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# business a.m.

TOWARDS MORE EFFICIENT MARKETS

## Analysts want insurance on the table in minimum wage negotiation

ONOME AMUGE & CYNTHIA EZEKWE

**I**NSURANCE EXPERTS WANT to see insurance coverages for Nigerian workers on the table in discussions and negotiations about minimum wage in the country in a call for a new approach to addressing the issue of minimum wage concerns.

In calling for implementing insurance coverages for Nigerian workers, they argue that this would create a win-win solution that benefits both the workers and the government, and would help

### ● Will ease workers' concerns

to resolve the long-standing issue of industrial strike actions that have led to disruptions and decreased productivity.

The experts propose that, by providing workers with insurance benefits that cover their basic needs, the government would be able to sidestep the political and economic pressure of raising the minimum wage. They argue that this would create a virtuous cycle, in which workers would be more productive and contribute to a stronger economy. In turn, this would lead to higher government revenues, which could then be

used to further expand insurance benefits for workers.

As inflationary pressures and rising cost of living take a toll on Nigerian workers, the country's two largest trade unions, the Nigerian Labour Congress (NLC) and the Trade Union Congress (TUC), have yet again renewed their push for a revised minimum wage. The unions argue that the N30,000 minimum wage, set in 2019, is no longer sufficient to cover the basic needs of workers.

However, disagreement be-

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# Stronger dollar prolongs recovery for emerging markets currencies

PHILLIP ISAKPA IN LONDON, UK

**U**NFOLDING ECONOMIC DYNAMICS in the United States that have primed the dollar to be stronger will ricochet in many emerging markets (EMs) potentially lengthening the recovery timeline of their

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**NIMC, NCC to ease NIN-SIM linkage**

THE NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC) and the Nigerian Communication Commission (NCC) are set to ease the difficulties faced by...

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NIGERIA'S ONCE-THRIVING agricultural export market has been in decline in recent years, due in part to the fact that commodities such as cowpea and sesame do not meet...

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**Internet outage hits Nigerians hard**

A DARK SHADOW WAS RECENTLY cast over Nigeria's internet landscape, as damage to vital undersea cables plunged the country into digital darkness. The country...

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### ● Nigeria's Naira in pit for much longer



Obi Uzu, (r), CEO of Global Process and Pipeline Services Limited (GPPSL) making a presentation to Heineken Lokpobiri, minister of State for Petroleum Resources (Oil), and Mele Kyari, group chief executive officer of the Nigerian National Petroleum Company Limited (NNPCL), during the exhibition tour of the 7th edition of the Nigeria International Energy Summit (NIES 2024) in Abuja recently.

### VISIONARY VOICES

#### African Women Big Push To Escape Poverty



NAIROBI - What do poverty, climate change, and conflict have in common? They are among the biggest challenges confronting Africa, and they all disproportionately affect women living in poverty or on the margins of society. Both research and experience have demonstrated that these women have...

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### EXECUTIVE KNOWLEDGE SERIES

#### Chinese Automakers' EV scaling Up Secret



HOW CHINA'S ELECTRIC vehicle sector drove to the front of the pack.

When it comes to the electric vehicle (EV) market, China is leading the charge ahead of traditional automotive juggernauts like Germany and Japan. The country's new EV sales grew by 82 percent in 2022, comprising nearly 60 percent of global EV purchases...

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## Stronger dollar...

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currencies, a global market analyst and asset management firm, deVere Group has projected.

Pressure is expected to mount on EM currencies on the back of the leveraged position of these countries who have international loan exposures that they have to repay in dollars.

"Many emerging market countries' governments and corporations borrow in US dollars, when the dollar strengthens, the cost of servicing this debt increases for these borrowers because they need to convert more of their local currency into dollars to repay their obligations," explains Nigel Green, chief executive officer of deVere Group in an analyst note to Business a.m. over the weekend.

For the Nigerian Naira, this would be bad news and a clear signal that its own recovery would be much longer. The domestic currency has been tanking much faster since June when the government carried out a raft of International Monetary Fund and World Bank favoured reforms. The government announced the removal of petroleum subsidy and the floating of its currency, exposing it to an onslaught in the market that has seen it reaching an all-time low of N1,851 to the dollar.

But the stage for the emerging markets prediction has been set in the US economy where data showed that the world's largest economy's producer price index (PPI) rose higher than was predicted for the month of February; and it came only days after another statistics revealed an unexpected rise in consumer price index (CPI), which then slashed chances of imminent cuts in interest rates by the US central bank, the Federal Reserve.

The possible recovery prognosis for EM currencies, according to deVere Group analysis, is at least the third quarter of this year. "Emerging market currencies are going to be under pressure until at least the third quarter of 2024," the analyst note warned.

"The PPI in the US strengthens our position that the Fed is almost now, certainly not going to cut rates this month; and we now believe it could delay cutting rates until the third quarter of the year," said the deVere chief executive in a note.

He stated that this would continue to strengthen the dollar and impact emerging market currencies, where many of their governments and corporations borrow internationally in US dollars.

Explaining the scenario of what typically happens, deVere noted that such situations can strain government budgets and corporate balance sheets; noting, for example, that if the dollar strengthens against the Brazilian real, Brazilian companies with dollar-denominated debt will face higher repayment costs.

"A strong dollar can also trigger capital outflows from emerging markets as investors seek higher returns in U.S. assets," said the note.

Explaining further, Nigel Green said: "This typically leads to depreciation of emerging market currencies as demand for them decreases. For example, if investors believe that the U.S. economy is performing better than emerging market economies, they may move their investments out of emerging market assets, causing the local currencies to weaken."

The analyst note cited a 2013 case known as "taper tantrum" as an example of what might happen because in that year when the Federal



L-R: Amina Oyagbola, founder, Women in Successful Careers (WISCAR); Dennis Okoro, director, MTN Foundation; Olawale Anifowose, general manager, Enterprise Development Centre (EDC); Odunayo Sanya, executive director, MTN Foundation; Kabiru Yusuf, assistant chief producer, Voice of Nigeria; Aishatu Sadauki, director, MTN Foundation; and Reginald Okeya, director, MTN Foundation, at the Y'ellopreneur media conference recently in Lagos.

Reserve hinted at reducing its bond-buying programme, it led to capital outflows from emerging markets and currency depreciations.

It further noted that its position is based on the fact that emerging market countries rely on exports for economic growth, adding that when the dollar strengthens, emerging market currencies weaken in comparison, making their exports more expensive for foreign buyers triggering "a decrease in export volume or a loss of competitiveness in global markets."

Emerging markets will also need to brace up for other pressures, including inflation, as the deVere note explained that a weaker local currency resulting from a strong dollar can also lead to inflationary pressures in emerging market countries.

"This is because imports become more expensive, which can drive up the prices of imported goods and raw materials. For example, if the dollar strengthens against the South African rand, South Africa may experience higher prices for imported commodities, impacting overall inflation levels," Green explained.

According to the analyst note by deVere, the last mile to reach the Federal Reserve's two percent (2%) inflation target seems to be a slow one and, as such, deVere says it expects high-for longer rates.

deVere also stated that there is also a legitimate narrative that the Biden administration will push to maintain a strengthening of the dollar this year as the US holds presidential election in November.

This is based on the fact that a robust dollar enhances consumer purchasing power and bolsters investor confidence, pivotal factors for a thriving economy and by maintaining a strong dollar, the Biden administration would be aiming to showcase economic stability and competence, potentially bolstering voter sentiment.

"This all means a stronger dollar which is challenging for emerging market currencies, as a strong greenback can lead to economic instability, higher borrowing costs, reduced competitiveness, and inflationary pressures in these countries," Green wrote.

The US economic dynamics involving the CPI and PPI data have also provided analysts with information to warn global investors of what the market play would be.

deVere Group warned that markets should prepare for volatility

with investors likely to react against a potential delay in rate cuts from the Federal Reserve.

deVere Group is one of the world's largest independent financial advisory and asset management organisations, and this prediction is on the back of headline inflation in the US printing at 3.2 percent in January, higher than expected, with core CPI dropping to 3.8 percent, also higher than expected.

"The latest US CPI data reinforces our position that the Fed is almost certainly not going to cut rates this month; and indeed it could, we believe, delay cutting rates until the third quarter of the year.

"As the markets are seemingly already pricing-in a rate cut in the summer, should there be a push back against this expectation, as we now believe there will be, we'll see increased volatility across financial markets," said Nigel Green.

According to deVere analysts, the cautionary note also comes following the recent data from the Federal Reserve's favoured metric for inflation – the core personal consumption expenditures (PCE) price index.

It noted that data derived from the PCE index indicates a noteworthy surge in prices in January from the previous month, indicating a departure from the trend before.

"The uptick in the core PCE index inevitably raises concerns about the potential repercussions of inflationary forces, hinting that the surge in prices might compel the US central bank to reassess the timing of interest rate reductions," the deVere chief executive officer said.

He continues: "It seems that the markets are currently indulging in wishful thinking about a rate cut in June.

"Furthermore, we think that when a shift does occur, and rates are indeed lowered, there will likely be a pause in the subsequent meeting to assess how the policy adjustment is impacting the world's largest economy.

"If officials observe that the rate

cut contributes excessively to market enthusiasm and demand, exacerbating price pressures, we would then anticipate there to be an extended pause."

According to the analyst note, while the Federal Reserve is becoming increasingly confident about the fall in inflation since its peak in 2022, the central bank remains resolute that the fight against inflation is not over and the trajectory back to its target of two percent (2%) might take longer than had previously been predicted.

"We expect rates will be higher for longer still – and when there is finally a rate cut, there will be a pause to follow it.

"Markets will respond negatively to this predicted scenario, so investors should buckle up and position their portfolios accordingly," Green advised.

### Road back to Japanese stocks for global investors

In another development, Japan's fall into recession is not seen as hindering another round of appetite by global investors as 2024 is predicted as the year they will "rediscover" and pile back into Japanese stocks.

deVere Group is making the bullish prediction following a recent jump in Nikkei 225, Japan's benchmark stock index, when it soared to unprecedented heights and reaching 39,029, a significant leap that surpassed the previous record high set in 1989.

"The main driver of Japan's stock market resurgence lies in the robust corporate earnings reported by major companies," said deVere in an analyst note.

It further observed that banking, electronics, and consumer stocks, in particular, have displayed stellar financial performances, instilling confidence in investors, noting that the corporate sector's ability to weather economic challenges and deliver strong earnings signals resilience and adaptability.

A wave of optimism is sweeping through Japan's equities market, writes deVere, adding that the government's commitment to implementing investor-friendly measures has played a crucial role in creating a favourable investment climate.

Regulatory reforms aimed at streamlining procedures, reducing bureau-

cracy, and enhancing transparency are instilling confidence in foreign investors, said Nigel Green, deVere's chief.

"The removal of barriers and the promotion of a business-friendly environment contribute to the positive sentiment, making Japanese stocks an increasingly appealing choice for those seeking long-term growth," he added.

According to deVere, another significant factor contributing to the resurgence of interest in Japanese stocks is the depreciation of the yen against the dollar.

"The yen has weakened by approximately 6% against the dollar this year, and indications suggest that it is on track to drop to 33-year lows last seen in the late 20th century. This weakening currency is a double-edged sword that benefits Japanese exporters and, consequently, the overall economy," said the analyst.

Accordingly, for global investors, a weaker yen enhances the competitiveness of Japanese products on the global stage, making investments in Japanese companies more attractive, deVere stated.

The note stated that Japan's commitment to enhanced corporate governance is set to become a linchpin in attracting foreign investors, stressing that Tokyo's proactive measures to improve transparency, accountability, and shareholder returns have created a business environment that instils confidence.

"The appointment of independent directors, improvements in disclosure practices, and aligning executive compensation with company performance demonstrate a commitment to responsible and sustainable business practices," Green said.

He added that foreign investors, increasingly prioritising ethical and well-governed investments, are finding Japan's corporate governance reforms ever-more appealing.

"The combination of robust corporate earnings, investor-friendly measures, a weaker yen, and a commitment to improved corporate governance creates a compelling narrative for those considering investments in Japan," Green advised investors.

"It seems that 2024 is set to be the year that global investors, recognising the unique and lucrative prospects offered by its resurgent stock market, rediscover and pile back into Japanese equities," he stressed.







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## Business a.m.



**NIGERIANS ARE BRACING UP** for a long haul flight of hardship as data shows consumer prices are continuing to climb at an alarming rate with the latest available inflation numbers showing a rise to a 28-year high of 31.7 percent in February 2024.

The inflation figures, released by the National Bureau of Statistics (NBS), show that the consumer price index (CPI), which measures inflation, increased by 1.8 percentage points from the previous month, a worrying sign for a country that is already struggling with high food prices and a fragile economy. The CPI reading for February is the highest since April 1996, highlighting the growing challenge of rising prices for consumers in Nigeria.

The year-on-year comparison of the headline inflation rate in February 2024 to the same month in the previous year, February 2023, paints a stark picture of the current situation in Nigeria. The rate for February 2024 at 31.70 percent, was a 10.79 percentage point increase from the 21.91 percent recorded in the previous year.

The NBS report also examined the month-on-month changes in inflation, revealing that the rate for February 2024 was 3.12 percent, 0.48 percentage points higher than the rate recorded in January.

On an even broader time scale, the NBS report analysed the average inflation rate over the past twelve months, up until February 2024. The percentage change

# Nigerians face more financial hardship with 28-year high inflation at 31.7%



L-R: Niyi Adebayo, former minister of industry, trade and investment; Lai Mohammed, former minister of information and culture; and Vice President Kashim Shettima, during a visit to the vice president with executives of Bruit Costaud Limited at the Presidential Villa in Abuja recently.

in the average CPI for the twelve-month period was 26.18 percent, compared to the average CPI for the previous twelve-month period. This represents a significant 6.31 percent increase in inflation, highlighting the longer-term trend of rising prices in Nigeria.

Breaking down the inflation figures further, the report found that urban areas in Nigeria were particularly impacted by rising prices. The year-on-year inflation rate in urban areas reached 33.66 percent in February 2024, up from 22.78 percent in the previous year. This represents a 10.87 percent increase, which is much higher than the increase in rural areas. For February 2024, the twelve-month average urban in-

flation rate was 27.93 percent, an increase of 7.48 percent from the previous year.

In addition to urban areas, the report examined inflation rates in rural areas, which also experienced an increase in prices over the past year. The rural inflation rate stood at 29.99 percent on a year-on-year basis, up from 21.10 percent in the previous year. This represents a significant 8.89 percent increase, which is slightly higher than the increase in urban areas. On a month-on-month basis, the rural inflation rate also increased by 3.07 percent, up from 2.57 percent in January 2024.

Breaking down the overall inflation data further, the report focused on the food inflation rate,

which saw a particularly sharp increase. The food inflation rate was 37.92 percent in February 2024, a staggering 13.57 percentage points higher than the previous year.

The rise in food inflation on a year-on-year basis was attributed to increases in prices of bread and cereals, potatoes, yam and other tubers, fish, oil and fat, meat, fruit, coffee, tea, and cocoa.

In addition to the year-on-year changes, the report also examined the month-on-month changes in food inflation. The food inflation rate in February 2024 was 3.79 percent higher than in January 2024, highlighting the continuation of the upward trend in food prices. The month-on-

month increase was driven by a rise in the rate of increase in the average prices of bread and cereals, potatoes, yam & other tubers, fish, coffee, tea, and cocoa.

The average annual rate of food inflation for the year ending February 2024 is another important measure to consider, the report showed. This rate of 30.07 percent was significantly higher than the average annual rate of 22.12 percent for the previous year, highlighting the significant impact of food inflation over the past year.

The core inflation rate, which excludes volatile agricultural products and energy, reached 25.13 percent in February 2024. This represented a significant increase of 6.76 percent when compared to the same month in the previous year. The highest increases in price were seen in a number of specific categories, including passenger transport by road, actual and imputed rentals for housing, medical services, pharmaceutical products etc.

On a month-to-month basis, the core inflation rate for February 2024 was 2.17 percent, a slight decrease of 0.07 percent from the previous month. This indicates a marginal slowdown in the rate of price increases. However, it is important to note that the twelve-month average annual inflation rate, which takes into account the changes over the past year, was much higher at 21.72 percent.

## Onome Amuge



**AS THE NIGERIAN GOVERNMENT** gears up to implement the recommendations of the Oronsaye report, Agora Policy, a think tank based in Abuja, is cautioning against a haphazard approach that could do more harm than good. The think tank wants to see a comprehensive audit of the human resources and assets of the agencies that will be affected by the mergers, to ensure a smooth transition and to prevent disruptions to service delivery.

In a policy note titled "Practical Steps for Effective Implementation of the Oronsaye Report," produced by Joe Abah, country director of DAI and a renowned development expert, Agora Policy highlights the need for a budget to facilitate the proposed mergers.

According to the note, merging government agencies is a complex undertaking that requires a lot of planning and resources. It urged the government to consider the financial implications of the mergers, which may include severance packages for affected employees and the costs of integrating systems and processes. Agora Policy believes that by taking a holistic approach to the Oronsaye report, the government can avoid the pitfalls of previous attempts at downsizing the public sector.

To ensure a smooth and successful implementation of the Oronsaye report, Agora Policy recommends the creation of merger committees for each affected agency. These committees will be tasked with

developing specific plans for each merger, taking into account the unique needs and circumstances of each agency.

The Oronsaye report's ambitious timeline of 12 weeks has raised concerns about the feasibility of its implementation. Agora Policy agrees that 12 weeks is an unrealistic time frame to carry out the mergers effectively. The group proposes a minimum of six months to allow for a proper audit of the affected agencies' assets and staff.

The Waziri Adio-led organisation stated: "There should be an immediate independent audit of assets, as well as staff audits, of all the agencies affected.

There should be a review of mandates, management arrangements and organisational structures to ensure that the new organisations that emerge are appropriately sized and fit-for-purpose.

There is a need to rationalise staffing. This should be done sequentially, starting with redeploying people to other parts of the public service where their skills may be needed. However, it would be better to be upfront with the public and the trade unions that some people would have to go."

According to Agora Policy's policy note, the Office of the Secretary to the Government of the Federation (OSGF) needs to improve its record-keeping systems, particularly for high-profile reports like the Oronsaye report.

While the news of the federal government's decision to implement the Oronsaye report is encouraging, Agora Policy highlighted the need for caution in the

## Agora cautions against hasty, ad hoc implementation of Oronsaye report

### ● Outlines steps to maximise impact on public sector reform

implementation process. The group points to a policy document prepared by the Bureau of Public Service Reform in 2014, which outlines best practices for agency mergers.

The document also emphasised the importance of proper planning, stakeholder engagement, and evaluation of potential risks and challenges. Agora Policy warns that without following these principles, the mergers could end up doing more harm than good.

On March 7, 2024, the federal government announced the creation of a 10-member committee tasked with implementing the recommendations of the Oronsaye report within a 12-week timeframe. The committee, which was inaugurated by the Head of the Civil Service of the Federation, is expected to work with relevant government agencies and other stakeholders to develop a roadmap for the implementation of the report.

The announcement follows a controversial suspension of implementation of the report by the administration of former president, Goodluck Jonathan in 2015.

The Oronsaye report was first released in 2011 by a presidential committee led by Stephen Oronsaye, who was then the head of civil service of the Federation. The report recommended wide-ranging reforms to the civil service, includ-

ing merging and abolishing various government agencies, with the goal of reducing duplication and improving efficiency. However, the implementation of the report was suspended by the Goodluck Jonathan administration, due to concerns about the potential loss of jobs and a lack of proper planning.

"According to Agora Policy, the 12-week timeframe set by the government may be too optimistic given the legislative and administrative processes that will be required to implement the Oronsaye report. For example, the recommended merger of the Public Complaints Commission (PCC) and the National Human Rights Commission (NHRC) would require an amendment to the Public Complaints Commission Act and the National Human Rights Commission Act. Such legislative processes are typically time-consuming, and it is not clear if the 12-week timeframe is realistic.

The policy note argued that the committee must clearly define the purpose of the merger in order to ensure that the process is effective and successful. He questioned whether the goal of the merger is to improve service delivery, increase productivity or reduce costs. He also stressed that the committee must provide clear guidance on the purpose and potential impact of the merger, in order to ensure that

it is implemented in a way that benefits all stakeholders.

In conclusion, Agora Policy offered 10 recommendations for the government to consider in order to ensure a successful and effective implementation of the Oronsaye report:

- Government should realise that mergers are complex endeavours that require time, expertise, planning and resources.
- Mergers cost money and there is a need to provide a budget for the exercise.
- In addition to the 10-member committee announced by the government, it would be important to set up merger committees for each agency that is to be merged.
- There is a need to sensitise the public about what is realistically achievable in the 12 weeks that the 10-member committee has been given.
- It would be prudent to allow a minimum of six months if things are to be done properly.
- There should be an immediate independent audit of assets, as well as staff audits, of all the agencies affected.
- There should be a review of mandates, management arrangements and organisational structures to ensure that the new



## Business a.m



THE NATIONAL IDENTITY MANAGEMENT COMMISSION (NIMC) and the Nigerian Communication Commission (NCC) are set to ease the difficulties faced by Nigerians while trying to fulfil the directive to link their mobile phone SIM registration with their National Identification Numbers (NIN).

In a joint statement issued over the weekend, both government agencies said a strategic collaboration has been set in motion to enhance processes related to the National Identification Number (NIM)-SIM linkage.

The two government agencies acknowledge how the NIN-SIM linkage exercise has become subject of national discourse which reflects the critical importance of aligning SIM registrations with individuals' unique national identification numbers.

"Recognising the significance of this initiative in enhancing security and improving service delivery, both NIMC and NCC are committed to improving processes and enhancing efficiency," they said in the joint statement.

Jointly signed by Ayodele Babalola, the technical adviser, media and communication to the director general and chief executive officer of NIMC, and Reuben Muoka, director, public

# NIMC, NCC move to ease Nigerians' stress in NIN-SIM linkage processes



Governor Siminalayi Fubara of Rivers State (right), with Justice Mary Odili (second right), pro-chancellor/chairman, Rivers State University governing council, and other members of the council during their inauguration by the governor at Government House, Port Harcourt recently

affairs, NCC, the statement disclosed that both agencies with work closely collaboratively to explore synergies and leverage each other's expertise and resources in four key areas.

The four areas of the collaboration between the two girls are in streamlining the NIM-SIM linkage process; capacity and public awareness work; data verification and validation; policy harmonisation and regulatory framework.

Providing explanations on these issues, both agencies said NIMC and NCC will collaborate to ensure a seamless experience for Nigerian telecommunication subscribers, including to explore innovative approaches to facilitate the swift verification and authentication of NINs during SIM registration and activation processes.

The agencies are to collaborate on initiatives aimed at enhancing public awareness and

understanding of the NIN-SIM linkage requirements, adding that this will involve educational campaigns, training sessions for stakeholders, and the dissemination of accurate information to the public to encourage compliance with the linkage directives.

"NIMC will also continue to extend its support to NCC by providing assistance in verifying National Identification Numbers

(NINs) associated with SIM registrations," the statement further disclosed, adding that leveraging NIMC's robust database and authentication infrastructure, telecommunication operators will validate submitted NINs while ensuring the accuracy and integrity of subscriber data.

On policy harmonisation and regulatory framework, they assured that they will collaborate on aligning policies and regulatory frameworks to facilitate the seamless integration of NIN-SIM linkage processes within the telecommunications ecosystem, noting that this includes harmonising data protection and privacy regulations to safeguard the confidentiality and security of subscriber information.

The statement stressed that both NIMC and NCC are committed to fostering a collaborative and transparent partnership that prioritises the interests of Nigerian citizens and promotes national development.

"By pooling our resources and expertise, we aim to overcome the challenges associated with the NIN-SIM linkage exercise and ensure its continued successful implementation," they added.

## British Council, Prince's Trust offer N2m grant to 8 young entrepreneurs

## Onome Amuge



THE BRITISH COUNCIL AND PRINCE'S Trust International have awarded eight Nigerian entrepreneurs a total of N2 million, as part of the Sustainable Enterprise Challenge Programme (TSECP).

The programme, which kicked off with 60 participants aged between 18 and 35 years, came to an exciting conclusion on March 15, 2024, at the Zone Tech Park in Gbagada, Lagos, where 16 finalists presented their business ideas to a panel of five judges. After a rigorous selection process, eight winners were chosen, each of whom received N250,000 to help them turn their ideas into reality.

The winners of the challenge were split into two groups. The first group included Most Innovative Business Idea: Blue Sands Stem Labs, by Alero Thompson; Most Societally Friendly Business Idea: Mee Best Foods, by Zenani Gbadume; Most Profitable Business Idea: Helms to Fit, by Oluwatosin Rotimi; and Most Environmentally Friendly Business Idea: Ecocodey Management Resources, by Man-sueah Shobulo.

The winners in the second group included Most Innovative Business Idea: Eco Feet, by Olabisi Emmanuel; Most Societally Friendly Business Idea: Suss Flow, by Olabisi Emmanuel; Most Profitable Business Idea: Cattle Technology, by Emmanuel Nnamdi; and Most Environmentally Friendly Business Idea: Buy Scrap Nigeria, by Steven Etukudo.

Lucy Pearson, British Council country director, who was in attendance at the final event, described the entrepreneurship challenge as a testament to the British Council's commitment and belief in the potential of young people in Nigeria. Pearson reassured the audience that the British Council would continue to invest in opportunities for young people to develop their talents. Pearson also commended Nerdz Factory, the implementing partner in Lagos, for its hard work and dedication to the project. She noted that the company played a key role in identifying and training the 60 young people who participated in the challenge, and that its commitment and expertise were instrumental in the project's success.

"At British Council, our vision of a more peaceful and prosperous world built on trust can only be

achieved when young people are provided with the right skills and network to make informed choices and be provided with a clear career pathway that is why we are involved in this project," the country director stated.

Ade Olowojoba, the founding partner of Nerdzfactory, expressed his excitement and gratitude for the opportunity to collaborate with The British Council and PTI on the entrepreneurship empowerment project. He highlighted the importance of partnerships in creating meaningful and lasting change, and said that the collaboration has been a powerful force for promoting entrepreneurship and innovation in Lagos. Matthew Ozigbo, who represented Olowojoba at the event, echoed his sentiments and expressed his gratitude for the opportunity to be a part of the programme.

Omozele Umoren, the programme supervisor, explained that the programme used a variety of engaging and interactive methods to help participants develop their business skills and knowledge. Umoren also highlighted the importance of mentorship, which played a key role in helping participants navigate the challenges of starting and growing a business.

The four-week programme included a range of activities to support and develop the participants' skills and knowledge.

same principles, including audit of assets, staff audits and rationalisation of staff.

- The Office of the Secretary to the Government of the Federation should improve on its record keeping, particularly for important reports like the Joda, Ayida and Oronsaye reports and ensure that they are posted online for ease of access.

## At Greenville LNG plant FG says will develop gas resources to cushion pain of subsidy removal

## Business a.m.



NIGERIA IS CONTINUING with its push to develop its vast gas resources and the federal government has pledged its support to Rivers State-based Greenville LNG and other producers who are engaged in the development, exploitation and utilisation of gas in the country that would lead to achieving the federal government's desire in this regard.

The pledge to support these producers was made by Ekpo Ekprikpe, minister of state for petroleum resources (gas) at the Greenville LNG's gas liquefaction plant in Rumuji Rivers State when he led a high-powered federal government delegation on a working visit to the facility.

"The President Bola Ahmed Tinubu's administration will give all and every support to Greenville LNG and other gas producers to achieve the nation's desirable development," Ekpo strongly assured his hosts. Ekpo also said that with the President Tinubu's administration's strategically courageous and operationally wise removal of fuel subsidy and its constraining effect on the nation's development, the exploitation and utilisation of Nigeria's abundant gas resources is now set to unleash the country's sustainable development, growth and progress.

