. Moreover, officials should hire women to help run evacuation shelters and include them in disaster planning.

The International Rescue Committee should collaborate with local government, NGOs, and individuals – particularly women – to develop strategies that rein in gender-based discrimination and violence during natural-disaster recovery. Through a direct transfer of relief funds to affected women, governments and international organizations can empower them to leave abusive relationships and focus on developing their own skills.

The recent catastrophic floods in Libya, which have taken thousands of lives and forced thousands more to leave their homes, illustrate the urgent and ongoing global threat posed by extreme weather. In India and elsewhere, the focus must be on addressing pre-existing gender inequalities and violence to limit the initial damage of such disasters and reduce the subsequent risks of displacement and migration. As women become resilient, societies become more resilient, too.

From the start of the trade war in mid-2018, it has been American tactics vs. Chinese strategy. This mismatch has important consequences, not least for the so-called “phone war,” the new front in the Sino-American tech conflict. The opening salvo came this past August, when Huawei, China's leading technology company, took the US by surprise with the release of its new Mate 60 Pro smartphone

STOCKS MARKET

	NSE	NSE 30	FTSE 100	DOW JONES	S & P 500	FTSE/JSE	NASDAQ
CURRENT	66,382.14	2,441.11	7,914.13	33,808.96	4,133.52	77,910.96	12,072.46
YEAR TO DATE	1.40	1.47	0.15%	0.07%	0.09%	-1.23%	0.11%
	29.52	32.54	6.21%	2.00%	7.66%	6.66%	15.34%

COMMODITIES

SYMBOL	PRICE	CHANGE	%CHANGE	VOLUME
OIL	90.73	0.57	0.63	250,785
BRENT	93.78	0.08	0.09	274,456
NAT GAS	2.653	-0.055	-2.03	84,859
RBOB GAS	2.701	-0.042	-1.53	27,516
GOLD	1,946.40	13.6	0.7	182,187
SILVER	23.36	0.366	1.59	62,466
COPPER	931.8	20.7	2.27	28,177
PALLADIUM	3,798	-0.024	-0.61	52,794
WHEAT	1,256	1.2	0.1	2,372
SOYBEAN	500.5	-3	-0.6	109
CORN	603.25	9.5	1.6	53,312
SUGAR	1,342	-18.5	-1.37	92,372
COFFEE	476.25	-4.25	-0.88	77,379
COTTON	26.78	-0.2	-0.74	54,485
ROUGH RICE	159.25	5.25	3.41	27,347
COCOA	86.49	-1.31	-1.49	13,699
	16.205	UNCH	UNCH	274

TOP TRADERS

Company	Volume	Value
FIDELITYBK	48593284	393886237.8
UNIVINSURE	28112764	6183703.77
WEMABANK	26675861	122677746.2
ACCESSCORP	21042807	331689000
UBA	11654936	191297850.8

TOP GAINERS

No	Equity	Opening	Closing	%Change
1	CHIPLC	N 1.15	N 1.26	9.57%
2	CWG	N 7.90	N 8.65	9.49%
3	NGXGROUP	N 22.40	N 24.40	8.93%
4	RTBRISCOE	N 0.45	N 0.49	8.89%
5	BETAGLAS	N 56.20	N 60.90	8.36%

TOP LOSERS

No	Equity	Opening	Closing	%Change
1	BUACEMENT	N 95.00	N 85.50	-10.00%
2	TRIPPLEG	N 2.41	N 2.17	-9.96%
3	OANDO	N 8.70	N 7.85	-9.77%
4	JOHNHOLT	N 1.64	N 1.48	-9.76%
5	CORNERST	N 1.78	N 1.61	-9.55%

ANALYST INSIGHT: CORONATION A.M.

THE EQUITY MARKET IS confounding sceptics with a rise of 31.5% year-to-date [as of September 18] while the total return (including the effects of reinvesting dividends) is 38.3%. At the beginning of the year a 1-year T-bill yielded 5.35% pa and a 10-year FGN Naira-denominated bond yielded 13.36%, so an investor who chose to take equities has done much better, year-to-date, than a fixed-income investor.

An index of long-dated FGN Naira-denominated bonds has returned 4.86% year-to-date. As market interest rates have moved upwards this year (by about 120 basis points) the market-to-market value of bonds has fallen, offsetting some of the gains delivered by coupons.

As featured in Coronation Research, Better Times in 2023, 11 January, we thought that 2023 would be another good year for equities, given that the prospect for earnings growth among the top stocks was about as much as the appreciation of the market during the previous year (2022). In other words, the market was no more expensive than it had been a year earlier, and it had the potential to perform again. The easiest way to explain 2023's equity market performance, which indeed has exceeded our expectations, is to break it down into sectors. Each sector has responded to either a government reform, a change in economic fundamentals, or corporate action.

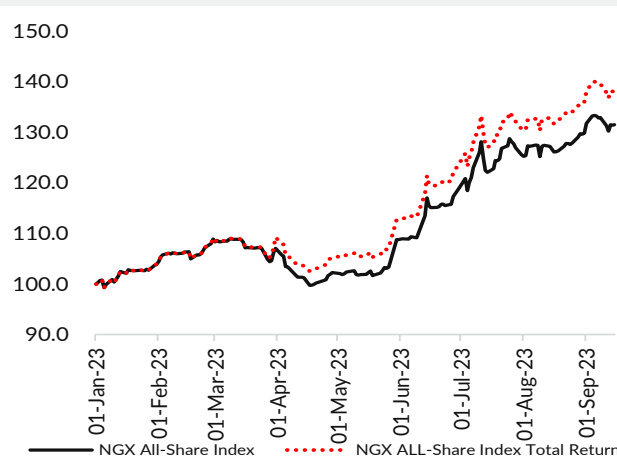
The bank[ing] sector has been a star performer, with the NGX Banking Index up 65.5% year-to-date. The immediate cause was the liberalisation of the foreign exchange market in June (though, some canny investors were already buying bank stocks during May) and the subsequent devaluation of the Naira/US dollar rate in the I&E Window. Many banks have substantial long US dollar positions and will record significant revaluation gains when they report results in Naira. And they are now able to trade in foreign exchange markets in ways that were closed to them previously. These factors, to a large extent, explain the rally (see Coronation Research, Investment Op-



L-R: Demola Sogunle, group chief executive, Stanbic IBTC Holdings; Sanyade Okoli; Erelu Angela Adebayo, director, Nigerian Exchange Limited (NGX); Temi Popoola, chief executive officer, NGX; Mele Kyari; group managing director, NNPC Plc; Wale Edu, minister of finance and coordinating minister of the economy, Nigeria; Charlie Walker, deputy chief executive officer, London Stock Exchange Group (LSEG); Patience Oniha, director-general, Debt Management Office Nigeria (DMO); Abi Ajayi, head of Middle East and Africa, primary markets at London Stock Exchange (LSE), and Jude Chiemeka, divisional head, Capital Market, NGX during the opening Bell Ringing Ceremony at London Stock Exchange recently.

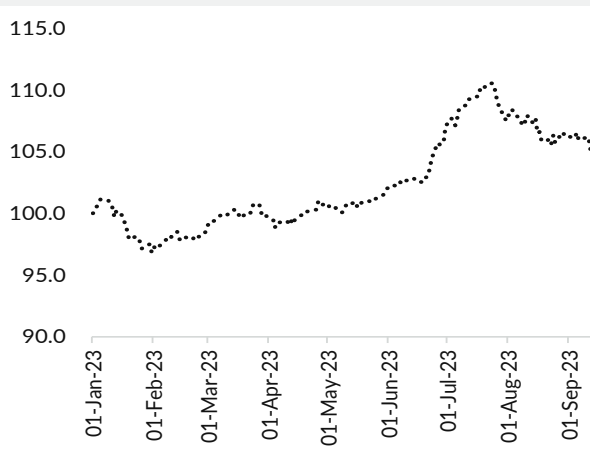
What explains the equity market in 2023?

NGX All-Share Index and Total Return Index, 1 Jan 2023=100



Source: NGX Exchange, Bloomberg, Coronation Research

Bloomberg Nigeria Local Sovereign Index, 2023



Source: Bloomberg, Coronation Research

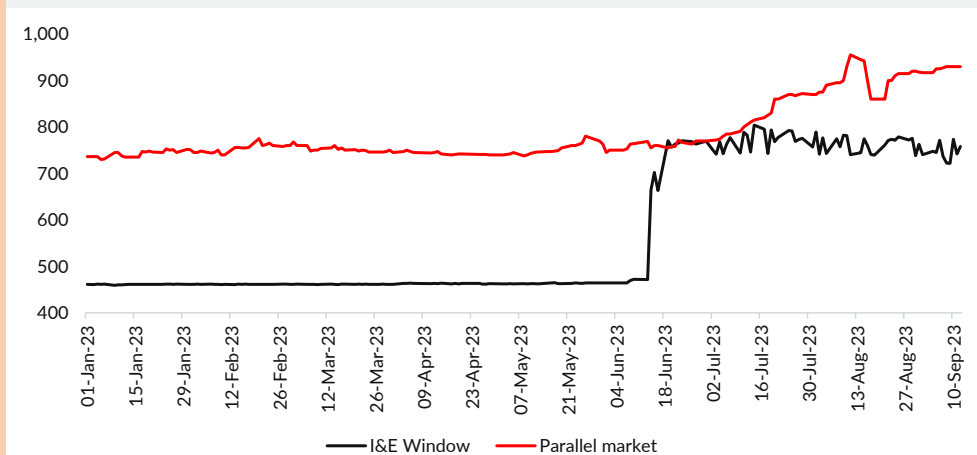
portunities from FX Liberalisation, 10 July).

The abolition of fuel subsidy, announced during President Bola Tinubu's inaugural address at the end

of May, has also profoundly affected the equity market, as fuel marketers are no longer constrained by the margin imposed on them by the fuel pricing template

(see Coronation Research, Investment Opportunities from Fuel Subsidy Reform, 9 June). The index of Oil & Gas stocks is up 98.7% year-to-date.

Naira/US dollar exchange rate in 2023, I&E Window and Parallel market



Source: Central Bank of Nigeria, Bloomberg, Coronation Research

The insurance sector is also a beneficiary of currency devaluation as many insurance companies have net long positions in US dollars and, like many banks, will be able to report revaluation gains. Individual companies have also reported strong results. The NGX Insurance Index is up 52.8% year-to-date.

The most perplexing performance this year comes from the consumer sector. After all, there can be no doubt that with inflation at 25.80% per annum and food inflation at 29.34% pa (data for August), the consumer is under pressure.

The prices of several brewing stocks are down this year, with Nigerian Breweries down by a marginal 0.1%, International

Breweries down by 5.3% and Guinness Nigeria down by 6.2% year-to-date (as of last Friday). Yet the shares of several food and consumer products companies have gained hugely, with BUA Foods up 72.7% and PZ Cussons Nigeria up 184.6% year-to-date.

This appears to be the result of a combination of corporate action and a rebound in earnings. BUA Foods has clearly established itself as a presence in food manufacturing and we see the recently-announced merger of the listed Dangote Sugar, the listed Nascon and the unlisted Dangote Salt as a response to this. Shares in Dangote Sugar are up 255.1% year-to-date. Meanwhile PZ Cussons Nigeria has reported both a rebound in earnings and announced a buyout of shares by its parent company (subject to ratification by the Securities and Exchange Commission). PZ Cussons Nigeria shares are up by 184.6% year-to-date.

Prospects for Q4 2023

These different factors add up to a remarkable year for NGX Exchange-listed equities, so far. What about the rest of the year? As we noted a month ago in the Nigeria Weekly Update (21 August), we think that the largest gains in the bank sector are behind us. And, overall, the market has done well so we would not be surprised to encounter profit-taking in the months ahead. But that profit-taking may not be heavy because institutional investors, in particular Nigerian pension funds (see Nigerian Weekly Update, 17 July) appear to be underweight in Nigerian equities. So, it is possible that they will correct this by building positions in the major stocks if prices correct (and if sufficient volumes of stock are available for sale).

After all, Nigerian institutional investors cannot fail to notice that the NGX All-Share Index has provided a significant return since the beginning of 2020, with a price return of 151.1% and a total return of 219.9% (by reinvesting gross dividends). It has easily beaten inflation and out-performed every other Naira-denominated major asset class. 2023 is showing, once again, the case for investing in equities.



Quoted Insurers

	P/Close	Open	High	Low	Close	%Change	Volume	Value
Security AIICO	0.7	0.7	0.7	0.69	0.69	-1.43	4,773,373	3,298,758.18
LINKASSURE	0.8	0.8	-	-	0.8	0	6,750	5,678.50
MANSARD	3.84	3.84	4	4	4	4.17	2,742,332	10,906,999.68
MBENEFIT	0.42	0.42	0.43	0.43	0.43	2.38	382,237	162,982.51
CORNREST	1.78	1.78	1.61	1.61	1.61	-9.55	1,093,618	1,761,523.83
LASACO	1.81	1.81	1.91	1.85	1.87	3.31	6,259,260	11,618,463.63
MBENEFIT	0.47	0.47	0.47	0.47	0.47	0	2,137,638	1,004,296.12



...INSURANCE ...PENSION ...BROKER ...RISK MGT ...SPECIALTY ...COMPANY ...PEOPLE ...REGULATION

Cynthia Ezekwe

Mixed reactions trail Nigeria's top 10 motor insurers' N33.6bn premium in 2021

● NEM, Leadway, Mutual Benefits, Custodian, AXA lead motor insurance premium takings

DESPITE PLAYING A very significant role in mobilising investable resources, specifically in the insurance industry, the demand and penetration of motor insurance in Nigeria remain at snail pace, yet not surprising for a country with financial systems that are not sufficiently robust.

A 2022 report by the Nigerian Insurance Association (NIA), shows that only 3.4 million out of a total of 12 million registered vehicles were insured as of 2021, representing a staggering 71.67 percent non-coverage.

NIA further reported that only about 2.53 million out of the 12 million registered vehicles on Nigerian roads possessed genuine motor insurance, leaving about 9.5 million uninsured.

The report also revealed that some of these 9.5 million vehicles that are not insured use fake motor insurance papers, while the others do not have certificates at all, while many others who had genuine insurance papers fail to renew when their policies expire.

Amid the operational and penetration challenges seen in the Nigerian insurance industry, some notable insurance companies have posted respectable numbers in business retention, especially in the motor insurance sector, reflective of its market resilience and increasing capacity albeit slow-paced.

The 2021 approved fi-

ancial statements of insurance companies compiled by insurance advocacy firm, Finterate Projects, disclosed that the total premium from Nigeria's 10 leading motor insurers stood at N33.6 billion, while the total claims paid was N16.9 billion in the year under review.

According to the report, NEM Insurance Plc, a composite insurance company incorporated in 1960, recorded the highest premium of N8 billion, closely followed by Leadway Assurance Company Limited, with a motor insurance premium of N5.2 billion.

Mutual Benefits Assurance recorded the third highest motor premium of N3.9 billion, followed by Custodian & Allied Insurance, which recorded total motor premium takings of N3.5 billion.

AXA Mansard Insurance Plc emerged the fifth highest motor insurer in 2021 with a total of N2.8 billion premium, followed by AIICO Insurance with a record of N2.6 billion premium.

Consolidated Hallmark Ins Plc, Linkage Assurance Plc, Cornerstone Insurance Plc, Lasaco Assurance Plc, made up the top ten motor insurance with a total motor insurance premium of N2.2

Nigeria's 10 Leading Motor Insurers 2021						
No	Total Premium from Motor (N'000)	Total Claims Paid on Motor (N'000)	Insurers	Total Premium from Non-Life (N'000)	Total Claims Paid on Non-Life (N'000)	Category of Licence by NAICOM
1.	8,008,148	4,299,744	NEM Insurance Plc	27,875,088	7,603,949	General
2.	5,220,777	2,771,198	Leadway Assurance Co. Ltd.	34,438,738	7,954,584	Composite
3.	3,949,776	2,445,330	Mutual Benefits Assurance Co	13,794,276	3,949,776	General, Life
4.	3,538,297	1,444,484	Custodian & Allied Insurance Co	34,437,522	6,309,938	General, Life
5.	2,802,035	1,305,538	AXA Mansard Insurance Plc	28,295,117	4,614,472	Composite
6.	2,461,098	1,213,267	AIICO Insurance Plc	19,949,710	7,400,388	Composite
7.	2,252,875	1,164,184	Consolidated Hallmark Ins Plc	10,024,047	3,597,475	General
8.	2,177,342	1,134,187	Linkage Assurance Plc	11,161,499	9,125,442	General
9.	1,704,011	894,774	Cornerstone Insurance Plc	12,920,543	1,459,359	Composite
10.	1,370,434	137,344	Lasaco Assurance Plc	4,917,745	4,448,824	Composite

Source: Finterate Projects - From 2021 Approved Financial Statements of Insurance Companies

billion, N2.1 billion, N1.7 billion, and N1.3 billion, respectively.

In terms of claims payments in the motor insurance category of underwritings for 2021, NEM Insurance Plc, which amassed the highest motor premium, also made the highest motor claims payment of N4.299 billion, or 53.74 percent of total motor premium it gathered.

According to the report, Leadway Assurance made the second highest motor claims payment with a record of N2.7 billion, or 53.07 percent of its total motor premium.

Mutual Benefits Assur-

ance, incorporated in 1991 and licensed as a life and non-life insurer by NAICOM in 1993, made the third highest motor claims payment of N2.4 billion, a significant 68.25 percent of the motor premiums it generated in the year under review.

Custodian & Allied paid out motor claims of N1.644 billion from a motor insurance premium of N3.538 billion it recorded for the year under review to come fourth on the list of claims payments.

Finterate Projects also disclosed that AXA Mansard was the fifth highest claims remunerator as it

paid N1.315 billion, which is 46.93 percent of its total motor premium of N2.802 billion.

Following in sixth place in motor claims payment is AIICO Insurance with N1.213 billion, representing a significant 46.64 percent of its total motor premium received for the year.

Consolidated Hallmark Ins Plc ranked the seventh highest motor claims remunerator with claims worth N1.164 billion or 51.69 percent of its total motor premium of N2.252 billion received.

Linkage Assurance was eighth on the list of highest motor claims payment,

as it paid N1.136 billion, representing 52.18 percent of its total motor premium received for the 2021 year under review.

Cornerstone Insurance plc, the ninth highest premium generator, also recorded the ninth highest motor claims payment of N804 million, which is 47.13 percent of the premium it generated.

Meanwhile, Lasaco Assurance maintained its 10th position in terms of both motor premium received and motor claims payment. The insurance company established in 1979 recorded N137 million worth of claims payment, which is 10.03 percent of the total motor premium of N1.370 it generated for the 2021 financial and operating year.

The above figures and percentages have seen experts spoken to by Business a.m. offering mixed reactions on the performance of the top 10 motor insurers in 2021 in view of analysts' broad expectations.

Some are of the opinion that there was a significant improvement in motor insurance premium generation and claims payment, and are optimistic about 2022 premium generation and claims payment when the data are released.

Ekerete Gam-Ikon, a management consultant in

Continues on page 19

MONEY Nuggets



TUNDE OYEDOYIN

Tunde Oyedoyin is a London-based personal finance coach and founder of Money Intelligence Coaching Academy, a specialist academy of personal finance. He can be reached as follows: +447846089587 (WhatsApp only); E-mail: tuoyed@gmail.com

AS AN INTRODUCTION, MAKE no mistake about it, you can't sustain your current level of commitments by earning less and then making up the balance with borrowing from your bank or other lenders. Tennis legend, John McEnroe,

would have said: "You cannot be serious!"

You'll be surprised people think they can play these games when they become leaders. Now to the drift. In personal finance, your sums must add up.

Aside a recent weekend tweet, asking her over half a million followers to check out her piece in @MailOnline on why the Labour Party should rather grow the economy and not state power, our beautiful former prime minister, the Rt Honourable Liz Truss, the member of parliament (MP) representing South West Norfolk, was in the news of late.

She's been doing the rounds on the international scene, making speeches and earning decent returns. No problems with pocketing some bucks, as a 'labourer' surely deserves his or her wages.

But what caught one's eye in the stories in the media is her refusal to not let sleeping dogs lie down - je je ly - gently. If sister Liz wasn't blaming her party for not sticking by her, she's blaming someone else.

A few months ago, she was over there in the States, pointing the

How not to do a Liz Truss

fingers at 'gravitational forces' for bringing an abrupt end to her time at Number Ten (Downing Street). Seems she's yet to wake up and smell the roses.

Someone ought to have drummed it in the now backbench MP's ears to admit that the reason the Conservatives asked her to quickly return the keys of Number Ten to Buckingham Palace, was simply because of the mini-budget she conjured with her Chancellor of the Exchequer, Kwasi Kwarteng. Not only did the thing cause the economy to take a frightening southward flight, it was because she had proposed the biggest tax cuts package in 50 years. That was a red signal for investors, as it meant over thirty billions of pounds less for Her Majesty Revenue and Customs, HMRC.

Here's the thing. Ms Truss seems to have forgotten that the reason the economy became fragile and the markets crashed under her feet was because her sums didn't add up. Simply put, she wanted to give tax cuts to people

without generating alternative sources of revenue for His Majesty's government. Her ambitious plan to make up the numbers with borrowed money was the reason there was an open revolt from her very own Members of Parliament.

She doesn't seem to remember that it was her unfunded tax cuts that caused investors to be selling off government bonds and also sending shivers down the spines of mortgage owners. It appears the shortest serving PM in British history has now forgotten that after that mini-budget, the Bank of England had to be pumping money into the economy to avoid a run on pension funds. Moreover, the pound was taking a beating against the dollar and even the International Monetary Fund, IMF got concerned.

In personal finance terms and to put it in perspective, imagine this scenario of Mrs X, who earns N60,000 per month, saying to her employer, "I'm going to reduce the number of weeks I work to just two." The employer says, no

problem, madam. Your salary will have to drop down to N30,000 per month.

Assume Mrs X says not to worry and after the meeting, drives over to her friendly bank at Victoria Island. She informs them of her decision and then asks for increased overdraft. Let's say the account officer and the manager now ask, "By the way ma, how are you going to pay your bills and meet your current obligations?" Guess what? Suppose Mrs X turns around and says, "Listen folks, I'll make up the shortfall by taking regular overdraft. Top of that, I'll still be taking my family on holiday to Swaziland." That looks like Lizconomics.

Folks, make sure your sums add up. If they don't, and the house of cards crumbles, take it on the chin. Wake up and smell the coffee. It might have nothing to do with people in the village.

● business a.m. commits to publishing a diversity of views, opinions and comments. It, therefore, welcomes your reaction to this and any of our articles via email: comment@businessamlive.com

OPERATIONS



**GUILLAUME
ROELS**

*Professor of Technology and
Operations Management*

WHAT IF THERE WAS a better way to schedule meetings for team coordination?

In January, Shopify deleted 12,000 recurring meetings from its staff's calendars. The e-commerce firm also reinstated a no-meeting Wednesday policy. The idea wasn't to prevent meetings from happening, but for staff to be intentional about them. In addition, it sent a clear message that it was OK to protect one's time.

When I ask managers what their biggest operational frustration in their job is, they typically say: "We have too many meetings." Before the pandemic, I interviewed product managers to have a clearer sense of their roles. They described their days as running from one meeting to the next and being interrupted the rest of the time. It's a familiar experience. You can probably relate.

Indeed, ethnographic studies on software developers, for instance, revealed how chaotic and distressing work can feel. In 1999, Harvard's Leslie Perlow coined the term "time famine" to describe the feeling of having too much to do and not enough time to do it, largely because of constant interruptions at work.

There is a fundamental trade-off between the time that we could spend working – being productive and adding value – and the time that we spend in meetings. However, it's not that meetings are completely useless. Teams do need them to resolve issues, coordinate work, convey information and even socialise workers. There's a lot of research on these benefits.



Too Many Meetings, Too Little Time (to Work)

However, as UCLA's Charles J. Corbett and I found, little academic work has been done on the art and science of scheduling team meetings. We felt the subject was relevant to the field of operations management: With a long tradition of scheduling machine work, its principles could be applied to finding optimal rules for scheduling meetings.

For this purpose, we used stylised game theory to generate preliminary insights. As described in our paper forthcoming in *Management Science*, a starting point of our model is the need to move towards a more collective perspective. People often complain about having too many meetings, but that's because they only consider their individual perspective. While a meeting may not be useful for them – for instance if they are the ones sharing information – it may prevent a co-worker from working in vain for a week.

Our stylised model characterised the best meeting scheduling rule as a function of two dimensions: the team size and how homog-

enous its members are. In our context, homogeneous means that team members are similar both in terms of their needs for coordination and the value they produce.

If the team is small and workers are relatively homogeneous

Let's imagine a team of two developers working on the same app – one is developing the Android version and the other, the iOS one. They have the same skills and, by and large, encounter similar issues. In this case, meetings should be triggered based on the workers' needs – as opposed to being based on a set frequency, e.g. weekly.

This means that as soon as one team member wants to coordinate, they can take the liberty to interrupt the other team member(s), which is akin to an open-door policy. Alternatively, they could decide that meetings should be triggered only if both say they are available (e.g. in their status on Microsoft Teams), which is akin to a closed-door policy. This is the most fluid approach, but it can get

problematic when the team grows larger or when workers are heterogeneous.

With a bigger team, the needs of its members often become dissimilar. In practical terms, the team can soon face a "squeaky wheel" problem. There will inevitably be one worker who would need help, and thus ask for meetings or interrupt their colleagues' flow of work; and conversely, there will inevitably be one productive worker who prefers not to be interrupted, even if their input may benefit their colleagues.

When the team is of intermediate size

A few options are possible for teams of intermediate size. They can adopt an open-door policy – where everyone can interrupt anyone anytime – but it should include a provision for the minimum amount of time to be blocked off for individual work thereafter. For example, if the team meets now, a minimum of X days should be reserved for quiet time thereafter. After that quiet time, the workers should feel free to interrupt each other.

Alternatively, they can adopt a closed-door policy where, by default, time is reserved for quiet work (production), but up to a certain limit. That is, after a predefined maximum number of days of production, the workers should avail themselves in case a coworker needs help and would like to coordinate.

Both approaches can be complicated to implement as the time safeguards would need to be calibrated to the team. But at least these options create ways to manage the squeaky wheel problem that can sap the productivity of the team as a whole.

If these options don't work, the next best thing is to use a hierarchical structure to schedule meetings. This involves designating a worker – ideally, the one most representative of the team's needs – as the only person who can call meetings.

What to do with larger teams

When the team is large, these need-based policies with time safeguards remain very effective, but we were

also surprised to discover that a simple fixed-interval scheduling rule works really well. This means that irrespective of whether the team needs to meet or not, it should stick to a set meeting time, be it weekly, biweekly or monthly. This rigid fixed-interval scheduling rule works well because it averts the squeaky wheel issue which is more pronounced in large teams.

In our simulations, we were surprised to see that teams of ten members were already large enough for a fixed-interval rule to perform well.

Reducing the chaos with robust theory and data

When Perlow did her ethnographic work in a high-tech software firm some 24 years ago, the rules for various forms of "quiet time" did not endure after she concluded her study. But today, firms have technological solutions that enable them to track how people work and coordinate. Firms can now track workers throughout the day, see how often they check their emails, and with whom they tend to have the most meetings. That's a lot of data that can be leveraged.

Our study allows us to build the theoretical background and make predictions about which rules would perform best under what situations. Right now, in practice, most of us work in an unguided way and tend to feel overwhelmed. Some people block time on their calendar to prevent meetings from popping up and ensure they can get some work done. This is the most fundamental time management technique. But it's also chaotic.

Instead of setting quiet slots on an individual basis, we should synchronise these slots and those available for meetings at a collective level. With a little more data and intentionality, we can work better and reduce our individual and collective time famine.

"This article is republished courtesy of INSEAD Knowledge (<http://knowledge.insead.edu>). Copyright INSEAD 2022

one subscription,
more experience
Access more with XclusivePlus

- Access to over 1,200 airport lounges globally
- Access to movie and event tickets
- 24/7 access to licensed medical experts
- And lots more.

Join the XclusivePlus club today to enjoy these benefits and more.

Visit www.accessbankplc.com/xclusiveplus to get started

XclusivePlus
by access



Scan to download the AccessMore app

access

more than building

LEADERSHIP & ORGANISATIONS



MARK MORTENSEN

Associate Professor of Organisational Behaviour

A FRAMEWORK TO HELP LEADERS approach the topic more holistically and effectively.

The discussion around remote work — which has dominated news headlines, Slack conversations and water-cooler chats since countries relaxed their Covid-19 guidelines — is only getting more contentious. Many workers wish to continue working remotely in some capacity, while insisting that leaders' productivity concerns are unfounded.

However, some high-profile executives have been vocal about their opposition. Morgan Stanley CEO James Gorman declared that working remotely "is not an employee choice". And Elon Musk denounced remote work as "morally wrong". He further suggested that those working from home are merely "phoning it in" and mandated a return-to-office (RTO) at Tesla, SpaceX and X (formerly Twitter).

One consistent aspect of the arguments for and against remote work is how strong and entrenched these stances are. And although conflicting perspectives on the topic are nothing new, tensions seem to be escalating.

Amazon workers conducted a walkout to protest their company's RTO policies, Google recently began tracking employees' in-office attendance and Farmers Insurance workers have threatened to unionise or quit over the CEO's reversal of the company's remote work policy. What's more, stories of employees being terminated for failing to comply with RTO mandates continue to proliferate.

Amid increasing polarisation, it becomes even more difficult for employers and employees to reach a consensus on the best way forward. As I wrote in a recent article for Harvard Business Review, leaders and employees should actively collaborate to devise a balanced approach to the issue and arrive at a mutually beneficial solution — one that recognises



Solving the Problem of Remote Work

and validates the needs and concerns of both sides.

Bridging the gap

Why are we having such difficulty agreeing on how to approach remote work? Based on my research and consulting over the past 20-plus years, I believe a major reason is that we are assessing cost-benefit trade-offs without agreeing on the 5 W's: who, what, where, when and why.

Why do we need the 5 W's? It's not new, but this classic tool — which was developed by journalists to make sure all the relevant information is included — works really well here to allow for a more complete perspective. This can help employers foster dialogue with their employees that is balanced (understands the needs of both sides), respectful (validates those needs) and ongoing (adjusted over time as needs change). Employers and employees should approach these conversations with the objective of finding the most mutually optimal solution — not winning.

The starting point for any productive discussion is aligning on "why" flexible work is (or is not) a topic of discussion in the first place. For some, it may be about increasing or preserving productivity. For others, it could be about attracting and retaining talent, fostering relationships or strengthening social ties.

It's then important to establish clarity on "what" by defining these driving factors. For example, performance is widely heralded as both the benefit and cost of remote work. That's because we rarely agree on its definition in the first place — whether that's efficiency, quality or the amount of work generated.

Next, consider the "where" — as in where in the organisation are you evaluating remote work.

All organisations are different, meaning that there are myriad paths to achieving various kinds of work. Those packing products into boxes are relatively constrained in terms of where they can work from, while those answering customer service enquiries are not. Considering the types of work being done sets the boundaries for discussions around policies.

Leaders and employees often struggle to think effectively across time — the "when". Certain benefits provided to employees may produce short-term benefits but have long-term costs. For instance, giving workers an additional day of flexibility may reap the short-term benefit of eliminating a commute but lead to the long-term consequence of a loss of mentorship when schedules no longer align.

The root of most of these disagreements, in my experience, is the "who". Work policies affect people differently, and it is important to account for both individual and collective effects. A policy that allows staff to work from home (WFH) at-will can benefit individuals' work-life schedule coordination but come at the expense of a collective sense of culture.

Establishing clarity on the 5 W's can help leaders better think about whose interests or outcomes they are prioritising when devising remote work policies. However, keep in mind that the 5 W's are a tool to help ensure organisations get all the information on the table for a fruitful discussion — they are not entirely independent elements.

Take decisions around what work is suited for increased flexibility. Although this is a conversation about "where" and is contingent on "what" leaders define as key outcomes, it also has a major impact on who

receives the benefits, with consequences for employees' sense of fairness and equity.

Creating constructive dialogue

To design effective work policies and practices, everyone's voices must be heard. Leaders who institute policies without involving their employees are often seen as out of touch, while employees who make demands about how they work are frequently perceived as entitled. Only by engaging both sides can we start making progress.

Rather than being treated as a one-off, this needs to be an ongoing conversation. Preferences, needs, technologies and market demands are constantly evolving, as are individuals' perceptions of how best to operate within that changing context.

So, how should leaders facilitate this ongoing dialogue? After comprehensively considering the 5 W's, the critical step is to maintain that clarity by ensuring you and your employees evaluate them via a structured, objective process by using the following framework.

1. Own the issue

Leaders and employees have a vested interest in getting work policies right, and everyone has experiences and opinions that provide valuable data. It's important that all this information is brought forward, and all perspectives included.

The current exchange in which both sides are trying to "win" makes collaborative dialogue extremely unlikely to occur. Dialogue cannot be successful unless both sides accept joint ownership of the issue, including taking responsibility for any missteps that may have happened along the way. The purpose of the conversation is to learn and

attain a better outcome, which may require clearing the air.

Leaders must also recognise that the playing field isn't exactly even. The power of collective action (strikes, walkouts, etc.) notwithstanding, managers possess greater agency and control over the policies in question. In my work with companies, I stress to leaders that this is not the time to be proud. Showing your own vulnerability by acknowledging that everyone is doing their best to chart a course through unfamiliar territory is a powerful first step.

2. Establish expectations and ground rules

Psychology offers two powerful tools that can dramatically improve the results of your discussions and account for the needs of all involved: psychological safety and a growth mindset. Employees need to know they won't be met with reprisal for voicing their needs and constraints. Similarly, leaders need to be able to speak honestly about the pressures they face on an organisation level. This allows everyone involved to work together towards a more optimal solution. Both sides will hold back if they don't feel safe doing so.

It's also key to recognise that companies operate in a constantly evolving environment. As employees' and organisations' requirements change, policies should be revisited to ensure they remain relevant. Policy changes should not be seen as failures, but as important steps in a learning process — the fundamental core of a growth mindset.

Make sure everyone involved agrees to this collaborative process as ongoing, adaptive and governed by these central principles, and obtain that commit-

ment at the start. Doing so can lead to far better outcomes for all involved.

3. Eliminate black-and-white language

Overly simplistic, black-and-white language can impede productive conversations about work arrangements. While the 5 W's show that this is an incredibly complex, multidimensional topic, reductive blanket statements abound.

I encourage leaders to be explicit and call out the risk of blanket declarations like "WFH is unavoidable" or "remote work kills creativity". There may be some truth in both sentiments, but these statements further entrench positions and don't advance dialogue.

As an example, in one executive committee I worked with, members could throw yellow and red cards when they witnessed blanket statements being made. By levelling the playing field and injecting a dose of levity, the group was empowered to have more healthy and nuanced discussions. While you don't need to introduce a card system, consider how to ensure that everyone (leadership included) is held accountable for counterproductive language.

4. Talk

Space and time are necessary to have meaningful discussions. But as simple as it is (and as silly as it may seem to mention it), setting aside time may be the hardest step in the process. Formalising these discussions to give them legitimacy and carving out time in individuals' schedules to conduct them is crucial. While you don't need to allocate hours each week to this, ensure that the time you do set aside is regular, as predictability builds trust.

Opinions remain fiercely divided on the WFH/RTO debate. To make matters worse, these divergent positions align with the divide between leaders and employees, who both have strong vested interests in the outcome.

Despite plentiful and increasing data on the subject, there is no simple fix. The only productive way forward is for leaders to engage employees and work together to develop the most mutually beneficial solution possible for their organisation.

"This article is republished courtesy of INSEAD Knowledge (<http://knowledge.insead.edu>). Copyright INSEAD 2021





MANAGEMENT



**MARTINE
HAAS**

*The Lauder Chair Professor,
Professor of Management,
Anthony L. Davis Director,
Joseph H. Lauder Institute
for Management & International
Studies*

HYBRID WORK IS HERE TO STAY, but it comes with trade-offs. Wharton management professor Martine Haas guides managers on how to get the most out of a hybrid workplace, while keeping the pros and cons of remote working in mind. This episode is part of a series on “Hybrid Work.”

How Should Managers Handle Hybrid Work?

Dan Loney: Hybrid work really wasn't in our vernacular four years ago, but now here we are. What are your thoughts on the state of hybrid work at this moment and your expectations as we move forward?

Martine Haas: It's the million-dollar question that's on everybody's mind. The state of hybrid work right now in some ways looks surprisingly strong. The last year feels like a lot of organizations have converged on hybrid work as the sweet spot. It's not perfect, but it's a good compromise between the tensions and the benefits that we see to workers who might want to be remote more of the time. Some might want to be in the office, but a lot do want to be remote. And there are managers who might want to be remote, but a lot of times want their folks in the office. So, it feels like it's a compromise that both sides have kind of come to. Even the firms that were strongly remote have come to realize, “Wow, we're losing some stuff. Maybe we need to do more things together.” On the other hand, the firms that are, “Let's be completely in the office” have realized that workers really like the [option] to work hybrid.

It feels like we've settled into something of a routine in many companies where it looks hybrid. People are in the office some days and not others, and it's likely, given that there are benefits on both sides and reasons to do both, that this will be the way it looks for at least the foreseeable future.

Loney: You mentioned managers, so let's start there.



What Are the Pros and Cons of Remote Working? | Martine Haas

Professor Martine Haas offers advice for managers on how to thrive in a remote workplace.

What is it that we need to know to better understand how managers are going to deal with hybrid work?

Haas: There's a lot to know. But I think one fundamental, underlying thing that we need to recognize is that when you've got some people in the office and some people not in the office, it creates real variation in people's experiences of work and in their ability to work together.

I think there are two big components that feel important because they both create power differences between people who are in the office and people who are not. One is people's access to resources, whether it's the photocopier or support or advice from the manager or other workers. You have more of those resources if you're in the office with other people usually than if you're at home.

The other is visibility. If you're in the office, you probably have more visibility to your manager. Probably your manager is in the office, too. But even if they're not, other people are seeing it, hearing your work, and it's more obvious what you're doing. Losses in visibility matter because there are bases of power in organizations. People who have more of them tend to have more power, and that tends to mean that when you are in the office more, you have more access to some of the stuff, and maybe more power than people who are in the office less.

I think managers need to start with that fundamental recognition that people are in different structural positions, and as a result, all is not equal. It's an unequal playing field, and that means that we need to develop ways and competencies around managing that. It doesn't have to be a bad thing. As you mentioned, there are lots of advantages to it. But it needs to be actively managed, and people need to have recognition and assistance in building the competencies to manage that situation.

Loney: Does technology make it easier or harder for the manager to do a lot of those things?

Haas: Yes, of course technology makes it easier or we wouldn't be doing it at all. The reason why hybrid work is now so widespread when, as you said, it wasn't even part of our vernacular four or five years ago is because of technology, without question. And the fact that Zoom came along, and not only that it came along, but that we all shot up that learning curve to a level that everybody, even the least technologically adept managers, could basically manage Zoom calls now. That has enabled this in a way that just wouldn't have happened, not nearly so fast otherwise. We already had a lot of this technology, and it wasn't happening so fast.