At the plant, Eddy van den Broeke, chairman, Greenville LNG, led the company's directors and management staff as well as many of its personnel to welcome the minister and his team in Rumuji

Rivers State and later embarked on a tour of the plant.

In a statement sent to Business a.m., the company stated that at the control room, the technical command post of the plant's operations, the minister spoke to the low emission status of gas utilisation as he said the federal government, in line with Nigeria's commitments to global Climate Change remediation protocols, targets zero degenerative greenhouse emissions.

Ekpo stressed that Greenville's low emission liquefied natural gas is the great pathway to government's future environmental sustainability ideals, and an exemplary testament to worthy possibilities and legacy for generations coming.

Following the tour of the plant, the minister said, "I was impressed with the state-of-the-art facilities that I saw, and the additional jobs created for our citizens in the plant was fulfilling."

The minister further said: "Let me commend the foresight, dedication and patriotism of all investors and partners in this (Greenville) LNG plant given the volume of LNG it is supplying to bridge the demand gap in the domestic market."

The minister encouraged Greenville LNG which is currently operating three gas liquefaction trains in the facility to increase its trains.

"My assurance to Greenville LNG and indeed to all in LNG production and distribution plants in Nigeria, is that I will work assiduously with my team and other relevant organisations to resolve the crisis in gas (feedstock) supplies to ensure these investments operate at optimal capacities," the minister assured.

## Agora cautions against...

continues from page 4

organisations that emerge are appropriately sized and fit-for-purpose.

- There is a need to rationalise staffing. This should be done sequentially, starting with redeploying people to other parts of the public service where their skills may be

needed. However, it would be better to be upfront with the public and the trade unions that some people would have to go. Efforts should be made to offer enhanced packages for people to go, first on a voluntary basis.

- The process for subsuming agencies under other agencies, re-locating them to new ministries or abolishing them should use the





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**T**HERE IS EVERY REASON to be concerned about last week's internet outage, which mainly affected some of Africa's major trading blocs: Ghana, Nigeria, South Africa, Liberia, and Côte d'Ivoire.

The internet blackout is suspicious - it's an attack on democracy, trade, and the continent's independence.

The important question we should be asking is: Why should major trading blocs in Africa be hit by this cyber storm, especially at a time when some of these countries are seriously preparing for general elections?

The excuse for an undersea cable disruption should not be taken lightly. There is more to it from a

# Why the Internet blackout is a suspicious occurrence

geo-cyber political perspective. This needs to be explored to its logical conclusion.

Africa may experience a more complex internet and cyber warfare if the techno-revolutionary narrative remains the same. What is more worrying is the level of vulnerability it brings to a continent with over half a billion people online. We need to wake up to the fact that the era of ICT and digital transformation has ushered in a new community with its own complexities and that we need to manage this paradigm shift with the utmost care to stay afloat in global affairs.

How do you expect to run businesses and manage the affairs of the continent under such a controlled system?

It is intriguing to note that at this stage of global competitive complexities, any continent or country that does not have absolute control over its cyber and internet architecture is exposed to serious security threats with devastating consequences. Can you imagine what would have happened if the Internet of the United States of America or that of Russia and China had been under the control of such cyberspace ar-



chitecture? No way! They will not make such an infantry mistake.

The technology war between China and the US should serve as a way for us as a continent to reorient our investment policies towards home-grown innovations in information and communication technologies.

The Elon Musk internet revolution has an antidote to some of these internet blackouts and serious measures must be taken as a matter of business and political risk management to procure and deploy some of these gadgets as a short-term strategic imperative to protect the integrity of the continent's upcoming challenging elections. We need to take deliberate steps to refocus our efforts for the future.

The security threat is unprecedented. Every sector of our society, from the private to the public

sector, has been immeasurably affected. Corporate risk managers, civil society organisations, and policymakers must step up their game to avert the devastating impact this disaster has had on business and social life.

In the governance arena, decision-making that relies on the transfer and processing of data has also been affected. National security is at risk. And if we are to put risk management at the heart of our country, and indeed Africa as a whole, then robust internet and enterprise security and infrastructure must be built, whatever the cost. Our independence will be meaningless if our cyber security is controlled by others. This affects not only public and private business but also our dignity and privacy as a people.

The State of Cybersecurity Resilience (2023) report highlights the growing need to protect and secure digital assets and critical information. In light of this, robust measures must be put in place to safeguard our future in the fog of ever-increasing cyber terrorism.

As Ghana prepares for a historic election in less than a year, this issue must be given top priority - prioritising watertight cybersecu-

rity resilience is a must to protect the sovereign will of the people and deepen our democratic arms.

Innovation must be prioritised along with transparency to track free and fair elections, especially at a time when widespread unstable power supply (electricity) is imminent.

As part of risk assessment and mitigation measures, I will urge state institutions as well as private bodies, especially in the financial and security sectors, to critically audit corporate and private accounts to speed up or cure possible hacking into financial security, data and information security across the board. Let's also not forget that the success of all continental projects and programmes, including the African Continental Free Trade Area, can only be achieved and sustained if proactive cyber security measures, policies and strategic investments are made at governmental, regional and continental levels to remain competitive and resilient on the global front.

The African Development Bank, with such transformational leadership at the forefront of Africa's sustainable development, should champion and reverse this leadership failure on the continent.

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## PROJECT SYNDICATE



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**MICHELE GELFAND**

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**P**ALO ALTO - Boeing's mounting crises are beginning to resemble an aviation thriller cooked up in Hollywood. In addition to a piece of fuselage falling off midair during a recent commercial passenger flight, there was the nail-biting discovery of mis-drilled holes in undelivered planes, and revelations that an inspector had found an "excessive amount of defects" in a supplier's operations.

If those problems weren't bad enough, in late February the Federal Aviation Administration delivered a scathing review of Boeing's corporate culture and called on the

company to implement more than 50 safety-related changes. Boeing was given 90 days to devise a plan to overcome its deep-seated quality-control issues.

Boeing has acknowledged responsibility, committed to slow down its breakneck manufacturing pace, and promised to do better. Its CEO, Dave Calhoun, has met with US senators; Boeing factories have held day-long "stand down" events to halt production and focus on quality control; and the company's latest earnings call was all about safety, quality, and trust. But to deal with all its issues, Boeing needs to change its organizational culture.

Or more specifically, it needs to tighten up a culture that has become too loose. As our research shows, every organization, or units within it, can be classified as tight or loose. In organizations characterized by tight cultures, the people, practices, and leadership typically follow a pattern that creates order through coordination, efficiency, and self-discipline. Practices are standardized, formal, and carefully transmitted, and employees focus on following the rules and preventing mistakes. Such organizations often exhibit a hierarchical, pyramid-like shape, with decision-making centralized to give the top leadership command and control. This creates a tightly regulated environment where organizational excellence is achieved through disciplined action.

In contrast, loose cultures place an emphasis on openness, by embracing latitude, showing tolerance, and fostering creativity. Practices in these settings tend to be less standardized, allowing for more flexibility, informality, and experimentation. Employees are encouraged to take risks and think outside the box. Organizations with loose cultures typically have flatter and more decentralized structures, with leaders adopting a collaborative approach

# What Happened to Boeing?

and challenging the status quo.

These cultural codes aren't random. They evolve to fit the demands of their ecosystems. Industries with a high degree of public accountability or where errors and failures are potentially catastrophic tend to veer toward tightness. Strict rules and accountability throughout the system help people to coordinate in the face of threats. Industries where there are fewer and less severe threats can afford to be looser.

Typically, organizations become naturally aligned with the requisite levels of tightness or looseness demanded by their environments. But in some cases, they can become misaligned, resulting in what we call a cultural mismatch. They might become excessively stringent, thus stifling innovation - as happened years ago at United Airlines. Or they may become too lax, leading to inefficiencies or unmitigated risks - as occurred at Tesla.

Boeing needs a cultural pivot. While its operating environment shares many similarities with other high-risk industries, it has deviated from this cultural programming and become too loose. One reason is its growing prioritization of profit over engineering. In a strategic maneuver to secure tax credits, Boeing shifted its headquarters from Seattle to Chicago, creating a geographical gap of more than 2,000 miles between senior management and numerous engineers and employees. Then, in 2022, it announced another move, to Arlington, Virginia. This physical separation hampers effective communication and limits the ability to monitor and enforce rules, making it more difficult to achieve a cohesive alignment throughout the company. The lack of accountability has also spilled over to suppliers.

To boost profitability, Boeing outsourced much of its production to a wide array of subcontractors. Again, this shift toward a more expansive, decentralized network promotes looseness and makes it harder to monitor and enforce rules.

The turbulence within Boeing also has contributed to its cultural loosening. Frequent changes of leadership - there have been five CEOs over the past two decades - have made it difficult to maintain tight control. The constant turnover of leadership means that most of the attention from the top focuses on quick, short-term fixes rather than on longer-term strategic objectives - as seen in the case of a software update after the Lion Air crash in 2018.

Likewise, the robust socialization that typically characterizes tight organizations has deteriorated. The FAA report finds that procedures and training "are complex and in a constant state of change, creating employee confusion, especially among different work sites and employee groups." Maintaining cultural tightness and adhering to core values might not immediately or directly produce profits, but it is necessary and nonnegotiable for sound operations.

The good news is that organizations can pivot and recalibrate their culture when they have become misaligned. We would advise Boeing to introduce more accountability into its overly loose culture by adopting our SECURE model. The acronym stands for: setting clear expectations, establishing structure, centralizing decision-making, upholding oversight through increased monitoring, and making sure rules are enforced.

Boeing must work to propagate the core value of safety not only

throughout the company, but also throughout all external partners. A tight culture must be maintained by closely aligning everyone from the top leadership to the shopfloor.

The company should also make clear that workers who raise concerns about the violation of safety norms will be rewarded. One of the most concerning parts of the FAA report was its finding that workers who raise safety concerns face retaliation. Such sanctioning speaks to the loosening of the company's safety culture, which increasingly values silence and expedited production over safety.

As Boeing grapples with these challenges, it must recalibrate its cultural compass. Accountability, stability, and commitment to safety as a core value are essential to rebuilding trust, enhancing safety measures, and upholding organizational excellence within the aviation industry. Boeing's current course will inevitably lead to organizational and competitive decline.

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THE UNFORTUNATE ECONOMIC RETROGRESSION presently being witnessed in the sovereign project called Nigeria, after six decades of Independence (1960) mind boggling and disturbingly hard to believe. That the nation's economy could degenerate from better in the '60s to worse after sixty three years of self rule and national struggles for better statehood could never have been the expectations of ordinary good citizens of Nigeria. This is because the country is bountifully blessed and stupendously endowed with quality stock of human and natural resources.

Nigeria is, indeed, a nation that is wired to do exploits by virtue of her content and capacity. Unfortunately, however, the characteristic nature of those piloting the affairs of governance, with their operational modes, is imbued with a systemic, corruptly configured routine that is not patriotic towards the wellbeing of the state. This clearly manifests in the stagnancy and failures observed in the performance records of the nationhood.

The founding fathers of Nigeria's independence - the Awolowos, Balewas and Azikiwes - meant well for the economic

# Mismanagement, economic woes and neocolonialism

wellbeing of the nascent sovereign state in the '60s. It's no wonder, therefore, that the original national economic plan for growth and development was zoned and independently manned by the regions who were driven by very healthy economic competitiveness. Rapid economic growth was achieved in different areas of economic and commercial activities across the three regional, independently managed economies for collective national growth and development.

The healthy economic competitiveness significantly hinged on comparative advantages of their several and respective natural/agricultural resources. In the Western region, cocoa was the major export produce. In the Northern region, groundnut was the major export produce; while in the Eastern region, palm oil was the major export produce. Productivity or the gross domestic product (GDP) of the economy was high in terms of the recorded nationals economic efficiency. This economic efficiency, which was achieved by design, amounts to the nation's GDP or her productivity. It includes government expenditure, consumer expenditure, investments and imports. It is the true reflection of the national economic performance with respect to international trade (imports and exports) with other nations; that provides the annual scorecard of the financial performance in the nation's current account that usually shows the trade balance (whether surplus or deficit). The economic variables that determine economic efficiency have a lone negative variable, which is "imports". The rest, represented by government expenditure, consumer expenditure and investments, are

positive variables in determining the productivity status (whether "high" or "low").

The nation's economic trajectory in the 1960s consistently and favourably recorded surplus income in the nation's annual trade balance (in other words, high economic efficiency). The import element was always outweighed by the activities that went on within the economy. That is to say that the total value of the overall imports then, was insignificant compared to the total sum of the three positive elements (government expenditure, consumer expenditure and investments) of our nation's economic efficiency. This position puts the economy on a very favourable pedestal in terms of economic growth.

We need to remind ourselves that the crude oil exports of the upstream subsector of the nation's oil industry wasn't in the picture at this time, yet Nigeria was favourably in surplus balance in her annual international trade position. The exciting observation of this period must direct our focus towards noting that every excellent performance on export goods revolved majorly around agriculture. The evidence was very clear with the visible performances of the founding fathers; for instance, the 19 storey "Cocoa House" in Ibadan; the edifices constructed in the North, including "Arewa House" in Kaduna, achieved through the entrepreneurial exploit in the groundnut pyramids in Kano; and in the East (both at Enugu, Port Harcourt and Calabar) through sales of palm oil that resulted in the setting up of very impressive and imposing edifices that were constructed by the regional government. The country's currency, therefore, had no overwhelming

foreign exchange overload for imports, based on the comfortable lead and surplus balances as a result of the high productivity profile of the nation as a result of its economic efficiency, then. This can be contrasted with the contemporary excessive pressure and ever increasing stress being mounted against the local currency (naira) exchange rate today, due to massive imports of virtually everything one can think of especially the refined products that brought about the petrol subsidy scandal that sapped the nation's foreign reserves and the treasury; without meaningful export elements to cushion such significant imports effects in the economy. This shows the many disadvantages of being a consumer nation, compared with the advantages of having a high productivity economy.

Neocolonialism is one of the many evils of imperialist rule that is continuing in disguise, with imposition by colonial power over former colonies especially on the African continent. This is what the country is largely suffering from currently in the hands of the international financial organisations, like the World Bank and the International Monetary Fund (IMF). Reducing a nation to an object of exploitation is the power dynamic these financial institutions have subjected Nigeria to since 1986 when they ill advised the nation to devalue Nigeria's local currency, the Naira, every week for another 32 years, through the structural adjustment programme (SAP). This was what former minister of agriculture, Audu Ogbeh, lamented over sometime ago, describing it as "the tragedy of Nigeria", noting that the naira was \$1.5 when he was in school. Today, we have wit-

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nessed the exchange rate of naira as low as N2,000/\$. This economic woe must be reversed by those in government, doing the needful patriotically, since Nigeria has the potential, content and capacity to turn things around in her favour, without undue external influence any longer.

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## The Coaching Psychologist



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IN THE WORDS OF BOB MARLEY, "Money is numbers and numbers never end. If it takes money to be happy, your search for happiness will never end." These words resonate deeply, echoing the sentiments of many who have embarked on the pursuit of financial success only to find that true fulfilment lies elsewhere. As I reflect on my own journey over the past few decades, I am reminded of the invaluable les-

# Discovering true wealth: A journey beyond monetary success

sons learned along the way.

I still vividly recall the humble beginnings of my professional career, marked by my first salary of a mere 2,000 Naira, earned some 25 years ago. It wasn't a substantial amount by any measure, but it symbolized the initiation of my journey into the workforce and instilled in me the values of hard work and perseverance that would guide me in the years to come.

Fast forward to a moment of exhilaration and achievement - the first time I experienced flying first and business class. The palpable excitement and sense of accomplishment were undeniable as I wanted to share this milestone with those around me in flight. It served as a reminder of how far I had come and the importance of celebrating even the smallest victories along life's journey.

Then came the unforgettable milestone of reaching my first million Naira back in Nigeria. It was a moment filled with sheer joy and gratitude, a testament to the growth and progress I had experi-

enced since relocating to South Africa. However, amidst the financial success, I came to realize that true happiness transcends monetary achievements alone.

Reflecting on these moments from decades past, I am reminded of the profound lessons they hold for my life today. They serve as a poignant reminder that while financial success is undeniably important, it is not the sole determinant of happiness and fulfilment. True wealth lies in the richness of the relationships we cultivate, the experiences we cherish, and the impact we make on the world around us.

Today, as I navigate the complexities of life, I strive to find balance in all aspects - nurturing my physical and mental well-being, fostering meaningful connections with others, and pursuing passions that bring me genuine joy and fulfilment. It is a journey marked by continuous growth and learning, with each experience shaping my perspective and guiding my path forward.

As we journey through life, it is often in moments of reflection that we find clarity and insight. So, I pose a question to you: How do the words of Bob Marley resonate with your own experiences? Take a moment to reflect on your earliest professional milestones, the moments of joy and fulfillment you have encountered along the way, and the values that guide your pursuit of happiness.

In a world often consumed by the pursuit of material wealth, let us not forget the true essence of life - the connections we forge, the experiences we treasure, and the impact we leave behind. It is in embracing these values that we discover the true wealth that lies within us all.

## Reflecting on these experiences, three key insights emerge:

The power of perspective: Our perception of wealth and success evolves over time. While financial achievements may bring temporary satisfaction, true wealth is found in the intangible aspects of

life - love, relationships, and personal growth.

The importance of celebration: It's essential to celebrate life's victories, both big and small. Whether it's landing a new job, achieving a personal milestone, or simply embracing moments of joy, celebration serves as a reminder of our resilience and progress.

The pursuit of purpose: Beyond monetary pursuits, finding purpose and meaning in our lives is paramount. By aligning our actions with our values and passions, we can cultivate a sense of fulfilment that transcends material wealth.

In conclusion, let us remember that true wealth is not measured by the size of our bank accounts but by the depth of our experiences and the richness of our connections. As we journey through life, may we continue to seek fulfillment in the moments that matter most and find solace in the pursuit of authenticity and purpose.

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## Financial literacy and firms: Why employees must have it

panies' wellness initiatives. Companies are now concerned, more than ever, about the financial literacy of their employees because of the heinous implications to companies if employees run into financial mess. About 70 percent of Americans admit to being stressed over personal finances and 63 percent live from pocket to mouth. Living costs like payment of rent, food and drinks, transport, electricity bill, digital satellite television, phone bills, internet charges etc, college debt, childcare, job loss, credit card debt, emergency needs, medical bills and other liabilities can cause financial stress. To this, 88 percent of U.S. adults expressed how lack of financial education leads to lack of confidence when handling money and only 17 percent of them say they took a personal finance class while in college.

In the same survey, 75 percent believed that they would make fewer mistakes and be better at their finances if they have had prior access to financial education. With over 59 percent of Americans prioritising "saving more money" as their Year 2024 resolution, a workplace financial literacy programme can help employees secure their economic well-being. Financial literacy is better learned when you are earning income. It is like a person learning to drive a car. Most people will not get the rules until they get to the steering wheel. Money or lack of it can evoke a multitude of emotions, such as guilt, envy, pride, anger and shame. A lack of financial knowledge can make it more intimidating in an increasingly complex financial landscape. Young workers who have just started earning money must be guided on how to handle money.

They go to the high streets and see: "Buy Now, Pay Later", or "Buy One, Get One Free", or "Buy Two For The Price Of One" or "Just Six Easy Instalments" or "Clearance Sales" etc and they mostly find themselves in a dilemma.

Without the perspective of some financial knowledge, employees can land in catastrophic debt before they realise it, especially now that they have access to easy loans than before, mostly on Apps in their phones. This necessitates the need for a financial education exposure. By minimising large debt purchases early in life and creating savings habits for emergencies and retirement, one can dramatically decrease stress and allow interest to accrue on one's savings instead of accruing on one's debt.

### Financial literacy basics for corporate, groups and individuals

There are three motives for holding money, according to John Keynes (1936), in his "General Theory of Employment, Interest and Money". These motives are: (1) Transactionary motive (2) Precautionary motive and (3) Speculative motive. Money held under transactionary motive is spent on rents, foods, transportation, obligatory telephone calls and other planned expenditures. Money held under precautionary motive is used to fund unexpected events that require cash outlay. They take care of sickness, accidents and emergency expenditures. Money held for speculative motives is used to finance any investment opportunity that arises in future. Money saved to buy or construct houses, buy shares from corporate organisations and

fund further education are under speculative motives.

### Benefits of providing financial education to employees

According to mental Health Foundation, 2024, a poll finds that 'one in ten' (10%) of UK adults feel "hopeless" about their financial circumstances, 'more than one-third' (34%) feel "anxious" and 'almost three in ten' (29%) feel "stressed". Employees' performances in the workplace have been correlated to employees' state of mind. If employers can ensure that employees are okay in their financial life, not with more pay, but by ensuring they know how to handle their finances, companies will benefit more. Employees who are financially literate and who can successfully handle their finances do not agitate for an increase in salaries and or advance salary payment as reckless employees do. Corporate organisations who can provide financial education or who ensure their employees are financially literate have peace of mind and uninterrupted sessions at work.

Financial literacy is as essential to the well-being of individuals, groups and corporate organisations the same way a healthy diet, a good night's sleep and personal and professional growth are essential. The more employees practise good financial health habits, the better the results on their wellbeing. Financially literate employees feel more confident at work and make more informed decisions. It is on record that those workers who take their financial planning very well retire to an easy life.

Having a sound financial edu-

cation is the best way of mentoring one's children about financial discipline and how to be wealthy in life. Wealth is not only made through ensuring more money is generated but also ensuring as little money as necessary is expended.

### How to provide financial literacy to employees

There are corporate organisations and financial consultants that are set up and ready to provide financial education to employees. Multinational organisations usually collaborate with their management consultants to offer financial literacy education to their employees using classroom-style approach. Some organisations provide their employees with "Financial Well-Being Toolkits" which comprise financial education like financial planning, budgeting, debt management, retirement and investing. There were also occasions when two or more than two companies collaborated to offer joint financial literacy to their workers. American Express, Dow Jones and Moderna collaborated with Financial Literacy for All (FLAALL), an American initiative, to promote financial literacy in their workplaces.

Some workers are more financially disciplined than others due to their background or experience. Some organisations do organise break-out sessions where each worker narrates his or her financial experience and how he or she is coping with his or her salary. These sessions help a lot! It is also possible to do a survey and identify workers who require financial education before deciding whether to organise on-site or off-site financial literacy classes for workers.

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## Multi-ethnic, multi-religious Nigeria

## Golden homecoming for the CDS to the Caliphate

Born in Sokoto, the seat of the Caliphate, on 25 December 1967 and coming from a humble family that lived in Sokoto over the years, he had his primary and secondary education all in Sokoto - Marafa Danbaba Primary school and Model Primary School Dorowa Road, Guiwa, Federal Low Cost Housing Estate, and Federal Government College, Sokoto) before joining the Nigerian Army. He is of the Nigerian Army Infantry Corps and a member of the 38th Course of the Nigerian Defence Academy (NDA) and was Commissioned on 21st September 1991 from where he rose to become the Chief of Defence Staff of the armed forces appointed by President Bola Ahmed Tinubu (PBAT) in June 2023.

What makes General CG Musa stand out among all the previous generals that have served as CDS is his unique childhood, growth and development within the Nigerian multi-socio-cultural and religious melting pot! Unique in the true sense that Nigeria is a melting pot of several hundreds of diverse ethnic/tribal groups and two major competing religious groups living together more often in harmony and on some



General CG Musa OFR, Chief of Defence Staff Armed Forces of Nigeria

occasions in hostility among themselves.

It is within this paradoxical complex ecosystem of societal set-up that Gen CG Musa weathered through life resiliently, in childhood and adulthood, in Sokoto and other parts of Nigeria and abroad to become the nation's prime patriotic citizen in all ramifications.

From my own very personal

experiences, having spent over 50 years in Sokoto as well, except for my secondary school and university education that took me out of Sokoto State, I have lived, worked and made a family in Sokoto, and Sokoto State. One can confidently state that Sokoto metropolis, with the exception of a few sad incidents in the past, is the most accommodating, and a highly tolerant multi-ethnic and multi-religious-cum cultural setting in Nigeria one can live without challenges bordering on ethnic and or religious discrimination.

For instance, this uniqueness of the city was further extended to the CDS on Tuesday, December 26, 2023 in Sokoto where he decided to spend his BOXING DAY break with the men and women of the 8th Division of the Nigerian Army stationed in Sokoto. The Chief of Army Staff (COAS) was equally at the 8th Division of the Nigerian Army based in Sokoto

town to celebrate the Christmas Day (which coincided with the birthday of the CDS as well). After the CDS's engagement with the military, he proceeded to personally commission the Guiwa Primary Health Cottage Clinic (a neighborhood clinic) which he graciously renovated.

He also visited the primary school he attended in the neighborhood and paid courtesy calls on some households in the neighborhood his parents lived in within the Guiwa suburban neighborhood of the city. He was very warmly welcomed and appreciated by large crowds of people holding placards with goodwill welcoming messages for him; particularly those he played football with when he was growing up.

By and large it was largely a very successful homecoming reception accorded to the unique Caliphate golden homeboy by a uniquely loving community of the seat of the Caliphate. The General has been described by many friends, associates and colleagues as God fearing, detribalised, firm and fair and a complete gentleman. A great lesson for multi-ethnic and multi-religious Nigeria is unity and love in diversity.

IT WILL INTEREST MANY NIGERIANS to know that the 18th Chief of Defence Staff (CDS) of the Armed Forces of Nigeria though of Kaduna State extraction, in terms of state of origin as he hails from Zangon Kataf local government Area of southern Kaduna, is first and foremost a golden homeboy of the seat of the Caliphate, Sokoto - the headquarters of Islamic Jihad and present day capital city of Sokoto State.



Economics  
Commentary**MARCEL  
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**T**HE NEWS THAT DEPOSIT MONEY BANKS (DMBs) and merchant banks in Nigeria borrowed a humongous sum of N8.7 trillion through the Standing Lending Facility (SLF) window of the central bank within the first two months in 2024, was nothing short of shocking. In fact, compared with only N982 billion the banks drew from the apex bank (via SLF) in the first two months of 2023, this is about 787 percent increase (year-on-year). It means the banks found themselves in some more desperate situations to warrant resorting to borrowing more from the Central Bank of Nigeria (CBN).

Commercial and merchant banks borrow from the CBN using the SLF window and deposit cash with the apex bank using the Deposit Facility window. The CBN Standing Lending Facility (SLF) is a short-term loan window (overnight advance) available to deposit money banks/discount houses — to access liquidity to run their business operations. Therefore,

the rapidly increasing volume of SLF borrowing of the banks from the apex bank is an ample indication of the ‘gasping-for-liquidity’ condition of the banks. The more liquidity challenges the banks experience, the more they resort to patronize the SLF — all things being equal.

Unsurprisingly, the CBN under its new leadership has redirected focus on the banks in its efforts at draining perceived excess liquidity from the Nigerian economy. This, the CBN has demonstrated in various ways in recent times — since the Olayemi Cardoso team came on board late last year. The CBN leadership erroneously believes that “too much money chasing few goods” is the main cause of the subsisting hyper-inflationary trend in the economy. Therefore, the policy decisions at the first Cardoso-led Monetary Policy Committee (MPC) were (in all intents and purposes) directed against the banks. For instance, raising of the Cash Reserve Ratio (CRR) from 32.5 percent to 45 percent, is obviously directed at sucking much cash away from the vaults of the banks.

This is because, by definition, CRR is the percentage of money which a bank has to keep with the central bank in the form of cash from every amount it receives as deposit. The higher the percentage, the less the portion left for the bank for its operations — especially credit creation. And so, with the mindset to drain the banks of so much liquidity, the CBN had to raise the CRR from 32.5 percent to 45 percent — an increase of 12.5 percent in one fell swoop. This means that for every one thousand Naira deposit a bank receives, 45 percent (or four hundred and fifty naira) of it must be left with the apex bank.

Also, the retaining of the (Statutory) Liquidity Ratio (SLR) at 30 percent by the MPC is not surprising because that level of liquidity will obviously constrain the ability of the banks to take some

## Nexus between banks ‘dying’ and Nigeria’s monetary policies

transactions. After all, the SLR is (another) obligatory reserve that commercial banks must maintain with the apex bank (in the form of approved securities per specific percentage of the net demand and time liabilities). In accounting terms, liquidity ratios typically compare a company’s current assets to its current liabilities to measure what short-term assets it has available to pay for its short-term debts.

Even the MPR that was moved up by the MPC in an unprecedented quantum, by 400 basis points, would end up handicapping the banks. This is because in line with the hiked MPR the banks would be compelled to raise their own rates (especially the lending interest rates) to levels that would be beyond the reach of many of their potential and existing customers. Funds or funding would no longer be affordable and/or accessible to many businesses — especially the real sector operators.

Firms that secure funding (unavoidably) from the banks at the very high interest rates are very likely to factor such costs into their product pricing. The attempt to transfer the high cost through product pricing to the ultimate consumer would manifest as cost-push inflation. This vicious cycle would keep inflation going up, as long as the businesses procure loans from the DMBs.

Even as these scenarios are playing out in the larger economy, the CBN seems bent on enforcing its 45 percent CRR ‘retroactively’, and vowed during a virtual meeting with prospective foreign portfolio investors that it was going to drain about N5 trillion from the tills of the banks. Mohammed Abdullahi, the CBN deputy governor (economic policy) confirmed

the planned move of the apex bank during the meeting. Abdullahi noted that the banking system had a shortfall of N5 trillion to meet the new 45 percent CRR.

The upshot of all these is that the banks are now desperately resorting to the use of SLF window to sustain their normal operations. Thus, the sharp rise in SLF borrowing by the banks in February could be attributable to the persisting high double-digit rate of inflation, foreign exchange shortages, and incessant liquidity mop-up by the CBN. Available data show that the banks through the SLF borrowed N2.75 trillion in January 2024, up 419.95 percent (year-on-year) from only N528.2 billion they borrowed a year earlier in January 2023. In February 2024, the banks borrowed N5.97 trillion, up 1215 percent (year-on-year) from N453.7 billion borrowed in February 2023.

If the scorching policy environment forced the banks to borrow N8.7 trillion just in two months (January and February 2024), they are most likely to borrow much more in the emerging tight monetary stance of the apex bank. But the import of this would be restrained or constrained lending capacity for the DMBs, and consequently, stalled economic growth. In the current tight monetary stance also, loan-deposit ratio (LDR) is no longer being emphasized, as was the case under the immediate past leadership of the CBN. The apex bank had in 2019 initiated a minimum LDR for banks of 60 percent.

This policy (hiked LDR) and its strict enforcement by the erstwhile leadership of the CBN, without a doubt, led to some boost in credit to the real economy. The LDR policy strategically regulates

the proportion of a bank’s deposits allocated to productive lending rather than being held in low-yield assets. The components of the LDR policy include mandatory lending quotas, obliging banks to maintain a specified minimum percentage of total deposits as loans to the real sector — fostering economic activities such as agriculture, manufacturing and SMEs.

The (LDR) policy is usually reinforced through a system of penalties and incentives, encouraging compliance and active participation by the banks in driving economic growth and development. The CBN initially mandated a minimum LDR of 60 percent in July 2019, but subsequently raised it to 65 percent in September 2019. Today, under the guise of fresh economic reforms (or monetary policy), the LDR and kindred policies (including T-200 non-oil export drive) have been jettisoned by the apex bank.

Rather, the banks are being swamped with circulars and memos directed at squeezing out alleged huge foreign exchange (FX) in their different vaults. The apex bank seems preoccupied with combing the banks to drain them of perceived “excess FX” hoarding rather than getting the DMBs to function effectively within the normal transmission mechanism. Only time shall tell what the banks turn out to be, as the “market forces” economy subsists. Only time!

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## PROJECT SYNDICATE

**GORDON  
BROWN**

*Gordon Brown, a former prime minister of the United Kingdom, is United Nations Special Envoy for Global Education and Chair of Education Cannot Wait.*

**E**DINBURGH — Last Thursday, more than 280 Nigerian students were kidnapped from their school in Kuriga, a town in the northern state of Kaduna — the second mass abduction of young Nigerians in the span of a week. The international community must urgently act to secure the release of these children, some of whom are as young as eight years old. But equally important is creating safer schools for students throughout Nigeria’s 36 states, so that all children can

## For Nigeria’s Schools, Safety Must Come First

pursue an education without fear of abduction or violence.

The kidnapping in Kuriga was even larger than Boko Haram’s infamous raid on a girls’ secondary school in Chibok, a town in north-eastern Borno State, in 2014. The Islamic militants kidnapped 276 girls; a decade later, nearly 100 of them are still missing. Armed groups have targeted many schools in the intervening years, although not on the scale seen in the Kuriga attack, which took place only days after militants seized dozens of displaced people, reportedly including many young women and girls, in the Borno town of Gamboru Ngala.

The international community can and must help. First and foremost, the Nigerian government needs surveillance support to locate the abducted pupils. As the United Nations Special Envoy for Global Education, I am in contact with governments and urging them to help determine the students’ whereabouts, with a view to their quick release.

But, more broadly, as terrorism continues to plague the region, and as the risk of kidnapping and violence climbs, more and more

parents may decide to keep their sons or daughters at home. This is unacceptable. No child should have to fear going to school, and no parent should have to worry that their child may never return.

As my experience has shown, there are ways to ensure that students can continue to attend school safely. I have been involved in numerous initiatives around the world focused on improving school safety, not least in Nigeria after the Chibok kidnapping. In response to the growing number of attacks, I visited the country on numerous occasions to advise successive presidents. Moreover, I worked with a coalition of Nigerian business leaders and the Global Business Coalition for Education to launch the Safe Schools Initiative at the World Economic Forum in May 2014. It aimed to implement best practices, based on global standards, including school- and community-level actions and special provisions for schools in high-risk areas.

I believe that these same measures must be reintroduced, reinvigorated, and supercharged at the federal, state, and local levels in Nigeria. Technical support and

national and international funding must be increased and made widely available to ensure that schools receive significant security and safety upgrades. This will allow us to reassure Nigerian parents that schools can be safe places to learn.

Four broader initiatives, which together serve as a comprehensive blueprint for safe schools, should be implemented urgently. For starters, the international community must engage Nigerian governors and intergovernmental forums to enhance intelligence sharing and security ties. Second, state-by-state school-safety plans, including detailed proposals for building walls and fencing and introducing state-of-the-art telecommunications connections and security alarms that can be easily implemented, must be developed and presented publicly.

Third, investment in community outreach and engagement programs will be essential, as will close collaboration with community and religious leaders to explain how schools are being better protected, and how important it is for children to continue to attend. Lastly, policymakers must

empower local people to form school-based management committees and make their own decisions about how best to protect students and teachers according to local circumstances and needs.

Many Nigerian parents are currently facing a no-win situation: send a child to school and risk them being abducted, or keep a child out of school and risk them forgoing a better future. That is why my message to these children — and their parents — is that if you make the effort to come to school, we will strive to ensure that your learning environment is more secure. Nigerians have suffered greatly from school interruptions caused by terrorist attacks and threats. It is now time for the international community to show solidarity and support efforts to make schools safer. That is the only way to realize the promise of a high-quality education for all.



## The Sustainable SME



**CHIEDU OKONTA**

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**C**ONTRARY TO THE USUAL yearly practice where governments of nations allocate millions of dollars towards the building of sustainable SMEs, with the intention to accelerate economic development in their nations, to be successful in achieving position outcomes in that goal requires the implementation of what I outline as clearly cut out keys necessary for establishing sustainable SMEs. In addition to having a good foundation, viable products/services, effective handling of human resources, including succession plan, good accounting/accountability and optimal appropriation of annual income, any SME that needs to have sustainable growth, requires good management of its assets and liability.

**Effective management of fixed assets:** The general rule concerning management of SME fixed assets, especially motor vehicles, fixtures and fittings, and plant and machinery, is to only invest in them, when it is established that the SME business needs the particular asset. For example, where a bus is required,

there is no point buying a Jeep, and if outsourcing plant and machinery at the initial stage, or using hire purchase is better, then, let it be done! The investment in these fixed assets should only be done in the overall best interest of the SME.

**Building and land:** Real sustainable growth of an SME cannot be achieved without a conscious effort to grow real estates at every available opportunity. In spite of the delicate nature of real estate acquisition and the risks associated with acquiring it, this remains an inevitable source of sustainable growth. The following tips about land and buildings acquisition may be useful:

i) **Acquisition of land and buildings must be subjected to prior due diligence** and extended due diligence involving the experts such as: lawyers, surveyors, architects, accountants and builders, etc. Each SME would always appreciate the discipline of basing every decision to buy or sell real estate on recommendation from the experts.

ii) As much as it is practicable, it is far better for each SME to own its office building than to rent it. We would always support the idea of not overloading the business with expenses of fixed assets at the initial stage, but with proper planning, the financing of land and building can be seamlessly done without overburdening the business with immediate financial outlay.

iii) Developing areas have the high tendency to grow. Identifying such areas ahead of time and investing in land and building at such locations ahead of the development may just open up great opportunities. *“Donald Trump - Real Estate 101”*

iv) The value of SMEs investments in suitable land and building is of great importance to a lot of stakeholders; including bankers, investors, government, tax authorities and customers. The financial losses an SME incurs every year for operating without suitable land and building is unquantifiable!

### Advantages of owning land

and building

There are the immediate examples of benefits for an SME that owns its land buildings:

# Effective assets and liability handling for sustainable SMEs

## and building

There are the immediate examples of benefits for an SME that owns its land buildings:

i) **Overall less expensive compared to rent:** The cumulative rent the SME would pay for five years of using the property would in most cases buy the property.

ii) **Tax benefits:** The SME that occupies its own property would eliminate the rent expense and in addition gain capital allowance, which indirectly make the building cost, a tax deductible expense.

iii) **Other benefits:** Any SME that operates in its own property is capable of enjoying (1) more liquidity over the useful part of the asset; as the cost that should have been incurred on rent payment is conserved. Other benefits of land and building include: (2) the associated prestige, (3) increased credibility; since it could be used as collateral to access banking facilities, and (4) capital appreciation as the property increases in value.

## Effective management of liabilities

Liabilities are generally the obligations of the company to outsiders, including its creditors and owners. The below section seeks to highlight the key benefits from effective management of the SMEs liability profile:

i) **Accrued expenses:** This is a situation where the expenses are incurred in the course of the business, but the suppliers or contractors are settled in arrears. For instance, the following expenses: Salaries, Medical, Insurance, Communication, etc can be settled in arrears of 30, 60, or 90 days. It is a form of financing at zero interest rate; therefore, it is highly recommended, provided such expenses are incurred in respect of creating further wealth for the SME's business.

ii) **Accounts payables:** These

are the financial obligations of the company to its service providers, suppliers and contractors, for which their payments are deferred till the agreed future time of payment. Given that the business activity is progressive and viable, SMEs are encouraged to extend the time of paying for the Accounts Payable. For example, if the SME has the policy to pay its Accounts Payable 30 or 60 or 90 days after the goods are delivered or services rendered, then such a fund would boost working capital during that period.

iii) **Overdrafts and other short term loans:** This is a form of liability where an SME borrows from a bank or other sources to finance its short term business activity. There is usually a cost in terms of interest etc attached to this liability. It is not advisable for an SME to accept this liability; except the business “annual return on investment” is at least twice the cost of borrowing and the amount borrowed can be repaid within the business cash circle.

Many companies have witnessed tremendous growth within a short span of time due to utilisation of banking loans; while some other companies have crashed due to their utilisation of banking loans. It is therefore very important to know those factors necessary for successful utilisation of banking loans.

### Who qualifies to borrow?

i) The business entity that must borrow should be sure that the “yearly return on investment” for that company is at least twice the total cost of borrowing the loan. Annual return on investment is the profit of the company after paying all the expenses including tax, divided by shareholders' funds. The shareholders fund is the capital in-

vested plus the retained profit or reserve. The total cost of the loan is the interest rate plus all other charges.

ii) For example: An SME made profit after tax of \$100,000 in 2023. If the capital invested is \$150,000 and the Reserve is \$50,000, then, the Return on Investment should be \$100,000/\$200,000, which is 50 percent. If the interest rate is 20 percent and other charges are three percent (3%), then the total cost of borrowing is 23%. For this SME to be able to repay its debt, the SME “Return on Investment”, which is 50 percent, must be at least twice the total cost of borrowing, which is 23% in this case. So this company may take the overdraft.

iii) Source of repayment: The next area to consider before taking a banking loan is the SME source of repayment. This is so vital because a bank loan is not a gratuity, but an obligation that must be settled. The source of repayment must be from the business being financed. If the business being financed generates inflows in 90 days and above, then it is wrong to obtain a banking loan with a 30 days' maturity period.

iv) The SME that must borrow should ensure its source of repayment comes earlier than the maturity period of the facility obtained. This has the great advantage of ensuring that default interest is not applied, if the facility becomes unpaid at maturity. Besides, an SME that has a consistent record of clearing its loan on or before maturity, secures credibility from the bank, which would assist the SME in future financing.

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## Analysts want...

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tween the unions and the government over the amount of the revised minimum wage has created a deadlock in negotiations, with no clear resolution in sight. The two sides remain at an impasse over the amount of the revised minimum wage, with neither side willing to budge.

On March 14, 2024, a public hearing on the new minimum wage took place in all six of Nigeria's geopolitical zones where representatives of the organised labour shared their views on the need for a new minimum wage that reflects the current economic situation and workers' aspirations.

During the South-East zonal hearing on the new minimum wage, representatives from the NLC and the TUC proposed an increase to N540,000 and N447,000, respectively.

In the South-South and South-West regions, representatives from organised labour presented their own proposals for the new mini-

um wage. In the South-South, the NLC proposed N850,000 while the TUC representative suggested N447,000. In the South-West, the NLC and TUC proposed even higher figures of N794,000 and N497,000, respectively.

At the North-Central zonal public hearing, the FCT chapter of the NLC proposed a higher figure of N709,000 for the new minimum wage. The TUC, in turn, recommended a more modest figure of N447,000.

In the North-East, labour unions proposed N560,000 per month as the minimum wage, while in the North-West, the Nigeria Labour Congress proposed a slightly lower figure of N485,000.

The debate over the minimum wage has been raging for years, with little success in finding a solution that is both acceptable to workers and feasible for the government to implement.

The problem is twofold: on the one hand, the minimum wage needs to be increased in order to keep up with the cost of living. On the other hand, the government

needs to have the financial resources to pay the increased wage, without causing undue strain on the economy. Though a difficult balancing act, it is one that must be undertaken in order to ensure that workers are able to make a decent living

To truly address the issue of the minimum wage, insurance experts say that the best solution would be to codify it into law, with a comprehensive package of insurance benefits. This would not only guarantee workers a certain level of income, but it would also provide a safety net in the event of unforeseen circumstances, such as illness, job loss, or other financial setbacks.

According to Olufemi Obathe, the deputy commissioner for insurance (finance and administration), at the National Insurance Commission (NAICOM), the insurance coverage would help to offset some of the costs of basic necessities, such as food and housing. Obathe believes that by taking this approach, the government would be able to ensure that workers are able to meet their basic needs, while avoiding

the political quagmire that often ensues when the national minimum wage issue is up for debate.

In response to the suggestion of including insurance in the national minimum wage structure, Oluwatosin Ajiniran of Coronation Life Assurance Limited emphasised the importance of educating and engaging both workers and the government on the value of insurance.

Ajiniran also suggested that the government should create policies around risk management that build trust between employers and their employees.

Ekerete Ola Gam-Ikon, a management consultant with expertise in insurance and entrepreneurship, analysed the minimum wage issue by examining the expenses of Nigerian workers. He found that some of the items in the average worker's budget could be effectively covered by insurance, either directly or indirectly.

Gam-Ikon suggested that including compulsory insurance coverages in the national minimum wage discussion could serve as a

powerful bargaining chip for labour unions. This, he explained, would have the dual benefit of providing workers with more financial security and reducing the financial burden on the government. Furthermore, he argued that this would act as a cushion against the economic impacts and inflationary pressures that are currently affecting the income of workers in Nigeria.

According to the insurance consultant, if all Nigerian workers were covered by the Employee Compensation Act of 2010, the Pension Reforms Act of 2014, and the National Health Insurance Authority Act of 2022, both sides would have more reason to agree on a higher minimum wage.

Insurance coverages, Gam-Ikon argued, would provide Nigerian workers with a sense of stability and security that they currently lack. He noted that with insurance in place, workers would be protected from the potential abuses of corrupt officials who might otherwise seek

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PROJECT SYNDICATE



**BARRY EICHENGREEN**

*Barry Eichengreen, Professor of Economics and Political Science at the University of California, Berkeley, is the author, most recently, of In Defense of Public Debt (Oxford University Press, 2021).*

**B**ERKELEY – Frontier markets are back. Several African countries have recently returned to global financial markets, placing foreign-currency bonds with international investors. The question is whether they are back for good, or whether someone or something – namely, the US Federal Reserve – will throw a wrench in the works.

Let's start with the facts. In January and early February, Côte d'Ivoire and Benin were able to place \$3.35 billion of bonds with international investors. Côte d'Ivoire's issue was more than three times oversubscribed, and Benin's more than six times. Kenya followed with a \$1.5 billion Eurobond that attracted more than \$5 billion in orders. This activity marked the end of a two-year dry spell when African borrowers were locked out of international capital markets.

In several cases, the revenue raised will be used to buy back debt maturing this year or next. The fact that investors are willing to participate suggests that they are confident in governments' ability to service their debts. They are not seeking to exit once their holdings mature.

Several factors account for this sudden success. First, macroeconomic performance across Africa is improving. The African Development Bank forecasts that the continent's GDP will grow by 3.8% in 2024 and 4.2% in 2025, faster than last year. Eleven African countries are projected to expand

## The Temptation of Frontier Markets

by at least 6% in 2024. Not coincidentally, this group includes Côte d'Ivoire and Benin, with Kenya just behind at 5%. More growth means more debt-servicing capacity. Credit-rating agencies expect more upgrades than downgrades for the first time in years.

Second, the International Monetary Fund has been unusually supportive, providing more than \$50 billion to the region between 2020 and 2022. This is more than twice the amount extended in any ten-year period since the 1990s. Investors may be anticipating that the IMF will bail them out if things show signs of going wrong.

Third, press reports suggest that the United States and China are eyeing a new initiative to lighten the debt load on low-income countries, with an eye toward presenting a proposal to G20 leaders later this year. This could entail adding to debt contracts a provision allowing troubled countries to extend loan maturities, and increasing grant financing from the World Bank and other multilateral institutions.

Given the failure of existing G20 debt schemes such as the Common Framework for Debt Treatments, a new initiative is welcome. Averting defaults in troubled countries is a necessary condition for enabling governments to refinance their maturing debts. Given the prevalence of contagion in global bond markets, averting defaults would avoid demoralizing investors and interrupting market access where it has been regained.

Fourth, investors are betting that yields on US Treasuries and other advanced-economy bonds will come down once the Fed and the European Central Bank declare victory in their fight against inflation. If yields on ten-year US Treasuries fall from their current level, slightly above 4%, a Benin dollar bond yielding 8.5% or a Kenyan dollar bond yielding 10% will be more attractive still.

But not everyone agrees that the recent episode of

inflation is definitively over. If hopes for interest-rate cuts are disappointed, or, worse, if the Fed and the ECB see signs of resurgent inflation and feel compelled to raise rates, Kenya's February bond placement could be the last. And with ten-year US yields up 50 basis points over the first two months of 2024, someone is evidently betting on the possibility of rate hikes.

This points to another danger, namely the dollar cycle. Typically, when the Fed raises rates, the dollar strengthens, making it harder for developing countries to service their dollar debts. Much has been made of the supposed end of "original sin" – the name given to the fact that emerging markets have long been able to place only dollar bonds with international investors. Now, it is said, they are also able to sell bonds denominated in their own currencies.

In fact, however, redemption from original sin has been highly selective. Any newfound ability to sell local-currency bonds to international investors has in practice been limited to a handful of relatively large middle-income countries, leaving frontier markets exposed to currency risk.

As everyone knows, there are two sides to dollar exchange rates. Local currencies can weaken against the greenback, aggravating debt-servicing problems, not just because the Fed raises rates but also owing to domestic economic and political problems.

Ghana, for example, experienced mass protests late last year over the austerity required in order for it to restructure its debts and begin repairing relations with its foreign creditors. Reflecting this turmoil, the Ghanaian cedi has been weakening, which further complicates the country's debt problem. Politics, and therefore exchange-rate fluctuations, happen. African countries contemplating a return to the Eurodollar market should take this risk to heart.

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VISIONARY VOICES



**RUDO KAYOMBO**

*Rudo Kayombo is Regional Director of Africa at BRAC International.*

**N**AIROBI – What do poverty, climate change, and conflict have in common? They are among the biggest challenges confronting Africa, and they all disproportionately affect women living in poverty or on the margins of society. Both research and experience have demonstrated that these women have enormous potential to improve the well-being of their families and communities.

African countries seeking to drive sustainable development – and address the triple challenge of poverty, climate change, and conflict – must help women in poverty realize their potential. By investing in and scaling up evidence-backed interventions that increase women's control over income, ownership of productive assets, and decision-making in the household, policymakers can boost human capital, improve gender equality, and expand inclusive economic opportunities.

One approach that has been working in several countries is to provide people living in extreme poverty with a productive asset (such as cows, goats, or supplies for small-scale trade like a sewing machine), support to meet their basic needs, and intensive coaching for a roughly two-year period. Often referred to as the Graduation approach, this set of interventions was developed by the Bangladesh-based NGO BRAC (of which I am Regional Director of Africa for its international arm) to give people the multifaceted "big push" they need to escape poverty and build long-term resilience.

Women, in particular, have benefited greatly from

## The Big Push African Women Need to Escape Poverty

the Graduation approach. For starters, there is rigorous evidence that it can increase women's productivity. In Sub-Saharan Africa and South Asia, Graduation interventions contributed to an increase in women's off-farm enterprise employment and, thus, the labor supply. In Bangladesh, they significantly increased earnings from women-led income-generating activities. Research has also demonstrated that enabling women in extreme poverty to build sustainable livelihoods can encourage positive behavior changes that help households prepare for and cope with temporary shocks.

Moreover, a multifaceted approach that includes gender-sensitive coaching, life-skills training, and community engagement can help women in poverty overcome the psychological and social challenges stemming from gender-based discrimination, social exclusion, and limited education. For example, women who received psychosocial support through the Sahel Adaptive Social Protection Program reported improvements in psychological well-being and social cohesion, as well as a reduction in domestic violence. And after a Graduation pilot in Kenya provided women in poverty with mentorship and training (and engaged with male community members to assuage concerns about shifting gender roles), women's empowerment – as measured by confidence, leadership, and local-committee membership – increased significantly.

Such progress in social and economic empowerment has had positive spillover effects. In Kenya, the two-year Rural Entrepreneur Access Program (REAP) – which provided training, mentorship, and asset grants to small groups of women to start businesses – yielded substantial economic benefits for both participants and their non-enrolled neighbors. This is partly because REAP increased the value participants placed on eco-

nomic advancement, which they passed along to other women in their communities.

Recognizing the importance of a big-push approach, several African governments, including Kenya, Rwanda, and South Africa, are exploring Graduation-style programs and how to incorporate them into existing systems. For example, the government of Rwanda launched a national Graduation strategy in 2022 to empower people in more than 900,000 households in poverty to develop sustainable, long-term livelihoods, as part of a broader strategy to eradicate extreme poverty by 2030.

Another evidence-backed BRAC initiative that shows promise at scale is the Empowerment and Livelihood for Adolescents (ELA) model, whereby young women and adolescent girls work with "near peer" mentors who provide training sessions on life skills including reproductive and sexual health, as well as financial literacy and entrepreneurship. In Uganda, adolescent girls in communities with ELA programs were more likely to earn a livelihood, while their rates of teen pregnancy and early marriage fell sharply. This community-based model has already reached more than 200,000 participants across Liberia, Sierra Leone, South Sudan, Tanzania, and Uganda, and it is continuing to expand.

Building on these proven approaches, BRAC, in partnership with the Mastercard Foundation, has devised Accelerating Impact for Young Women. This five-year program aims to equip adolescent girls and young women with age-appropriate entrepreneurship, employability, and life-skills training, as well as the tools they need to start and scale up their own businesses. In 2023 – the first year of implementation – more than 70,000 participants enrolled in the program in Liberia, Sierra Leone, Tanzania, and Uganda, and more than 630 savings groups were formed. Participants have collectively saved \$140,000, and nearly 20,000 of them have received support to start their own livelihoods.

The evidence is clear: investing in marginalized women and girls can lead to transformative change. By embracing proven approaches, African countries can improve their economic future and help build a better, more equitable world. They already have the resources, the evidence, and the technical knowledge. All that is needed now is the political will to act.

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### Analysts want...

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to deny them their benefits. This, he added, would also encourage workers to take a long-term view of their careers, knowing that their pension and health insurance are secure. In this way, insurance becomes a safety valve that protects workers and encourages them to stay in their jobs for the long haul.

Gam-Ikon identified group life assurance, health insurance, and employees compensation insurance as key components of the 'de-

pendent wage structure', and he believes that they should be highlighted in the minimum wage discussion.

According to Gam-Ikon, the Pension Reforms Act of 2004 has a specific provision that states that all organisations with three or more employees must have a group life assurance policy in place. This policy, he explained, is designed to provide compensation to the family of an employee in the event of their death while in employment. The benefits of the policy are three times the employee's annual total emoluments, which helps to

ensure that the family is financially secure in the event of their loss.

He also highlighted the National Health Insurance Authority Act of 2022, which requires all Nigerians to have a health insurance plan in place. He noted that the basic plan for a family costs around N100,000 per year, which is a relatively small amount to add to the overall wage structure. He added that different plans can be adopted for different grades of employees, depending on their specific needs and financial resources.

According to Gam-Ikon,

the Employees Compensation Insurance Act of 2010 requires employers to pay one per cent of their annual total wages to the National Social Insurance Trust Fund (NSITF), a national fund established to provide compensation to workers who are injured on the job. This is to ensure that workers have the resources they need to recover from workplace injuries and return to work.

"As it is something that Nigerian Labour Congress (NLC) had midwived, workers in Nigeria should benefit from it but so far, NSITF is keeping a lot of money re-

ceived from employers and paying out relatively small amounts annually," he observed.

As a way to address the challenges associated with the Employees Compensation Insurance Act, Gam-Ikon suggested that a portion of the funds held by the NSITF be distributed to workers on an annual basis. He emphasized that this distribution should be limited to employees below the managerial level, in order to ensure that those who need the funds the most are able to access them.



Navigating Nigeria's treasury bills rate: Current trends and future prospects [AI generated report]

**Introduction**  
This report delves into the current direction of Nigeria's Treasury Bills (T-Bills) rate, examining recent trends and factors influencing its trajectory. Understanding the dynamics of T-Bills rates is crucial for investors, policymakers, and financial analysts seeking insights into Nigeria's economic landscape.