Technology makes it all possible, but it doesn't make it all perfect. I think there's

a tendency not to recognize that some of the imperfections are things that really need attention. There's all sorts of stuff that happens when we rely on technology unthinkingly that can be pretty dysfunctional for our ability to work together effectively and collaborate and get things done in the best possible way.

Breaking Down the Pros and Cons of Remote Working

Loney: When you're talking about hybrid work, there are a couple of different components: flexible hybrid and fixed hybrid. Take us through both of those.

Haas: Fixed hybrid means that some people are always in the office and there most of the time, whereas some people are always remote. That's a pretty extreme version of the situation, but we do see that a lot in many organizations. The flexible hybrid is when the same person is in the office some days and out of the office other days of the week.

I think the distinction is important, just to say that flexible hybrid is less problematic. You're able to work through more of the issues and see more of the issues that come up when you've got people coming in and out of the office. It creates a lot of its own issues, too, but at least you're not having people who are never there and people who are always there. When you have the fixed hybrid, some of these

tensions or divisions or potential gulfs in understanding are much more extreme than when you've got people coming in and out. I think the realities of many organizations have seen that, and a lot of companies are using the flexible hybrid partly because of those reasons.

Loney: Is the playing field not level for all individuals because of these dynamics?

Haas: Yes, the playing field is particularly unlevel when you are in the fixed hybrid system because some people have consistently more access to resources and visibility to high-level management than the people who are more remote. I think these issues about the lack of levelness in the playing field are really important to recognize in a hybrid system or in a remote work system.

But it's also the case and important to recognize that some people may be worse affected by the same sort of distance than others. I've written a bit about women in the workplace who may have a natural disadvantage in a male-dominated workplace, for example, in terms of whether they speak up as much or are listened to as much or are given the best assignments or are augmented as much — even when you're working all together in the office.

Add to that what we call

“the remote work penalty.” We know that some of these issues happen when you work remotely: You're less likely to have access to mentoring. It may be harder to network. It might be harder to get the best assignments. It may be harder to speak up. If you couple those two things together, there might be particular people — I just gave women as one example, but they're not the only example. You're particularly disadvantaged structurally unless we're really aware of this and work hard to offset these disadvantages.

Honestly, it doesn't mean that it's a bad idea for women to work remotely — or anybody else, right? I think there are really great reasons why a woman at a particular career stage, men at a particular life stage might choose to work remotely, but they need to recognize and the managers

continues on page 18

XclusivePlus
access

one subscription
more experience

- Access to over 1,200 airport lounges globally
- Access to more and event tickets
- 24/7 access to licensed medical experts
- And lots more.

Visit www.accessbankplc.com/xclusiveplus to get started

access



MANAGEMENT



What Are the Pros and...

Continued from page 17

need to recognize that that can come with what we call a “double disadvantage” of being a little disadvantaged anyway, and then you’ve got the remote work penalty on top of it.

And let me just say it again, not just women. It can be underrepresented minorities. It can be junior folks who don’t really know their way around the organization very well and are relatively new. It might be non-native language speakers who don’t feel that comfortable even face-to-face, never mind when they’re working remotely in an organizational setting. For all sorts of people, it’s important to recognize that remote work has trade-offs. It has some real benefits, but it can also be disadvantageous in a way that we may or may not recognize. But we need to recognize if we’re systematically disadvantaging those people.

Loney: What are the specific challenges of hybrid work?

Haas: You’ve got this fundamental lack of levelness in the playing field, and that plays out in a lot of different ways. I’ve been using this framework a lot with the executives I teach called “the five C’s.” There are others, too, but these capture some of the most important challenges that we see emerging as a result of this lack of levelness of the playing field. Some of these are very familiar to us at this point: communication, coordination, connection, creativity, and culture. Each of those have special challenges as a result

of when you work in a hybrid system. Of course, they all have their challenges, even when you’re not hybrid.

Loney: It seems like culture is the one that is drawing a lot of attention these days.

Haas: Yes, that’s a really interesting observation. Almost two years ago, I was at a senior retreat for top executives, and I was facilitating a panel discussion that had nothing to do with remote work. I was absolutely taken aback by how every single CEO on this panel — there were three or four of them — independently and sort of building on each other, raised culture as the issue that was top of mind. I think from a senior leader perspective, we do and should think a lot about culture, and there’s no question that hybrid work creates massive challenges for culture. If you just think about traditional three aspects of how culture is maintained: attraction, selection, and retention. Culture is really important for attracting people. But in order to be distinctive, you have to have something distinctive about you. If you don’t have a strong culture or a strong identity, then what makes your investment bank any different from any other investment bank that folks may want to join?

That’s the attraction piece, and then who do you select, and who is really motivated to be there and wants to stay there? For junior people, culture is really important in helping to understand how things are done, making sure that behaviors are appropriate and are as productive as

they can possibly be and are ethical, for example. Even for senior people, culture is really important for motivating and keeping them excited or interested in coming to work. And the less you have that, the less pull there is at the organization, which is where you start getting problems of retention and people just being happy to job hop because they don’t see anything special about your organization. So, culture has all these different ramifications.

Loney: What about connection?

Haas: Connection is partly technological connection and logistically how easy it is for us to do hand-offs and stuff like that. But the big piece that we’ve seen — we were pretty aware this was happening in the pandemic, but it has persisted — is social connection. The ability to socially connect is an enormous part of what happens inside organizations, and that has advantages. It has disadvantages sometimes, as we all know. Sometimes we don’t like being face-to-face with our bosses, and sometimes we don’t want to go for drinks with our colleagues and all this kind of stuff. But there is something about that social connection and belonging that you get from interacting with people face-to-face in a non-work capacity that is really important to people’s mental health and well-being. Without that, people can sometimes get really lonely or bored or unmotivated by their work.

There’s also a really important thing that connects with culture: innovation. One of the reasons why a lot of tech companies care about having people in the

office is because it’s those random connections that people make in the workplace that can lead to new ideas sparking. It’s chatting in the elevator, or maybe it’s in the cafeteria line. When everything is scheduled, and we have to do everything via Zoom, we nearly always are doing it with a fixed set of people. Our opportunity to connect with people we don’t already know in the organization is much lower in a Zoom or remote world than it is in the face-to-face world, so those connections that spark new ideas and innovations are much harder to make.

Preparing for the Future of Hybrid Work

Loney: How can managers deal with those five C’s going forward?

Haas: I think we’re at a point where what managers really need to be doing is continuing to think actively about what is going on in their hybrid workplace and whether it’s as good as it can be. Because I think the risk of being where we are in this learning curve on hybrid work is that we’ve settled into something that pretty much works and isn’t terrible and is probably pretty good. It’s very easy to say, “OK, let’s get on with this now and do the work and try to normalize,” and not to realize that we may not be doing as well on one of the five C’s or something else related to hybrid work.

I think it’s really important at this stage for managers to be taking the time to evaluate and review where they are, for example on the five C’s. It can be as simple as going through a check list of, “Let’s give ourselves a grade.” Are we great on

communication, on coordination, on connection, on creativity, and on culture, or do we see areas where there’s room for improvement? If so, we need to take a step back, brainstorm, think about what we can do better, and try to implement that. And then review that another six months down the line.

But settling into a pattern that’s potentially suboptimal is a big risk of where we are, given how exhausting all these transitions have been in the last few years and the fact that now things are relatively stable.

Loney: It probably makes it a challenge for the manager to make the hybrid workplace as fair as possible for everybody?

Haas: It’s hard to be aware of everything all the time, but at least schedule a review every couple of months or every six months of how people are feeling about where they’re working and whether that’s still working for them. Maybe they want the option to change, because we know people’s circumstances always change throughout their lives, but also particularly in the last few years. And then asking people and observing and asking managers, “Do people have the skills they need to be working this way?” That goes back to this idea of hybrid competence. Depending on where you are, in the office or working remotely, or you’re a manager, you have a different set of responsibilities related to trying to build hybrid competence.

I think the important point here is it’s not just about the person who is

working remotely. The burden is not only on them to make sure that they speak up and are heard and represented and able to make connections. They have a responsibility to do that. But it’s also the people who are in the office who need to make sure that they are including the people who are working remotely and making space and time for them in the conversations, and not leaving them out of important or even minor decisions.

It’s the people who are working remotely, it’s the people in the office, and then it’s the manager who needs to keep the whole thing in balance and show that both sides are doing that and intervening as needed to make sure that everybody is where they need to be.



Quoted Insurers

	P/Close	Open	High	Low	Close	%Change	Volume	Value
Security	0.7	0.7	0.7	0.69	0.69	-1.43	4,773,373	3,298,758.18
AIICO	0.8	0.8	-	-	0.8	0	6,750	5,678.50
LINKASSURE	3.84	3.84	-	-	4	4.17	2,742,332	10,906,999.68
MANSARD	0.42	0.42	0.43	0.43	0.43	2.38	382,237	162,982.51
MBENEFIT	1.78	1.78	1.61	1.61	1.61	-9.55	1,093,618	1,761,523.83
CORNREST	1.81	1.81	1.91	1.85	1.87	3.31	6,259,260	11,618,463.63
LASACO	0.47	0.47	0.47	0.47	0.47	0	2,137,638	1,004,296.12
MBENEFIT								



...INSURANCE ...PENSION ...BROKER ...RISK MGT ...SPECIALTY ...COMPANY ...PEOPLE ...REGULATION



L-R: Gboyega Olanbiwoninu, chairman, Insurance Group, Lagos Chamber of Commerce and Industry, LCCI; Michael Olawale-Cole, president, LCCI; Sunday Thomas, commissioner/CEO, National Insurance Commission (NAICOM), and special guest speaker; Gabriel Idahosa, deputy president, LCCI; and Shola Tinubu, managing director/CEO, Scib Nigeria Company Limited, at the LCCI Insurance Group 2023 Insurance Stakeholders' Consultative forum in Lagos, recently.

Again, insurance thought leaders examine issues in claims management

Business A.M

THE NIGERIAN INSURANCE INDUSTRY has witnessed significant growth in recent years. However, claims management, which is considered the heartbeat of any insurance company, is fraught with challenges that has contributed to poor image of the industry and low penetration of insurance services.

Modern insurance infrastructure developer, Agent-Sync defines insurance claims management as the process an insurance carrier takes to ensure they pay claims in accordance with regulations, from swift payment of "clean claims" to quick resolution on disputed claims that may require more hands-on attention from adjusters.

To help stakeholders understand what the issues are and ways to navigate them, Carefirst Consult, a foremost claims management company concentrating on insurance claims denials, accessories, and subrogation right recovery, is set to organise an

Insurance Claims advocacy conference.

Themed, "Taking Insurance Experiences Beyond Claims Payments", the conference is billed for October 5 2023 at the Nigerian Insurers Association (NIA) banquet hall, Victoria Island, Lagos.

The conference is expected to attract insurers, reinsurers, insurance brokers and agents, loss adjusters, claims arbitrators, regulators and insurance managers in telecom, aviation, construction, banking, manufacturing, and pharmaceuticals.

It will seek to discuss the relevance of claim payments as an essential part of the insurance value proposition, minimise the mistrust of insurance consumers regarding claims, increase opportunities for consumers to share their frustrations with claims handling with insurance operators, create opportunities for insurance companies to share the complexities of claims settlement with customers, and discuss ways of improving the claims experience during and after claims settlement instead of allowing a dissatisfied customer to switch after

a bad claims experience.

The event will feature a lineup of notable speakers in the insurance industry and beyond, including Prisca Gbemisola Soares, former secretary general, African Insurance Organisation (AIO); Reginald Egbuniwe, managing director, Metropolitan Loss Adjusters; Rashidat Adebisi, chief client officer, AXA Mansard and Richard Ogunmodede, financial, fintech expert and insurance consumer.

Speaking ahead of the conference, Gus Wiggle, founder, Carefirst Consult, said this year's theme is at the forefront of the industry discussion, stressing that the conference provides valuable insights, practical takeaways and networking opportunities for attendees.

"I am excited to convene this conversation among our esteemed panellists who are experts in their respective fields. I hope at the end of this conference, a forward-thinking approach to satisfying customers of insurance during and after claims settlement will be different," he said.

Mixed reactions...

Continued from page 14

insurance, described motor insurance as the best known form of insurance and the highest source of premium for most insurers.

Gam-Ikon noted that the top 10 Motor insurers of 2021 revealed an interesting perspective of insurers that weren't expected to emerge within the top ranking.

"In that 2021 performance, we saw a general business insurer only, NEM Insurance Plc, beating composite insurers to emerge top. This is clearly a niche strategy which NEM has adopted to be a market leader in respect of motor insur-

ance," he said.

Speaking on the major drivers of the growth recorded by these insurers, the insurance consultant noted that prompt claims settlement and payment, and commitment to an enduring relationship that make the top 10 motor insurers the companies of choice is one of the core drivers of growth recorded by the companies.

He also pointed out that developing the expertise to maintain competitive advantage in motor insurance, as well as continuous improvement of branding, to enable the insurers to enjoy public endorsements at any gathering were all fac-

tors that contributed to the growth recorded by the top 10 most prominent Nigerian motor insurers in 2021.

On his expectations for the 2022 motor insurers performance, Gam-Ikon said, "I expect that the top three leaders will most likely retain their positions but we'll see changes in other positions because some insurers have become conscious and striving to focus on that niche market as well."

He also expressed optimism that insurance companies are likely to pay more attention to motor insurance claims recognising that it is the class of insurance which readily exposes insurers that delay or pay

INSIDE INSURANCE



EKERETE OLAWOYE GAM-IKON, MNIM, CPP

Ekerete Ola Gam-Ikon, MNIM, CPP, is a Management Consultant in Insurance and Entrepreneurship. He can be reached on +234-802-585-0344 (WhatsApp only) or eolagamikon@gmail.com

THE REAL QUESTION is, "What do you discuss in your Monday Meetings?" Do you discuss the global events that affect the economy? Like the Russia-Ukraine war which we seem to be living with? Or do you discuss the coups in Africa, which are spreading like a pandemic, and their impacts on our economy?

Do you discuss other external factors like the change of leadership at CBN? Or the impending changes in the insurance industry as insurers respond to the law that forcefully retires MDs and EDs?

Or you're still busy with mundane issues of what your organisations are

MONDAYS are for meetings, not insurance?

achieving in your offices across the country despite the harsh operating environment?

Expectations remain high to justify the presence of people at work and the need to fulfil visions and long-term plans.

Experience has shown that organisations with strong visions and visionary leaderships survive the harsh economic climate and move on to thrive whilst others give up or get consumed.

Most financial institutions have survived harsh economic climates by adopting insurance and risk management principles and mechanisms. Why do you not specifically discuss insurance, the most tested tool of risk management with your employees beats me?

Do you not know that most leading organisations in the world rely heavily on insurance principles and models to run their businesses successfully?

If you have perceived insurance as merely a product you buy, you have completely missed it. Insurance is both a strategy for business sustainability and a system for wealth management!

Educate and enlighten

your minds about the value of insurance to your businesses. It is easy if you ask to know how insurance models work.

Your businesses will benefit from taking a look at a few successful insurance models to truly plan your futures.

Discuss insurance and other subjects during your Monday Meetings to enrich the minds of your employees and executives. Those current numbers from the branches and regional offices are no longer as important as knowing where your next income will come from.

You probably need insurance people on your Board's Strategic Committee. Not only organisations but governments too at all levels. It is not only about having people but developing the models that will sustain your businesses.

The times are harsh even for those that seek to declare strikes but insurance stands out as a valuable content for their expectations.

If you expect a new experience, now is the time to consider a deeper understanding of insurance.

*I remain...
Assuredly Yours*



insurance segment where "insurers are bleeding."

"Under comprehensive [insurance] they give multiples of unprofessional deductions and call them all sorts of names. I am sure the industry is collecting less than 50 percent of what they are expected to collect," he remarked.

Irene added that the growth seen in the motor insurance sector is majorly a result of increasing prices due to weakening of the naira against the dollar. According to him, most people don't actually insure, but collect fake insurance motor certificates from licensing offices.

To ensure a better per-

formance in the sector, he advised motor insurers to focus on effective management of earned premium and claims settlement indices.

He added that intervention measures should be put in place to boost the trust of the insuring public in order to increase insurance demand and hence improve earned premiums.

Irene also charged companies to appraise every insurance risk in terms of motor characteristics before underwriting. This move, he opined, would ensure that adequate premium is charged to be able to indemnify policyholders in event of loss/calamities.



What shaped the past week?

Global: We are seeing risk-off sentiment from global investors rise across global markets. Rising energy prices, underwhelming economic data, and tight credit conditions remain at the forefront of investor worries, as concerns over a possible liquidity crisis drive apathy across global markets. Asian markets closed lower this week as the ongoing property crisis in China weighed on investor sentiment in the region; the Evergrande Group provided guidance on its ongoing restructure and plans to settle its debt soon. For Europe, investor focus was on the latest batch of economic data. Inflation in the EU printed at 4.3% in September, according to a preliminary report from Eurostat. Inflation data in two key economies, Germany and Italy, printed at 4.5% and 5.3% respectively, fueling sentiment that the European Central Bank, may pause on further rate hikes. In North American markets, investors remain sell-side driven across the equities and bonds market. The U.S. dollar has risen 3.22% so far, against the basket of major currencies, an indication of investors pursuing the safety of the dollar, due to higher interest rates. Equities and bonds closed lower this week, with the US 30-Year bond surging to levels last seen in 2009. The price of the 30-year bond has fallen 22.67 percent q/q, as increased U.S. government borrowing, fuels a supply glut of bonds in the market. Furthermore, the decision by the U.S. Fed to hold rates steady, eased some pressures in the market to close out the week.

Domestic Economy: In the past week, we've witnessed a significant depreciation of the Naira, with its value exceeding 1,000 per dollar in the parallel market. This devaluation coincided with the postponement of a crucial Monetary Policy Committee (MPC) meeting amid the screening of nominees for positions within the central bank. Several factors are contributing to the current challenges faced by the Naira, including an excess of money supply, decreased oil production, and a temporary pause in subsidy reform efforts.

The situation is exacerbated by the relatively low reserve holdings of \$33.2 billion compared to a high money supply of 64.9 trillion. To address these issues, the Nigerian Economic Council (NEC) has affirmed that the \$3 billion Emergency Crude Repayment Loan secured by the Nigerian National Petroleum Corporation (NNPC) will be used to stabilize

ACCESS HOLDINGS PLC - FX gains, Interest Income drive earnings expansion

the nation's exchange rate. However, it's crucial that these funds are directed toward productive initiatives, beyond foreign exchange interventions. Failure to do so could keep money supply elevated, further increase Nigeria's money supply-to-reserve ratio and intensify demand pressures in the parallel market. To mitigate these challenges, it's essential to implement short-term measures to reduce crude theft, address ways and means advances in the medium term, and enhance productive and export capabilities over the long term.

Equities: Broad-based losses across the NGX led to a red w/w close for the market. The NGX sank 1.40% w/w, with the banking (4.17% w/w) and industrial (3.04%) sectors closing as the week's worst performers. It was also a red close for the oil & gas sector, driven by profit-taking

in OANDO (33.76% w/w). Finally, in the consumer goods space, interest in BETA-GLASS (30.4% w/w) drove the sector up (1.59% w/w).

Fixed Income: It was a very quiet week in the secondary market due to constrained liquidity and focus having shifted to the NTB auction in anticipation of rates direction from a new CBN governor. Yields across benchmark bonds were muted with just a few having w/w changes. This week, the Central Bank of Nigeria (CBN) conducted an NTB auction, where they offered and sold c.180 billion across the 91DTM, 182DTM, and 364DTM papers, with stop rates of 4.99%, 6.55% and 11.37%. All the stop rates were significant declines from the previous auction held two weeks ago.

What will shape markets in the coming week?