**Current Status of Treasury Bills Rate**  
As of the latest available data, Nigeria's T-Bills rate stands at [insert current rate]. This rate reflects the yield on government-issued short term securities and plays a vital role in shaping the broader interest rate environment within the country.

**Factors Influencing T-Bills Rate**  
*Inflation Dynamics*  
Inflationary pressures often impact T-Bills rates. The Central Bank of Nigeria (CBN) adjusts rates to curb inflation while maintaining an attractive investment environment.

**Monetary Policy Decisions**  
The CBN's monetary policy decisions, including adjustments to the Monetary Policy Rate (MPR), significantly influence T-Bills rates. Recent shifts in the MPR may signal the central bank's stance on economic conditions.

**External Factors**  
Global economic conditions and geopolitical events can impact Nigeria's T-Bills rate, affecting investor sentiment and capital flows.

**Recent Trends**  
Rate Adjustments

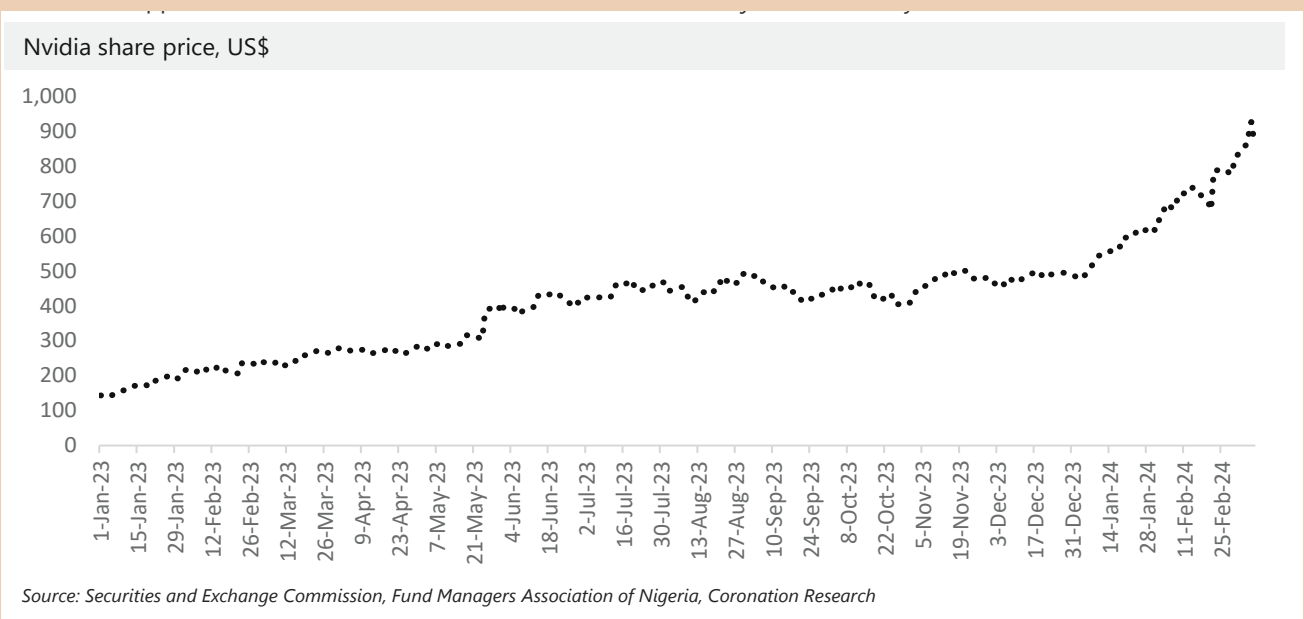
*Analysing recent rate adjustments provides insights into the CBN's response to economic conditions. A historical review of T-Bills rates reveals trends and potential indicators of future directions.*

**Market Demand**  
The demand for T-Bills in the primary and secondary markets contributes to rate movements. Understanding investor behaviour and market dynamics is crucial for predicting rate trends.

**Future Prospects**  
*Inflation Outlook:* Anticipating inflation trends is pivotal for forecasting T-Bills rates. Proactive measures by the CBN to control inflation may influence future rate adjustments.

*Economic Recovery Measures:* As Nigeria implements economic recovery measures, the impact on T-Bills rates will depend on the success of these initiatives. Policy shifts and structural reforms may shape the trajectory.

**Conclusion**  
In conclusion, the direction of Nigeria's T-Bills rate is intricately tied to a complex interplay of economic, monetary, and global factors. Continuous monitoring of inflation dynamics, central bank policies, and external influences will be essential for stakeholders in the ever-evolving financial landscape. As Nigeria strives for economic stability and growth, the T-Bills rate remains a crucial indicator reflecting the country's monetary policy stance and investor sentiment.



ANALYST INSIGHT CORONATION A.M.

**TECHNOLOGY DRIVES CHANGE IN EVERY industry.**

In the financial services industry the role of the trader (in large liquid markets) was almost eliminated by the adoption of algorithmic trading over a decade ago. The profitability of securities trading fell and the structure of investment banks changed as a result.

Artificial intelligence promises to bring as much disruption to industry as broadband internet has over the past twenty years. The market clearly believes this because it has taken the capitalisation of Nvidia, the leading AI hardware and software supplier in the US, from \$150.0 billion to US\$1.5 trillion in just over three years.

The flip side to the market's optimism is fear, namely the fear that thousands, if not millions, of white-collar and other jobs will simply

Did AI write this?

disappear as AI is rolled out. To address our fears, we asked AI to write about Naira interest rates, and the results are presented [below].

The AI response is well-written, in our view. This is not entirely surprising as AI reads vast quantities of text and adopts the language and style of publications around a particular topic (in this case interest rates.

AI may have read our own publications on interest rates among thousands of others).

The AI response lacks specific details on Nigerian interest rates. This too is not surprising. AI does not have access (yet) to the proprietary data sources that we use, such as FMDQ and Bloomberg. (Proprietary data providers doubtless want to keep their information proprietary. They might install 'I am not a robot' defences, among other methods to prevent AI from burrowing into their archives.) Yet AI can presumably source data from publicly-available websites, such as the Central Bank of Nigeria (CBN) website and the Debt Management Offices (DMO) website.

At this point we need to point out that we used a very basic version of AI, available free online, to write the article that appears opposite. A paid service might have done considerably better. That said, we do not see how a better version of AI would have gained access to proprietary data.

The next point we notice is that the AI response has not generated a forward-looking view, still less a forecast. We, on the other hand, generate forward-looking views and forecasts as often as we think it safe to do so (the key to developing a research franchise). Will AI soon be doing this, too? It is possible to think of AI gener-

ating regression analysis and correlation, and then coming up with a qualified forecast of what the market will do in future, much as we do.

It is therefore possible to think of a future in which different users of AI compete with each other in securities markets, much as competing teams of analysts and traders do today. This raises the question as to whether there might be a vast number of AI-backed traders, and what their ethics and regulatory procedures will be.

What AI generates is governed by the question which is asked. The way in which a person poses a question to an AI function, the parameters and the specific guidelines, conditions the response. Yet only a person with expertise or experience in a given field can ask the right question. Perhaps there is a role for humans in AI.

MONEY Nuggets



**TUNDE OYEDOYIN**  
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IN JUNE OF LAST YEAR, I wrote a piece titled, "Use statistics to change your position." This week's drift can actually count as a sequel to that. To refresh your memory, it might be worthwhile to give that particular piece a second look.

But by way of introduction, the idea for this topic was conceived on Wednesday, March 6. Yours truly

Are you in the five percent class?

was attending to stomach matters on that occasion when former Central Bank of Nigeria (CBN) deputy governor, Professor Kingsley Moghalu, was on air as a guest on Arise News Morning Show. Interestingly, the June piece earlier referenced was also a derivative of a Morning Show interview with another guest. But the difference is that yours truly watched Moghalu live as already mentioned.

Though the theme for Moghalu's interview was, "Nigeria's distressed economy: way forward," he also responded to the questions that co-anchor Reuben Abati and his crew fired in his direction on a paper he recently presented before appearing on their show. I was actually breathing in every advice he was dishing out to the federal government. Hopefully, our "head of the table" and his Aso Rock team find his submissions useful.

However, among the many things the distinguished banker said that moved the needle for me was that: "less than 5 percent of Nigerians have more than 500k in their bank accounts." Boy oh boy! That was a wake up call and a reminder that our people must push themselves and use statistics as a springboard to improve their personal finance fortunes.

As mentioned in the June piece, yours truly himself used the statistical information that the guest on that edition of the Morning Show revealed to drive himself, and hence the recommendation that readers should do the same. Hearing Moghalu say something similar was a reminder that there's a need for fellow Nigerians to get rid of whatever excuses that keep them out of that five percent bracket.

Let me say this. If you're not in that five percent class, make it a top priority to squeeze yourself in before

the end of the third quarter of the year. It doesn't matter if you're even at ground zero at the moment. Perhaps, your account has been in the red since the beginning of the year; or perhaps, you are a full time applicant.

That doesn't matter either. Be hungry and put making the five percent class as your topmost financial goal.

That becomes a specific, measurable and time bound goal. As mentioned in an earlier piece, even if

you have to beg to be given the opportunity to earn some extra bucks in order to achieve your financial goals, just do it.

Looking forward to seeing you in the five percent class by the end of the year.

Rihanna's Indian Gig Hope the critics learn to create their own 'umbrellas'

SOME THINGS ARE JUST not worth your hassle. If only some social media critics know, they'll probably devote their efforts elsewhere.

About two weeks ago, while catching up with the March 3rd edition of the Mail on Sunday newspaper, "Fans' anger over Rihanna's boring £5m wedding gig," (p.30), caught my eye.

As it turned out, a clip of the 'Umbrella' lady's private performance at the launch of the pre-wedding celebrations of the son of India's richest man, Mukesh Ambani, found its way online.

Rihanna was said to have banked a five million pound pay cheque for a night of serenading the couple, Anant



Ambani, 28, and the 29-year old bride-to-be, Radhika Merchant and the 1200 wedding guests that included Bill Gates, Mark Zuckerberg and Ivanka Trump.

One of the critics quoted said: "If someone is paying you that sort of money you should at least put some effort into it." Another accused the "Umbrella" icon of "do-

ing the bare minimum," despite performing 19 songs.

Here's the thing. Mr Ambani couldn't care about their comments and neither did Rihanna. In fact, before flying out of India a day after the performance, she said: "the show was the best," and that, "I want to come back."

It was a good day at the office for her and hopefully, it is so too for the critics. One hopes they get their creative juices flowing and create something or a collection of nineteen works that people are willing to pay them for.

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



STOCKS MARKET								COMMODITIES				
	NSE	NSE 30	FTSE 100	DOW JONES	S & P 500	FTSE/JSE	NASDAQ	SYMBOL	PRICE	CHANGE	%CHANGE	VOLUME
	105.085.25	3,907.47	7,914.13	33,808.96	4,133.52	77,910.96	12,072.46	OIL	74.84	0.76	1.03	14,339
CURRENT	3.71	3.30	0.15%	0.07%	0.09%	-1.23%	0.11%	BRENT	79.66	0.56	0.71	168,053
YEAR TO DATE	40.54	40.04	6.21%	2.00%	7.66%	6.66%	15.34%	NAT GAS	2.6	-0.097	-3.6	42,174
								RBOB GAS	2.188	0.005	0.22	5,013
								GOLD	2,027.90	6.3	0.31	113,945
								SILVER	22.69	-0.117	-0.51	25,101
								COPPER	911.6	-0.4	-0.04	13,613
								PALLADIUM	3,764	0.019	0.49	49,162
								WHEAT	942.5	-1.5	-0.16	1,459
								SOYBEAN	546	-1.5	-0.27	47
								CORN	595.75	10.25	1.75	21,875
								SUGAR	1,221	7.5	0.62	40,789
								COFFEE	448.75	4.75	1.07	43,793
								COTTON	23.71	0.67	2.91	44,249
								ROUGH RICE	185.55	5.6	3.11	9,691
								COCOA	84.46	1.95	2.36	22,796
									17.625	0.025	0.14	106

Onome Amuge

A NEW REPORT BY multi-national professional services partnership Ernst and Young (EY), has drawn attention to the fact that as many as 17 of Nigeria's 24 deposit money banks (DMBs) may not be able to meet the capital requirements proposed by the Central Bank of Nigeria (CBN).

The report, which is titled "Navigating the Horizon: Charting the Course for Banks amid Plans for Re-capitalization," highlights the impact of a possible increase in the minimum capital base for commercial banks, from N25 billion to N375 billion. If the CBN were to go ahead with the proposed increase, EY cautions, it could potentially leave 17 banks in the cold.

The CBN governor, Olayemi Cardoso, has previously indicated that the apex bank is considering raising the minimum capital base for banks as part of its efforts to make Nigerian banks more resilient and enable them to contribute to the country's economic growth.

Under the current guidelines, the minimum capital base for banks varies depending on the type of banking licence: N10 billion for regional banks, N25 billion for national banks, and N50 billion for international banks. While no official decision has been made on whether

# 17 Nigerian banks in doubt of meeting CBN's proposed capital requirements



L-R: Mary Kristilere and Adebola Agunbiade, winners of the "She Empowers Her Award" by SARA, Wema Bank; Moruf Oseni, managing director/CEO, Wema Bank; Oluwayemisi Olorunshola, chairman, Wema Bank; and Debola Deji-Kurumi and Adesunmbo Adeoye, winners of the "She Empowers Her Award by SARA", at the award presentation during the Wema Bank International Women's Day 2024 celebration in Lagos over the weekend.

to increase the capital base, Cardoso has said that such an increase would support the CBN's goal of reaching a \$1 trillion economy.

EY's report pointed out that some banks may need to explore various options to raise their capital base in order to meet the new requirements. These options include mergers and acquisitions, initial public offerings (IPOs), placements and/or rights issues, and retained earnings.

Despite the soundness of the banking sector as of 2023, EY notes that the new capital requirements could have a significant impact on the sector, possibly leading to a wave of consolidation similar to the one that followed the 2004/2005 recapitalisation exercise.

While a repeat of the widespread consolidation seen in the 2004/2005 period is not anticipated, EY noted that the new capital requirements could still spur some

mergers and acquisitions (M&A) in the banking sector.

However, there are speculations that the impact may be less pronounced than it was in the past, given the overall stronger financial positions of banks and the fact that several M&A transactions have already taken place in the sector in recent years.

"While the CBN governor did not indicate the magnitude of the proposed hike in the capital base, we have

assumed what the proposed increment will be based on three different scenarios underpinned by current macroeconomic conditions. On the back of that, we were able to determine the number of banks (across the three licence types) that may fall below the new minimum capital thresholds.

"In a worst-case scenario, i.e., given a capital multiplier of 15, about 17 out of 24 banks would not meet the new minimum capital,"

it stated.

The report highlighted that the CBN's decision to increase the capital base of banks is linked to the recent weakening of the naira, which saw the exchange rate increase from N132.9/\$ in 2005 to over N1,400/\$ currently. This devaluation has put pressure on banks and other businesses, as it has led to higher costs and reduced the value of assets denominated in naira. The CBN is hoping that the proposed increase in capital requirements will help to strengthen the banking sector and offset some of the effects of the naira's devaluation.

EY suggested that, based on the significant difference between the exchange rate in 2005 and the current rate, the CBN's plan to increase the capital requirements may entail a multiplier effect of at least 10 times.

According to the report, the worst-case scenario would be a 15x capital multiplier for the 24 banks based on their current licences. This scenario, it noted, would consider the current capital levels of each bank, as well as four different scenarios for recapitalisation, based on the type of banking licence each bank holds.

## Coronation Group report says infra investment catalyses economic growth

business a.m.

CORONATION GROUP HAS called for greater investment in infrastructure through the creation of more infrastructure funds, as a means of boosting the economy. This call comes on the heels of the group's maiden Infrastructure Report, which was launched in Lagos, recently.

The Infrastructure Report, produced through extensive research, explores the topic of infrastructure financing in depth. It highlights the growing trend of private sector involvement in infrastructure projects, both in Nigeria and globally.

According to Coronation Group, given the limited availability of public funds, private sector investment is

essential for filling the funding gap and unlocking the potential of infrastructure projects. These projects can drive innovation, create jobs, and stimulate economic activity, with wide-ranging benefits for society as a whole. The report explores the changing landscape of infrastructure development, where private sector investments are becoming increasingly common and playing a larger role. It stresses the essential nature of private sector involvement in infrastructure projects and the significant impact that these investments can have on the broader economy. The report further underlines how infrastructure investments can help to transform societies, making them more prosperous and equitable.

Aigbovbioise Aig-Imoukhuede, managing di-

rector of Coronation Asset Management, explained that the Coronation Infrastructure Report is an important tool for promoting dialogue on infrastructure financing across Africa.

Aig-Imoukhuede emphasised the importance of infrastructure in driving economic growth and improving the lives of people across Africa. He noted that the report shines a light on the challenges and opportunities in infrastructure financing, which is a crucial step towards overcoming these challenges and harnessing the full potential of the sector. According to Aig-Imoukhuede, the report uses rigorous analysis to delve into the complexities of infrastructure development, shedding light on the critical issues that must be addressed.

business a.m.

AFRINVEST WEST AFRICA LIMITED, a key player in the Nigerian capital market with subsidiaries that provide holistic wealth management solutions to West African clients, is set to step up its investment in infrastructure and business growth with the opening of a new office in Kano State.

Ike Chioke, group managing director of Afrinvest West Africa, spoke at the inauguration of the new office in Kano State, outlining the company's focus areas in investment banking, securities trading, asset management, trust services, consultancy and technology services.

Chioke stated that the company's investment and support for the Kano State government, through infrastructure funding and business support, will accelerate

## Afrinvest's anchors in Kano to spur economic prosperity

the state's economic growth. He added that the Ado Bayero Mall, a multi-million naira project funded by Afrinvest, will be a significant economic asset for the state.

"In 2009, Afrinvest focused on technology and capital markets, and it also engages in foreign exchange business that had been digitised to provide efficiency and transparency via its mobile app. The feat aligns with the firm's resolve to digitise financial markets and its other services and make transactions seamless for its clients in different parts of the world," he said.

Chioke said the new branch in Kano will provide a range of services for financing road projects, bridges, and power projects for Kano State and its neighbours, noting that the company's extensive experience and ex-

pertise in raising funds will enable it to provide the Kano State government with the financial support it needs to deliver on its development agenda.

Governor Abba Yusuf, reaffirmed the state's commitment to collaborating with Afrinvest to spur economic growth and infrastructure development. He emphasised that the presence of the company in the state would generate significant economic value for trade and investment, contributing to the state's economic growth.

Representing the governor at the event, Kabiru Magami, the permanent secretary of the Kano State Ministry of Finance, outlined the state's plans to promote trade, modernise and expand public infrastructure to meet global standards.





Quoted Insurers

Security	P/close	Open	High	Low	Close	%Change	Volume	Value
AIICO	1	1	1	0.95	0.99	-1	7,805,773	7,652,260.71
CORNERST	2.1	2.1	2.2	2.2	2.2	4.76	309,438	674,455.38
LASACO	2	2	-	-	2	0	389,185	788,828.40
MANSARD	5.29	5.29	5.1	5.1	5.1	-3.29	433,373	2,256,553.65
MBENEFIT	0.59	0.59	0.62	0.6	0.6	1.69	1,925,760	1,178,560.20
NEM	6.65	6.65	-	-	6.65	0	448,959	2,877,291.40



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

Stories by Cynthia Ezekwe

THE WINDS OF CHANGE are blowing, but the engines of progress are not slowing down. The maritime and aviation industries, which form the backbone of Nigeria's economic growth, are facing increasing turbulence, but the leader of one of the country's insurance organisations is not backing down. In a recent address, Edwin Igbiti, president of the Chartered Insurance Institute of Nigeria (CIIN), called for a renewed effort to strengthen the marine and aviation insurance industries, stressing the importance of their continued resilience to ensure a prosperous future for the country.

The value of marine and aviation insurance to Nigeria's economy was the focus of a recent summit held in Lagos, organised by Risk Analyst Consultants (UK) Limited in collaboration with the Chartered Insurance Institute United Kingdom. Edwin Igbiti, President of the Chartered Insurance Institute of Nigeria (CIIN), delivered a keynote address at the summit, emphasising the importance of marine and aviation insurance in protecting businesses and individuals involved in maritime and aviation industries, as well as the industries that support them.

Igbiti's keynote address painted a vivid picture of the global economy as a vast circulatory system, with the seas and skies serving as the arteries and veins, transporting goods and services from one corner of the world to another. He stressed that this critical system requires constant protection and nurturing to ensure that the economic lifeblood of nations continues to

## CIIN chief harps on importance of marine, aviation insurance to economy

● Advocates strengthening their resilience



Olawunmi Akinniranye, head, talent acquisition and development, Chivita|Hollandia (CHI Limited); Temitope Adedayo-Ojo, chief people officer, Chivita|Hollandia (CHI Limited); Ojuolape Abiona, channel marketing manager on-premise, Chivita|Hollandia (CHI Limited); Temi Dalley, group chief human resources officer, Sterling Financial Holdings Company; Omowunmi Akinnifesi, chief executive officer, Buildvalley Consulting, and founder of Global Woman Africa; Bose Ogunyemi, senior brand manager, Chivita and Capri-Sun, Chivita|Hollandia (CHI Limited); and Gloria Nwabuike, category manager, dairy and snacks, Chivita|Hollandia (CHI Limited) at the Chivita|Hollandia (CHI Limited) International Women's Day event held in Lagos recently.

flow freely, bringing with it the promise of prosperity and growth. Marine and aviation insurance, he said, are the guardian angels of this system, ensuring that the sea lanes and airways remain open and safe.

"Here in Nigeria, we stand in a unique position. Our country, graced with expansive coastlines and a strategic position in African aviation, is poised at the heart of an evolving narrative – one that speaks of growth alongside challenges, I believe you will attest to this during your tour to some of our airlines and seaport," he said.

Despite the numerous risks and challenges that confront the marine and aviation insurance industries in Nigeria, Igbiti believes that these industries can and will

continue to thrive with the right strategies and support. In his address, he outlined a number of steps that could be taken to strengthen the industries, including improving the security situation at Nigerian ports, increasing insurance penetration in the maritime and aviation sectors, and investing in training and development for insurance professionals. He also called for greater cooperation between the government, the insurance sector, and other stakeholders to promote the growth of the industries.

Igbiti highlighted the vital role that marine and aviation insurers play in providing financial protection against the inherent risks of these industries. He noted that insurance policies are not

just a means of risk management but are also essential for maintaining safety and sustainability in the maritime and aviation sectors. He explained that by providing financial security in the event of an accident or disaster, insurance policies help to prevent economic damage and allow businesses to continue operating. In this way, insurers are not only protecting the financial interests of their clients but also contributing to the safety of the entire global economy. Reflecting on the state of the marine insurance sector, the CIIN president drew attention to the many risks and challenges that marine insurers face on a daily basis. He noted that the constantly shifting trade policies of nations, the prevalence of piracy in some regions,

and the growing risk of environmental disasters are just some of the factors that marine insurers must navigate. He stressed that in the face of these challenges, marine insurers must continue to adapt and innovate in order to ensure that their policies remain relevant and effective. "On the aviation front, our skies are busier than ever. As the demand for air transport rises hand in hand with technological advancements, the onus lies on us to develop insurance products that not only meet the needs of today but also anticipate the demands of tomorrow. Each vessel that embarks upon the waters, each aircraft that takes to the skies, carries with it the aspirations of Nigeria. They carry our people, our goods, our hopes – and with each

journey, they carry the trust that we, as insurers, have done our utmost to protect those aspirations from harm," he stated.

In order to meet the challenges facing marine and aviation insurance in Nigeria, the insurance expert outlined a number of steps that practitioners in the sector must take. First, he called for the strengthening of risk management practices to ensure that policies are better able to address the evolving risks of the sector. He also stressed the importance of leveraging technology to improve efficiency and accuracy, and he urged insurers to engage in dialogue with regulators to ensure that policies are compliant with changing regulations.

In addition, he underscored the importance of investing in training and development to ensure that the workforce is equipped with the skills and knowledge needed to navigate the modern insurance landscape.

In his closing remarks, Igbiti stressed the need for action to be taken in order to safeguard the future of marine and aviation insurance in Nigeria. He noted that the continued growth and resilience of these industries is essential for the country's economic development and that by implementing the right policies and programmes, a more secure future for these sectors can be achieved. He also called for a concerted effort from all stakeholders, including the government, insurers, and the public, to ensure that the marine and aviation insurance industries remain strong and vibrant in the years to come.

## AXA Mansard to empower 200 women-led SMEs with skills

AXA MANSARD NIGERIA, a member of the AXA Group, an insurance and asset management company, has launched a new initiative aimed at empowering 200 female-led Small and Medium Enterprises (SMEs) with financial literacy and digital business skills.

The programme, which is part of the company's broader commitment to supporting women's economic empowerment and advancing gender equality in business,

is designed to help female entrepreneurs build the skills and knowledge they need to grow and sustain their businesses in today's increasingly digital world.

Olusesan Ogunyoo, the head of marketing at AXA Mansard, stated that the programme's goal is to equip female SME owners with the necessary skills to improve their business performance and take advantage of the growing economic opportunities available in today's increasingly digital environment.

"For us at AXA Mansard, we are aware that digital will play a major role in unlocking these current opportunities and Nigeria's economic future. So, to ensure that women are equally represented in unlocking these future potentials, that's why we have collaborated with SME 100 Africa to support them in developing the required skills," he said.

According to Ogunyoo, the new initiative is in line with AXA Mansard's sustainability agenda, which is rooted in the company's be-

lief that women play a vital role in driving progress. He added that AXA Mansard is committed to supporting women through its inclusive protection programs and that this is an essential part of the company's mission to become more than just a payer of claims but a true partner in protecting what matters most.

"It's almost trite to say that SMEs are the engine for economic growth, especially in developing countries like Nigeria, where over 45 million adults are business owners.

What needs to be continually discussed is how Nigeria is going to unlock that potential for economic development and how much of that potential will be unlocked by women and for women," he said.

The marketing head further explained the reasoning behind the focus on digital and financial literacy skills, saying, "Our choice of digital and financial literacy skills is deliberate. We understand the power of the duo. We understand that helping these SMEs with the skills to at-

tract more customers will be a faster means to empower them.

"We see that they have amazing products and services, but they need to understand how to attract value for themselves by attracting the right customers, and you will agree with me that virtually all customer segments are online in one way or another today. So, if we can empower them with digital business skills, we would have helped them with the heavy lifting of trying to find and attract customers," Ogunyoo said.



## STRATEGY

CHENGYI  
LINAffiliate Professor  
of Strategy

**H**OW CHINA'S ELECTRIC vehicle sector drove to the front of the pack.

When it comes to the electric vehicle (EV) market, China is leading the charge ahead of traditional automotive juggernauts like Germany and Japan. The country's new EV sales grew by 82 percent in 2022, comprising nearly 60 percent of global EV purchases. This greatly surpasses that of the United States, Norway and other Scandinavian nations that were early adopters of EVs.

According to a report by the International Energy Agency, over half the electric cars on roads worldwide are found in China. The country also accounted for 35 percent of global electric car exports in 2022. Indeed, Chinese EV giant BYD sold more EVs than Tesla in the fourth quarter of 2023 and reported a 62 percent increase in EV sales for the year, while fellow automaker Geely experienced an uptick of 18 percent.

How did China get to this point? What did Chinese automakers do differently, and what can companies looking to scale up their innovations learn from this approach? A sizeable internal market and favourable government policies set the stage for this speedy rise. However, other nations have implemented similar policies, yet haven't been as effective in accelerating market adoption.

Here are three key lessons from the growth of China's EV sector. They revolve around identifying opportunities in adjacent industries, encouraging operational solutions and doubling down on core technology.

**1. Identify opportunities in adjacent industries**

China began its EV drive later than the US. Although

# Chinese Automakers' Secret to Scaling Up Electric Vehicles

both countries had similar policies to incentivise companies and consumers, Chinese companies did not play the game directly.

Tesla pursued a "big banner" approach, with CEO Elon Musk leveraging the media to establish the brand as an EV pioneer. This strategy facilitated Tesla's entry into the California market and the swift development of a robust national and global fanbase. In contrast, Chinese automakers BYD and Geely adopted a more discreet approach. They flew under the radar, conducting quiet experiments during their early stages.

They kickstarted their EV development by focusing on adjacent industries – namely, electric buses and motorcycles – instead of targeting the automotive industry head-on. These vehicles may be less visible than cars, yet they present unique challenges that are ripe for automakers to address and helped both brands fuel their EV manufacturing strategies.

For instance, buses are heavier and carry more passengers than commercial sedans. Additionally, most buses run for about 18 hours each day, meaning they have greater battery power and storage requirements. More powerful batteries also take longer to charge.

By targeting this adjacent industry, BYD began pushing the boundaries of battery technology as early as 2009. It then used electric buses as its entry product into North American markets. It began by selling electric buses as fleet vehicles in 2013, eventually supplying them to the Los Angeles Metro system. BYD electric buses are now prevalent in South American markets.

Geely operates within another adjacent industry that presents different challenges: motorbikes, which require lighter and more portable batteries than cars. Experimenting in this area allowed the company to become a leading producer of battery technology.

By taking an indirect path, BYD and Geely innovated on

the two extreme ends of battery technology, which is core to EV production.

**2. Encourage operational solutions**

Another reason for the success of China's EV market is that early innovators – including BYD and Geely – collaborated with local groups to overcome operational hurdles. Government policy may accelerate the adoption of new technologies, but it does not solve existing operational challenges and often introduces new ones.

For instance, many European countries, such as the Netherlands, were quick to implement various registration tax incentives and rebates in order to encourage EV adoption. But research found that interest in purchasing full EVs remained very low among taxi drivers. A possible explanation could be the operational challenges of full EVs, which include the short driving range and long charging time. These concerns have tended to overshadow the environmental benefits and other strengths of EVs, like having a quieter engine and not requiring regular oil or battery changes.

How did China overcome these operational hurdles? A similar policy was established by the Chinese government in 2009. It offered subsidies for the purchase of hybrid and full EVs as well as buses across 10 cities, including Beijing and Xi'an. Beyond this, Chinese EV brands worked closely with taxi companies to devise operational solutions that would improve core battery technologies. As an example, EV companies didn't merely map out the locations for charging stations, but also tested various scheduling options for battery charging that matched the current performance level of fully electric and hybrid vehicles.

EVs equipped with the best battery technology can run for up to eight hours in the inner city. In China, taxi companies operating electric or hybrid vehicles typically have two fleets of cars – one for morning and one for evening. The morning

shift typically ends around 6 pm to 7 pm, after the workday but before the rush of people heading out for the evening. This enables the morning fleet to be charged after 8 pm, avoiding the window of heavy industrial power consumption. The evening fleet returns for charging around 2 am to 3 am, which also falls within the period of lower power consumption for a city's grid.

This new schedule, designed jointly by Chinese EV automakers and taxi companies, not only addresses the battery constraints of EVs, but also helps reduce the pressure on and flatten the consumption curve of a city's power grid.

**3. Double down on core technology**

Historically, European and American automakers have had a strong foothold on the core technology for combustion engines. The Chinese automotive industry fell significantly behind both regions, as well as Japan, in this area. But in 2002, Chinese automakers estimated that battery costs would make up between 30 to 40 percent of the total manufacturing cost of a fully electric vehicle. This meant that there was a window of opportunity for newcomers to leapfrog the competition by focusing on the technology that powers this central component.

Chinese companies collaborated broadly – with other automakers and technology companies – to strengthen their capabilities in terms of EV manufacturing. For instance, at the beginning of its EV journey, BYD shifted from manufacturing mobile phone batteries (it supplied both Nokia and Motorola) to making automotive batteries through Yadi Electronics, now part of BYD. Additionally, it set up a new automotive division in 2002 by acquiring Qinchuan Machinery Works, a small car manufacturing company.

BYD then collaborated with powerhouses Daimler and Toyota to gain knowledge on EV manufacturing in exchange for sharing its own insights into battery manu-

facturing technologies. The company works closely with Foshan Plastics Group on optoelectronics (electronic sensors that detect and control lights). BYD has also partnered with Chinese tech behemoth Baidu to scale up the software capability and service capacity of its EVs for the mass market, including equipping BYD EVs with Baidu Map and intelligent driving software.

Similarly, Geely leapt at the chance to set up an ecosystem encompassing everything from low-orbit satellites to smart hardware to collect and monitor data to help improve EV battery performance. It partnered with Baidu, which builds the cloud-based software that controls its vehicles, on a joint venture (Jidu Auto) that aims to produce intelligent EVs.

Acquisitions also formed a key component of Geely's strategy. It acquired Australian automatic transmission manufacturer Drivetrain Systems International – which supplies the likes of Chrysler, Maserati and Ford, among others – as well as Volvo, Lotus and other automakers. Additionally, Geely has partnered with five more automakers on other joint ventures.

Crucially, Chinese EV players enjoy proximity to many critical raw material supplies, including 70 percent of the global production of rare earth elements – central components for battery production. This means that Chinese battery companies hold a pivotal position in the supply chain, granting them strategic advantages for innovating new battery technologies and leverage in negotiations with suppliers beyond batteries.

Through these partnerships and acquisitions, Chinese automakers have supercharged their development of peripheral components for EVs and accelerated their go-to-market speed. This approach to ecosystem building allowed BYD and Geely to orchestrate complementary assets quickly and effectively around their core focus – battery technologies. This facilitated their rise as two of

China's leading EV manufacturers.

**What's next for China's booming EV industry?**

Chinese companies have fuelled the acceleration of their country's EV sector and have developed a deep understanding of what is needed to move the industry forward. Meanwhile, despite rising EV adoption, European automakers seem to have a hard time transitioning from internal combustion engine (ICE) cars to a more balanced portfolio of ICE, hybrid and EV. A leading automotive executive attending one of my classes even commented, "Our only job is to deliver our quarterly sales numbers [of traditional cars]. Someone else is dealing with innovation and mobility in the headquarters somewhere."

Looking ahead, the next challenge for Chinese EV companies is global expansion. However, having the core ingredients – strong battery technology, a firm hold over the battery supply chain and operational advantages – doesn't guarantee they will remain a market leader in EV production.

Ultimate success lies beyond the product itself. Chinese EV companies need to repeat the same approach outlined above to learn about the global market – be it channels, competition, consumer behaviour or infrastructure. For instance, both the US and Europe are tightening EV subsidies to benefit only local manufacturers. Can Chinese EV companies build local manufacturing or assembly plants, too? What benefits would that bring?

Many European markets are still building charging infrastructures. Can Chinese EV companies effectively participate in this process? Tesla, for example, had to collaborate with local body shops in France for EV repairs. Can Chinese EV companies build post-sales service networks in the US and European markets? Experimenting with more operational solutions will surely help China drive EV adoption even further.

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**LEADERSHIP & ORGANISATIONS****N. CRAIG SMITH***Senior Affiliate Professor of  
Ethics and Social Responsibility*

**W**HEN COMPANIES HAVE a responsibility to speak out on politics.

Earlier this year, Christian Sewing, CEO of Deutsche Bank, chose the bank's annual reception in Berlin to speak out about the threat right-wing extremism poses for the bank's investors. Sewing is not a lone voice on this. Numerous companies and their CEOs have recently stepped forward to raise their concerns about growing right-wing extremism coordinated by the activities of the Alternative for Germany (AfD) party. They see the negative impacts that AfD's proposed policies, relating to migration, the European Union and man-made climate change, could have for the German economy.

The bigger question may not be whether right-wing politics really is bad for business, but rather if Deutsche Bank and other firms should be getting involved in politics at all.

**A moral responsibility?**

There is an increasing expectation that firms and their CEOs should have a positive impact on society. The 2024 Edelman Trust Barometer, based on 32,000 respondents in 28 countries, indicates that 62 percent of people expect CEOs to manage changes occurring in society, not just changes in their business. Companies and their leaders are increasingly called upon to reflect on their role as a socio-political actor and consider making this an integral part of corporate policy.

The rise of right-wing extremism in Germany and elsewhere might present a case where companies as corporate citizens (or corporate citizens) have a responsibility to protect the free and open society.

One might argue that business leaders, even in a functionally differentiated society, are not solely committed to their professional role, just as bureaucrats are not merely the recipients and processors of instructions. In Germany and elsewhere, every bureaucrat, every manager, every entrepreneur is



## Business and Politics Should Never Mix – Or Should They?

also – or above all – a citizen of a “republican state”, where political participation, public accountability and commitment to the rule of law are paramount.

As such, they can be expected to get involved. To paraphrase the eminent sociologist Ralf Dahrendorf: Citizens must open their mouths and speak out, aware of the great privilege of living in a democracy. A democracy needs vigilant citizens who are on their guard and prepared to make their voices heard when a crisis in liberal democracy becomes apparent. It is not possible without vigilant democrats.

**Addressing economic realities**

But aside from any moral question, there is also a simpler economic reality. One of the central achievements of Germany after the Second World War has been the creation of the social market economy. This particular form of capitalism requires a democratic constitution, with respective rights for its citizens and a pluralistic setting. The liberal democracy and the social market economy are interdependent. If one of these pillars is in danger, the other will also falter.

The potential consequences of populists and extremists assuming power can be observed in Hungary and Poland. Here, governments have completely altered the rules of the game, with the specific aim of weakening checks and balances to remain in power. These structural changes generate long-term politi-

cal risks – and companies cannot be interested in such uncertainty.

While German business leaders do sometimes refer to these long-term political and economic risks, their immediate fear is that right-wing extremists will poison the image of Germany as an attractive place to work. The German Economic Institute recently calculated that the country is already short of more than 500,000 skilled workers – an issue that looks set to persist given the country's unfavourable demographic trends.

**When to act**

The situation in Germany is certainly not the first instance of companies publicly taking a side in political debate. The Russian invasion of Ukraine led many firms to take a stand. But there are also plenty of firms who continue to operate in countries with autocratic leaders and a devastating human rights situation.

So, when should firms decide to make public comments on political issues? Even if every single, uncontradicted, inhumane statement from a right-wing extremist is one too many, managers cannot (and perhaps should not) constantly interfere in day-to-day politics. It would overwhelm them and their voices, lost in the general cacophony, would become less impactful.

Returning to the situation in Germany, some felt that business circles remained strangely quiet for too long. Companies only really spoke up following reports in January 2024 of a

big gathering of right-wing extremists that was attended by AfD and conservative politicians, as well as some businesspeople. The meeting included discussion of plans for the mass deportation of citizens of foreign origin, sparking widespread public protests against right-wing policies.

What has prompted the sudden commitment of many business leaders to combat right-wing extremism? Is this just a realisation that recent events marked the crossing of a line and now is the time to protect liberal democracy and vital business interests? Or, more cynically, is it simply that the groundswell of public opinion has led companies to decide that public statements are a good PR move that will resonate well with their stakeholders?

Considering when and how to act in relation to a specific social or political issue needs proper consideration. As discussed in earlier work, examining the challenges the issue poses to corporate values and economic performance can allow a firm to take a more strategic approach to this difficult decision.

If the issue is in strong opposition to the company's values, there is likely a need to take a powerful and principled vocal stand (e.g. Microsoft speaking out against the immigration policies of the Trump administration). If it is having a negative impact on the bottom line, then it might make sense to adopt a more pragmatic attitude as a basis for speaking up to protect company interests (e.g. Ryanair speak-

ing out against Brexit). If neither, then perhaps this is not a fight that the company should be getting involved with.

In Germany today, we would argue that the time has surely come for companies like Deutsche Bank, which can wield great influence, to directly confront extremists publicly and through their networks.

**Political perils**

However, there is a strong counterargument to all the above. Some feel that it's simply not legitimate (and may even be dangerous) for companies to engage on social and political issues. CEOs have not been democratically elected to lead society and are primarily accountable to their board of directors and shareholders.

Companies, like politicians, can (and do) take positions that could be deemed as questionable: from supporting the death penalty to advocating against abortion and same-sex relationships or denying man-made climate change.

What's more, taking strong political positions can also have negative economic impacts for companies. Publicly campaigning against extremists and populists can backfire, especially if those individuals attain positions of power – just ask any Russian businessperson who tried to oppose Vladimir Putin.

We've also seen that populists in Hungary, Poland and the United States were quick to take revenge on their political opponents by indulging in blatant cli-

entelism when they came to power. Politically like-minded companies were rewarded with contracts, while opponents were hindered by, among other things, one-sided regulations. How loudly will US companies protest controversial Republican policies on trade, foreign policy, immigration and the environment, for example, knowing that Trump has a good chance of regaining the White House this year?

On a more basic level, while taking a stand might be welcomed by some consumers, there is also the potential to alienate others. In the same vein, it might lead to issues among employees. Although reinforcing a commitment to certain values can help strengthen staff loyalty to the firm, and even attract potential new employees, it can also have the opposite effect. This happened at Volvo Poland when it was involved in promoting pro-LGBTQ+ values in the factory, leading to serious and divisive disagreements amongst the workforce.

Some economists claim that, in an ideal world, firms should be free to focus on the business of business and stay out of the political sphere. However, in a world of dramatic geopolitical changes, where the climate crisis, social inequality and economic migration are all set to have a major impact on both business and society, this would seem to no longer be an option.

With 49 percent of the global population in 64 countries going to the ballot box this year, politics is going to be hard to avoid. Knowing when to take a stand and when to stay silent will be an essential skill for CEOs and businesses around the world.







## MARKETING



JONAH BERGER

Associate Professor of Marketing

**W**HARTON MARKETING professor Jonah Berger's latest co-authored research focuses on storytelling. His paper is titled, "Seeing Your Life's Story as a Hero's Journey Can Increase Meaning in Life." It explains how people can find well-being and resilience by reflecting on the important elements in their lives and connecting them to a coherent and compelling narrative.

## What Is a Hero's Journey?

**Angie Basiouny:** In your paper, you have this great quote, "People's minds are made for narratives." I love that. I think that's why we all love a good story, a good biopic. Explain what this research is about.

**Jonah Berger:** First, it might be worth talking about what a hero's journey is. If you've ever watched a famous movie like Star Wars or Harry Potter, you're probably familiar with this old idea of a hero's journey, which is there's some sort of protagonist — maybe it's Luke Skywalker, maybe it's Harry Potter, maybe it's someone else. They go through a journey to reach some outcome at the end, right? There's a shift in their lives. Things start ordinary, and then suddenly they become extraordinary. They go on a quest. They meet allies or friends along the way. Think about Yoda or Hermione and others. They deal with some challenge. There's some foe or enemy they must overcome. They undergo some transformation, where they change, and eventually they have a positive outcome at the end.

Things like a hero's journey makes stories really engaging, right? They make movies fun to watch. They make books fun to read. But we wondered whether beyond making other stories more engaging, the idea of a hero's journey might also be useful in people's personal lives as well.

## How to Live a More Meaningful Life by Shifting Your Perspective

**Basiouny:** How did you go about studying this?

## Want to Live a Meaningful Life? Be the Hero of Your Story

*Wharton's Jonah Berger explains how people can find meaning and resilience by making themselves the hero of their own story.*

**Berger:** First, we quantified what a hero's journey is. We looked at a variety of types of stories and content to figure out what the key dimensions are. They're some of the things I talked about before: There needs to be a protagonist, that proverbial hero in that hero's journey. There needs to be some sort of shift of going from daily life and ordinary things to something more unusual happening. There needs to be some sort of quest or goal. Along the way, the hero needs to overcome something. There needs to be barriers or challenges, whether a villain, or connecting with someone else, or creative problem-solving. Often, they meet allies along the way. Often, there's some sort of transformation and positive outcome.

Then we said, "OK, now that we understand what hero's journeys are, can we use this template to help people?" We started by looking at a natural study of existing stories and meaning in life. We looked at hundreds of different people and measured how they saw their lives. We asked them to write the story of their lives, and measured whether they tended to see their lives as a hero's journey? Then we looked at how meaningful they saw their lives. Looking back on what they had done so far, and what they had overcome, how meaningful their life had been. It turned out that people who saw their lives as more of a hero's journey tended to find their lives more meaningful.

This was intriguing, but one could wonder whether something else is driving the results. So, we wondered, "Could we encourage people to see their lives as a hero's journey? And in so doing, help them make their own lives seem more meaningful?"

We prompted people to reflect on important elements of their lives and connect them into a compelling and coherent narrative. We gave them this idea of a hero's journey and encouraged them to see their lives along those lines. What we found is, sure enough, doing that for one set of people made them see their lives as more meaningful. Taking the same life but organizing it in that way. Rather than seeing it as a random set of things that occurred over



time, really seeing it as a hero's journey made one's life more meaningful. And that can be both in our personal or professional lives. Seeing your work life, seeing your resume, for example, not just as a bunch of different jobs over time. But thinking about, what's the journey you've been on? What are some of the challenges you've had to overcome? What is that quest or goal you're hoping to achieve? Who are some of the allies that you've met along the way? How have you been transformed by that process?"

All of those characteristics that make hero's journeys so engaging to listen to as stories also make our own journeys seem more meaningful. They also help us be more resilient. Folks who were encouraged to see one's life as a hero's journey, or one's work life as a hero's journey, ended up more resilient. I think this has some important implications both for our personal and our professional lives.

**Basiouny:** What's the biggest takeaway from this research? I almost feel like there's a component of self-confidence that comes along when you rewrite or shift your own narrative.

**Berger:** I think the biggest takeaway is this: Our lives are what our lives are. Our work journeys, our work experiences, have been what they are. We can't change what they've been. But we can change how we see them. We can change how we organize them. We can change how we think about them.

Seeing our lives as that journey, organizing it in that way, recognizing those

challenges that we've overcome and those barriers that we've dealt with, the ways that we've been transformed — seeing our lives in that way can impact how we feel and how resilient we are. Stories aren't just fun and interesting and engaging. They also have important implications for how we see ourselves, and how we may perform in the future.

## How Marketers Can Leverage the Hero's Journey

**Basiouny:** This research fits squarely into social psychology. Can you translate how people can use this information in a business context?

**Berger:** First, just from a personal well-being standpoint, seeing our lives as these journeys can have a beneficial impact. They can help us see our own lives as more meaningful.

Second, we should think about how we pitch ourselves, how we tell our own stories. There's been a lot of interest in the past few years in the idea of narratives and telling our story with the advent and growth of social media. More people are online, dripping details of their life out on a moment-to-moment, or daily or weekly or monthly basis. But in dripping out those moments, in talking about what's happening to us, we have the ability to shape that narrative, both when we post on social media, but also when we go in for an interview, for example. What should we talk about? How should we frame our experience? And how might the way we tell our story shape how we are perceived?

When we're in an interview and someone asks us about our work experience, not just saying, "Well, I worked here and there and this other place," but really talking about it as a journey. Helping the listener see what quest were we on. What did we overcome? What challenges did we deal with? How have we been transformed by that process? Organizing in that coherent and engaging narrative will not only be fun to listen to but will increase our likelihood of getting that job.

Marketers are also telling narratives, but there are different ways companies can talk about the role of products and services in those narratives.

A couple of years ago, I was working with a multinational consumer packaged goods company, and they had a campaign in the developing world where people could buy their product and be entered in a chance to win a college scholarship.

This program was doing a lot of social good, but it wasn't getting a lot of word of mouth, so the company reached out for help. The couple of people that win the scholarship, they're excited and tell others. But most people didn't win the prize, so how could we get them more engaged? We analyzed this program in terms of a hero's journey, and realized a problem. The hero was the company not the consumer. The consumer had a challenge they wanted to overcome and buying something from the company could help them solve it. But if the company is the hero, that doesn't really make people want to talk about it.

So we changed the narrative. Rather than making the company the hero — the sword that slays the dragon in this hero's journey — we made the customer the hero. By nominating or voting on who should get the scholarship, more people have a role in the narrative, and are more likely to talk about it as a result. The company's still there. The company is helping. But the consumer is the hero. By seeing the program as a hero's journey, we made it more effective.

**Basiouny:** You're pulling the audience or the

consumer into the story and making them a part of it, which would ultimately make it more effective for the marketing.

**Berger:** Certainly. We often have to think of who is a hero in the hero's journey, and who is the villain? The more we can make consumers the hero, the more engaging it will be.

## Can the Hero's Journey Boost Your Interviewing Skills?

**Basiouny:** When you were speaking earlier about management and interviewing, it made me think about these very common interview questions when people apply for a job. "Tell me about a problem that you solved at work?" Or, "Tell me about your conflict-resolution skills?" If you think about your hero's journey, you can come up with better answers during an interview.

**Berger:** Yes, certainly. Rather than the answer seeming like individual examples of things that don't fit together, you can make it more of a common thread. What is the story you want to tell about yourself? What is the hero's journey you're on? What is the transformation you've already had, and what's the quest you'd like to be on in the future? And how does this new role help you in that journey?

Rather than, "Oh, here's a thing that happened to me," the more it's part of a cohesive narrative that showcases how you've overcome things in the past and been transformed, and how you're likely to do that in the future, the more engaging it will be for the audience and the more impactful it will be.





## TECHNOLOGY



**PRASANNA  
TAMBE**

Associate Professor of  
Operations, Informa-  
tion and Decisions

# How Early Adopters of Gen AI Are Gaining Efficiencies

*Enterprises are seeing gains from generative AI in productivity and strategic planning, according to speakers at a recent Wharton conference.*

**G**ENERATIVE AI CAN affect managerial decision-making in “a transformative way” by boosting value generation, according to Prasanna (Sonny) Tambe, Wharton professor of operations, information and decisions. Tambe is also faculty co-director of AI at Wharton, which fosters AI activities across the University of Pennsylvania. He was speaking at a conference hosted jointly by Wharton’s Mack Institute for Innovation Management and AI at Wharton in November 2023, titled “Driving Innovation with Generative AI: Strategies and Execution.”

Its unique strengths in translation, summation, and content generation are especially useful in processing unstructured data. Some 80% of all new data in enterprises is unstructured, he noted, citing research firm Gartner. Very little of that unstructured data that resides in places like emails “is used effectively at the point of decision making,” he noted. “[With gen AI], we have a real opportunity” to garner new insights from all the information that resides in emails, team communication platforms like Slack, and agile project management tools like Jira, he said.

Those insights will be helpful in a variety of ways, such as more accurately predicting delivery times for say, software development projects, Tambe said. In recent work, he and his research colleagues found “enormous potential” in one specific use case, where they processed raw patent texts and gained more accurate “blue-ocean” insights than was previously possible. They brought a superior understanding of “where firms are innovating, and where there’s room for an entry-level firm to innovate,” he added.

“With generative AI, one important use case is to take these millions of documents in any context and try to boil them down into a small set of factors that managers can understand,” Tambe said. “Generative AI tools can be used to create intuitive answers to questions, and

the technology is better at representing ideas in a way that’s intuitive for people to understand.”

For enterprises, gen AI’s power in providing personalized learning will “fundamentally allow people to learn on their own terms, and meet them where they are,” said Scott Snyder, a senior fellow at the Mack Institute and chief digital officer at EVERSANA, a provider of commercialization services to the life sciences industry. He shared those perspectives as he moderated a conference panel that delved into how businesses can leverage large language models (LLMs) using their proprietary data for training and fine-tuning commercial and open-source foundation models.

“As a digital leader, you’re always looking for the burning platform, and we had it handed to us with the pandemic,” Snyder said. “It forced us all to operate completely differently as companies. All of a sudden we were distributed virtual companies.”

“I see gen AI as the same kind of burning platform,” Snyder noted. “In fact, it’s caught the attention of executives like nothing I’ve ever seen. Eighty percent of executives surveyed now say this will impact their company and industries significantly, but only about 50% think they have the capabilities to fully realize its potential; 92% of Fortune 500 companies are doing something or building something with OpenAI’s ChatGPT. Now everybody is a data scientist in some ways.”

## Gains in Strategic Planning and Customer Service

Gen AI can help enterprises become more efficient strategic planning in new ways. Gen AI’s ability to process millions of text documents also helps identify “actionable factors” for organizations, Tambe noted. For instance, it could help companies analyze competition dynamics in their industries and plan on allocating their resources and investing, said he said. Or, it could find uses in performance reviews and instilling cor-

porate culture.

“If you want to take 30,000 performance reviews every year over 10 years and boil it down to a small number of factors that people most care about at your company, such as culture or fairness, what are those few things?” he asked. “How can you boil information from say, thousands of customer service conversations, down into an actionable number of factors? Gen AI can help us distill all that data and represent it back to decision-makers in a way that they can start to act on it.”

Enterprise-level learning is another area where gen AI has big promise. Chris Callison-Burch, professor of computer and information science at the University of Pennsylvania said, “These pre-trained models can do amazing work with learning.” As it happens, his research areas include natural language processing, from where sprung large language models.

Callison-Burch pointed in particular to a feature called RAG, or “retrieval augmented generation,” which allows users to post web queries to retrieve information and summarize it. Enterprises could also use that tool to upload their internal documents and index them for retrieval via semantic search. “Those are super exciting,” he said.

## A Measured Adoption Curve

Businesses are not rushing in to use gen AI, and their adoption curve is dictated by the risk sensitivity of their activities, among other factors. Avi Patel, chief marketing officer and chief data scientist at Fulton Bank, said companies are experimenting with gen AI, but at a measured pace. “Companies should stay current with gen AI and learn what works and what doesn’t work for them.”

In especially tightly regulated industries, companies will try out gen AI based on the risk sensitivity of their activities, Patel continued. For instance, they might begin by experimenting with gen AI in relatively lower-risk tasks

such as document summarization, which would enable their teams to be more effective in their daily jobs, he said. One concern would be the risk of sensitive documents getting leaked out in the process of summarization with third-party tools, he explained.

Other early adopters of gen AI are focusing initially on activities with low complexity, such as Automation Anywhere, which provides automation services to businesses. Tejasvi Devaru, vice president of business applications and data at the firm, is encouraged by some early success with gen AI. His firm had rolled out more than 20 use cases in the six months prior to the conference. In one case involving robotic process automation in the customer service area, his firm was able to automate 60% to 65% of workflows, which freed up the team to focus on escalated emails and provide better customer service. That amounted to savings of nearly 10,000 hours, he said.

In another instance, Devaru’s team tapped GPT to extract specific information from purchase orders to ensure accuracy between sales orders and customer purchase orders. It allowed them to extract “structured information from unstructured documents such as purchase orders,” he said, noting that it was challenging to sift through product information and other details for more than 20,000 purchase contracts with each customer having a different format. Traditional methods were too expensive or time consuming. Devaru’s team is using GPT to process information for about 80% of the purchase contracts, which happen to be relatively less complex. But that shift to GPT is already making a big impact in improving cash flows by about \$850,000, he said.

Automation Anywhere is counting gains also in its customer service “deflection rate,” which is a measure of customer support requests that are resolved through self-service mechanisms like chatbots and tutorials, without human intervention. “Right

now we have a 30% deflection rate, and we want to increase that to 60%,” Devaru said.