Equity market: With

bearish sessions dominating this month, the market lost 0.25%, compared to the 3.44% return in August. With no positive driver in the market, we anticipate similar mixed trading sessions next week, as investors begin to look forward to Q3 earnings report.

Fixed Income: In the next trading session, we anticipate another bullish session, as buoyant liquidity levels are expected to drive activity in both the bonds and NTB markets.

ACCESS HOLDINGS PLC - FX gains, Interest Income drive earnings expansion

In their Q2'23 earnings release, ACCESSCORP reported an 80% y/y growth in Gross Earnings to 534 billion. This was due to the bank's 78% y/y growth in Interest Income to 353 billion (Vetiva: 296 billion), thanks to the translation of the Foreign Currency (FCY)

component of the bank's loan book amid high interest environments. However, despite the impressive income growth, Net Interest Income grew by 17% y/y at 129 billion (Vetiva: 128 billion), due to a 153% y/y increase in Interest Expense to 223 billion, after interest paid on deposits rose by 91% y/y as customer deposits rose by 26% q/q to 12.5 billion due to the translation of the FCY component of the bank's customer deposit. Hence, the bank's cost deposit base (CASA mix) came in at 61% of total deposits, lower than the 65% reported at the first quarter of the year. This contributed to the 10bps q/q rise in cost of funds, which resulted in the high Interest Expense bill.

Meanwhile, the bank's Non-Interest Revenue (NIR) grew by an impressive 69% y/y to 143 billion (Vetiva: 170 billion), thanks to Unrealized FX revaluation gain of 132 billion. However, the

bank recorded a loss of 26 billion on financial instruments majorly due to loss in fixed income and derivatives securities.

On the cost front, Loan loss provisions came in at 16 billion (Vetiva: 88 billion) with Cost-of-risk at 1.1%, while Opex was in line with our expectation of 169 billion, rising by 21% y/y, due to an 11% and 33% y/y rise in staff costs and AMCON charges at 32 billion and 35 billion respectively. Overall, this led to a 164% and 103% y/y rise in PBT and PAT at 86 billion and 64 billion respectively. The bank also declared an interim dividend of 0.30/share (H1'22: 0.27/share), 11% higher than the previous year's interim dividend.

FY'23 performance surge on loan book growth

ACCESSCORP's loan book grew by 33% q/q due to the translation of the FCY component of the bank. We expect this to support growth in Interest Income coupled with interest rate remaining elevated. Hence, Interest Income is projected to print at 1.2 trillion with a yield on asset of 10%, while Interest Expense is expected to grow to 769 billion owing to the bank's lower CASA mix. Hence, Net Interest Income is expected to grow by 43% y/y to 494 billion with Net Interest Margin (NIM) of 3.9%. Notably, we expect Non-Interest Revenue to grow by 15% y/y to 569 billion, owing to growth in commission and fees income to 234 billion. Cost wise, we project the bank's Opex to increase by 58% y/y to 619 billion in recognition of tougher economic conditions. While loan loss provision is lowered to 74 billion with a cost of risk of 1.20% based on H1'23 run rate.

TP revised to 20.70 on lower dividend payout projection

Despite our revised earnings projections, our PBT and PAT projection increased to 316 billion and 312 billion, giving us an EPS figure of 8.90. However, due to the lower-than-expected interim dividend payout (0.30/share), we adjusted our DPS projection to 1.70/share (Previous: 2.00), as well as the outer years' dividend payouts, giving us a 12-month target price of 20.70 (Previous: 22.60). We however maintain our BUY rating on the stock. The bank's share price is up 107.83% YTD, and it is currently trading at a P/B of 0.17x below the average of the bank's Tier-I peers.

Indicators	WK CLS	WK OPEN	WTD (%)	YTD (%)
EQUITIES				
NGX 30	2,442.11	2,478.65	(1.47)	32.54
NGX All-Share Index	66,382.14	67,324.59	(1.40)	29.52
Market Cap (NGN bn)	36,331.00	36,847.22	(1.40)	29.14
FEDERAL GOVERNMENT SECURITIES (%)				
91-Day T-Bill	3.95	4.91	(0.20)	3.60
182-Day T-Bill	5.94	6.87	(0.14)	5.56
364-Day T-Bill	12.28	11.00	0.12	11.56
2-Year FGN Bonds	12.80	12.82	(0.00)	10.34
3-Year FGN Bonds	13.05	13.17	(0.01)	10.59
5-Year FGN Bonds	13.59	14.12	(0.04)	10.05
7-Year FGN Bonds	14.50	14.42	0.01	9.06
10-Year FGN Bonds	14.98	14.90	0.01	8.48
20-Year FGN Bonds	15.57	15.57	0.00	8.31
INTERBANK MARKET RATES (%)				
NIBOR OBB	2.70	2.58	0.12	(16.30)
EXCHANGE RATES (₦)				
USD/NGN	747.76	747.76	0.00	(62.19)
GBP/NGN	944.39	944.39	0.00	(74.43)
EUR/NGN	821.08	821.08	0.00	(72.25)
CNY/NGN	105.57	105.57	0.00	(62.52)
ZAR/NGN	41.09	41.09	0.00	(56.30)
USD/NGN FORWARDS				
1M	791.13	781.96	(1.17)	(68.68)
3M	803.09	795.39	(0.97)	(67.57)
6M	820.86	814.91	(0.73)	(67.60)
1Y	876.74	867.80	(1.03)	(66.05)

SECTOR	INDEX VALUE	WoW Δ	YTD Δ
BANKING	666.22	-4.17%	58.56%
CONSUMER GOODS	1,132.38	1.59%	92.28%
INDUSTRIAL GOODS	2,662.82	-3.04%	10.80%
OIL & GAS	914.02	-1.24%	97.63%
VETIVA 30 ETF	24.00	-2.60%	30.43%
INSURANCE	283.00	2.77%	62.31%

Weekly Top 5 Gainers

Stock	Closing Price (₦)	% Change
BETAGLAS	60.90	30.41%
IKEJAHOTEL	3.25	30.00%
CWG	8.65	23.57%
CHIPLC	1.26	20.00%
CORNERST	1.61	17.52%

Weekly Top 5 Losers

Stock	Closing Price (₦)	% Change
OANDO	7.85	-33.76%
FTNCOCOA	1.51	-19.68%
SUNUASSUR	0.90	-14.29%
UNITYBNK	0.95	-13.64%
BUA CEMENT	85.50	-11.08%

Source: Vetiva Research

MARKET DATA

21

Share Price List as @ Friday 29 September, 2023: The Nigerian Stock Exchange

Company	Previous Close	Open	High	Low	Close	Change	% Change	Volume	Value (N)
ACADEMY	1.89	1.89	-	-	1.89	0.00	0.00%	19,577	37,596.44
ACCESSCORP	15.50	15.50	15.85	15.55	15.75	0.25	1.61%	21,042,807	331,688,999.95
AFRIPRUD	6.30	6.30	-	-	6.30	0.00	0.00%	201,562	1,296,834.30
AIICO	0.70	0.70	0.70	0.69	0.69	-0.01	-1.43%	4,773,373	3,296,758.18
AIRTELAFRI	1,290.00	1,290.00	-	-	1,290.00	0.00	0.00%	873	1,179,496.90
BERGER	11.65	11.65	-	-	11.65	0.00	0.00%	13,094	152,830.70
BUACEMENT	95.00	95.00	89.00	85.50	85.50	-9.50	-10.00%	656,240	56,460,070.80
BUAFOODS	196.70	196.70	202.80	202.80	202.80	6.10	3.10%	127,345	25,631,323.00
CADBURY	16.10	16.10	-	-	16.10	0.00	0.00%	247,449	3,922,542.40
CAP	21.20	21.20	-	-	21.20	0.00	0.00%	61,334	1,283,961.15
CHAMPION	3.75	3.75	-	-	3.75	0.00	0.00%	215,665	762,947.50
CHAMS	1.39	1.39	1.34	1.28	1.28	-0.11	-7.91%	7,585,931	9,916,688.93
CONOIL	80.20	80.20	-	-	80.20	0.00	0.00%	217,944	16,823,264.85
CORNERST	1.78	1.78	1.61	1.61	1.61	-0.17	-9.55%	1,093,618	1,761,523.83
COURTVILLE	0.60	0.60	0.66	0.55	0.55	-0.05	-8.33%	1,492,510	944,840.50
CUSTODIAN	7.65	7.65	-	-	7.65	0.00	0.00%	145,338	1,110,360.70
CUTIX	2.37	2.37	2.40	2.40	2.40	0.03	1.27%	290,306	693,159.70
DANGCEM	334.00	334.00	340.00	340.00	340.00	6.00	1.80%	633,746	215,093,937.10
DANGSUGAR	51.70	52.00	53.90	51.70	53.90	2.20	4.26%	5,658,296	295,472,774.40
ETERNA	15.00	15.00	-	-	15.00	0.00	0.00%	898,568	12,479,506.35
ETI	16.00	16.00	16.00	16.00	16.00	0.00	0.00%	3,537,519	56,606,293.70
FBNH	16.05	16.05	16.35	16.15	16.35	0.30	1.87%	2,051,815	33,305,262.45
FCMB	5.90	5.90	5.90	5.90	5.90	0.00	0.00%	548,220	3,247,495.88
FIDELITYBK	8.20	8.20	8.35	8.05	8.30	0.10	1.22%	48,593,284	393,886,237.75
FIDSON	15.20	15.20	14.86	14.00	14.86	-0.34	-2.24%	1,253,529	17,659,559.05
FLOURMILL	31.70	31.70	32.95	32.60	32.60	0.90	2.84%	2,797,716	91,240,867.90
FTNCOCOA	1.55	1.55	1.55	1.45	1.51	-0.04	-2.58%	1,972,726	3,026,983.89
GEREGU	339.50	339.50	-	-	339.50	0.00	0.00%	2,445	747,192.00
GLAXOSMITH	11.15	11.15	11.35	11.35	11.35	0.20	1.79%	1,765,989	20,160,409.40
GTCO	34.50	34.50	34.50	34.40	34.45	-0.05	-0.14%	10,984,940	379,050,820.25
GUINNESS	65.00	65.00	-	-	65.00	0.00	0.00%	43,742	2,678,684.75
HONYFLOUR	3.30	3.30	3.30	3.30	3.30	0.00	0.00%	456,396	1,506,062.60
INTBREW	4.50	4.50	-	-	4.50	0.00	0.00%	184,277	822,203.30
JAIZBANK	1.55	1.55	1.56	1.55	1.55	0.00	0.00%	1,617,376	2,524,415.77
JAPAUFGOLD	0.97	0.97	0.98	0.94	0.98	0.01	1.03%	7,172,762	6,840,490.55
JBERGER	30.85	30.85	-	-	30.85	0.00	0.00%	17,547	540,006.50
LASACO	1.81	1.81	1.91	1.85	1.87	0.06	3.31%	6,259,260	11,618,463.53
LEARNAFRCA	3.30	3.30	3.30	3.25	3.30	0.00	0.00%	322,367	1,058,048.23
LINKASSURE	0.80	0.80	-	-	0.80	0.00	0.00%	6,750	5,678.50
LIVESTOCK	1.80	1.80	1.85	1.80	1.80	0.00	0.00%	1,430,487	2,588,361.90
MANSARD	3.84	3.84	4.00	4.00	4.00	0.16	4.17%	2,742,332	10,906,999.68
MAYBAKER	5.15	5.15	-	-	5.15	0.00	0.00%	84,789	433,416.67
MBENEFIT	0.42	0.42	0.43	0.43	0.43	0.01	2.38%	382,237	162,982.51
MTNN	264.50	264.50	264.00	260.00	264.00	-0.50	-0.19%	2,946,832	772,349,308.80
MULTIVERSE	2.95	2.95	-	-	2.95	0.00	0.00%	128,194	366,559.86
NAHCO	23.85	23.85	-	-	23.85	0.00	0.00%	1,224,030	27,238,832.70
NASCON	52.00	52.00	-	-	52.00	0.00	0.00%	293,252	14,492,494.85
NB	40.85	40.85	-	-	40.85	0.00	0.00%	191,434	7,528,088.50
NEIMETH	1.68	1.68	-	-	1.68	0.00	0.00%	164,398	275,067.25
NEM	5.50	5.50	-	-	5.50	0.00	0.00%	60,314	309,226.30
NESTLE	1,025.00	1,025.00	-	-	1,025.00	0.00	0.00%	88,254	70,435,168.90
NGXGROUP	22.40	22.40	24.40	22.95	24.40	2.00	8.93%	2,364,468	55,448,919.85
OANDO	8.70	8.70	7.85	7.85	7.85	-0.85	-9.77%	5,796,494	45,502,477.90
OKOMUOIL	283.00	263.00	-	-	263.00	0.00	0.00%	933,703	221,028,117.50
PRESKO	201.20	201.20	-	-	201.20	0.00	0.00%	850,468	154,358,448.70
PZ	20.00	20.00	-	-	20.00	0.00	0.00%	59,540	1,190,985.00
REGALINS	0.36	0.36	0.35	0.35	0.35	-0.01	-2.78%	445,000	155,750.00
SEPLAT	1,837.00	1,837.00	-	-	1,837.00	0.00	0.00%	52,070	88,218,795.50
SOVRENINS	0.37	0.37	0.38	0.38	0.38	0.01	2.70%	448,490	171,091.40
STANBIC	78.00	78.00	-	-	78.00	0.00	0.00%	133,036	9,393,296.65
STERLINGNG	3.66	3.66	3.70	3.66	3.70	0.04	1.09%	1,163,317	4,252,071.22
TOTAL	385.00	385.00	-	-	385.00	0.00	0.00%	56,713	21,824,417.00
TRANSCOHOT	44.40	44.40	-	-	44.40	0.00	0.00%	3,280	139,101.50
TRANSCORP	5.98	5.98	5.99	5.73	5.99	0.01	0.17%	10,839,783	64,176,931.74
UACN	10.50	10.50	10.15	10.00	10.00	-0.50	-4.76%	1,019,313	10,267,239.25
UBA	16.10	16.10	16.80	15.70	16.80	0.70	4.35%	11,654,936	191,297,850.80
UBN	6.80	6.80	6.80	6.80	6.80	0.00	0.00%	375,070	2,548,023.00
UCAP	16.10	16.10	16.20	16.05	16.05	-0.05	-0.31%	2,823,860	45,591,607.75
UNILEVER	13.85	13.85	13.90	13.85	13.90	0.05	0.36%	2,137,447	29,600,237.05
UNITYBNK	1.00	1.00	0.97	0.90	0.95	-0.05	-5.00%	8,431,770	7,746,184.62
UPDC	1.18	1.18	1.20	1.20	1.20	0.02	1.69%	219,325	263,068.00
UPDCREIT	3.90	3.90	-	-	3.90	0.00	0.00%	95,395	341,279.95
UPL	2.18	2.18	-	-	2.18	0.00	0.00%	66,940	156,909.82
VITAFOAM	22.25	22.25	-	-	22.25	0.00	0.00%	90,515	1,970,831.15
WAPCO	29.40	29.40	30.00	29.40	29.95	0.55	1.87%	3,160,800	93,929,289.55
WAPIC	0.64	0.64	-	-	0.64	0.00	0.00%	161,610	98,833.66
WEMABANK	4.97	4.97	4.89	4.48	4.89	-0.08	-1.61%	26,675,861	122,677,746.20
ZENITHBANK	31.30	31.30	31.55	31.30	31.45	0.15	0.48%	10,927,608	343,494,293.20

Stories by Onome Amuge

NIGERIA CURRENTLY STRIVES TO OVERCOME FOOD INSECURITY AND ADVANCE ECONOMIC GROWTH through agricultural productivity, but experts have warned that producers might just be fighting a losing battle against food insecurity if climate smart techniques are not urgently exploited in the agricultural sector.

The United Nations Food and Agriculture Organisation (FAO), defines climate-smart agriculture

as a form of agriculture that sustainably increases resilience/adaptation to changing climatic conditions, reduces or removes greenhouse gases, and enhances achievement of food security in the face of global warming.

According to agronomists, it is a technique or adaptation strategy that combines the improvement of social resilience and promotes environment friendly intensification of the farming system that helps farmers to be resilient to and cope with the effects of climate change.

Chuwumerije Okereke, the director, Centre for Climate Change and Development (CCCD) at the Alex Ekwueme Federal University, Ebonyi State, in his assessment of the economic impact of climate change in Nigeria, said the country will lose about \$460 billion by 2050 if action is not taken to mitigate its effects.

Okereke, who stated this during the ninth international Climate Change Summit, said; "Climate change is costing Nigeria already \$100 billion per annum. This amount will rise to about \$460 billion per annum by 2050."

According to the professor in Environment and Development, climate change has already cost Nigeria N15 trillion between 2020 and 2020, representing two to 11 per cent of the country's gross domestic product (GDP).

Okereke noted that the impact of climate change on the agricultural system could not be wished away as it requires concentrated efforts in the areas of research, policy formulations, farmers' enlightenment and the practice of climate smart behaviours.

He, therefore, urged the government, through the ministry of agriculture and crop research institutes and other relevant agencies, to carefully design and target multiple climate-smart agricultural technologies suited to specific agro-ecological zones in the country.

Ibrahim Haruna, professor of Agronomy at the Nasarawa State University, Keffi (NSUK), urged the three tiers of government to collaborate with farmers to adopt Climate-Smart Agriculture practice to mitigate the impact of climate change.

Haruna, in his presentation at the university's 33rd inaugural lecture, tagged "Climate-Smart Agriculture (CSA): A sure means to sustainable crop production in a changing climate", described climate change as the greatest menace that limits sustainable crop production

This, he explained, underscores the need for farmers to adopt CSA practices so as to reduce the del-

Experts push climate-smart agriculture to address Nigeria's food security crisis

eterious effects of climate change for sustainable crop production to ensure food security.

"A changing climate can cause several damages that cannot be quantified but Climate-Smart Agriculture can be a potential way out in different regions of the world to increase agricultural sustainability and resilience to climate change," he said.

Haruna highlighted CSA practices and technologies to include mulching, organic manure and crop yield, agroforestry, intercropping, crop rotation, inorganic fertilizer and crop production, combined use of organic and inorganic fertilizer, use of quality seeds and planting materials of well adapted crops and varieties and irrigation.

These, he explained, are aimed at sustainably increasing productivity, supporting farmers' adaptation to climate change, and reducing greenhouse gases.

The agronomist called on the federal government to align and support climate-smart agriculture practices with a national policy and a legal and regulatory framework.

He added that policies and legislation affecting seeds, inputs, finance, credit, insurance, land tenure and a range of other areas, all have scope to help or hinder the uptake of climate-smart agriculture.

Manzo Maigari, the director-general of the Nigeria Agribusiness Group (NABG), also emphasised the relevance of climate smart agriculture for farmers, describing it as a solution to restoring soil nutrient loss to climate change impact on the ecosystem.

Maigari explained that the use of fertilisers, continuous felling of trees, bush burning and saturation of carbon lead to the disruption of the environment, which caused the climate change affecting farmers' productivity.

To tackle effects of climate change in the agricultural sector, Maigari enjoined all farmers' groups and associations, non-governmental organizations and the government to collaborate and embark on awareness campaigns



to re-orient farmers on the effects of climate change on agriculture and the adoption of climate-smart agriculture.

Making a case for the adoption of climate-smart agriculture in the Nigerian agriculture sector, Chijioko Ndem, monitoring and evaluation consultant at Alliance for a Green Revolution in Africa (AGRA), said it is the best solution towards attaining food security, noting that the sustainable productivity of the farmers, particularly the smallholder farmers depends on their ability to adapt to climatic changes and variability hinged on holistic approaches to agricultural production.

Ndem noted that the implementation of specific and accurate data on weather-based information is a major step towards helping farm-

ers make effective decisions, draw business plans, develop their farming model, and design the kind of capacity and training they will need for any particular planting season.