One big challenge for users of gen AI is its so-called “hallucination” problem, where inadequately trained data can produce output that is inaccurate or biased, and does not match real-world settings. “It becomes a problem if you want to solve a business case that requires higher accuracy, and having a human-in-the loop in these scenarios is useful,” said Devaru.

## Early Questions Facing Gen AI Users

Businesses that want to use gen AI will necessarily have to make some choices based on their specific requirements, Devaru noted. One is to pick the technology that works for them from among the roughly 17,000 large language models that currently exist; ChatGPT is only one of those. “We need to think about what the business use case is and which language model to use for that,” he said. Some, like Google’s Bard, are especially useful in dealing with security threats, while others like OpenAI Ada are good at summarizing documents, he added.

Another question for business users is to decide whether they should use a public model like ChatGPT that is on the cloud versus using an in-house model. Even if a company were to use a public model, it could incorporate security features such as ensuring that its proprietary data is not used by its gen AI provider to train language models, or anonymizing its information before sending it to the gen AI provider, Devaru said.

As companies get more and more comfortable with gen AI and begin to see tangible gains, they would use the technology for higher-level or more sensitive activities. “[For now], companies are likely to think about very, very low-risk items,” Patel said. “But the biggest impact will be when companies use their tabular data and the power of context learning in large language mod-

els to understand risks relating to customers, or their likelihood of purchasing the next product,” he added.

Another gen AI feature that Devaru is excited about is the ability to translate from conversation or text to SQL (structured query language), which allows access to databases. “The use case that we are thinking about is exposing a conversational user interface to our leaders where they could get responses to questions like ‘What’s our sales data for the last quarter? Or what are our biggest deals in a quarter? How is it trending?’” he said. “That’s the power we want to unlock.”

Snyder, whose company EVERSANA is in the life sciences industry, sees even bigger possibilities ahead. “There are so many that I get excited about, like giving a voice back to people that have lost it because you can now generate it from their previous history and conversations. Or sight,” he said.

“Ultimately, I think of AI not as artificial intelligence, but augmented intelligence,” Snyder said. “It’s about marrying the AI and the humans, and the companies that figure out how to unlock that are going to get there the fastest.”







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LASACO	2	2	-	-	2	0		389,185	788,828.40
MANSARD	5.29	5.29	5.1	5.1	5.1	-3.29		433,373	2,256,553.65
MBENEFIT	0.59	0.59	0.62	0.6	0.6	1.69		1,925,760	1,178,560.20
NEM	6.65	6.65	-	-	6.65	0		448,959	2,877,291.40



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

Cynthia Ezekwe

THE NIGERIAN pension industry has seen a significant increase in assets under management, reaching N19.5 trillion in January 2024, a significant rise from the N18.36 trillion recorded at the end of December 2023.

According to a recently released unaudited report by the National Pension Commission (PenCom), the growth in pension fund assets was driven by foreign exchange-dominated investments by Closed Pension Fund Administrators (CPFAs) and existing schemes. It was further noted that N12.14 trillion of the fund was invested in federal government securities, out of which N11.59 trillion was invested in bonds while N221.81 billion was invested in treasury bills.

A more detailed breakdown of the report showed that the fund's investments included N14.86 billion in agency bonds, N124.89 billion in sukuk bonds, and N181.57 billion in green bonds. In addition, N270 billion was invested in state government securities, and N1.71 trillion was invested in money market instruments. Additionally, the report in-

## Govt assets steal PFAs' attention as pension fund top N19.53trn

- N1.2trn January rise significant
- But FX investments by CPFAs key drivers



Abba Bello (third left), managing director/CEO, Nigerian Export Import Bank (NEXIM), receiving an award of excellence from Stella Okotete (middle), executive director of business development, NEXIM, supported by other members, during the 2024 International Women's Day celebration in Abuja, recently

dicated that the fund assets in United States Dollars were valued at N14.39 billion, at an exchange rate of N1,356 per US dollar.

The commission's report disclosed that as of November 2023, the total number of Retirement Savings Account (RSA) subscribers stood at

10.22 million. In addition, the report indicated that existing schemes had a net assets value of N2.02 trillion in November, which rose to N2.10 trillion in December, representing an increase of N82.54 billion. The following month, January 2024, saw the net assets value

of existing schemes reach N2.21 trillion, an increase of N104.78 billion from the previous month.

In addition to the growth of the existing schemes, the CPFAs also saw a significant increase in net assets value over the same period. In November 2023, the net as-

sets value of the CPFAs was N1.79 trillion, rising to N1.94 trillion in December, representing a growth of N145.82 billion. The following month, January 2024, saw the CPFAs' net assets value increase to N2.49 trillion, an increase of N552.15 billion from the previous month.

PenCom noted that pension schemes operating in the private sector prior to the introduction of the Contributory Pension Scheme in June 2004 were allowed to continue operating under the oversight of commission, subject to its guidelines. The CPFAs typically operate as defined benefit schemes, with the sponsor companies providing a guarantee to cover any funding deficit. This ensures that the pensioners are protected in the event that the fund is unable to meet its obligations.

To be eligible for a CPFA licence, companies must have operated a fully funded existing pension scheme with assets worth at least N500 million. In addition, they must demonstrate the capacity to manage pension fund assets and show that

they have effectively managed their pension scheme for at least five years prior to the start of the CPS. These requirements ensure that only companies with the necessary experience and expertise are able to manage pension funds in Nigeria.

According to PenCom's unaudited financials, the massive growth is attributed to several factors, including new pension contributions received, interest earned on fixed income securities, and net realised gains on equities and mutual fund investments. PenCom spokesperson, Ibrahim Buwai, further explained that the growth was driven by a number of factors, including the increase in foreign exchange rates.

Oguche Agudah, chief executive officer of the Pension Fund Operators Association of Nigeria (PenOp), also highlighted the successful investments made by pension fund operators, which have resulted in healthy returns on investment. Agudah noted that the pension fund administrators would continue to explore new and viable investment options permitted under the law in order to further grow the assets and ensure that contributors receive good value for their investment.

### INSIDE INSURANCE



EKERETE OLAWOYE  
GAM-IKON, MNIM, CPP

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EVERY YEAR, SINCE 1910, we have been celebrating the International Women's Day and this year, the message is not different: Everybody should work to engender an environment where more women are given the opportunity to be relevant and contribute towards socio-economic development in our communities.

In my community - the insurance industry in Nigeria and Africa - our women have since proven that they can be relied upon for excellence, continuous improvement and impact!

They sit as CEOs and C-level executives in many lead-

## Can women #InspireInclusion in the insurance industry?

ing insurance companies in Nigeria and across Africa, and extensively influence decisions that have seen many young people rise to take up challenges that were hitherto reserved for highly experienced professionals of the other gender. Today, I see more women in the role of directing the general affairs of insurance professionals and insurance companies (including brokerage firms) in Nigeria and Africa. Interestingly, they combine brains and beauty, so you just cannot ignore them.

A day as this is dedicated to them for the many wins they continue to record and the ones we need to help them do from where we are. It is therefore my contribution and response to this year's Call to Action by the organisers of the International Women's Day, that I seek for inclusion of women within the insurance community in Nigeria thus:

1. National Insurance Commission (NAICOM) - The regulatory body will do better with the appointment of a Woman into its Executive Management Committee. Who knows, more women might decide to take up insurance policies if one of them is seen among the top echelon of NAICOM;

2. Board and Executive Management of Insurance Companies - More women should be appointed into key executive management roles in insurance companies especially the leading insurers in Nigeria. The industry will perform differently and in the right direction going by what we've seen the Professional Insurance Ladies do. Nothing says an insurance company cannot have three or four of them on the Board or in Executive Management besides injecting them as Company Secretaries and Legal Advisers;

3. Women-oriented Insurance Products - Are there insurance companies that have tailor-made products to address the specific needs of women? I haven't heard of any yet, and wonder what we are still waiting for given the high rate of maternal mortality during and after childbirth in our country. How many women even have insurance coverages? I am still working to get such data.

4. More regulation to ease the inclusion of women in insurance in Nigeria - I think this is the assignment I will call for most of our successful Professional Insurance Ladies to deliberately under-

take. They can influence and encourage more women to get into the C-level through ongoing efforts to reset the insurance industry to respond better to the changing behaviours of existing and potential insurance policyholders; and

5. Sustainable Development Goals (SDGs) - While it would seem easy to identify the Nine Goals that are insurance related, it is evident to me that our women will do a better job at connecting the insurance industry in Nigeria with those goals and vice versa. For example, Health Insurance would respond to the goal that relates to healthcare for children and the rest of us, and I will argue that the women will do better here than the menfolk.

This day will pass but we should not allow the import of the theme, #InspireInclusion to wane off especially as we engage with the insurance industry in Nigeria and Africa.

Next time I am buying an insurance policy, I'll check the percentage of women among the board, management and staff of the insurance company to ensure they are promoting gender-balance, otherwise I'll move on. Do the same because you want to #InspireInclusion!

I look forward to your comments and questions.

I remain...  
Assuredly Yours,

### ANALYST INSIGHT



CHUKWUMA  
ONONIWU

Chukwuma Ononiwu (FCILRM, Nig; FICRMP, U.K.), an alumnus of Abia State University and Lagos Business School Pan Atlantic University, is a consummate insurance broker, seasoned insurance consultant and digital insurance advocate. He can be reached on: riskswise@gmail.com and +234-903-596-8732 (text only).

LAST WEEK, I WROTE ON the above topic with particular reference to marine cargo insurance. This week my focus will be on marine hull insurance.

Marine hull insurance is the insurance of the vessel, its components, its equipment, etc. The classification of vessels is inclusive but not limited to: sailing vessels, ocean liners, ocean steamers, ocean tankers and risk fleet vessels. Going further, marine hull insurance covers the machinery of the vessel. Thus, it is also

## Proactively mitigating marine insurance claims challenges (2)

rightly titled marine hull and machinery insurance, as it covers the insurance of the hull and the insurance of the machinery of ocean-going vessels and other vessels, inclusive but not limited to barges, tankers and fishing vessels.

Marine hull insurance is further subdivided into the following: General cargo vessels; dry bulk carrier vessels, liquid bulk carrier vessels, offshore oil vessels, commercial passenger vessels, tourist vessels, etc.

The pro-active mitigation of marine hull and machinery claims challenges starts prior to the commencement of the insurance cover with the insurance broker, the insurance firm, the insurance firm's marine risk surveyor and the reinsurance firm having a detailed technical risk assessment meeting to dot the i's and to cross the t's.

The critical pre-requisites for issuance of insurance cover is inclusive but





# Focus of the week: MTN NIGERIA COMMUNICATIONS PLC - Topline maintains growth trajectory

MTNN'S FULL YEAR performance came in mixed, as the company reported strong growth in topline but saw earnings wiped out, as foreign exchange losses mounted.

For the fourth quarter, the company reported a 25% y/y increase in revenue to N695 billion, driven by growth in data income (+49% y/y). Thus, consolidating on the strong topline performance from previous quarters, FY'23 revenue came in 23% higher y/y to N2.5 trillion (Vetiva estimate: N2.6 trillion). For the voice service segment, we saw revenue rise 7% y/y in Q4 to 302 billion and 10% y/y for the FY'23 period to 1.1 trillion.

### Earnings slip on currency pressures

In Q4, while the company reported an increase in revenue, a faster growth in OPEX (51% y/y) drove EBITDA margin 10ppts lower to 42% (Q4'22: 52.1%). This came as a result of the sharp currency devaluation, higher inflation and energy costs, and the introduction of VAT on tower leases. Thus, given these lower margins, in the second half of the year, most especially in Q4, EBIDTA margin for the full year declined to 49% y/y (FY'22: 53%, Vetiva estimate: 51%), and slowing EBITDA growth to 12% vs 25% revenue growth to print at N1.2 trillion (FY'22: 1.0 trillion)

Also, for the Q4 period, finance costs surged by 142% y/y to N507 billion, due to MTNN's exposure to foreign loans and FX-referenced lease contracts. Thus, given the gravity of FX losses recognized in the second half of the year (FY'23: 740 billion), particularly in Q4 (410 billion), the company posted a loss of 137 billion for FY'23. We, however, like to note that only a fraction of these FX losses are realized (17%), and the company was still able to generate operating cash flows to the tune of N997 billion (FY'22: N863 billion).

**Outlook**  
A complete rebound for the company in the new year may be rather uncertain as foreign exchange pressures are still expected to mount.

Early in the year, we saw a 44% devaluation at the NAFEM window from N907/\$ at the close of last year, to N1595/\$ at the end of February. Hence, we still anticipate significant FX pressures on the company's profitability. To put it in numbers, we see revenue for FY'24 printing at N2.9 trillion, up 20% y/y; however, we only see EBITDA expanding 6% y/y as we anticipate cost pressures on operating line items. Meanwhile, for Q1, we factored in outsized FX losses given the volatility experienced in the first 2 months of the year. We are likely to see a stable exchange rate in subsequent quarters; therefore, we anticipate that foreign exchange pressures will start to wane from Q2. Nonetheless,

we still expect the company to recognize FX losses to the tune of N545 billion, majorly stemming from the finance costs leg as the company's lease contracts are tied to the NAFEM rates. Thus, considering the magnitude of these FX losses, we project a N55 billion loss in FY'24. However, given where MTNN is currently trading relative to our target price, the stock comes as a BUY for us.

### What shaped the past week?

**Equities:** The local market witnessed a 3.71% gain to 105,085 points this week, mainly driven by the Banking (+12.84%), Insurance (+2.52%) and Consumer Goods(+1.41%) sectors. Gains in the Banking sector was

driven by GTCO (+17.88%) while NEM (+20.91% respectively. Other sectors such as Consumer Goods, Industrial Goods also posted positive closes%) drove gains in the Insurance space. The Industrial Goods sector (+0.20%) posted a marginal positive close while the Oil and Gas sector (-0.11%) witnessed a marginal decline.

**Fixed Income:** Following the illiquidity in the market towards the end of last week, this week opened at N2.3 trillion negative. This negative trend was sustained weekly, only reducing by Thursday to N700 billion majorly due to the redemption of the MAR-204 bond to the tune of N900 billion. Amidst the market illiquidity, market partici-

pants anticipated Wednesday's NTB auction and the pending announcement of Bond calendar thus, market started the week on a tepid note. At the NTBs auctions, N162 billion worth of papers were on offer, while subscriptions were up to N1.5 trillion; ultimately about N162 billion was allotted. Rates at the auction were 16.24% on the 91-Day paper (prev: 17.24%), 17.00% on the 182-Day paper (prev: 18.00%), and 21.12% on the 364-Day paper (prev: 21.49%). Following this, the bullish momentum in the NTBs space was sustained till Friday's close.

**Currency:** At the NAFEM, the Naira slightly depreciated by N7.83 w/w to close the week at N1,665.50 per dollar.

**Domestic Economy:**  
Headline inflation rose by +180bps to 31.70% y/y in February (January: 29.90% y/y). We attribute the surge to sustained security challenges in food producing states. Food inflation surged to a new 19-year high of 37.92% y/y (Jan'24: 35.41% y/y) on the back of sustained pressures on the prices of both farm (+68.27% y/y) and processed (+32.85% y/y) produce. Annual core inflation, which measures the change in non-food prices, rose by 123bps to 24.67% y/y in February (Jan'24: 23.44% y/y). This is amid elevated but slowing pace of fuel price increases and exchange rate volatility. In March 2024, we see reduced exchange rate volatility and lower energy price increases as tailwinds for inflation. However, insecurity could continually pose a headwind to inflation from the supply side, while Ramadan activities could serve as a demand shock to food prices.

**Global:** Global markets experienced volatility driven by economic data releases, central bank actions, and corporate earnings reports. Concerns over inflation, alongside geopolitical and economic factors, contributed to fluctuations throughout the week. Investors remained cautious while assessing the implications of these developments on future market trends.

In the Asia-Pacific re-

gion, markets showed mixed results. Japan avoided a technical recession with an upward revision in its GDP, potentially leading to speculation about an interest rate hike by the Bank of Japan. China reported its first increase in inflation in five months, while South Korean domestic demand continued to contract. Major stock indexes in the region fluctuated in response to various economic data, with Hong Kong's Hang Seng Index notably climbing over 2% at one point.

In the United States, markets were initially affected by concerns over inflation, with the release of consumer and producer price index data. Despite this, positive sentiment persisted, leading to gains in some sessions. Investors closely monitored updates on inflation and corporate earnings, with companies like Oracle Corporation and Adobe Inc. releasing their financial results during the week.

In Europe, markets responded to a mix of economic indicators and central bank commentary. The European Central Bank's decision on interest rates and remarks from policymakers influenced market sentiment. Inflation reports from Germany, the United Kingdom, and France, as well as developments in artificial intelligence regulation, also impacted trading.

### What will shape markets in the coming week?

**Equity market:** Despite the tilt towards the fixed income space, as volumes in the equity market dropped, the banking sector had an impressive week, returning 12.84% WTD, while the ASI gained 3.71%. This can be attributed to investors taking positions ahead of earnings and anticipated corporate disclosure. While rates are expected to remain slightly elevated, we still expect long-term investors to continue to take advantage of some of the decent entry levels in the equity market.

**Fixed Income:** We expect the market to open on a quiet note due to the bond PMA scheduled for Monday. Following the PMA, we expect market sentiments to be in line with auction results. For the bond auction, marginal declines in rates are expected, just as was seen in the NTB PMA held this week.

Indicators	WK CLS	WK OPEN	WTD (%)	YTD (%)
EQUITIES				
NGX 30	3,907.47	3,782.53	3.30	40.04
NGX All-Share Index	105,085.25	101,330.85	3.71	40.54
Market Cap (NGN bn)	57,501.10	55,861.08	2.94	40.52
FEDERAL GOVERNMENT SECURITIES (%)				
91-Day T-Bill	16.60	17.27	(0.04)	13.69
182-Day T-Bill	20.30	20.38	(0.00)	14.87
364-Day T-Bill	24.83	24.78	0.00	14.62
2-Year FGN Bonds	17.59	17.51	0.00	5.44
3-Year FGN Bonds	17.69	17.64	0.00	5.54
5-Year FGN Bonds	18.01	18.00	0.00	4.71
7-Year FGN Bonds	18.72	18.71	0.00	4.92
10-Year FGN Bonds	19.04	19.00	0.00	4.53
20-Year FGN Bonds	18.68	18.69	(0.00)	4.48
INTERBANK MARKET RATES (%)				
NIBOR OPR	29.82	29.82	0.00	14.76
NGN EXCHANGE RATES (N)				
USD/NGN	1602.75	1594.92	(0.49)	(83.17)
GBP/NGN	2035.49	2050.42	0.73	(78.18)
EUR/NGN	1747.00	1745.22	(0.10)	(76.23)
CNY/NGN	224.39	221.96	(1.09)	(77.16)
ZAR/NGN	84.95	85.26	0.37	(73.18)
USD/NGN FORWARDS				
1M	1601.14	1600.35	(0.05)	(64.17)
3M	1641.08	1664.04	1.38	(65.06)
6M	1694.97	1723.11	1.63	(65.78)
1Y	1817.32	1841.52	1.31	(67.17)

Source: NGX, FMDQ OTC, Bloomberg, Vetiva Research

SECTOR	INDEX VALUE	WoW Δ	YTD Δ
BANKING	969.57	12.84%	8.07%
CONSUMER GOODS	1,632.46	1.41%	45.59%
INDUSTRIAL GOODS	4,803.31	0.20%	77.10%
OIL & GAS	1,290.46	-0.11%	23.72%
VETIVA 30 ETF	38.80	4.86%	43.70%
INSURANCE	361.17	2.52%	12.28%

Weekly Top 5 Gainers			Weekly Top 5 Losers		
Stock	Closing Price (N)	% Change	Stock	Closing Price (N)	% Change
JBERGER	72.60	30.58%	INTENEGINS	1.22	-27.38%
OMATEK	0.80	23.08%	SUNUASSUR	1.27	-19.11%
MTNN	267.80	20.96%	LASACO	2.00	-14.53%
NEM	6.65	20.91%	CONHALLPLC	1.33	-13.07%
GTCO	48.45	17.88%	SKYAVN	22.95	-10.00%

Source: Vetiva Research

## Proactively...

Continued from page 19

not limited to the type of vessel, the make of construction of the vessel, the details of the builders of the vessel, the age of the vessel, the type of engine propulsion machines in the vessel, the details of the classification/the registration/the certification of the vessel,

the seaworthiness of the vessel, the tonnage of the vessel, the dimension of the vessel, the details of the functional fire extinguishers in the vessel, the details of the equipment in the vessel, the details of the components in the vessels, the past voyage timeline of the vessel, the navigation physical hazard of the vessel, the moral hazard of the opera-

tors of the vessel, the voyage routes of the vessel, general risk improvement measures on the vessel, and the licence/certification/experience of the professional navigators of the vessel.

Sequel to the above, there is need for the details of the following: \*the professional insurance broker's risk placement slip; \*the professional risks surveyor's

report; \*the certification of the professional builders of the vessel; \*adequate reinsurance treaty cover; \*adequate co-insurance cover; \*the warranty and the guaranty that the vessel will not sail on a route that is not safe and will divert sail to a route that is safe, if in the course of the voyage, a peril that will impact on the vessel comes to bear, for

instance, war, conflict, insurrection, war, conflict, insurrection, anarchy, pirates, bandits, insurgents, etc.

Summary: Marine hull insurance is the oldest type of insurance. Its fundamental principles are: indemnity, insurable interest, utmost good faith, proximate cause, subrogation and contribution, and loss minimization. Marine insurance generally, is governed by

the Marine Insurance Act of 1906.

Very very large ticket international marine risks are placed at the Lloyd's of London, by Syndicate Consortium of Lloyd's: registered, licensed and certified insurance brokers, insurance companies, co-insurance companies, reinsurance companies and retrocession companies.