He further stated that sustained collaborations between farmers and seed companies is essential towards ensuring provision of drought tolerant and disease tolerant crop varieties that can be cultivated based on weather information of the region for the particular cultivation season.

Wale Oyekoya, CEO of Bama Farms, a commercial integrated farm based in Lagos, emphasised that climate change is a global challenge that has also affected the developed countries. He however pointed out that the issue with Nigeria is that the country has

been more passive in the adoption of climate-smart agriculture practices.

"Most Nigerian farmers are based in rural areas and a huge number do not possess technical expertise or innovations and access to new improved hybrid seeds that can withstand the effects of climate change," he said.

Oyekoya added that the farmers are in most cases helpless as they do not have modern tools such as the thermostat that can be used in detecting and predicting temperature from the farm which will help monitor cultivation and yields.

The Nigerian government, according to the agricultural consultant, is aware of these challenges and there have been some policies on climate change through the Nigerian Meteorological Agency (NIMET) and other related organisations but the policies have not been effective enough due to inconsistency, lack of political will to do what is appropriate and the failure to engage experts on the issue.

He suggested that the Nigerian government take a bold step to establish better-equipped weather stations as against the scanty and ill-equipped ones currently used in the country. With this in place, he stated that accurate weather forecasts and predictions will be possible and this will help to prevent weather-related disasters through early warning and effective response/adaptation systems.

Kolawole Adeniji, founder and managing director, Niji Farms and Allied Services, Oyo State, lamented that poor climatic conditions have taken a toll on food production across many agriculture-based areas in the country.

Citing cases of droughts in the northern region, he noted that Bauchi, Kaduna, Kebbi, Kogi, Taraba and some other northern states have in recent times experienced rising drought conditions which have become a cause of concern to the farmers.

Adeniji added that climate change has also affected crop production in the southern region as unpredictable rainfall conditions has led to poor harvests of maize, cassava and some other crops in many farming communities.

To further improve climate-smart agriculture in the country, Adeniji called for provision and concentration of drought resistant and short duration high yielding crops which should be developed through research efforts and made available to farmers.

Gbolagade Ayoola, president and founder of Farm and Infrastructures Foundation, an organisation for promoting policy best practices in agriculture and rural development, dwelled on the need for effective capacity building to strengthen the most vulnerable group in agricultural production with requisite knowledge and information necessary for climate change mitigation and adaptation.

Ayoola added that a rural infrastructure approach with a focus on production, storage, processing and marketing infrastructure as well as investment on improved agricultural technology by the government and other stakeholders is essential to controlling the effects of climate change.

COMMODITIES & AGRICULTURE

Stories by Onome Amuge

GOLD BEGAN THE YEAR ON A BULLISH TERRITORY as it rose over 13 per cent in the first five-month period. However, the rest of the year has been a volatile journey which has seen the yellow metal on a see-saw motion.

The recent week saw gold tumble to its worst weekly performance since June 2021 as the yellow metal plunged 4.3 per cent at the end of September after the Federal Reserve struck a hawkish stance.

Spot gold dipped 0.5 per cent to \$1,855.95 per ounce, while U.S. gold futures lost 0.3 per cent to \$1,872.30 per ounce.

David Meger, director of metals trading at High Ridge Futures, said, "Gold's outlook, fortunately or unfortunately, has a lot to do with the underlying interest rate environment moving forward."

Gold and the U.S. dollar often have an inverse relationship. When the dollar strengthens, the price of gold in dollars typically falls, and vice versa. This inverse correlation is because gold is priced in U.S. dollars worldwide. When the dollar rises in value, it takes fewer dollars to buy the same amount of gold, leading to a decline in the gold price.

Analysts said it comes at no surprise that gold has fallen below \$1,900 looking at the surging momentum in the bond yields and the U.S. dollar.

This is as yield on 10-year

Gold tumbles to worst week since 2021 on Fed hawkish stance



L-R: Semiu Olaniyi Babatunde, chief education officer, Epetedo Senior High School; Abimbola Agbejule, head, corporate sustainability and responsibility, Wema Bank; Rasheed Ayorinde, deputy director, Epetedo Senior High School; Kemi Adeniji, head, internal compliance, Wema Bank; Oluwole Esomajumi, chief audit executive, Wema Bank, at the Nigerian Sustainable Banking Principles (NSBP) Financial Literacy Session organised by Wema Bank at Epetedo Senior High School, Lagos, recently.

notes soared to a new 16-year high above 4.6 per cent during the week and the U.S. dollar index rose above 106 points, hitting its highest level since November.

Craig Erlam, senior market analyst, UK & EMEA, OANDA, observed that the out-

look for gold doesn't look particularly promising in the short-term.

Erlam said, "While there's every chance policymakers have gone too far and the data may outperform their expectations, allowing for a recovery in the

price of gold, a shutdown could complicate things.

That arguably makes Fed speak all the more influential and may encourage a little more balance in the commentary. For now, though, gold has broken big support levels and with momen-

tum, which doesn't bode well for it. It's seen support around \$1,860 which has been a notable level in the past and if it can manage a rebound, \$1,900 could be key."

Though gold's performance has been considered disappointing, some analysts note that the selloff hasn't changed the broader landscape, adding that even with the week's selloff, gold continues to hold up relatively well.

Ole Hansen, head of commodity strategy at Saxo Bank, said that the negative correlations between gold and the U.S. dollar and bond yields have significantly broken down.

However, Hansen added that gold should find some support as the Federal Reserve's aggressive monetary policy continues to push the U.S. economy closer to a recession, even as they are unable to get inflation back to the two per cent target.

Hansen averred that demand for gold as a hedge against a soft-landing failure is unlikely to go away as the outlook for the US economic outlook in the months ahead looks increasingly challenged.

"With that in mind, we maintain a patiently bullish view on gold," he added.

Wheat hits 3-year low as USDA data reveals bigger output



THE THIRD QUARTER OF 2023 SAW GRAIN LOSSES ACROSS THE BOARD FOR CORN, soybeans, and especially wheat which claimed the title of worst performer of September as well as the quarter under review after hitting a three-year low after U.S. government data pegged production above analysts' expectations.

Reports show that wheat production was above the average of analysts' estimates with a good portion of that coming from a strong rebound in spring wheat production over the last several months.

Interestingly, the losses deepened wheat's fourth straight quarterly decline, considered the longest such route in 14 years, raising hopes for further relief from food inflation.

The U.S. Department of Agriculture (USDA) estimated the nation's wheat harvest at 1.812 billion bushels, 78 million bushels bigger than a previous estimate

and significantly above the average analyst forecast of 1.729 billion bushels in a Reuters poll.

Chicago Board of Trade wheat futures dropped more than six per cent to \$5.42-3/4 a bushel and set the lowest level since Sept. 28, 2020, on a continuous chart.

Mirroring the trend, hard red winter wheat, which hit two-year lows earlier in the week, continued to fall, trading down 20 cents to \$6.65.

In a separate report, the USDA said U.S. wheat stocks as of Sept. 1 stood at 1.780 billion bushels, up slightly from 1.778 billion bushels reported a year earlier and reflecting poor export demand for U.S. supplies.

Market dealers noted that the increase in wheat stocks also suggests a substantial amount of Black Sea risk premium has been taken out over the course of the year, as Ukraine has continued to move grain out of the country despite the collapse of the agreed upon grain corridor and continued attacks on ports.

U.S. soybean stocks fell to their lowest in two years, but were larger than analysts expected. CBOT soybean futures were down nearly 1.5 per cent to \$12.80-3/4 a bushel.

CBOT corn futures followed wheat and soybeans lower, trading down just over 2% at \$4.78-1/4 a bushel.

Analysts projected that trade sentiment over the last several months will likely continue, which is that if USDA reduces yield, they also have plenty of demand to reduce to offset production losses.

COPPER TRADED HIGHER AT THE CLOSE OF THE WEEK but gains were suppressed on the back of two consecutive months of decline, leading to a second straight quarterly decline as rising inventories and a dollar rally cancelled gains.

Three-month copper on the London Metal Exchange (LME) was up 1.4 per cent to \$8,329.5 a tonne.

For the month, the contract was down 1.3 per cent so far after falling 4.6 per cent in August, which largely offset a 6.2 per cent rise in July.

Meanwhile, the dollar index rose 3 per cent at the end of the quarter to its best quarterly performance in a year. A firm dollar makes greenback-priced metals more expensive to holders of other currencies.

Data showed that LME copper inventories rose 141 per cent so far in the quarter to 167,825 tonnes, the biggest quarterly increase in 18 years.

On its part, aluminium benchmark price flaunted a steady growth this week on the LME as traders squared positions ahead of the end of the third quarter.

Benchmark aluminium rose 2.7 per cent at \$2,339 a metric tonne after hitting \$2,347, its highest since May 3. The light metal also recorded a 8.6 per cent quarterly gain.

Dan Smith, commodities analyst at Amalgamated Metal Trading, said the market has seen a lot of impressive moves, noting that the rally, at least in aluminium and copper, is led by squaring of positions as it is the end of the week, the

Firm dollar pushes copper to second consecutive quarter of decline



month and the quarter.

"People are profit-taking; people who are short are buying back those positions. Some of these moves are short-term and are unlikely to extend to next week," Smith added.

on-warrant aluminium stocks in LME-registered warehouses dropped to 173,875 metric tonnes, their lowest since August 2022, after fresh cancellations of 51,000 metric tonnes in South Korea's Gwangyang.

For other base metals, nickel was up 0.4 per cent to \$18,955 a tonne, lead plunged 0.2 per cent to \$2,191, zinc advanced, 0.9 per cent to \$2,645, while tin dropped 3.8 per cent to \$24,365 after hitting \$24,100, the lowest since May 25, amid muted demand.

COMPANY & BUSINESS

UBA raises bar for profitability as H1 revenue tops Nigerian banking sector

Onome Amuge

THE UNITED BANK OF AFRICA (UBA) HAS EMERGED the most profitable bank in Nigeria so far in 2023 as its key financial metrics and revenues from its operations surpassed that of its counterparts in the banking industry, setting new benchmarks for profitability, resilience and expansion within the Nigerian banking space.

During the first half of the year, the Nigerian banking sector recorded significant growths in key financial indices, as the financial service institutions defied the challenging economic and regulatory headwinds to post impressive revenues to the delight of investors and shareholders alike.

The period under review saw Nigerian banks gain significant foreign exchange revaluation profits estimated at N1.7 trillion. This is attributed to the devaluation of the Naira following harmonisation of the currency exchange rate by the Central Bank of Nigeria.

Notably, UBA's profit



L-R: Molokwu Azikiwe, director, budget and treasury, ECOWAS; Hadiza Ambursa, executive director commercial banking, Access Bank Plc.; Nazifi Abdulahi Darma, commissioner, internal services, ECOWAS; and Seydou Bangoura, director, administration and general services, ECOWAS, during the unveiling of a new Access Bank branch at the ECOWAS Commission in Abuja, recently.

before-tax soared 371 per cent from N85.75 billion in the first half of 2022 to N404 billion in H2'23. Business A.M gathered that the figure is the highest pre-tax revenue generated by any of the country's tier-one banks.

In comparison, Zenith Bank had a pre-tax profit

of N350 billion, Guaranty Trust Holdings Company (GTCO) recorded N327.40 billion, First Bank's profit before tax stood at N206 billion, while Access Bank disclosed N167.6 billion pre-tax profit.

UBA also led in profit after tax revenue for the first

half period ended June 30 2023, as it delivered a profit after tax of N378.23 billion. In the same period, Zenith Bank recorded N291.7 billion after-tax revenue, Access Bank had a profit after tax of N280.482 billion, GTCO's profit after tax advanced to N280.48 billion, while First

Bank's Profit after tax stood at N187.2 billion.

UBA attributed its strong financial performance to group profit contributions from the bank's operations in 20 African countries including UBA America, UBA UK, UBA UAE, UBA France, reflecting the effectiveness

of the lender's global strategy and positioning as the financial intermediary for Africa and the rest of the World, while delivering on the 'Elumelu strategy'.

Based on the significant increase in profit, shareholders' funds increased to N1.712 trillion, reflecting the financial institution's strong capacity for internal capital generation. In line with the Group's culture of paying both interim and final cash dividends.

Thus, the board approved an interim dividend of 50k per share compared to 20k last year, which represents an annualised interim dividend yield of 7.2 per cent.

Commenting on the financial performance, Oliver Alawuba, UBA's group managing director/chief executive officer, said the exceptional performance underscored the group's commitment to consistently deliver value to its shareholders.

Alawuba added that the bank made progress in digital payments, retail penetration and also benefited from the effect of revaluation gains, arising from the harmonisation of foreign exchange rates at the different access windows in Nigeria.

According to the UBA chief, the results again demonstrate the benefits of the bank's long-held diversification strategy across Africa and globally.

Union Bank's CSI report highlights commitment to sustainable business practices

Cynthia Ezekwe

UNION BANK OF NIGERIA, A COMMERCIAL BANKING COMPANY, HAS UNVEILED its 2022 Citizenship, Sustainability, and Innovation (CSI) report, outlining the bank's dedication to responsible Sustainable business practices, and innovation.

The 7th edition of the report, titled: 'Driving Inclusive Growth; Impacting Lives, Enabling Success,' provides an extensive overview of Union Bank's ongoing commitment to fostering a sustainable future.

The report chronicles Union Bank's unwavering commitment to a sustainable future and its profound impact on individuals and communities.

Union Bank's 2022 CSI report aligns with the United Nations' Sustainable Development Goals and the Global Reporting Initiative (GRI) standard, highlighting the bank's

dedication to transparency and accountability in reporting on its projects.

The report showcases Union Bank's commitment to driving inclusive growth through five of the United Nations' Sustainable Development Goals (SDGs). These include Quality Education (SDG 4), Gender Equality (SDG 5), Affordable and Clean Energy (SDG 7), Climate Action (SDG 13), and Partnership to Achieve Goals (SDG 17).

Speaking on the report, Mudassir Amray, Union Bank's chief executive officer, emphasised the institution's dedication to fostering inclusive growth, saying, "We



firmly believe that small businesses are the engine house of economic growth. This is why we entered a \$30 million partnership agreement with the International Finance Corporation (IFC), the largest global development institution focused on the private sector in emerging markets."

Amray added that the partnership aims to enhance access to finance for small businesses in Nigeria, supporting increased trade and enabling us to expand lending to businesses in critical sectors, including food, healthcare, manufacturing, and services.

The CEO also highlighted the bank's commitment to gender equality in lending, noting that its unwavering commitment to gender equality in lending was evident as it disbursed over 17 billion naira in loans to nearly 16,000 women in 2022.

Olufunmilola Aluko, Union Bank's chief brand and marketing officer, underscored the bank's collaborative approach to sustainability and corporate responsibility.

Aluko emphasised that throughout the year, Union Bank has actively collaborated with partners to enhance its performance, particularly on material issues.

"We aim to sustain this momentum by building on partnerships with peers and across industries to support our customers, communities, and society," she added

Onome Amuge

ACCCESS BANK HAS SO FAR, INVESTED OVER N200 BILLION IN OVER 1,000 agribusinesses spread across Small Holder Farms (SHFs), Small and Medium Enterprises (SMEs), organised farmer associations/cooperatives and corporates who are financed under various Bank's product and Government Schemes.

The Nigerian multinational commercial bank with presence in 18 countries spanning three continents, made the disclosure while announcing the fortification of its agriculture desk as part of its commitment to boost sustainable agricultural business, attract global investments and driving transformational change within the agricultural landscape.

Hadiza Ambursa, the executive director, commercial banking, Access Bank, noted that the agriculture desk's impressive track record has been built on partnerships with key stakeholders, including government agencies, international organisations, and industry associations. The collaborative approach, she added, has reinforced the bank's reputation as a reliable driver of growth in Nigeria's agricul-

tural sector.

Ambursa described the agriculture desk as a specialised unit within the bank, charged with the responsibility of offering financial and advisory services and support to both prospects and existing players in the Agribusiness value chain.

She said, "The Agriculture Desk is not only about financing; it is about driving transformational change within the agricultural landscape.

Our commitment extends beyond monetary support to encompass capacity building, technology adoption and market access for our clients."

According to Ambursa, Access Bank has positively contributed to the nation's achievement of self-sustained food security and the support for these projects has had impacts such as increase in food security, job creation, growth in customers' businesses and increased revenue.

The executive director expressed confidence that with a steadfast commitment to sustainable agricultural business and strategic stakeholders partnerships, the bank is steering the nation and continent toward greater self-sufficiency and global prominence. This, she said, is backed with several awards to its credits in the agricultural ecosystem in-

Access Bank commits N200 billion to boosting Nigeria's agricultural sector



cluding: 2021 & 2022 Global Brand Magazine Award; 2021 Nigeria Agriculture Award, agrifin bank of the year; 2020 African Banker Awards, agriculture deal of the Year; 2019 Central Bank of Nigeria, agricultural credit guarantee scheme' award, amongst others.

Ambursa said the advancement positions the bank at the forefront of Nigeria's agricultural financing market segment to serve and support agri-businesses in Nigeria in line with the CBN's directive to banks.

COMPANY & BUSINESS

Manufacturers' unsold goods up N84.88bn as high inflation puts squeeze on consumer demand

Onome Amuge

NIGERIA'S ESCALATING INFLATION RATE DEALT A HEAVY BLOW on the manufacturing sector as the decline in consumers' purchasing power led to a N84.88 billion surge in manufacturers' inventory of unsold finished products, equivalent to a 45.4 per cent increase, according to the Manufacturers Association of Nigeria (MAN).

MAN, in its latest half-yearly economic review report released recent, said inventory of unsold finished products has risen to N271.96 billion from the N187.08 billion recorded in the corresponding period of 2022.

According to the national industrial association, the situation was compounded by the scarcity of naira in the first quarter of the year and the aftermath of the subsidy removal by the federal government.

However, the report noted that the inventory situation was an improvement when compared with the inventory value of N283.6 billion recorded in the second half of 2022.

"This increase in inventory can be attributed to a weakened purchasing power of the consumers, brought about by diminishing real household income resulting from the ongoing escalation of inflationary pressures,



L-R: Auwal Ahmed, chief executive officer, Digital Health and Innovation Solutions; Ibrahim Bapete, executive director, Integrated Facility Management Limited; Tunde Doherty, chairman, APC UK Chapter; Khuraira Musa, president K-Pro Consulting; Babatunde MacAlabi, chief executive officer, T-BYK Limited; Adesola Adeduntan, chief executive officer, FirstBank Group; Tosin Adewuyi, executive director, corporate banking, FirstBank; Remi Duyile, president, Image Consulting Group at the Africa International Trade Exhibition, New York on the sidelines of the 78th Session of UN General Assembly (UNGA 78), recently.

compounded by the scarcity of naira in the first quarter of the year and the aftermath of the subsidy removal," the report said.

The MAN report also disclosed that a total of 3,567 jobs were lost in the first half of the year, indicating 1,855 more jobs lost when compared with the 1,709 jobs lost in corresponding half of 2022 and 850 more jobs lost when compared with 2708 jobs lost in the last half of last year.

"The decline in the num-

ber of jobs created in the sector during the period further highlighted the unfriendly business environment resulting from the hasty policies and residual effect of the currency redesign policy that led to naira crunch," MAN said.

The MAN report explained that the residual effect of naira redesign and the removal of fuel subsidy towards the end of the period under review triggered inflationary pressure,

cost of transportation, cost of production and other macroeconomics imbalances, thereby worsening the purchasing power of the households.

It stated further that higher fuel costs led to a hike in expenses related to machinery which play a vital role in the day to day operations of Nigerian businesses. It also noted that the uncertainty stemming from the fuel subsidy removal policy has undermined investor

confidence, hampering both domestic and foreign investments that are crucial for economic growth and job creation in the manufacturing sector.