MARKET DATA

Share Price List as @ Friday 15 March, 2024: The Nigerian Stock Exchange

Company	Previous Close	Open	High	Low	Close	Change	% Change	Volume	Value (N)
ABBEYBDS	2.44	2.44	-	-	2.44	0.00	0.00%	9,893	21,775.60
ABCTRANS	0.73	0.73	0.71	0.71	0.71	-0.02	-2.74%	276,193	197,703.96
ACADEMY	1.74	1.74	-	-	1.74	0.00	0.00%	4,640	7,310.00
ACCESSCORP	23.35	23.35	23.15	22.50	23.00	-0.35	-1.50%	11,747,567	267,898,902.60
AFRIPRUD	7.55	7.55	-	-	7.55	0.00	0.00%	559,618	4,015,365.05
AIICO	1.00	1.00	1.00	0.95	0.99	-0.01	-1.00%	7,805,773	7,652,260.71
AIRTELAFRI	2,200.00	2,200.00	-	-	2,200.00	0.00	0.00%	3,308	6,708,240.00
ALEX	7.15	7.15	-	-	7.15	0.00	0.00%	10	70.00
AUSTINLAZ	2.03	2.03	-	-	2.03	0.00	0.00%	311	622.00
BERGER	17.35	17.35	-	-	17.35	0.00	0.00%	7,200	120,401.40
BETAGLAS	59.40	59.40	-	-	59.40	0.00	0.00%	22,148	1,194,292.00
BUACEMENT	141.00	141.00	-	-	141.00	0.00	0.00%	77,169	9,840,047.60
BUAFOODS	379.90	379.90	-	-	379.90	0.00	0.00%	1,282	443,702.90
CADRURY	18.30	18.30	19.00	19.00	19.00	0.70	3.83%	199,786	3,705,520.00
CAP	23.50	23.50	-	-	23.50	0.00	0.00%	200,832	4,478,404.00
CAVERTON	1.55	1.55	1.69	1.60	1.60	0.05	3.23%	746,943	1,190,099.08
CHAMPION	3.76	3.76	-	-	3.76	0.00	0.00%	118,440	444,585.83
CHAMS	2.00	2.00	2.35	2.21	2.21	-0.09	-3.91%	1,499,337	3,360,496.88
CHELLARAM	4.10	4.10	-	-	4.10	0.00	0.00%	8	29.52
CILEASING	3.70	3.70	3.40	3.40	3.40	-0.30	-8.11%	541,759	1,906,294.34
CONOIL	90.90	90.90	-	-	90.90	0.00	0.00%	8,735	721,199.45
CORNERST	2.10	2.10	2.20	2.20	2.20	0.10	4.76%	309,438	674,455.38
CUSTODIAN	9.00	9.00	-	-	9.00	0.00	0.00%	78,290	740,127.55
CUTIX	2.60	2.60	2.62	2.60	2.60	0.00	0.00%	929,985	2,433,983.49
CWG	6.30	6.30	6.10	5.70	6.10	-0.20	-3.17%	1,345,978	7,931,287.60
DAARCOMM	0.78	0.78	-	-	0.78	0.00	0.00%	17,887	12,699.77
DANGCEM	686.70	686.70	-	-	686.70	0.00	0.00%	17,322	10,706,728.20
DANGSUGAR	61.25	61.25	-	-	61.25	0.00	0.00%	910,940	54,677,032.95
DEAPCAP	0.75	0.75	0.82	0.72	0.72	-0.03	-4.00%	1,022,422	765,086.29
ELLAHLAKES	3.25	3.25	3.19	3.01	3.19	-0.06	-1.85%	1,241,605	3,921,220.81
ETERNA	15.15	15.15	-	-	15.15	0.00	0.00%	86,970	1,320,245.75
ETI	23.00	23.00	23.45	23.30	23.30	0.30	1.30%	3,631,741	84,575,056.50
ETRANZACT	5.70	5.70	-	-	5.70	0.00	0.00%	220	1,353.00
EUNISELL	3.20	3.20	-	-	3.20	0.00	0.00%	1	2.95
FBNH	35.00	35.00	37.00	34.90	37.00	2.00	5.71%	29,577,164	1,058,136,949.00
FCMB	8.40	8.40	8.45	8.15	8.45	0.05	0.60%	2,181,984	18,101,117.90
FIDELITYBK	10.40	10.40	10.65	10.00	10.00	-0.40	-3.85%	4,770,739	48,292,493.00
FIDSON	16.00	16.00	-	-	16.00	0.00	0.00%	36,624	527,385.60
FLOURMILL	33.55	33.55	35.10	35.00	35.00	1.45	4.32%	2,410,669	84,518,505.65
FTNCDCOA	1.57	1.57	1.62	1.62	1.62	0.05	3.18%	320,954	519,968.94
GEREGU	1,000.00	1,000.00	-	-	1,000.00	0.00	0.00%	77,365	69,631,174.20
GTCCO	44.05	44.05	48.45	44.00	48.45	4.40	9.99%	13,747,670	645,341,593.45
GUINEAINS	0.38	0.38	-	-	0.38	0.00	0.00%	102,600	39,591.00
GUINNESS	46.00	46.00	-	-	46.00	0.00	0.00%	159,416	7,510,058.90
HONYFLOUR	3.74	3.74	-	-	3.74	0.00	0.00%	181,871	677,787.98
IKEIAHOTEL	7.20	7.20	-	-	7.20	0.00	0.00%	366,690	2,369,147.40
IMG	13.75	13.75	-	-	13.75	0.00	0.00%	33,824	445,269.40
INFINITY	7.19	7.19	-	-	7.19	0.00	0.00%	20	129.60
INTBREW	4.00	4.00	4.39	4.39	4.39	0.39	9.75%	174,545	764,145.75
INTENEGINS	1.35	1.35	1.25	1.22	1.22	-0.13	-9.63%	2,453,978	3,028,329.00
JAIZRANK	2.01	2.01	2.05	2.00	2.01	0.00	0.00%	3,563,183	7,198,324.85
JAPAUFGOLD	2.19	2.19	2.17	2.01	2.10	-0.09	-4.11%	2,020,670	4,229,445.08
JBERGER	67.10	67.10	72.60	72.60	72.60	5.50	8.20%	366,661	24,404,655.65
JOHNHOLT	1.98	1.98	-	-	1.98	0.00	0.00%	50,930	95,614.69
LASACO	2.00	2.00	-	-	2.00	0.00	0.00%	389,185	788,828.40
LEARNAFRCA	3.40	3.40	-	-	3.40	0.00	0.00%	39,132	133,028.88
LINKASSURE	0.78	0.78	0.78	0.78	0.78	0.00	0.00%	100,000	78,000.00
LIVESTOCK	1.55	1.55	-	-	1.55	0.00	0.00%	273,160	414,437.26
MANSARD	5.29	5.29	5.10	5.10	5.10	-0.19	-3.59%	433,373	2,256,553.65
MAYBAKER	5.10	5.10	-	-	5.10	0.00	0.00%	146,895	758,846.94
MBENEFIT	0.59	0.59	0.62	0.60	0.60	0.01	1.69%	1,925,760	1,178,560.20
MECURE	9.72	9.72	-	-	9.72	0.00	0.00%	2,717	23,773.75
MEYER	5.60	5.60	-	-	5.60	0.00	0.00%	1,650	8,316.00
MORISON	1.41	1.41	1.41	1.41	1.41	0.00	0.00%	5,000,000	7,050,000.00
MRS	135.00	135.00	-	-	135.00	0.00	0.00%	8,658	1,051,947.00
MTNN	248.00	248.00	267.00	267.00	267.00	19.00	7.98%	2,042,286	506,239,372.20
MULTIVERSE	15.30	15.30	-	-	15.30	0.00	0.00%	9,430	129,851.10
NAHCO	30.90	30.90	31.00	31.00	31.00	0.10	0.32%	420,268	12,734,591.40
NASCON	57.00	57.00	-	-	57.00	0.00	0.00%	300,867	16,972,441.30
NB	29.80	29.80	-	-	29.80	0.00	0.00%	754,628	22,367,188.50
NCR	4.32	4.32	-	-	4.32	0.00	0.00%	400	1,556.00
NEIMETH	1.70	1.70	-	-	1.70	0.00	0.00%	16,906	29,700.28
NEM	6.65	6.65	-	-	6.65	0.00	0.00%	448,959	2,877,291.40
NESTLE	901.00	901.00	-	-	901.00	0.00	0.00%	9,644	8,715,961.00
NGXGROUP	22.00	22.00	-	-	22.00	0.00	0.00%	333,750	7,848,984.65
NPFCMCRFBK	1.95	1.95	-	-	1.95	0.00	0.00%	9,198	18,312.90
NSITECH	0.60	0.60	-	-	0.60	0.00	0.00%	50,000	27,055.00
OANDO	11.10	11.10	11.50	11.00	11.50	0.40	3.60%	8,756,948	97,885,448.55
OKOMUOIL	243.00	243.00	-	-	243.00	0.00	0.00%	11,916	2,908,087.30
OMATEK	0.75	0.75	0.80	0.71	0.80	0.05	6.67%	1,979,804	1,533,869.84
PIRESCO	231.50	231.50	-	-	231.50	0.00	0.00%	10,547	2,319,199.40
PRESTIGE	0.54	0.54	0.59	0.59	0.59	0.05	9.26%	335,568	197,048.41
PZ	40.00	40.00	-	-	40.00	0.00	0.00%	246	8,856.00
REGALINS	0.39	0.39	-	-	0.39	0.00	0.00%	76,104	28,341.60
ROYALEX	0.79	0.79	-	-	0.79	0.00	0.00%	134,406	108,339.06
RTBRISCOE	0.49	0.49	0.50	0.50	0.50	0.01	2.04%	372,171	186,910.03
SCOA	1.96	1.96	-	-	1.96	0.00	0.00%	8,450	16,477.50
SEPLAT	3,370.00	3,370.00	-	-	3,370.00	0.00	0.00%	1,340	4,064,220.00
SOVRENINS	0.43	0.43	0.43	0.43	0.43	0.00	0.00%	560,041	245,839.67
STANBIC	53.95	53.95	-	-	53.95	0.00	0.00%	57,442	3,121,578.00
STERLINGNG	5.10	5.10	5.10	5.00	5.00	-0.10	-1.96%	1,345,167	6,772,484.84
SUNUASSUR	1.27	1.27	1.27	1.27	1.27	0.00	0.00%	755,015	958,872.05
TANTALIZER	0.38	0.38	0.39	0.39	0.39	0.01	2.63%	432,026	165,940.45
THOMASWY	1.82	1.82	-	-	1.82	0.00	0.00%	25,522	50,278.98
TOTAL	346.50	346.50	-	-	346.50	0.00	0.00%	27,984	9,030,604.40
TRANSCOHOT	101.00	101.00	97.90	97.90	97.90	-3.10	-3.07%	187,013	17,797,885.70
TRANSCORP	16.40	16.40	15.75	15.50	15.50	-0.90	-5.49%	25,215,799	392,162,313.10
TRANSPOWER	380.00	380.00	-	-	380.00	0.00	0.00%	1,080,961	404,328,029.10
TRIPPLEG	4.13	4.13	-	-	4.13	0.00	0.00%	46	171.12
UACN	12.60	12.60	-	-	12.60	0.00	0.00%	315,475	3,956,858.60
UBA	24.90	24.90	25.00	24.30	24.30	-0.60	-2.41%	9,108,022	222,562,668.90
UCAP	20.50	20.50	21.00	20.80	21.00	0.50	2.44%	12,162,794	254,962,587.90
UNILEVER	16.00	16.00	-	-	16.00	0.00	0.00%	113,642	1,872,391.05
UNIONDICON	8.10	8.10	-	-	8.10	0.00	0.00%	50	445.00
UNITYBANK	1.83	1.83	1.85	1.79	1.80	-0.03	-1.64%	14,132,101	25,709,832.36
UNIVINSURE	0.37	0.37	0.38	0.36	0.38	0.01	2.70%	7,886,541	2,987,245.46
UPDC	1.50	1.50	1.52	1.50	1.52	0.02	1.33%	504,603	767,105.18
UPDCREIT	5.25	5.25	5.50	5.25	5.50	0.25	4.76%	997,752	5,050,682.50
UPL	2.40	2.40	-	-	2.40	0.00	0.00%	117,750	292,277.80
VERITASKAP	0.69	0.69	-	-	0.69	0.00	0.00%	213,268	147,839.86
VITAFOAM	22.50	22.50	21.25	20.25	21.25	-1.25	-5.56%	1,017,720	20,708,907.00
WAPCO	35.50	35.50	35.80	35.00	35.80	0.30	0.85%	1,432,209	50,184,447.15
WAPIC	0.67	0.67	-	-	0.67	0.00	0.00%	230,642	152,956.46
WEMABANK	7.80	7.80	-	-	7.80	0.00	0.00%	1,106,918	8,313,607.28
ZENITHBANK	38.50	38.50	39.70	38.00	39.70	1.20	3.12%	10,441,791	405,521,679.20



Stories by Onome Amuge

**N**IGERIA'S ONCE-THRIVING agricultural export market has been in decline in recent years, due in part to the fact that commodities such as cowpea and sesame do not meet the standards set by the international community. This is according to a recent assessment of the World Trade Organisation (WTO), which noted that Nigerian farmers and exporters need to improve their practices and production methods in order to meet the standards of the global market.

Notably, Nigeria is a major player in the global market for sesame and cowpea, with a leading position in the production of both crops. In 2022, the country produced approximately 500,000 metric tonnes of sesame, making it the fifth largest producer in the world. Sesame is a highly sought-after crop, used in cooking oil, confectionery, and cosmetics, and in demand in markets around the globe. For cowpea, Nigeria is the number one producer, accounting for over half of the world's production.

According to the National Economic Planning Commission (NEPC), the growing demand for cowpea and sesame in the global market represents a tremendous opportunity for Nigeria's agricultural sector to expand production and exports. The NEPC projects that the demand for cowpea will increase from \$7.2 billion in 2023 to \$9.43 billion by 2028. Similarly, the global export value of sesame, which was \$7.35 billion in 2022, is expected to grow to \$9.27 billion by 2032.

Despite the bright prospects for growth, Nigeria faces some significant challenges in realising its potential in the global market for cowpea and sesame. One of the main challenges is the rejection of these products by some key markets, such as the European Union, due to concerns about poor transportation and storage. These issues have led to a loss of investment opportunities and a failure to meet global demand for Nigerian cowpea and sesame products.

Ngozi Okonjo-Iweala, the director-general of the World Trade Organisation (WTO), recently acknowledged that Nigeria's exports of cowpea and sesame have been met with increasing rejections in foreign markets due to non-compliance with international Sanitary and phytosanitary (SPS) standards. She pointed out that this has resulted in significant revenue and foreign exchange losses for Nigeria, highlighting the need for the country to take action to address the problem.

According to Okonjo-Iweala,

# WTO points to growing pile of rejected Nigerian agric exports

● Initiates \$1.2m project to improve cowpea, sesame export quality



Nigeria's inability to meet the SPS standards set by regional, global, and individual import countries has resulted in lost sales, revenue, and foreign exchange earnings.

Speaking at the recent launch of seven trade support programmes initiated by the WTO in partnership with other stakeholders, Okonjo-Iweala pointed to data showing that health and safety inspections of Nigerian exports of cowpeas and sesame in the period from 2019 to 2021 revealed that pesticide residue levels were nearly double the maximum limits set by international standards.

The WTO DG warned that if no action is taken to address the safety concerns, Nigeria risks losing its position as the world's leading producer and consumer of cowpea, and the same could be true for sesame.

She stated: "Nigeria is the world's largest producer and consumer of cowpeas. Sesame is primarily an export crop, and Nigeria is the world's fourth-leading producer, exporting to the EU, Türkiye, Japan, South Korea and other Asian markets.

However, Nigerian cowpea and sesame exports have increasingly faced rejections in several destination markets due to non-compliance with international SPS requirements. Nigeria accounts for over a third of Japan's sesame imports – but health and safety inspections during the past few years have found instances where pesticide residue levels were nearly double the maximum residue limits permissible from 2019 to 2021."

In an effort to address the is-

suues surrounding Nigerian exports of cowpea and sesame, the WTO announced that it is working with relevant stakeholders to improve practices across the value chains for these crops. With \$1.2 million in funding, the initiative aims to improve agricultural practices, such as the application of pesticides, hygiene standards, and post-harvest techniques, so that they meet international standards.

Okonjo-Iweala explained that the initiative will focus on helping Nigeria to gain international certification for the safety and quality of its sesame and cowpea products. The project is being implemented in collaboration with the Standards Trade Development Facility (STDF), International Trade Centre (ITC), and the Nigeria Export Promotion Council (NEPC). It will involve capacity-building, mentoring, training, and the provision of technical assistance to farmers, processors, and exporters.

Okonjo-Iweala noted that Nigeria's agricultural sector has the potential to play a key role in driving export diversification and job creation, but that this potential has not yet been fully realised. She highlighted the country's historical prominence as an agricultural exporter, which it has since lost due to a shift towards becoming a net importer of many agricultural products. She stressed the importance of reversing this trend and harnessing the country's agricultural resources to create more value and jobs in the sector.

The WTO DG further stressed the need to address trade-related issues

on the supply side, particularly concerning sesame and cowpea exports. She pointed out the increasing rejection of Nigerian cowpea and sesame exports in various markets due to non-compliance with international standards.

The new project, as outlined by Okonjo-Iweala, aims to enhance the capacities of all stakeholders along the sesame and cowpea value chains. This will involve a range of activities, including improving agricultural practices and ensuring compliance with international standards. The project will also include training local food safety advisors, who will play a key role in improving food safety and quality. In addition, the project will focus on improving agricultural practices, food safety, and post-harvest methods to ensure that the country's agricultural products meet international standards.

"The project will kick off with an initial amount of \$1.2 million, with nearly a million dollars coming from the STDF," she stated.

Okonjo-Iweala stressed that the project is a low-cost, high-impact initiative that will have a significant positive impact on the agricultural sector and the economy as a whole. According to her, while the WTO is not a financing agency like the World Bank or the International Monetary Fund (IMF), it has a powerful strategy that can leverage the organisation's convening power and expertise to promote trade and development.

She added, "We spend small sums of money to make a big impact. A million-dollar intervention can potentially earn Nigeria hundreds

of millions or even billions of dollars in increased agricultural exports. This project will support improved incomes for farmers, exporters, businesses, and others involved in the agricultural sector, once producers and exporters adhere to the correct sanitary and phytosanitary standards."

Nonye Ayeni, executive director of the Nigeria Export Promotion Council, also spoke at the technical meeting on the WTO/STDF PG 845 project, emphasising the importance of taking advantage of the opportunities presented by the global market for sesame and cowpea. She noted that with the right strategies and investments, Nigeria could increase its share of the global market and boost its export earnings.

The NEPC director stated that, based on available information, sesame and cowpea exports from Nigeria had often been rejected. This, she said, was largely due to factors such as poor quality, inefficient procedures and documentation, sanitary and phytosanitary issues, and improper packaging and labeling.

"These militating factors led to the decision of the WTO and International Trade Centre (ITC) to sponsor the STDF project, which will be backed by expected 30 per cent counterpart funding from NEPC.

"This project will enhance the quality and standard of sesame and cowpea through the institution of good Sanitary and Phyto-sanitary (SPS) conducts, Good Agricultural and Warehousing Practices (GAWP), packaging/labelling and excellent storage systems.

"All these are expected to forestall frequent contract cancellations and loss of business opportunities," Ayeni said.

According to the NEPC's executive director, the project would result in a significant increase in the global acceptance of sesame and cowpea products, which would lead to better quality for both domestic and international markets. She expressed confidence that the members of the implementing committee would work together to ensure that the highest standards were met for all products.

Ayeni added that the project would ultimately lead to increased foreign exchange flows, which would help to stabilise the currency and support economic development.

**I**RON ORE FUTURES PRICES fell to their lowest level in over six months, to post a weekly loss of more than 10 per cent, on lackluster demand from spot buyers and poor prospects for demand in China, the world's largest consumer of the steelmaking ingredient.

The Dalian Commodity Exchange's May iron ore contract traded at 781.5 yuan per metric tonne, marking a loss of 3.46 per cent from the previous session and hitting its lowest point since August 22, 2022. This represents an 11 per cent decline

## Iron ore drops 10% on weak demand, soaring inventories

in the contract's value on a weekly basis. On the Singapore Exchange, meanwhile, the benchmark April iron ore contract traded at \$99 per metric tonne, marking a decrease of 4.1 per cent from the previous day's session and the lowest point since June 1. The Singapore contract fell by 14 per cent on a weekly basis so far this week.

Analysts at ANZ bank have pointed to weak demand as a factor contributing to the ongoing decline in iron ore prices, explaining that lower demand for steel implies lower de-

mand for iron ore as a key raw material in steel production.

Rising concerns about faltering demand for iron ore have been exacerbated by statements from provincial steel associations calling for a reduction in steel output or vaguely advocating for the healthy development of the steel industry. Mysteel and Lange Steel, two prominent industry consulting firms, have warned that such statements may have a negative impact on demand for iron ore, as they suggest that the

steel industry is facing significant challenges.

The analysts at ANZ bank noted that inventories of iron ore have recovered to their highest levels in a year, but believe that prices will stabilize in the near term due to the cost of production.

According to data from the steel industry consulting firm Mysteel, stocks of iron ore at 45 major Chinese ports surveyed increased by one per cent during the week ended March 15, reaching a total of 142.9 million

tonnes.

The continued decline in new home prices in China for the month of February has also weighed on sentiment for iron ore and other commodities, as it suggests that the country's property market remains fragile. New home prices in China have been declining for several months, and the trend continued in February, putting further pressure on demand for iron ore and other raw materials used in construction.



Stories by Onome Amuge

**G**OLD FELL FOR A SECOND CONSECUTIVE week, closing 0.24 per cent lower at \$2,156 per ounce, as data showing inflationary pressures in the U.S. economy offset support from safe-haven demand. The U.S. export price index data for February came in hotter than expected, fanning concerns that the Federal Reserve may not be as quick to cut interest rates as investors had hoped.

The spot price of gold remained flat at \$2,159.99 per ounce, after declining 0.8 per cent for the week, its first weekly drop since mid-February. Spot gold had in the previous week, hit an all-time high of \$2,194.99 per ounce before retreating.

The main driver of the downward pressure on gold has been growing concerns over the upcoming Federal Reserve meeting, particularly as inflation data has continued to come in stronger than expected. Higher inflation increases the likelihood of the Fed keeping interest rates high, which is seen as a negative for gold prices.

One of the main factors weighing on gold prices is the fear that the Federal Reserve may adopt a more hawkish stance than expected, due

# Gold fades as persistent inflation drags down safe-haven appeal



L-R: Olabisi Emmanuel, winner, innovative award, Youth Sustainable Enterprise Challenge; Matthew Ozigbo, business partner, Nerdz Factory; Chikodi Onyemerela, director, programme, British Council Nigeria; Mayowa Kosoko, personal assistant, representing commissioner for youth and social development, Lagos State; Anthony Nwosu, mentor, Youth Sustainable Enterprise Challenge; and Alero Thompson, winner, most innovative business, Youth Sustainable Enterprise Challenge, during Youth Sustainable Enterprise Challenge, sponsored by the British Council and Prince Trust's International, held in Lagos, recently.

PHOTO CREDIT: AsterIML

to persistently high inflation. The Fed has indicated that it is willing to keep interest rates high for longer than previously anticipated, and that its plans for rate cuts in 2024

will depend on the trajectory of inflation. This prospect is seen as negative for gold prices, as it would reduce the attractiveness of the metal as an investment compared to

assets that provide a yield.

Despite the recent decline in gold prices, ANZ analysts say that the metal is still well-positioned for the rest of the year, citing several

factors that should provide support. They also noted that gold's price could benefit from rising geopolitical tensions and the potential for a recession in the U.S. and Europe. These factors led the ANZ analysts to raise their 2024 gold price target from \$2,200 to \$2,300 per ounce.

Analysts have also noted that gold's performance in the coming week may hinge on the Federal Reserve's policy announcement, which is expected to offer insights into the central bank's plans for interest rate cuts. While investors expect the Fed to keep rates steady at the upcoming meeting, market sentiment could be impacted by the Fed's forward guidance on the timing and pace of any future cuts. If the Fed pushes back against market expectations for rate cuts, gold could see a negative reaction.

While gold prices were lower, other precious metals such as platinum and silver saw gains. Platinum futures increased by 0.2 per cent to \$932.50 an ounce, while silver futures were up 0.6 per cent at \$25.212 an ounce.

## Cocoa prices rally as uncertainty looms over beans supply

**C**OCOA FUTURES TRADED HIGHER on the Intercontinental Exchange (ICE) as concerns about tightening supplies prompted dealers to cover their short positions. Reports that major cocoa processing plants in Côte d'Ivoire and Ghana, the world's top two producers, had halted or reduced processing due to a lack of funds to purchase beans also pushed prices higher.

On the London Commodity Exchange, July cocoa futures rose 5.4 per cent to settle at £5,775 per metric ton, after touching a contract high of £5,799. Meanwhile, July New York cocoa futures closed 6.9 per cent higher at \$7,224 per tonne, following a contract high of \$7,379. The rally in cocoa futures reflects the widespread concern about tight supplies, as well as the potential for prices to rise further in the coming months.

According to cocoa dealers, re-

ports of plant shutdowns or potential shutdowns in the two major cocoa-producing countries have caused panic buying and speculation in the market. Prices have more than doubled over the past year, reaching multiple all-time highs, as the global supply of cocoa has been strained by three consecutive years of poor harvests in Côte d'Ivoire and Ghana, with a fourth year expected.

Research and consulting firm, Fitch Solutions, noted that from March 10, cumulative cocoa deliveries during the current season in Côte d'Ivoire were about 30 per cent lower than the same period last year. This significant shortfall has raised concerns about the ability of West African producers to fulfill existing contracts, further contributing to the upward pressure on cocoa prices. That this trend would likely continue to support prices in the near term.

The current structure of the cocoa

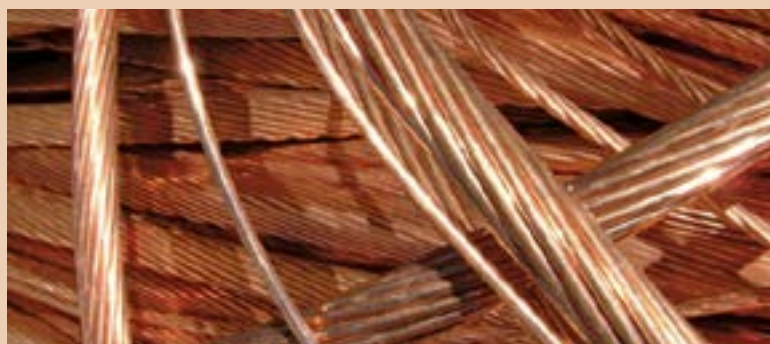
futures market, in which the price of near-term futures contracts is significantly higher than that of further-dated contracts, suggests a shortage of spot supplies, a surge in demand, or a combination of both.

Meanwhile, the price of sugar continued to climb, with May raw sugar futures on the ICE Futures U.S. exchange up 1.6 per cent to 22.12 cents per lb, while May white sugar futures on the London Stock Exchange's Euronext Futures market gained 1.4 per cent to \$623.40 per tonne.

The rally in sugar prices was driven by concerns over a potential shortfall in supplies, due to bad weather affecting sugarcane crops in Brazil, the world's largest producer and exporter of the sweetener.

According to Fitch Solutions, reports of lower sugarcane planting in key Indian states and an anticipated reduction in production from Brazil's centre-south region for the 2024/25 season have supported the price of sugar. However, the research firm noted that the current high level of production from Brazil's sugarcane sector has limited the upside for sugar prices.

## Copper rises on frenzy of short-term investors betting on rebound



**F**UND BUYING HELPED DRIVE up copper prices to multi-month highs, but the rally was met with caution from some market participants, who questioned whether production cuts in China and strong demand would be enough to sustain the price gains.

Copper prices in Shanghai hit an all-time high, while prices in London rose to their highest levels in 11 months, after Chinese smelters agreed to reduce output to stem losses.

Three-month copper contract on the London Metal Exchange (LME) closed up 1.2 per cent at \$8,997 per metric tonne, after hitting a high of \$9,066.50 - the highest level since April of last year. On the Shanghai Futures Exchange, the May copper contract rose two per cent to close at 73,130 yuan per tonne, after reaching an all-time high of 73,270 yuan.

Ole Hansen, head of commodity strategy at Saxo Bank, said that the recent surge in copper prices was being driven by speculative investors and funds. He cautioned that the rally could be short-lived, as these types of investors tend to be quick to sell if conditions turn sour. According to research from Antaike, a state-backed research

house, China's major copper smelters have agreed to lower operating rates, adjust maintenance plans, and postpone new projects in order to curb oversupply and prop up prices. However, some traders are skeptical about the effectiveness of these measures, citing the weak economic outlook and lack of demand in China.

China is the world's largest producer and consumer of copper, and has a significant impact on global prices. However, sluggish economic growth and a lack of major stimulus measures have dampened demand for copper.

Hansen noted that while some factors are lining up to support a rally in copper prices, the lack of rate cuts by major central banks may limit the strength of the rally. He said that copper prices would need to hold above support levels of \$8,860 and \$8,716 to continue moving higher.

Along with copper, other base metals on the LME also gained ground, with aluminium rising 0.8 per cent to \$2,268.50 per tonne, nickel climbing 1.1 per cent to \$18,275 per tonne, zinc advancing 1.1 per cent to \$2,576.50 per tonne, and tin up 1.3 per cent to \$28,610 per tonne. The only base metal to decline was lead, which fell 1.2 per cent to \$2,132.50 per tonne.

**D**ESPITE SETTLING LOWER ON Friday, oil prices posted a weekly gain, as a rise in the value of the U.S. dollar and hotter-than-expected inflation data fueled concerns about the Federal Reserve's upcoming policy meeting.

Crude oil prices pared some of their weekly gains on Friday, with WTI futures down 0.3 per cent to \$81.04 a barrel and Brent crude futures off 0.15 per cent to \$85.29 a barrel. Despite the short-term retreat, prices were still up over three per cent for the week, hitting multi-month highs earlier in the week on improved U.S. demand and tightening fuel markets.

## Oil edges down, but books third weekly gain on supply-side optimism

Adding to the bullish sentiment, U.S. crude oil inventories fell by more than expected, suggesting that fuel demand in the world's largest economy remains resilient despite concerns about a slowdown. Meanwhile, the White House's announcement that it will purchase more than three million barrels of oil to replenish the Strategic Petroleum Reserve further boosted prices.

In addition to the positive signs from U.S. inventories, oil prices were also supported by reports of crippling Ukrainian attacks on a major Russian fuel refinery. The potential disruption

to fuel supplies in Europe and Asia from the attacks has raised concerns about future supplies and tightening markets. While the refinery is not a major supplier to the West, any potential disruptions to its operations could have a knock-on effect on the wider global oil market, pushing prices even higher.

Meanwhile, both the Organisation of Petroleum Exporting Countries (OPEC) and the International Energy Administration (IEA) forecast strong oil demand in 2024 and 2025, in separate monthly reports released during the week.



## COMPANY &amp; BUSINESS

## Business a.m

**A**IGBOJE AIG-IMOUKHUEDE, who, along with late Herbert Wigwe, the immediate past group chief executive officer of Access Holdings Plc, was the brain behind the acquisition and transformation of Access Bank Plc in 2002 and led it as group managing director and chief executive officer before retiring in 2013, is making a strategic return to the holdco as its new chairman, according to a regulatory disclosure to the Nigerian Exchange (NGX) by the financial institution on Wednesday 13 March 2024.

Aig-Imoukhuede succeeds Abubakar Jimoh, who served as the HoldCo's chairman and will continue to serve on the board as an independent non-executive director, the company stated.

The new development is in response to the untimely passing of Herbert Wigwe, whose absence left a void in the bank's executive management. Following extensive consultations with key stakeholders, the Holdco board unanimously decided to invite Aig-Imoukhuede to the helm of governance. The renowned visionary and iconic figure in Nigeria's banking sector, is expected to bring an outstanding record of accomplishments, wealth of expertise and leadership to guide the Group into a new era of success.

Aig-Imoukhuede is no stranger to the banking and finance sector, having served

as the group chief executive officer. During his tenure, he transformed the bank from a medium-sized financial institution into a leading African bank, with operations in multiple countries. Under his visionary leadership, Access Bank enjoyed phenomenal growth, becoming one of Nigeria's leading banks and expanding its footprint to nine other African countries and the United Kingdom.

Aig-Imoukhuede's success as the CEO of Access Bank was driven by his strategic thinking, innovative approach and deep understanding of the banking industry.

Under his stewardship, Access Bank grew its customer base from ten thousand to over six million with more than 5,000 employees and an asset base of \$12 billion, achieving numerous milestones and becoming a globally recognised name.

Upon his retirement from Access Bank, Aig-Imoukhuede established Tengen Family Office Limited, an investment firm that has grown to become a significant player in various sectors. The firm is active in banking, finance, insurance, technology, real estate, and energy, demonstrating Aig-Imoukhuede's continued passion for business and innovation. Aig-Imoukhuede is also committed to making a positive impact on society through the Aig-Imoukhuede Foundation. The foundation works to improve access to quality primary healthcare, promote public sector effectiveness, and help develop the next generation of gov-

## Strategic return for Aig-Imoukhuede to Access Holdings



ernment leaders.