This is as capacity utilisation in the manufacturing sector in the period under review, declined by 1.4 per cent year-on-year to 56.5 per cent from 57.9 per cent recorded in the corresponding half of 2022.

Commenting on the performance of the manufactur-

ing sector in the first half of the year, Segun Ajayi-Kadir, director-general of MAN, explained that 2023 started with uncertainty in the economy as a result of CBN naira redesign policy that led to naira crunch and the usual dormant economic activities prior to general election.

Ajayi-Kadir recommends that the challenges in the manufacturing sector should be promptly and effectively addressed by the government through engagements in constructive dialogue with the stakeholders in the private sector and provision of clear and consistent policies to provide certainty for businesses.

He advised the government to prioritise forex intervention for raw materials and machinery for industries; improve forex allocation to the industrial sector; develop a roadmap for improved power supply, including off-grid solutions and private sector-driven independent power projects; resuscitate national refineries for local fuel production; review domestic gas pricing among others.

The MAN DG also urged the government to conduct a comprehensive economic impact assessment of the fuel subsidy removal, exchange rate changes, and other policy measures; ensure effective implementation of the plans to support the manufacturing sector and MSMEs; and develop the country's infrastructure.

UBA unveils \$6bn finance initiative to facilitate SMEs in Africa

Cynthia Ezekwe

MULTINATIONAL PAN-AFRICAN FINANCIAL SERVICES GROUP, UNITED BANK for Africa (UBA), has rolled out a \$6 billion financing initiative, to support and boost activities of Small and Medium scale Enterprises (SMEs) across the African continent.

Through this initiative, UBA will be giving SMEs the opportunity to access financing for small businesses that specialise in the key sectors of agro-processing, pharmaceuticals, automotive and transport and logistics.

The financing initiative, aimed at providing \$6 billion funding to eligible SMEs across Africa, within the next three years, is powered by UBA's recent partnership with

the African Continental Free Trade Area (AfCFTA) secretariat, an agreement which was signed on the sidelines of the 30th Afreximbank Annual Meeting (AAM), held in Accra, Ghana.

Muyiwa Akinyemi, deputy managing director of UBA, signed the agreement on behalf of the bank, in line with the bank's strategic focus on the SME segment as a catalyst for the economic development of Africa, noting that UBA remains committed to supporting the growth/development of SMEs across Africa.

"Under this partnership, UBA will go beyond just financing to provide non-financial services to these SMEs to develop the capacity for growth across the 20 African countries that we are present in and build sustainable business practices," Akinyemi said.

"We shall also be leveraging technology to deliver our financing activities and this platform provides us with a unique opportunity to stimulate the development of the continent as Africa's Global Bank," the deputy managing director added.

GOOGLE HAS ANNOUNCED THE OPENING OF APPLICATIONS FOR THE HUSTLE ACADEMY SMB Fund, a N75 Million equity-free fund dedicated to amplifying the ambitions of Nigerian Small and Medium-sized Enterprises (SMEs).

The initiative would see the multinational technology company offer N5 Million to 15 Nigerian small business owners, cementing its unwavering commitment to cultivating entrepreneurial growth in Nigeria.

Reports have shown that small businesses form the backbone of Nigeria's economy, yet they consistently grapple with challenges, notably the perennial obstacle of securing vital funding.

According to the World Bank, African SMEs face a staggering finance gap of \$330 billion, a worrisome reality, as 25 per cent of SMEs in Africa have access to bank loans, a percentage that sharply contrasts the 50 per cent observed in developed economies.

To address the funding deficit for SMEs in the conti-

nent, Google's Hustle Academy, introduced in 2022, provides SMEs with business and management education, mentoring, and networking, with a particular emphasis on preparing them to package their businesses in order to raise the necessary capital to take their businesses to the next level.

Since its inception, the programme has graduated over 4,000 SMEs in Nigeria, with a notable 74 per cent from the first year reporting marked business growth.

Building on the success and impact of the Hustle Academy initiative, the Hustle Academy Fund earmarks a N75 Million pool exclusively for Nigeria to support 15 investor-ready SMBs through non-dilutive funding. This commitment is further enriched with tailored mentorship, ensuring these businesses are primed for success.

Mojolaoluwa Aderemi-Makinde, head of brand & reputation, Sub Saharan Africa at Google, remarked that the Hustle Academy Fund is a testament to the resilience and innovation of Nigerian small businesses,

Google Offers N75 Million fund to empower 15 Nigerian SMEs

which are the backbone of our economy.

"We are hopeful that this fund will further empower them to succeed and drive economic growth, creating jobs and opportunities for all Nigerians," she added.

In the same vein, Sinmisola Nojimu-Yusuf, product marketing manager and the Hustle Academy Programme lead at Google, said the Hustle Academy Fund provides small businesses with equity-free funding, mentorship, and opportunities for increased visibility and networking.

"We are supporting SMEs to grow and thrive. We are committed to supporting the Nigerian entrepreneurial ecosystem, and the Hustle Academy Fund

is a key part of that commitment," Nojimu-Yusuf noted.

For entrepreneurs to be eligible for the Hustle Academy SME Fund, businesses must be Nigerian-founded, operating within Nigeria for 1-5 years, and have a clear and scalable business plan. In addition, they are expected to have a track record of commitment to growth, operate in sectors aligned with the digital economy or have a digital enablement strategy, and, while not mandatory, previous participation in the Hustle Academy programme is an added advantage.

Applications for the Hustle Academy Fund are open September 28 and will close on October 12, 2023.

United Nigeria faces foreign approval hurdles after getting OK for US, UK flights

FOLLOWING RECENT APPROVALS BY LOCAL AUTHORITIES FOR UNITED NIGERIA AIRLINES TO PURSUE its ambition to deploy for intercontinental operations, local and international analysts now say the real test for the young airline now lies with securing regulatory approval and proper licensing to fly into countries in North America and Europe.

They also say it would need appropriate aircraft to be able to mobilise itself for such a huge operation, per insights reported by Simpleflying.

Several processes are mandatory for the airline to complete, including obtaining permits and documentations from civil aviation authorities, to be able to receive an all clear to enter Europe and the United States where the rules are stringent. It received approval from the Nigerian authorities to operate into the United States, United Kingdom, the United Arab Emirates, and three other countries.

Approval to operate intercontinental flights

The airline received a letter on September 10 from Hassan Ejinubun, director, air transport management, Federal Ministry of Aviation. The carrier was given the green light to operate scheduled flights to the US, the UK, the UAE, the Netherlands, Italy, and Ireland.

This is an effort by the authorities to utilise the Bilateral Air Services Agreement (BASA) between Nigeria and each of these countries. The West African nation currently has direct connections with some countries stated in the letter, but flights are



four Embraer 145LRs in its fleet.

Sean Mendis added:

“Designation is the first step on a long journey. The airline currently operates only regional aircraft, so will need to add appropriate aircraft types for these services, as well as demonstrate operational and safety competence in compliance with both Nigerian and destination country regulations.”

In cases of routes like the UK and Netherlands, they will also have issues obtaining slots at airports like Heathrow and Schiphol given the congestion and other restrictions in place.

For example, Nigeria’s Air Peace has made efforts to launch flights to London Heathrow (LHR) but with no success. The carrier is now planning to launch London flights later this year.

Flying to the Middle East

Nigeria has no direct connection with the UAE. Emirates was a significant player in the Nigerian market, offering up to 11 weekly flights from Dubai International Airport (DXB) to Lagos. However, the route was suspended last year because of a dispute with the Nigerian government regarding blocked funds.

Air Peace also operated flights to Dubai, but the service was discontinued because of the visa ban. Last month, President Bola Tinubu called for an immediate resolution to the rift between the two nations, which has affected airline operations and visa issuance for Nigerians. The regulatory approval granted to UNA supports the government’s plan to re-establish connections with the United Arab Emirates.

operated by foreign carriers. Part of the letter read:

“I am directed to acknowledge receipt of your letter dated Aug. 2, 2023, on the above subject and convey the minister’s approval for the designation of Messrs United Nigeria Airlines Company Limited.

“The airline is to operate international flight operations to the under-mentioned countries and cities: Netherlands (Amsterdam), Italy (Rome), United Arab Emirates (Dubai), United Kingdom (UK), United States of America (Houston), and Ireland (Dublin).”

The carrier will need to be granted permission and receive the necessary documentation from the respective civil aviation authorities before it can begin any non-stop services. Additionally, it must fulfil several requirements, including aircraft acquisition and safety demonstrations.

Flying to the USA

As previously stated, Nigeria has a Bilateral Air Services Agreement with the United States, allowing carriers from both countries to operate

commercial air transport services. Regulatory approval allows United Nigeria Airlines to fly to Houston, which currently has no direct connection with Nigeria.

This comes just two months after Houston Mayor Sylvester Turner visited West Africa. During his visit, he met with Emmanuel Meribole, the Permanent Secretary in the Ministry of Aviation, and requested the establishment of direct flight connections between Houston and Nigeria. Meribole assured Turner he would work on the request once new ministers were inaugurated.

Nigeria can establish connections with the US under the current BASA and the US FAA IASA program. However, UNA will still need to liaise with the regulatory body and acquire proper licensing, which will be tricky. Simple Flying spoke to Airline Executive and Aviation Expert Sean Mendis. He said;

“Nigeria is currently classified as Category 1 under the US FAA IASA programme, so Nigerian carriers are not banned from starting new routes to the USA; however, they will

still need to satisfy both the US DOT Part 129 licensing requirements as well as the FAA operational requirements.”

Currently, USA-Nigeria connections are offered by US-based airlines and are only available from two destinations. Delta Air Lines operates daily Airbus A330 flights from Atlanta Hartsfield-Jackson (ATL) to Lagos Murtala Muhammed (LOS), while United Airlines operates three weekly B787 flights from Washington Dulles International Airport (IAD).

Flying to Europe

Similarly, Nigeria’s agreements with the various European countries allow for several scheduled services. British Airways, Virgin Atlantic, and KLM all operate flights to Nigeria from their respective hubs.

UNA must meet operational and safety requirements to fly to Europe, and approval from the Civil Aviation Authority (CAA) will be difficult. Additionally, the carrier will need to acquire high-capacity, long-range aircraft for the services. It only has

Airbus names dedicated CEO for commercial aircraft business

Christian Scherer to become new Commercial Aircraft business CEO, reporting to Airbus CEO Guillaume Faury.

Sade Williams/Business a.m.

AIRBUS HAS NAMED A DEDICATED CHIEF EXECUTIVE OFFICER (CEO) for its commercial aircraft business in an announcement of leadership evolution that affects its executive committee.

“Since 2019, the leadership roles of Airbus and its Commercial Aircraft business have been combined, providing alignment and speed of execution during a period of multiple crises and change. Airbus has now put itself on a clear trajectory in line with its purpose of ‘pioneering sustainable aerospace for a safe and united world.’ “Empowering Christian in the Commercial Aircraft CEO role will enable us to reinforce focus on the success of our commercial aircraft business while allowing me to dedicate my time to steering Airbus in a complex and fast-evolving global environment.

“Christian and I have been working hand in hand over the last five years and we will continue to do so in this new configuration. I admire Christian’s business acumen and I’m happy to move forward with him to deliver on Airbus’ ambitions,” said Guillaume Faury, Airbus CEO.

“It is an honour and a thrill to be called upon to lead our Commercial Aircraft business at such a critical time for our industry. “I’ll put my passion and that of Team Airbus at the service of our customers to meet our operational objectives as we work to consolidate our success, continuously improve, and prepare the future of our products and services. As we do so, we will work closely with our partners and suppliers worldwide on our common roadmap to decarbonise aviation,” said Christian Scherer.

This new organisational setup will be established in the next months in collaboration with the Company’s social partners, with a target go-live in project mode from 1 January, 2024 onwards.



BI-COURTNEY AVIATION SERVICES LIMITED (BASL), operators of Murtala Muhammed Airport Terminal Two (MMA2), has congratulated Nigeria on the occasion of its 63rd independence anniversary.

Speaking through Ajoke Yinka-Olawuyi, head, corporate communications, the company said the MMA2 stands as a shining example of infrastructure advancement driven by the involvement of private investors.

While wishing Nigeria a happy 63rd Independence Anniversary, Yinka-Olawuyi said MMA2 is proof that effective collaboration between the government and private entities, or foreign direct investment (FDI) is achievable and holds promise for the future.

“MMA2 has gained recognition for its exceptional passenger service, streamlined processes, swift check-ins, efficient baggage handling and modern cargo facility. Passengers can navigate MMA2 with ease, reducing the stress associated with congestion and long queues that are characteristic of other Nigerian airports,” she said.

While emphasising the presence of fully functional avio bridges at the terminal and an ample supply of buses for remote boarding, she noted that the benefits that airlines enjoy

• Nigeria @63 Bi-Courtney talks up MMA2 as beacon of resilience, choice of airlines

Sade Williams/Business a.m.

when operating from modern facilities cannot be overemphasised.

Commenting on the effectiveness of MMA2 in passenger facilitation, the president of National Association of Nigeria Travel Agents (NANTA), Susan Akporiaye said MMA2 is devoid of unnecessary hassles and has the capacity to handle regional flights adding that the government should consider the possibility of processing regional flights from MMA2.

Akporiaye explained that the state-of-the-art regional facility has remained unutilized for over a decade, even though it represents a readily available solution to the capacity challenges faced at the international wing of Murtala Muhammed Airport.

The NANTA boss added that MMA2’s commitment to exceptional customer service sets it apart, with a focus on passenger satisfaction and support throughout their journey. She attested to the available ame-



nities including spacious lounges, shopping, premium departure concierge services (PDCS), art experience, and dining options. These amenities contribute to a more comfortable and enjoyable travel experience, she added.

While conveying her independence message to Nigerians, Yinka-Olawuyi said “we wish Nigerians more fruitful celebrations of peace and harmony, just like Nigeria we have consistently demonstrated resilience in the face of challenging operational conditions. In these challenging times, Murtala Muhammed Airport Terminal Two (MMA2) stands as a beacon of efficiency, convenience, and reliability”.

business a.m.

Traveller & Hospitality

UK authorities offer of Stansted, Gatwick offends Air Peace, insists on Heathrow

AN OFFER BY UNITED KINGDOM AUTHORITIES OF LONDON STANSTED AND LONDON GATWICK airports as slots access to Nigeria and West Africa leading carrier, Air Peace, has offended the Nigerian airline which insists that slots be made available to it at the ultra-busy London Heathrow for its much envisaged Lagos-London-Lagos operations.

The routing arrangement, which analysts say should normally fall under Nigeria-UK BASA deal since British Airways and Virgin Atlantic, two UK airlines, are already taking advantage of it with daily slots in Lagos and Abuja, has seen Air Peace complaining for at least 18 months about the UK authorities dragging their feet over the slots access issue.

The matter also drew the attention of rights lawyer Femi Falana, who called for the suspension of British Airways and Virgin Atlantic flights to Nigeria until the UK authorities granted slots to Air Peace.

The airline only recently obtained the UK Third Country Operator (TCO) authorization.

'Heathrow or nothing'

Following the recent approval to



the sole Nigerian carrier authorised to operate in the UK.

Why are LHR slots so valuable?

The most coveted airport slots in the UK, and indeed among the most sought-after globally, are located at LHR. Heathrow stands as one of the world's busiest aviation hubs, accommodating over 60 million passengers annually.

Known for its extensive global connectivity terminals tailored for major airline alliances, securing access to LHR slots is a significant milestone that elevates an airline's presence in the industry.

In congested airports like LHR, the number of new slots available is very limited. With slot demand here vastly exceeding supply, the market has become furious. One of the most expensive deals to make media attention was the purchase in 2016 of a pair of slots by Oman Air from Air France-KLM for \$75 million. Similarly, top prices were paid in 2015 by American Airlines, \$60 million for a pair of slots from SAS.

fly to the UK, the country's aviation authorities have proposed Air Peace to run flight operations from either London Stansted (STN) or London Gatwick (LGW). Both airports are on the UK's list of the top five busiest. However, the chief executive of the airline, Allen Onyema, rejected the offer by the UK authorities, citing the Bilateral Air Service Agreement (BASA).

Onyema is reported as advocating for Air Peace to establish service to a 'primary airport,' emphasising that UK

carriers, including British Airways and Virgin Atlantic, possess the capacity to operate flights from Nigeria's primary airports, including Muhammed International Airport (LOS) and Nnamdi Azikiwe Airport (ABV).

When discussing the choice to decline the offer, Onyema is quoted as saying:

"It took seven years for them to come and do the audit. Now we have got the approval. The next thing is slots, and they are telling us to go to [go to] London Stansted or take

London Gatwick. I'm not going to Stansted or Gatwick. You come to the primary airport in Nigeria, and by BASA, you enjoy the two primary airports. So, you will give me your own primary airport. It must be Heathrow or nothing."

This is not the first instance of Nigeria and the UK having a disagreement regarding LHR slots. In 2011, Nigeria threatened to revoke permission for British airlines due to Arik Air's inability to secure slots at Heathrow. Air Peace is currently

Dana Air pilots get praise from passengers for safety consciousness

Sade Williams/Business a.m.

ADANA AIR PILOT, ABIODUN LAWAL AND FIRST OFFICER Toluwase Oluwani, have been commended for landing safely after a go-around in Abuja due to bad weather.

The captain of the Dana Air flight 9J355 from Lagos to Abuja with over 140 passengers on approach had to initiate a go around, which is a safety procedure when the conditions for landing aren't good enough.

In a trending video, the visibly elated passengers were seen taking pictures with the captain and his first officer, commending

them for high safety consciousness and for reassuring the passengers constantly through the duration of the go-around.

According to Lawal, upon approaching the Abuja runway, the visibility was poor due to bad weather and "we had to initiate a go-around.

"A go-around is a fundamental safety procedure in ensuring that the conditions on the runway, approach and aircraft are conducive for landing.

"At Dana Air, it is our commitment to fly our guests safely and comfortably and the safety of our passengers and crew will continue to be a top priority for us and we will continue to fly in accordance with global safety standards," the airline said in a statement.

It will be recalled that Dana Air recently recruited and trained over 20 Nigerian pilots and reassured the flying public of its high safety standards, commitment to human capacity development and growth of the industry.

The airline operates a mixed fleet of seven Boeing aircraft with daily flights to major cities in Nigeria.

ANALYST INSIGHT The Airport Customer Experience

Medical tourism and the airport



EKELEM AIRHIHEN

Ekelem Airhihen, an accredited mediator, chartered accountant, certified finance and IT consultant, certified in policy and public leadership, and an airport customer experience specialist, has an MBA from the Lagos Business School. He is a member, ACI Airport Non-aeronautical Revenue Activities Committee; and is certified in design and implementation of KPI for airports. He can be reached on ekyair@yahoo.com and +2348023125396 (WhatsApp only)

THE YEAR-END IN NIGERIA WITNESSES MANY RELIGIOUS ACTIVITIES. This has attracted visitors from different parts of the world. In the new year, the same happens in the Republic of Benin. While that of Nigeria is facilitated by the churches, the other forms of religious activity that call visitors to various African countries should not escape airports.

Not only are referrals made for patients, there are also testimonials of persons who have experienced relief to their ailments by attending these religious meetings. At the 'Osun Osogbo' recently, some people who came for sightseeing did not fail to offer prayers to some carvings and at the river. Some television stations carry regular programmes that point to healing at their religious activity. Indeed, Africans are a religious people and travel and tourism decision makers should not overlook their impact on the economy.

Beyond religious healing centres, Africa is gradually becoming a destination for foreign hospital brands to invest in. Some people have been known to come back home for traditional herbal solutions and even for other forms of treatment as it is cheaper in Africa to do so. In some other circumstances, some patients would

prefer to join their ancestors from home where the hopes of recovery are dim.

All these forms of medical travel require extensive planning. Medical escorts can also assist with all aspects of patient care. Some religious organisations feature departments that focus on servicing and assisting foreign patients and their families at the airport. Some of these coordinators strive to deliver excellent experience by managing all critical touch-points, logistics and communications throughout the journey.

Airports play a very important role in facilitating religious and medical tourism by putting in place transportation infrastructure for international travellers. While planning for peak period traffic that they may experience in areas where year end travel is the norm, the peculiar needs of religious travellers should not be ignored by airports. Such things as immigration and customs clearance as well as other necessary formalities will be on the minds of visitors.

Medical centres, clinics, pharmacies provide immediate medical attention in the airport. Religious materials and African herbal centres may also be of interest to these travellers and will be an interesting area for market research and impact on customer experience.

Helping with transportation arrangements between the airport

and religious centre and place of accommodation will require talking with shuttle service, car rental and local transportation companies. Multilingual staff will assist visitors in their native or national language.

It is not impossible that some of these persons may require emergency service. Contingency plan in that regard should be in place while at the same time the airport and health authorities should ensure everyone is protected against communicable diseases.

● business a.m. commits to publishing a diversity of views, opinions and comments. It, therefore, welcomes your reaction to this and any of our articles via email: comment@businesslive.com



ECONOMY & BUSINESS

GHANA DISPATCH ... GHANA DISPATCH ... GHANA DISPATCH

Stories by Isaac AIDOO,
in Accra, Ghana

Stakeholders seek Ghana's economic growth through horticultural partnership

MAJOR STAKEHOLDERS IN GHANA'S HORTICULTURAL SECTOR HAVE CALLED for increased partnerships to catalyse the country's economic growth.

Jeroen Verheul, The Netherlands ambassador to Ghana, who formally opened the Fruits and Vegetables Fair hosted by the Ghana's Department of Parks and Gardens from September 27 to 29, noted that the opening of the exhibition symbolized the growing partnership between The Netherlands and Ghana in the field of vegetable and fruit production.

The fair which was themed: 'Harnessing the gains of the horticulture sector - with focus on the Africa Continental Free Trade Area,' was under the aegis of Ghana Vegetables in partnership with the Horticulture Business Platform which is also under the Ghana Netherlands Business and Culture Council.

Verheul recalled that The Netherlands has been working with the Ghanaian horticultural farmers and entrepreneurs for many years and that it sees the sector as one of the most prominent drivers for economic growth in Ghana.

In his view, there are three main reasons to further strengthen the partnership in horticulture: economic growth, improved diets and employment possibilities.

Economic growth

The agricultural sector is important for the Ghanaian economy. Almost 20 percent of the country's Gross Domestic Product (GDP) is linked to agriculture (GSS, 2022) and accounts for over 30 percent of export earnings (FAO, 2023). Both for the domestic and the export mar-



The Netherland ambassador with other dignitaries at one of the exhibition stands at the fair

ket, the horticultural value chain plays a significant role in the economy and the sector is growing on average at 10 percent. Compared to the average of 3.3 percent of the broader agricultural sector, the market opportunities in vegetable and fruit production are significant.

Currently, Ghana is mainly producing tomato, pepper, onions and okra but also many of these products are being imported from surrounding countries, mainly originating from Burkina Faso, Niger, Cameroon and Togo. Ghana only produces five percent of the onions it consumes locally and there are indications that the Kumasi and Accra markets alone already import \$120 million worth of fresh and dry onions (RVO, 2021). In total, Ghana spends up to \$3.4 billion in mainly processed agrifoods.

"The shifting security situation in the Sahel is occasionally putting pressure on some of those imports,

as we have seen with halting trade flows of Nigerian onions and Burkina Faso tomatoes. This poses a challenge for Ghana as the average intake of fresh vegetables by Ghanaians is already relatively small compared to its regional neighbours," the ambassador noted.

Improved diets

The Global Nutrition Report has indicated that consumption of vegetables in Ghana is only 46 percent of the recommended amount for healthy living. On average, a person should consume a minimum of 400 grams of fruits and vegetables per day (FAO/WHO). In Ghana not even the intake of 200 grams is currently being met. This is partially caused by the relatively high prices of vegetables and fruit. The Ghana Living Standards Survey indicated that 13 percent of total food expenditure is going to vegetables, mainly tomatoes (36%), onions (19%) and chilies (10%). One important

way to tackle high food prices is to start producing more, and more efficiently. That is why the Netherlands is joining forces with initiatives all over Ghana that maximise horticultural production as well as to reduce the cost of production. Key areas of attention are the development of sustainable crop value chains, improving the access to markets and access to finance, the training of farmers on good agricultural practices and entrepreneurial skills and finally access to new and improved fruit and vegetable varieties. More production leads to growth of the sector, leading to a higher demand for agricultural services and growth of the value chain.

Increasing employment

Currently the agricultural sector is the biggest employer in Ghana. Roughly 36 percent of the 31 million Ghanaians are working in the sector (GSS 2019), amounting to 11 million people in total.

Many of them are, however, considered to be active on a very small scale. Currently 77 percent of the 11 million are considered to be subsistence farmers (FAO). The governments of Ghana and The Netherlands share the perspective that this should be different. It is widely acknowledged that small and medium enterprises form the backbone of the economy. They lead to economic growth, industrialization and the creation of jobs. That is why The Netherlands is partnering with a large group of stakeholders, including the Ministry of Food and Agriculture, on supporting the Ghanaian food system, growing it into an environment where horticultural farmers and entrepreneurs can thrive.

The jobs created will lead to more income, more companies, more jobs, better quality and nutritious food, enabled through win-win partnerships. An example of that partnership can be seen at the opening of the

Fruit and Vegetable Fair, organised for the seventh time, this time by the recently founded Horticultural Business Platform (HBP). This new organisation is a platform for farmers, cooperatives, governments, entrepreneurs, knowledge institutes, Ghanaian and Dutch private sector and development partners to come together. The platform will build bridges, facilitate partnerships and provide first-hand information on the needs of the sector.

Fruits, vegetable farmers must enhance trade across Africa

Solomon Gyan Ansah, director of crop services at Ghana's Ministry of Food and Agriculture (MOFA), called on the players to "enhance intra-Africa commerce which will boost our economy and secure a substantial market share on the continent."

He charged horticultural businesses, saying "we must get it right through collaborative efforts, increased business sector investment, and government policy direction. As a country, we must gain a deeper grasp of the dynamics of the expanding fruit and vegetable markets."

Felix Mawuli Kamassah, president of Ghana Vegetables, said "a healthy workforce of a nation largely depends on the consumption of fruits and vegetables," stressing the importance of Ghanaians consuming fruits and vegetables and the benefits therein.

He observed that Ghana vegetables and the various operators 'commitment to promoting Fruits and Vegetables "has never been more evident than in the vibrant array of Fruits and Vegetables showcased here."

BENSO OIL PALM PLANTATION (BOPP) PLC, A GHANAIAN COMPANY based in the Adum Bansa Estate in the Western region of the country has for the past five years been experiencing exponential growth in spite of the general economic decline the West African nation is going through.

Samuel Avaala Awonnea, general manager of the agricultural firm, attributed the company's growth in profitability to good corporate governance, operational efficiencies with prudent cost management and improvement in the global commodity prices.

The 2023 half year turnover growth of 16 percent

Oil palm firm, BOPP, sees growth on back of prudent management



Samuel Avaala Awonnea (second from left), general manager, flanked by his senior executives, during the presentation

from last year of GH¢185 million in response to the high world market crude palm oil prices coupled with the higher crop productivity from both the nucleus plantation and the smallholders and

outgrowers had positively impacted the company's bottom line.

Speaking at the Facts Behind The Figures hosted by the Ghana Stock Exchange (GSE), recently, the general

manager disclosed that operational efficiencies had also seen sustained high levels and continued to improve while cost discipline practices had ensured that unit production cost re-

mained controlled in line with plan.

According to Awonnea, profit for the second half of 2023 stood at GH¢ 72 million, representing 82 percent of prior year levels and 80 percent of plan.

Full year profit recorded in 2022 was GH¢ 160 million compared to GH¢ 92 million in the prior year, representing 74 percent growth.

This performance comes on the back of the sustained operational efficiencies, strong production volumes and the recovery of world market crude palm oil prices which began early 2020.

The general manager announced that "Benso Oil Palm

Plantation PLC is set to maintain the strong profit trend to the end of year by leveraging on its core competencies for production and taking advantage of the bullish world market price trend."

The company is investing in plant and machinery, and outgrower plantations to improve the operating capacity and raw material base of the business.

BOPP, he pledged, is committed to conducting its business in a socially responsible and ecologically sustainable manner through the use of internationally accepted best practices which deliver sustainable stakeholder and shareholder value.

TRANSPORT BUSINESS



•MOTERING •AVIATION •RAIL •ROADS •MARITIME

Stories by Mike Ochonma

Self-driving car revolution is coming, but not soon

•Mercedes leading the park in autonomous cruise

IN MUNICH, WHERE THE IAA MOTOR SHOW HELD LAST MONTH, an interactive street survey elicited an overwhelming “yes” when asking passers-by if they would take a self-driving taxi from the venue of the global show piece to another location.

But while the number of coloured balls placed in the “yes” column shows no shortage of enthusiasm, experts say the long-promised future of autonomous cars remains some way off.

Five years ago, the global automotive industry thought that by 2025, the world would have significant autonomy in many vehicles, which is not the case.

Pandemic-related disruptions to the car industry, a shift towards investing in electrification and the sheer complexity of the technology have all contributed to keeping the autonomous-driving revolution stuck in the slow lane.

Ahead of the pack, Mercedes-Benz has received international approval for its “level three” autonomous driving system in accordance with United Nations standards.

The hands-free level three allows for autonomous driving in certain conditions such as heavy traffic or motorway speeds up to 60km/h.

The driver can take their eyes off the road but must be ready to



intervene if needed. The system is available as an option on the flagship Mercedes S-Class. Honda won a world-first approval to sell level three autonomous cars in Japan

in 2021.

But the vast majority of today’s commercially available cars come equipped with “level two” partial automation at best.

That includes Tesla’s well-known “autopilot” and offers features such as adaptive cruise control or automated parking -- while the driver remains alert at all times.

Subsidy palliative: NRC introduces express passenger train services

NIGERIAN RAILWAY CORPORATION (NRC) HAS DISCLOSED ITS INTENTION TO INTRODUCE MASS transit express passenger train service between Apapa in Lagos state and Kajola in Ogun state.

The express passenger train will run on standard gauge railway line.

Deputy director, public relations of NRC, Yakub Mahmood, said the initiative is part of federal government’s measures to cushion the effect of the petroleum subsidy removal to the barest minimum on the citizenry.

“This was disclosed by the director of operations of the corporation

Akin Osinowo on behalf of the managing director Fidert Okhiria,” the DDPR wrote in a Press release titled, “Railway Introduces Apapa-Kajola Express Train.”

The stopping stations for the Apapa-Kajola Express Train include Mobolaji Johnson, Agege, Agbado and finally Kajola, Mahmood stated.

The management of Nigerian Railway Corporation expressed hope that “this train service will surely reduce the hardship experienced by commuters, especially those plying Apapa to Kajola route.”

The corporation appealed to passengers to ensure that they obtain tickets at the designated stations before boarding the train.



HONDA HAS A FULL SLATE OF NEW EVS FOR THE JAPAN MOBILITY Show this October including an interesting sports car.

Honda has announced its lineup for the upcoming Japan Mobility Show, formerly known as the Tokyo Auto Show, and it previews a slate of new EVs—including what looks to be a new sports car that could be an Acura NSX successor.

While most of the new vehicles look to be for other markets, we can still get a good idea of the future of Honda manufacturing from what we know so far.

Since 2021, the automaker have been confident that Honda and its Acura luxury brand were very open to the idea of a future, all-new, all-electric NSX sports car, and now it looks like it could be coming sooner rather than later.

FRSC shows 15.5% drop in fatalities, 14% crashes, 14% injured half year report

INWHAT COULD BE TAGGED A SUCCESSFUL OUTING IN THE OPERATIONAL FRONT DURING the first six months (January to June) of the year 2023, the Federal Road Safety Corps (FRSC) has recorded a decline in the total number of road traffic crashes, injuries and fatalities as well, when compared with the same period in 2022.

According to FRSC road traffic crash dashboard, within the period under consideration, the Corps recorded a total of 5,700 road traffic crashes as against 6,627 in the same period in the year 2022, representing 14% decrease.

In the same vein, from January to

An interesting sports car model appears in an image attached to a press release previewing Honda’s plans for the Japan Mobility Show next month. Automotive News hedges that it could be a “spiritual successor” to the NSX instead of something directly related, presumably with different branding, but based on previous executive comments, a flagship electric sports car would probably still be sold as an Acura NSX in some regions.

The Honda panel at the Japan Mobility Show this year will include a range of other super-interesting vehicles and mobility and transportation technologies. The all-electric Sustaina-C concept hatchback looks a little bit like the previous Honda E, except this model utilizes recycled acrylic resin panels to fit Honda’s theme of “resource circulation”.

It’s paired with an all-electric

June 2023, the Corps also achieved 14% reduction in number of people rescued with injuries, having rescued a total of 16,716 in 2023 against 19,440 injured victims in the first half of the year 2022.

On the number of people killed, it also recorded significant reduction within the operational period. According to the crash data report, in the first six months of the year 2023, the Corps recorded 2,850 fatalities as against 3,375 in the same period in 2022, representing 15.5% reduction.

The Corps Marshal, Dauda Ali Biu attributed this modest achievement to a number of strategies and innovations in enforcement

Step by step - But the driverless “robotaxis” teased by the Munich survey remain a futuristic dream in most cities, with Europe lagging behind the United States and China in trialling such services in the real world.

These “level four” vehicles, like the robot cabs from Waymo or Cruise used in San Francisco, can operate without human intervention within designated areas.

The uneven deployment in Europe wasn’t down to regulations or technological challenges but rather a matter of funding that was harder to come by on the continent, according to Christophe Perillat, CEO of French automotive supplier Valeo.

Nevertheless, “autonomous vehicles are making progress year after year,” Perillat said at the IAA.

Professor Lutz Eckstein from RWTH Aachen University agreed, saying “significant advances” were on the horizon.

So-called level 2+ systems that also monitor the driver’s attentiveness and fatigue are expected to become more widespread, he said, predicting that the number of level three systems on the market would also increase.

“By the end of the decade, we want to achieve the ability to drive on the motorway at speeds of 130 kilometres per hour,” a Mercedes spokesperson told AFP. The company aims to offer level four highly-automated driving by the same deadline.

Honda hints mulls all-new Electric Acura NSX sports car

motorcycle with similar material usage called the Pocket Concept. There’s a second EV motorcycle on display, the S-Ce Concept, which shows off Honda’s swappable battery system for limiting downtime for charging.

Honda will also display an autonomous work vehicle it didn’t provide images for, and a CI-MEV concept that’s a two-seater city EV designed for automated transport. The Honda Jet and Honda’s eVTOL flying concept will also be on display.



activities, improved presence and visibility, public enlightenment and partners engagement.

While charging drivers to desist from bad driving behaviours, Corps Marshal, Dauda Ali Biu re-emphasised the commitment of the Corps towards achieving it’s corporate mandate of sanitizing the highways and entrenching safety on the nations over 200,000 kilometers road network.

TECHNOLOGY & INNOVATION

●FINTECH ●WEALTHTECH ●AI ●RML ●RPA ●REGTECH ●CRYPTO ●BLOCKCHAIN

Business A.M

NITHUB UNIVERSITY OF LAGOS IN PARTNERSHIP WITH MONIEPOINT INC, Africa's leading digital financial services provider, has announced the graduation of the pioneer cohort from its HatchDev programme.

The nine-month specialised training is designed to produce hundreds of market-ready software engineers every year.

The development is in line with the resolve of the ministry of communications, innovation and digital economy to build a robust framework for the training of one million technical talents over the next three years and the presidency's goal of creating two million digital jobs via the tech space.

Africa's Internet economy is revolutionising development on the continent by creating job opportunities, stimulating economic growth, and offering innovative solutions to complex challenges, including access to healthcare, education, and finance. This transformation is driven by factors such as increased access to high-quality Internet connectivity, a burgeoning urban population, a growing pool of tech talent, and a vibrant startup ecosystem.

In Nigeria, where the digital economy is rapidly expanding, there is a pressing need for skilled tech talent. According to estimates, there are only around 115,000 developers in Nigeria, highlighting a significant talent shortage that hampers the growth of the tech sector. Recognizing this challenge, Moniepoint in partnership with Nithub is taking proactive steps to bridge the gap and empower the youth with valuable skills for a brighter future.

The highly competitive pro-

Moniepoint, Nithub collaboration set to boost tech talent in Nigeria



L-R: Ernest Ndukwu, chairman, MTN Nigeria; Karl Toriola, chief executive officer, MTN Communication Plc; Modupe Kadri, chief financial officer, MTN Nigeria; and Vice President Kashim Shettima, during a courtesy visit by the MTN executives to the Presidential Villa in Abuja, recently.

gramme with a strict recruitment policy, which commenced in October 2022, aspires to yearly shape 300 junior software engineers, 100 intelligent systems developers, and 100 IoT/embedded systems engineers. These professionals, upon completion of the course, will be readily absorbed into a market eager for their expertise. The programme's structure is such that it starts with nine months of classroom-based training, culminating in a three-month industry-specific internship.

NitHub envisions a transformative approach to the use and creation of digital technology in

Nigeria. This vision encompasses upskilling, startup incubation, product development, all aimed at setting new benchmarks for digital proficiency and innovation in Nigeria. Also, Moneypoint, with its extensive reach and influ-



ence, plays a pivotal role in this digital revolution and financial inclusion. Currently, 1.6 million businesses across Nigeria rely on Moniepoint's suite of payment, credit, and business management tools to achieve socioeconomic growth and stability. The platform facilitates an average monthly transaction value of \$12 billion, demonstrating its profound impact on businesses and the economy at large.

Speaking on the success of the initiative, Chukwudum Ekwueme, VP Engineering, Moniepoint, expressed enthusiasm, saying, "Nigeria is a booming economy

and with the innovative contributions of tech businesses, like Moniepoint, that are solving some of society's critical issues, it is very gratifying to be a significant part of those giving local talent the training and tools they need to compete on a global stage. Also, this initiative aligns perfectly with our vision of empowering the next generation of tech leaders. We believe that by investing in talent development, we can accelerate Nigeria's growth in the digital economy and contribute to the overall prosperity of our great nation."

Victor Odumuyiwa, NitHub Director and HatchDev project lead, said: "Nigeria is at a critical inflection point at the moment as we continue to grow and develop our economy. As a new wave of technology companies emerge, and with increased digitalisation in every aspect of life, it's vital that we have the local talent available here to ensure homegrown businesses can reach their full potential. That's why courses like HatchDev are so valuable - we're training Nigeria's top future talent. We're delighted to be working with Moniepoint to help bring this vision to life."

Some industry analysts have averred that the initiative between Moniepoint and NitHub, University of Lagos, is poised to be a game-changer in the tech industry. By equipping young Nigerians with cutting-edge skills through the HatchDev programme, they are opening doors to limitless possibilities and helping Nigeria tap into its full potential in the digital era.

Onome Amuge

IN RECENT YEARS, THERE HAS BEEN A GROWING TREND OF NIGERIANS USING AI AND MACHINE-based applications that are rapidly gaining popularity and transforming every aspect of their lives.

From language translation apps to chatbots, these innovations are making it easier and faster to complete tasks that previously required hours of manual labour. With the rising popularity of these applications, the future of work is becoming increasingly automated and efficient, with AI playing a major role in the transformation.

To this end, Olatunbosun Amao, a content creator and script writer recently developed and launched LexiGenius, a new AI-powered writing app, aiming to make writing easier and more efficient for writers, students and professionals. The app uses artificial intelligence and natural language processing to generate content based on user input, with the goal of saving time and improving the quality of written work.

Nigerian develops AI-powered writing app, LexiGenius to enhance future of writing

The main components that contribute to the user-friendliness of LexiGenius include different templates for users to choose from, machine learning algorithms that adapt to the user's input, adaptive suggestions that help users generate relevant content, a user-friendly interface that is easy to navigate, and customisation options that allow users to tailor the software to their specific needs.

The platform supports multiple languages and is designed to provide a user-friendly experience, with AI technology seamlessly integrated into the writing process. It offers real-time assistance and adapts to individual needs, allowing users to improve their writing effortlessly.

According to Amao, the potential of this software is vast and could significantly support Nigeria's digital sector by improving content creation, increasing productivity, enhancing education, and fostering innovation.

With its ability to quickly generate accurate and relevant content, the software could significantly improve the quality of written work in Nigeria and beyond. Additionally, its efficiency-boosting capabilities could save time and resources for individuals and businesses alike.

In the long run, the software could have a significant impact on Nigeria's economy and global competitiveness, positioning the nation as a competitive player in the global tech arena, attracting investments and fostering economic growth while nurturing a skilled workforce.

Speaking on how Nigerian creatives can take advantage of the AI tool, Amao said it saved time for professionals across various industries by automating and enhancing their writing processes.

He said, "This can lead to increased productivity, especially in sectors like journalism, where quick and accurate reporting is

essential.

"By streamlining content creation and making it more accessible, LexiGenius can drive economic growth through the creation of jobs in content creation, AI technology development, and customer support.

"A strong AI-driven writing tool like LexiGenius positions Nigerian tech companies to compete effectively in the global tech landscape. It can help them produce content that's on par with international standards."

The Canada-based Nigerian explained that LexiGenius is a valuable tool for content creators, bloggers, novelists, journalists, content agencies, E-learning platforms, freelance writers and other content creators who rely on written content in their work. He added that it can also be beneficial for students of all levels, from high school to university, to help improve their writing skills, generate well-structured essays, and enhance academic perfor-

mance.

Amao explained further that the content generated by the app is based on its analysis of the input provided by the user, and so it is designed to generate original content. Though LexiGenius is a valuable tool in the writing process, he advised users to exercise their own judgment and use additional plagiarism detection tools when necessary to ensure the content is entirely original and free of plagiarism.



•TELCOS •INNOVATION •R&D •AI •ML •CLOUD COMPUTING •BIG DATA •CYBERSECURITY

Report Shows 94% adware detection rate, putting Nigeria on list of most vulnerable countries

Onome Amuge

KASPERSKY HAS IDENTIFIED NIGERIA AS ONE OF THE MOST VULNERABLE countries to mobile cyber threats in the

The report noted that the number of mobile threat detections particularly in Africa, the Middle East, and Turkiye increased by 5 per cent as users increasingly rely on their mobile devices to share personal data and connect to corporate net-



world as adware detections in the most populous black nation rose 94 per cent in the second quarter of 2023.

The global cybersecurity and digital privacy company, in a new report on global cyber threats, found that threats to mobile devices increased in the second quarter of 2023, with adware and mobile banking threats confirmed as the most prevalent mobile threats detected in the Middle East, Turkiye and the African region.

According to the report, there was a significant rise particularly in adware detections which rose 94 per cent in Nigeria, 49 per cent in Turkiye, 27 per cent in South Africa, 39 per cent in Kenya, and 6 per cent in the Middle East.

Banking trojans, which are used to hunt for data related to online banking and e-payment systems, posed a concerning threat for mobile users, specifically in Turkiye, which recorded a twofold increase (102 per cent) in Trojan-Banker detections in Q2 2023 compared to the corresponding quarter of 2022.

works, the report noted that tt.

However, it stated that these threats were blocked by Kaspersky Mobile Solutions, adding that a total of 5.7 million mobile malware, adware, and riskware attacks were blocked in the period under review.

Kaspersky disclosed that the most common threat to mobile devices was potentially unwanted software (RiskTool), noting that 30.8 per cent of all RiskTool threats were detected. It added that a total of 370,327 malicious installation packages were detected, of which: 59,167 packages were related to mobile banking Trojans, while 1,318 packages were mobile ransomware Trojans.

Meanwhile, threat statistics in the reports were more prevalent on Android devices which hold a dominant market share in the Middle East, Africa, and Turkiye. The researchers observed that Apple devices are not immune to cyber threats but are difficult to monitor due to OS specifics.

Anton Kivva, Malware

analyst and team lead at Kaspersky, noted that with the growing adoption of smartphones and mobile banking in the Middle East, Turkiye, Africa region, cyber-criminals are likely to further increase their targeting of mobile devices.

"We can expect a surge in phishing attacks, mobile malware, and malicious apps disguised as legitimate financial services. Cyber-criminals will continue to exploit social engineering tactics, such as SMS phishing and voice phishing, to trick mobile users into revealing sensitive information or downloading malicious content," Kivva said.

The malware analyst advised individuals and organisations in the Middle East, Turkiye, and Africa to prioritise mobile cybersecurity measures, including robust antivirus software, regular updates, user education, and vigilance against social engineering tactics to safeguard their mobile devices and sensitive data.

Enlightening users on preventive measures against mobile threats, Kaspersky suggested downloading apps only from official stores like Apple AppStore, Google Play or Amazon Appstore

"Apps from these markets are not 100 per cent failsafe, but at least they get checked by the moderators and there is some filtration system — not every app can get onto these stores. It's worth looking through user reviews of an app to see if there is any negative feedback on its functionality," it said.

The organisation also advised individuals to check the permissions of apps that they use and think carefully before permitting an app, especially when it comes to high-risk permissions such as 'Accessibility Services.'

It noted further that a reliable mobile security solution like Kaspersky Premium can help users to detect malicious apps and adware before they start behaving badly on their devices.

Kaspersky also encouraged users to update their operating systems and important apps, stressing that many safety issues can be solved by installing updated versions of software.

The mobile industry was also urged to enhance cyber protection at all levels, including security for users, by providing tailored cybersecurity services.

Data & Information Governance Insight

Reimagining privacy protection in the Nigerian market (2)



MICHAEL IRENE, PhD

Michael Irene, CIPM, CIPP(E) certification, is a data and information governance practitioner based in London, United Kingdom. He is also a Fellow of Higher Education Academy, UK, and can be reached via moshoke@yahoo.com; twitter: @moshoke

THIS ARTICLE IS BROKEN INTO TWO PARTS. IN PART I, LAST WEEK, WE COVERED SOME realities about the increasing opportunities presented by the expansion of the digital landscape in Nigeria. This second part touches on a pathway that will create a more customer centric digital environment that will be beneficial to players.

Part II

The Path Ahead

Looking ahead is imperative as the regulatory landscape races to meet technological advancement. There is the need therefore to build a strong privacy foundation to meet these digital trajectories. I propose some critical approaches below.

Enhanced regulatory framework: A public-private partnership

One area ripe for improvement is the establishment of a public-private partnership to steer privacy regulations. The government should collaborate with tech companies and civil societies to build a robust framework that is flexible enough to adapt to technological advancements. Countries like Singapore have successfully implemented this approach through organisations like the Personal Data Protection Commission, which engages both the public and private sectors in dialogue and policy formulation.

Data portability: Empowering the consumer

Data portability, a concept highlighted in the GDPR, allows consumers to take their data from one service provider to another. This not only empowers consumers but also fosters competition, as new entrants in the market can more easily attract customers. Nigeria could introduce legislation making data por-

tability mandatory across key sectors like telecommunications, e-commerce, and healthcare.

Transparency reports: A necessity not a luxury

Companies in Nigeria should be mandated to publish annual transparency reports that detail data requests from the government or third parties. This practice is common in the United States, where tech giants like Google and Facebook regularly publish such reports. Transparency fosters trust and ensures accountability, both of which are essential in the context of privacy.

Cybersecurity insurance: Minimising financial risks

As businesses hold more data, they become attractive targets for cybercriminals. Companies should be encouraged or mandated to hold cybersecurity insurance as a part of their risk management strategy. This not only protects the business but also offers a safety net to consumers whose data could otherwise be compromised.

Consumer redress mechanisms: Swift and effective remedies

In cases of data breaches or misuse, consumers often have no clear course for redress. A centralised and streamlined system for reporting data malpractices and obtaining remediation should be implemented. A dedicated ombudsman or tribunal for data protection could be a solution here.

Digital literacy: Educating the next generation

Data privacy education should be integrated into the school curriculum, providing young Nigerians with the knowledge they need to navigate the digital world safely. A more informed citizenry is a fundamental long-term strategy for enhancing data protection.

Smart cities and IoT: Balancing progress and privacy

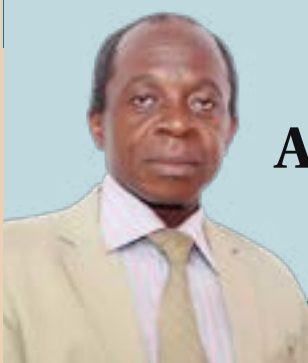
As Nigeria gears towards becoming a smart nation with projects like the Smart City Lagos initiative, considerations for privacy should be at the forefront. Clear guidelines on data collection and utilisation in public spaces enabled by the Internet of Things (IoT) must be formulated.

Strengthening whistleblower policies: Encouraging ethical disclosures

Incentivising whistleblowers can encourage the internal reporting of data mishandling before they become public scandals. Strengthened whistleblower protections can make employees more comfortable about reporting breaches, enabling companies to rectify issues before they escalate.

By incorporating these additional points, Nigeria can develop a multi-layered, effective privacy protection model that serves as a benchmark for other emerging markets. With a balanced approach, Nigeria can protect its citizens' privacy while fostering a business environment ripe for innovation and growth.

business a.m. commits to publishing a diversity of views, opinions and comments. It, therefore, welcomes your reaction to this and any of our articles via email: comment@businessamlive.com



Africa & Global Observatory

OLUKAYODE OYELEYE

Dr. OluKayode Oyeleye, Business a.m.'s Editorial Advisor, who graduated in veterinary medicine from the University of Ibadan, Nigeria, before establishing himself in science and public policy journalism and communication, also has a postgraduate diploma in public administration, and is a former special adviser to two former Nigerian ministers of agriculture. He specialises in development and policy issues in the areas of food, trade and competition, security, governance, environment and innovation, politics and emerging economies.

JULY 26, 2023 MAY have become a watershed in foreign military interventions as well as bilateral and multilateral relations in Africa. That a foreign country was told to withdraw its ambassador and armed forces was not new. What was new, however, was the speed and tenacity with which the foreign soldiers and ambassadors were told to leave. Following the military takeover of power in the Republic of Niger, the military leaders announced the imminent exit of the 1,500 French soldiers stationed in Niger. The US soldiers were not spared. The coup raised questions over whether the US can continue the 1100-strong military presence in the country. In the aftermath of the two coups in Mali in 2020 and 2021, the military leaders indicated that all 2,400 French troops in Mali should leave. Out of the total of over 5,000 French soldiers stationed in the Sahel, deployed in Mali, Niger, Chad, Burkina Faso and Mauritania on the mission codenamed Operation Barkhane, the last unit of those deployed to Mali crossed into neighbouring Niger in August 2022, after major fallout with Malian soldiers in power. That ended nine years of the presence of the French troops, ostensibly to maintain regional security. It was obviously a failed mission in terms of benefits to Mali. It could have been the opposite for France as subsequent events might prove.

Meanwhile, the growing presence of military bases in Africa is becoming worrisome. While it gives an outward impression that African countries cannot cope with the challenges of insecurity, armed insurgencies and religious militancy, it appears the military interventions are merely a ploy for some other missions. It would be sheer naivety to think those setting up military bases were so altruistic. Why, for instance, are various superpowers setting up such formations in various countries of Africa? Possible reasons are political, tactical and geostrategic. The continent is therefore becoming a battleground for proxy wars in addition to the decades of extraction of natural resources unabated. Djibouti is a microcosm of Africa in terms of military competition between countries. It is a country with a population of 1.106 million on a land area of 23,200 km². Yet, Djibouti has foreign military bases ranging between eight and 11, depending on which sources you consult.

Djibouti, despite its small size, is considered far more important than many other bigger countries because of its location at the entrance

to Bab el-Mandeb strait on the Red Sea where 30 percent of world trade passes. The interests of the various industrial nations and global powers are inextricably linked with their military presence in this African country where they play a key role in maintaining the security of the country. This is not necessarily primarily in the interest of Djibouti, but for the protection of the interests of the foreign powers, considering the turbulent situation in Yemen and Somalia, the burgeoning and intensified piracy in the western Indian Ocean and the Horn of Africa. To the global community, the benefits to the maritime industry are enormous as they weaken the strongholds of pirates and terrorist groups such as the al-Shabaab group, which has taken advantage of Somalia's weak governance over the past three decades.

The most important and the oldest base in Djibouti is the French base. Not surprising, anyway, as it was previously a French colony in the Horn of Africa between 1884 and 1967, when it was referred to as the French Territory of the Afars and the Issas. In addition to Somali and Afar as the most widely spoken local tongues, Arabic and French are two official languages in the country. The Republic of Djibouti later became its legal successor state. The spelling of the name took the French style. For its pronunciation, it would probably have been spelt "Jibuti" in English. The French culture of keeping military presence in their former colonies played out in Djibouti in this case. September 11 attacks probably prompted the US to step up its presence in the country, within the "war on terror" framework. China too now maintains a naval base there, while Germany, Spain, Italy, Britain, Japan, and Turkey are active, either through bases of their own or through French and American bases within close proximity to one another.

Foreboding of likely future proxy wars on African soil by these countries thus arises as there are potentials for friction between nations operating there, sometimes involving accusations of espionage. While India has expressed interest in establishing its military base in Djibouti, Russia seems to have settled for Sudan. In February 2023, Sudan's ruling military concluded a review of an agreement with Russia to build its first naval base at Port Sudan on the Red Sea. The naval base is expected to host up to 300 Russian troops and up to four navy ships - including nuclear-powered ones - a

Why military bases in Africa?

decision that is already facing stiff opposition from the West. France's largest foreign military base outside of its borders is in Djibouti, with about 1,500 soldiers deployed at the base, said to be performing counter-terrorism missions and guarding nearby sea lanes. But the tide seems to be turning against France and its interests in the rest of Africa as more countries are likely to join Mali and Niger in the resistance to its military presence.

What France has got away with for decades is about to end. The desperation with which France wanted to hide behind the Economic Community of West African States (ECOWAS) to invade Niger exposed the dissembling of France. France reportedly wanted to restore the deposed President Mohamed Bazoum by launching military action, a plan that went awry and irked the military leaders, informing their hard stance on France. The unexpected happened and France was told to move its military out of Niger in addition to revoking the France ambassador's immunity. The wave of anti-French sentiment sweeping across the Sahel has affected Burkina Faso and Guinea Conakry as well since the military takeover of government there and will likely threaten the French military presence in no small way. While French military outposts in African countries - particularly the former colonies - became visible recently on account of the Niger coup, those of other Western countries elsewhere are likely to attract more attention in the near future for obvious reasons as they are suspected of ripping up African countries under false pretence of maintaining security.

Sentiments against foreign troops, either on bilateral or multilateral arrangement, are growing. The United Nations Peacekeeping Force is not spared. Just over a week ago, this month, the DR Congo's President Félix Tshisekedi called for the withdrawal of the UN soldiers. The United Nations Organisation Stabilisation Mission in the Democratic Republic of the Congo or MONUSCO, an acronym based on its French name Mission de l'Organisation des Nations Unies pour la stabilisation en République démocratique du Congo, was brought to help quell insecurity in the DR Congo's east where armed groups fight brutally over minerals. It has been reckoned that the United Nations peacekeeping force in the DR Congo has records of sexual abuse and rape of the very people they are supposed to protect. Although illegal exploitation of minerals in eastern DR Congo has been widely blamed for prolonging conflict and insecurity in that region, reports have shown UN staff caught while trafficking minerals from the troubled region. In August 2011, a UN driver was caught while trying to illegally export tin oxide mineral cassiterite into Rwanda.

Of the series of attacks on the UN soldiers, eight people were reportedly killed and 28 wounded in February, earlier this year, when protesters in east DR Congo's North-Kivu province blocked and attacked a convoy of UN peacekeepers. In August, at least 56 people were killed and dozens wounded in an



army crackdown on violent anti-UN demonstrations in the eastern city of Goma. In July 2022, another protest resulted in more than 15 deaths, including three peacekeepers in Goma and the city of Butembo.

At the UN General Assembly in New York last month, President Tshisekedi announced that he has instructed his government to fast-track the withdrawal of the UN peacekeeping mission to ensure it begins at the end of the year. Specifically, he lamented that the mission, called MONUSCO, which took over from an earlier UN operation in 2010 to help quell insecurity in the DRC's east where armed groups fight over territory and resources, has not achieved the desired purpose as critics have said its failure to protect civilians from violence was igniting resentment and deadly protests. According to him, "it is to be deplored that peacekeeping missions deployed for 25 years ... have failed to cope with the rebellions and armed conflicts." The local people have concluded that the UN forces are useless because of their inability to prevent attacks or to respond to them adequately.

It is highly unlikely that there will be any vacuum as a result of the withdrawal of these foreign forces from Western governments or the UN as more and more African countries are turning their back to the West while looking eastward. Already, the Eastern power bloc is waiting in the wings for the right time to move in. The construction of a Chinese naval base in Equatorial Guinea should send a strong message to the world that the influence of the East in Africa is rising where that of the West is waning. According to Foreign Policy, a think tank, China has likely considered 13 countries for military basing access, of which Angola, Kenya, the Seychelles, and Tanzania in Africa. Within its \$1 trillion dollars Belt and Road Initiative (BRI) in Africa, China has approximately 10,000 enterprises in its investments portfolio, generating \$180 billion a year in revenues and could reach \$250 billion by as early as 2025, according to a 2017 McKinsey Report. The population of Chinese people in Africa has grown up to one million since 2000, making China's military exploits in

Africa more realistic as it is quietly going on. The European Council for Foreign Relations (ECFR) posits that permanent Chinese military installation in Equatorial Guinea is the culmination of nearly a decade's investment in Africa - and will not be the last of such bases on the continent's Atlantic coast. Perhaps this was what manifested in the arrival of the Chinese naval fleet in Nigeria two months ago in July, amidst speculation that the Gulf of Guinea could offer a base for Beijing. It does not come without a cost. Africa-China relationship built on debt diplomacy might bring indebted countries under perpetual subjugation to China.

Russia's incursion through military support in some African countries takes the form of interventions in crisis-ridden areas such as the Central African Republic, Chad, Sudan, Mozambique, Mali, Burkina Faso and Niger. Wagner, the mercenary group under which Russia operates as a tactic for circumventing rule-based approaches and avoids scrutiny and official accountability, has been under the leadership of Yevgeny Prigozhin who reportedly died some weeks ago in a plane crash near Moscow after a trip to Africa. Notwithstanding the differences openly expressed between Prigozhin and President Vladimir Putin, Wagner is undisputedly working to promote Russia's influence in Africa. There is a price to pay for such an alliance. Already, Wagner is reportedly involved in mining and mineral smuggling in some countries where it presently operates. And that goes on without accountability. It can only get worse as more and more countries of Africa succumb to the onslaught of insurgents and terrorists, creating the right environment for Wagner to thrive. African countries may find themselves straddling the East and the West in its precarious quest for freedom from external influences. Unless something drastic is done to avoid this, Africa may be in a quandary in its quest for military protection. And the crisis continues.

● business a.m. commits to publishing a diversity of views, opinions and comments. It, therefore, welcomes your reaction to this and any of our articles via email: comment@businessamlive.com