Access Bank explained that the decision to bring back Aig-Imoukhuede as the non-executive chairman is a testament to the board's commitment to upholding the highest standards of corporate governance and achieving excellence in everything the Group does. The board recognises that the strong foundations laid by Aig-Imoukhuede and Wigwe are critical to the group's success and will continue to guide its strategy going forward. With his return, Access Holdings aims to leverage his extensive experience, industry knowledge, and exceptional leadership skills to consolidate on the growth

and accomplishments recorded under Wigwe's lead-

ership.

In his new role, Aig-Imoukhuede will work closely with the Board to ensure that the Group remains on a sustainable growth trajectory and continues to meet the highest standards of corporate governance. His vast experience and deep knowledge of the group's business will be invaluable as the Group enters its next phase of growth.

Abubakar Jimoh, the former Chairman of Access Holdings, expressed his excitement at Aig-Imoukhuede's return, saying: "Aig-Imoukhuede's appointment to the Board and subsequent election as Chairman is a landmark de-

velopment for Access Holdings. All our board members are excited about our future".

Commenting on his appointment, Aig-Imoukhuede, said: "I am thrilled to be back in active service to the Access Group ecosystem.

I am confident that working with our directors, our exceptional team of executives and our best-in-class banking and finance professionals, we will deliver outstanding value to our esteemed stakeholders. I am determined that our shared vision which Dr. Wigwe gave everything for, will be realised".

As the Access Group welcomes back Aigboje Aig-Imoukhuede, its family of employees, customers, and stakeholders look forward to the exciting possibilities that this new chapter brings. Aig-Imoukhuede's expertise and dedication are expected to lead the Access Group to a future of greater impact and sustainable success.



Abraham Magose Eju (right), technical adviser to the chairman of Greenville LNG, guides Ekpo Ikperikpe (middle), minister of petroleum resources; Oluremi Komolafe (1st left), director of gas; and Tope Fasua (second right), economic adviser to the president, and others around Greenville LNG's control room during the minister's visit to the Greenville LNG plant in Rumuji Rivers State, recently

## UBA partners AGF in \$100m project to grow empower African SMEs

## Joy Agwunobi

**U**NITED BANK FOR AFRICA (UBA) and the African Guarantee Fund (AGF) have joined forces to provide up to \$100 million in loans to small and medium-sized enterprises (SMEs) and business owners across 20 African countries.

Under the agreement, the AGF will support and guarantee SMEs with a \$50m portfolio guarantee as well as facilitate extensive capacity development for the bank's customers who run small businesses across the continent. Notably, AGF will prioritise supporting women-led businesses and green finance projects, in line with its commitment to promote sustainable and inclusive economic growth across Africa.

Oliver Alawuba, The UBA Group managing director, reaffirmed the bank's dedication to supporting SMEs and

boosting inclusive economic growth in Africa, particularly in women-owned businesses.

Alawuba highlighted how the \$50 million guarantee will serve as a powerful tool for supporting UBA's SME customers, as well as women-led and environmentally-friendly businesses, expanding the bank's reach and impact in Africa. In addition, the capacity development initiatives that AGF will offer UBA's customers will be an important factor in helping businesses to grow and succeed.

"I'm particularly excited about our focus on advancing the AfCFTA initiative, reaffirming UBA's \$6 billion commitment to SMEs across Africa. This initiative, announced in September last year, demonstrates our dedication to supporting the economic integration of our continent, the GMD added.

Alawuba noted that UBA will provide loans to women-owned SMEs at more conces-

sional rates, with customer-friendly collateral terms, aiming to bridge the significant financing gap faced by women in Africa, amounting to \$42bn.

Jules Ngankam, Group CEO of the African Guarantee Fund, asserted that the partnership between two pan-African institutions that are both at the forefront of catalyzing growth and development of SMEs would significantly drive economic growth across the continent.

According to Ngankam, Small and medium-sized enterprises, despite being the backbone of all African economies, accounting for 90 per cent of the private sector and 60 per cent of all jobs, are perceived as risky and therefore have limited access to financing.

"Through this guarantee facility and the technical capacity development grant support, we will de-risk SMEs with a priority on those that are owned or led by women and those that are within the green sector," he added.

## Joy Agwunobi

**E**COBANK TRANSNATIONAL INCORPORATED (ETI), one of Africa's leading banking groups, has secured a \$250 million loan from the African Export-Import Bank (Afreximbank) and Africa Finance Corporation (AFC), to support the trade finance and general corporate activities of the group.

The loan, which is an unsecured bridge-to-bond will provide liquidity and flexibility to ETI, enabling it to pursue its strategic objectives.

Afreximbank and AFC played a critical role in arranging this \$250 million loan facility, serving as global coordinators and

## Ecobank lands \$250 Million bridge-to-bond loan from Afreximbank and AFC

initial mandated lead arrangers. Mashreqbank psc. also played an important role in the transaction, serving as a mandated lead arranger.

The \$250 million loan facility has a term of 12 months, with the possibility of extending it by an additional six months if the lenders approve. In addition, the facility has an "accordion" feature that allows the total commitments to be increased within a given timeframe, providing additional flexibility for ETI.

Ayo Adepoju, Ecobank's

chief financial officer, applauded the new facility, noting that it will enhance the bank's liquidity position and further diversify its funding sources. According to Adepoju, the strong market support for Ecobank, particularly its ability to raise funds during challenging economic conditions, is a reflection of the bank's financial strength and credibility.

Adepoju also expressed his gratitude to the teams that worked on the facility and to the lead arrangers for their commitment and support.

## Business a.m.

**D**UN & BRADSTREET, a leading provider of business data and analytics solutions, has announced the launch of new variants of its product, the D-U-N-S Registered™ Seal, to help small and medium-sized businesses in Nigeria. The analytics company stated that the new vari-

## Dun & Bradstreet unveils new solutions to empower SMEs

ants of the product will enable businesses to add more information to their websites and online profiles, helping them to distinguish themselves from the competition in a global marketplace. "Over 90 percent of the Fortune 500 companies, leading Nigerian companies, regional governments, and

organizations of all shapes and sizes utilize Dun & Bradstreet's data to discover new business opportunities and manage risks. In addition to listing a company on D&B's database, this product facilitates enterprises of all sizes to unlock new avenues for business," it said.



## COMPANY &amp; BUSINESS

## Business a.m

**T**HE NIGERIAN MANUFACTURING sector emerged top contributor to Value Added Tax (VAT) in 2023, generating a staggering N578.4 billion - a 21 per cent increase from its contribution in the previous year, according to data from the National Bureau of Statistics (NBS).

The impressive achievement, analysts noted, is a testament to the resilience and adaptability of the sector, which has managed to thrive despite the challenges of the past year.

Despite the impressive growth in VAT collections, the report showed that manufacturing sector continued to face significant challenges, including widespread smuggling. Smuggling has been a major problem for Nigeria's economy, as it not only undermines legitimate businesses but also significantly reduces the government's revenue collection.

The latest figures from the NBS also showed that VAT collections in Africa's largest economy grew by 45.02 per cent in 2023, reaching N3.64 trillion - an increase from the N2.51 trillion collected in the previous year. The increase in VAT collections indicated a strengthening of the country's economic landscape, with various reforms and mea-

## Manufacturing sector drives tax revenue increase with N578.4bn contribution



Confidence Staveley (fourth from left), founder/executive director, Cybersafe Foundation; Johnny Baxter (fifth from left), British deputy high commissioner to Nigeria; Adewale Peter Obadare (second from right), chairman, Cybersafe Foundation, with award recipients at the CyberHubs Awards in honour of forerunners in the initiative to empower women and young girls with digital skills, held at the residence of the British deputy high commissioner recently.

sures being implemented to improve tax compliance and expand the tax base.

The breakdown of VAT revenue for 2023 provides a detailed look at the sources of this revenue, revealing the diverse economic activities that contribute to the Nigerian economy. Local non-import VAT, which represents domestic transactions within the country, accounted for the largest share of the total VAT revenue, at N2.10 trillion. This is followed by non-import

(foreign) VAT, which refers to international transactions that do not involve imports into Nigeria. This category accounted for N824.60 billion of the total VAT revenue, while the Nigeria Customs Service (NCS) import VAT, which refers to imports into the country, contributed a total of N714.51 billion to the overall VAT revenue.

The Information and Communication sector, which includes telecommunications, internet services, and

other information services, emerged the second largest VAT contributor, with N412.3 billion in VAT revenue in 2023, a significant increase of 53 per cent from the previous year. However, this sector's growth was tempered by a number of factors during the period in review, including limited broadband penetration, especially in rural areas. This limited access to broadband services acts as a bottleneck, preventing the full realisation of the sector's potential and

constraining its growth.

The mining and quarrying sector was the third largest VAT contributor in 2023, with N260.0 billion collected, up 64 per cent from the previous year. However, the sector's sustainability and continued growth were threatened by the persistent issue of illegal mining. Illegal mining refers to the unauthorised or unregulated extraction of minerals and ores from the earth, often in violation of environmental and safety standards. This

practice, analysts said, has serious implications for the sector, including revenue loss, environmental degradation, and public health risks.

Despite the positive overall trend in VAT collections, there are still sectors with relatively low contributions. In 2023, the sectors with the lowest VAT contributions included activities of households as employers and undifferentiated goods- and services-producing activities of households for own use, which only grew by 11 per cent to N367.93 million in 2023 from N332.70 million in 2022. The water supply, sewerage, waste management, and remediation activities sector experienced a decline in VAT contributions in 2023, with a -31 per cent growth rate, as the collection stood at N1.11 billion in 2023, down from N1.60 billion in 2022.

In contrast to the water supply, sewerage, waste management, and remediation activities sector, the activities of extraterritorial organisations and bodies experienced a significant growth in VAT contributions, increasing by 44 per cent to N1.27 billion in 2023 compared to N882.97 million in the previous year.

## GB Foods Invests N20bn in new tomato processing plant to cut Import bill

## Business a.m

**G**B FOODS, A PROMINENT CULINARY company with operations in Africa and Europe, has opened a N20 billion tomato processing plant in Kebbi state, Nigeria. The new facility, one of the largest of its kind in Africa, is expected to boost domestic tomato paste production and help reduce Nigeria's import bill for the commodity.

The 1,500-hectare farm and 620-metric-tonne-per-day processing plant are a testament to the company's commitment to investing in local production. In addition to the 2,000 jobs already created by the project, GB Foods plans to double the number of jobs in the next expansion phase.

Speaking at the official inauguration of the GB Foods tomato processing plant, President Bola Tinubu reaffirmed the government's commitment to supporting private sector investment in Nigeria. He stressed the importance of creating a conducive environment for businesses to operate.

President Bola Tinubu's representative, Abubakar Kyari, Minister of Agriculture, praised GB Foods for its investment, which he said demonstrated the confidence of foreign investors in Nigeria's policy environment.

Governor Nasir Idris of Kebbi state commended GB Foods for its tenacity and courage in tackling the challenges associated with its investment. He expressed his gratitude to the company for engaging 3,335 local out-growers in the state to produce tomatoes, and pledged the government's full support to ensure the plant's success.

Idris stressed the significance of the GB Foods tomato processing plant as the largest of its kind in the country, and committed the state government to providing the necessary support and protection for the project's success. In his remarks, Vincent Egbe, GB Foods Nigeria's CEO, noted that the company's farm and factory in Kebbi had played a crucial role in the country's tomato concentrate production during the 2022-23 season, accounting for 75 per cent of the total production. He stressed that the company was committed to investing more in the state, and would continue to create opportunities for local farmers and other stakeholders in the tomato value chain.

Despite GB Foods' significant contribution to the tomato concentrate production in Nigeria, Egbe noted that the country's demand still exceeded the available supply. He stressed the need for further expansion and development in the sector in order to close the supply-demand gap.

"According to Egbe, in December 2023, GB Foods expanded its tomato sachet factory in Lagos to an unprecedented capacity of 100,000 metric tonnes, making it the largest such factory in the world. He noted that this expansion was a significant milestone for the company, and would help to boost the tomato industry in Nigeria. He added that GB Foods was committed to investing more in the country, despite the current economic challenges, in order to make Nigeria self-sufficient in tomato production and a global hub for tomato exports.

"Today's ground-breaking event is a testament to what we stand for and the potential of investments in Nigeria."

We have laid the foundation as the first large-scale tomato processing company in Nigeria to expand into backward integration, constructing a 620 metric tonnes per day processing plant and developing 1,500 hectares of tomato farms here in Kebbi State," he stated.

The GB Foods CEO emphasised the company's long-term commitment to investing in all stages of the agricultural value chain, from production to processing, distribution, and retail. He noted that this commitment was in line with the federal government's efforts to boost employment and achieve food security in the country.

## Business a.m

**T**HE AFRICAN EXPORT-IMPORT BANK (Afreximbank) has announced an extension of its partnership with the Grand Africa Initiative (GAIN), an NGO that provides training, mentorship, and advocacy for young Africans. Under the extended partnership, Afraximbank has committed to provide a grant to fund the training of 300 young entrepreneurs from across the continent, a significant boost to its youth empowerment efforts.

Afreximbank stated that the training programme will focus on entrepreneurship and intra-African trade, with a view to increasing the participation of young people in the African Continental Free Trade Area (AfCFTA).

Yusuf Daya, director of AU/AfCFTA Relations and Trade Policy at Afraximbank, underscored the importance of equipping young African entrepreneurs with the knowledge and skills needed to take advantage of the opportunities presented by AfCFTA. He said, "Our renewed support to the GAIN Masterclass underscores the Bank's efforts to develop skills of African youths and build African entrepreneurial capacity under the Afraximbank Academy (AFRACAD)."

Jerry Ojima Momoh, Partnership Lead at GAIN, also commented on the renewed partnership, saying: "This marks the 5th edition of GAIN Entrepreneurship Masterclass series designed

## Afreximbank, GAIN renew partnership to equip next generation of African business leaders



to empower African youths.

According to Momoh, the GAIN-Afreximbank masterclass on entrepreneurship and intra-African trade has been designed to give young African entrepreneurs the skills and knowledge they need to expand their businesses across the continent. The programme, he explained, will focus on issues such as understanding the AfCFTA, developing a successful business plan, understanding the requirements for doing business in other African countries, identifying funding opportunities, and building partnerships with other entrepreneurs and business networks.

Momoh explained further that in the six-weeks comprehensive programme, participants would gain valuable insights into how to build and expand their businesses leveraging the intra-African Market. He added that participants would also receive technical guidance, practical training, and business advisory from a faculty of international experts.

He added, "We have two series so far focused on training

women, and the third series now open to both male and female. We are happy to have this partnership with Afraximbank again this year to provide invaluable entrepreneurial support to young entrepreneurs.

"In 2022, we trained participants from 29 countries across Africa. Beyond the training, participants gained in-depth knowledge, built connections, and accessed mentorship from experienced global mentors, all of which will have a successful impact on their business growth." Momoh expressed optimism that the Masterclass will enhance inclusivity in the implementation of AfCFTA by offering interventions that specifically support young Africans, women, and small and medium-sized enterprises.

He encouraged interested individuals to submit applications through the official programme website at [www.grandafrika.org](http://www.grandafrika.org), stressing that only prospective entrepreneurs who met the criteria would be selected from across Africa to participate in the training.



## Dana Air's 'Early Bird' back with affordable, convenient travel for passengers

Sade Williams/Business a.m.

**D**ANA AIR, ONE OF NIGERIA'S leading domestic carriers, is reaffirming its commitment to affordable and convenient travel in Nigeria with the relaunch of its "Early Bird" initiative.

Ememobong Ettete, chief operating officer of the airline, explained that the fare initiative is also in response to the growing challenges faced by air travellers locally, stating that Dana Air has taken a proactive step to ensure that flying remains the smartest way to travel.

Ettete said: "The 'Early Bird'

initiative encourages passengers to plan ahead and book their tickets on our user-friendly website, [www.flydanaair.com](http://www.flydanaair.com) to access exclusive discounts and enjoy a seamless booking experience.

"We understand the financial constraints faced by our valued passengers and at Dana Air, we understand the importance of providing our passengers with affordable travel options without compromising on quality or service.

"The 'Early Bird' fare initiative reaffirms our commitment to offering innovative solutions that cater to the diverse needs of Nigerian travellers, allowing them to fly smarter without breaking the bank while enjoying unmatched value and convenience," Emem added.

An explanatory note described Dana Air as one of Nigeria's leading airlines with daily flights to major cities and a varied fleet of aircraft, and that it is dedicated to providing safe, reliable, and affordable air travel.

## NCAA to punish private jet owners found operating commercial flights

Sade Williams/Business a.m.

**T**HE NIGERIA CIVIL AVIATION AUTHORITY (NCAA) will apply stiff penalties on private jet owners who carry out commercial flight operations after it issued a stern warning to them to desist from the act stressing they are only issued with Permit for Non-Commercial Flight (PNCF).

Holders of PNCF are not permitted to use their aircraft for carriage of passengers, cargo, mail, for hire or reward which amounts to commercial operations or charter services.

In line with Section 32 (4) of the Civil Aviation Act 2022, the NCAA said it will not hesitate to initiate enforcement actions against any PNCF holder found guilty of illegal



operations with suspension, withdrawal or revocation of their Permit for Non-Commercial Flight.

"The public is hereby notified that it is illegal to engage PNCF holders for commercial purposes. "NCAA officials have also been deployed to General Aviation Terminals (GAT) and private wings of the airports to monitor activities of

the PNCF holders.

"The NCAA wishes to restate its zero tolerance for violations of the Nigeria Civil Aviation Regulations 2023 and shall continue to enforce strict compliance through the application of appropriate sanctions," a statement by Michael Achimugu, director, public affairs and consumer protection, said.

Sade Williams/Business a.m.

**A**JOINT PROMO BY DOMESTIC carrier United Nigeria Airlines and electronics powerhouse, Samsung, has seen at least 12 travellers of the airline win brand new smart phones.

The promo tagged 'fly and win' was part of activities that marked the third anniversary of United Nigeria Airlines, and smartphones won are newly launched Samsung A05, S23 and S24 brands.

Winners emerged in a lucky dip conducted onboard United Nigeria Airlines flights on the Lagos-Abuja-Lagos and Lagos-Port Harcourt-Abuja routes.

The 12 winners are Olomu Mac-

## Passengers win smart phones in United Nigeria-Samsung joint promo

Makanju, Bola Adewale, Mirabel Mbadugha, Ruth Deinde-Dipeolu, Besulaki Audu, Emmanuel Ugwuanyi, Very Rev. John E. Salefil, Ejefobiri Favour, Mrs Aligizo Hannatu, Master Stephen Nkayi, Tolu Oshanisi Stephen, and Oladapo Bukola.

The trio of MacMakanju, Adewale, and Mbadugha won brand new smart phones on the first day of the promo, while Deinde-Dipeolu, Ugwuanyi, Audu, Rev. Salefil and Ejefobiri won theirs on the second day. Mrs Aligizo, Master Nkayi, Stephen, and Bukola were lucky winners on the third day of the event.

Commenting on the United Ni-

geria Airlines/Samsung sales promotion, Ebele Mokaogwu, digital marketing manager of United Nigeria Airlines, said: "The partnership between United Nigeria Airlines and Samsung Nigeria stems from our shared commitment to innovation, excellence, and customer satisfaction.

By joining forces, our aim was to leverage each other's strengths to provide unparalleled value and reward our passengers for their loyalty, especially as we were celebrating our third year in the aviation industry."

According to Mokaogwu, "At United Nigeria Airlines, we under-

stand the importance of staying ahead of the curve in an increasingly digital world. Through our collaboration with Samsung Nigeria, we believe we have been able to harness the power of cutting-edge technology to redefine our passengers' travel experience and exceed their expectations."

Also commenting, Chika Nnadozie, head, marketing and public relation, Samsung Electronics West Africa, said: "At Samsung, we are continually looking for ways to connect with consumers with a view to bringing the brand closer to them. This is the basis for this partnership. Not only was Samsung

able to collaborate with a leading Nigerian airline whose values of innovation, creativity, and integrity aligned with ours, but this partnership enabled us to engage with and delight new and old customers with the giveaway."

She also stated that "In addition, the prizes for the activity, which included recently launched models, ranged from the affordable Galaxy A05 to the AI-empowered Galaxy S24. These devices were carefully selected to show that Samsung is a brand that cares for and caters to the needs of each and every consumer."

**T**HE INTERNATIONAL WOMEN'S DAY, which was held last week, has again drawn attention to the need for diversity, equity and inclusion in aviation. The day is an opportunity to remind everyone that the rights of women are human rights as well as to celebrate the achievements of women whether political, social, economic or cultural.

Coming from terrible working conditions and exploitation in 1908, 15,000 women in New York took to the streets in protest asking for shorter hours, better pay, and rights to vote. Subsequently the first International Women's Day was held in 1911, and more than a million people turned out to rallies in Europe. By 1975 which is the International Women's Year the United Nations adopted March 8 as the International Women's Day.

Data USA reported that "The Aircraft pilots & flight engineers workforce in 2021 was 193,721 people (6.4% women and 93.6% men)." Egonzehnder, a consulting firm, stated that at most airlines, leaders in key leadership roles are long tenured in the industry and with their current airline. They also stated that women are a rarity among CEO's or in other top executive positions. In Africa there is now the advent of women CEOs not only in airlines but in airports as well.

## ANALYST INSIGHT The Airport Customer Experience

## Diversity, equity, and inclusion in aviation

The latest being Nigeria that for the first time appointed a woman CEO (Mrs Olubunmi Kuku) to run the airport groups in the country. They also stated that only 18 percent of airline executives differ in nationality from their airline. Another interesting finding was that the Middle East and Africa (MEA) rank lowest in gender diversity but highest in the percentage of executives who have lived abroad.

At the domestic terminal in Lagos, Nigeria, I saw the colour brought into the retirement programme for a female aviator by other women. The emotion was palpable as the woman wept while the saxophone led in the procession organised by the staff. It was the woman's last day at work. This type of innovation that leaves a positive emotional feeling with a staff leaving the service, attests to the positive difference the presence of women can make to a group. This type of exit ceremony fosters a sense of belonging and can lead to higher job satisfaction and retention rates among employees.

To court diversity in aviation will embody actively seeking and

valuing individuals from differing backgrounds, whether gender, ethnicity, age, race, and culture. Better decision making and innovation results from a diverse workforce. This happens because the workforce from their differing backgrounds come with different perspectives, ideas, and approaches to solving problems.

Equity in aviation points to fair treatment, opportunity and access, and advancement for every person irrespective of the person's background. It results in a level playing field for every person as well as does away with systemic barriers and biases that may be in place.

Inclusion on the other hand leads to the existence of a sense of belonging and acceptance for all persons. What is brought about is a culture where each person feels valued, respected, and empowered to add to the organisation their own unique skills and perspectives. What results from a culture of inclusion is collaboration, strong teams, and an improvement in overall organisational performance.

The airport environment plays host to people of differing tribes,

tongues, and creeds. A diversified workforce means that customers will find those who understand them and can relate with them. So, a diverse workforce can better understand and cater to the needs of a diverse customer base leading to better customer service and passenger experience which improves overall financial performance.

One major initiative towards diversity, equity and inclusion in aviation has been "Women in Aviation" that has continued to make positive efforts in this regard both locally and internationally. Some of these initiatives which have been helpful in the effort towards diversity, equity and inclusion also include mentorship programmes, diversity training, focusing on underrepresented groups while recruiting, inclusive leadership development, and amongst others, partnering with educational institutions and community organisations to advance the frontiers of equity and inclusion in the airport community.

So, as we celebrate with the women, these words from a woman herself come to mind:



**EKELEM AIRHIHEN**

*Ekelem Airhihen, an accredited mediator, has an MBA from the Lagos Business School. He is a member, ACI Airport Non-aeronautical Revenue Activities Committee; his interests are in market research, customer experience and performance measurement, negotiation, strategy and data and business analytics. He can be reached on [ekyair@yahoo.com](mailto:ekyair@yahoo.com) and +2348023125396 (WhatsApp only).*

**"The world's most prominent women leaders show the importance of honesty, courage, impact, and decisive action in leadership."**

— Oprah Winfrey, (media executive and philanthropist)

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**E**GYPT IS AN INCREASINGLY POPULAR destination for international travellers, with cities like Cairo, Sharm el Sheikh, Hurghada, and Alexandria being among the most visited in North Africa. As of February 2024, Cairo International Airport (CAI) is Africa's most popular destination for international airlines.

This is based on the number of airlines with international passenger flights scheduled to various airports across the continent. According to data from Cirium, an aviation analytics company, there were 6,345 international flights to Cairo in February offered by 53 different airlines.

**50+ airlines with international flights to Cairo**

The airport serves as a strategic hub and is the main gateway into North Africa. It is Egypt's biggest and busiest airport, with non-stop passenger flights scheduled to over 124 destinations in more than 50 countries. Last year, Cairo welcomed 26 million passengers, a 30 percent increase from the previous year. It is a hub for the national carrier Egyptair, as well as Air Cairo, Air Arabia Egypt, and Nile Air.

As of February 2024, 53 airlines (including subsidiaries) offered

Airline	Flights	Seats
Egyptair	2,553	479,209
Saudia	450	145,910
flynas	412	70,040
Nile Air	382	69,786
Air Cairo	315	56,510

international flights to and from Cairo. Egyptair is, unsurprisingly, the top international carrier, offering the most flights and seats to destinations outside Egypt. It is fol-

# Cairo Airport most popular Africa destination for international airlines

● 53 airlines have international flights to Cairo



lowed by Saudia. The top five carriers operating out of Cairo are as follows (all flights are one-way):

Other notable airlines serving Cairo include Emirates, Qatar Airways, Lufthansa, British Airways, Ethiopian Airlines, and Royal Air Maroc. Among the newest entrants are China Eastern and Hainan Airlines, which resumed flights to Egypt after over 13 years.

Cairo Airport is currently connected to Africa, Asia, Europe, the Middle East, and North America. The Middle East is the most connected to the Egyptian capital, with 4,157 flights in one direction. There are 26 airlines flying to the Middle East, 21 to Europe, 12 within Africa, four to Asia, and one to North America.

**Johannesburg Airport is the second most popular**

As you might have guessed, Johannesburg OR Tambo International Airport (JNB) is Africa's second most popular destination for international airlines. However, South Africa also has one of the

Airline	Flights	Seats
Airlink	1,208	88,998
South African Airways	234	36,694
LAM Mozambique	115	9,230
Fastjet	110	5,390
Air Botswana	108	7,560

largest domestic sectors in Africa. Cape Town and Durban are among the most visited, but Johannesburg Airport handles most of South Africa's international traffic.

In February, there were 3,061 international flights scheduled to Johannesburg. They were offered by 43 different carriers, connecting the airport to over 80 destinations in about 41 countries. Johannesburg has non-stop scheduled passenger flights to all six habitable continents - Africa, Asia, Europe, North America, South America, and Oceania. It is also home to Africa's longest non-stop route.

Data shows that Airlink is the top international carrier out of Johannesburg, with nearly 40 percent of all outbound flights. It connects the airport to over 27 destinations outside South Africa. It is followed by the national carrier South African Airways, with scheduled flights to ten international destinations. These are the top five airlines from Johannesburg in February:

Among the intercontinental carriers serving Johannesburg are Qantas, LATAM, Saudia, Cathay Pacific, Delta, and Air France. The airport still sees a significant number of quadjet flights every week, including the Airbus A380, A340, and Boeing 747. There are 23 airlines with flights from JNB to other African destinations, eight to Europe, four to the Middle East, two to North America, two to South America, three to Asia, and one to Oceania.

**North Africa has more popular destinations**

Hurghada International Airport (HRG) is also a popular destination for international flights, particularly out of Europe. There are 37

different international carriers with flights to Hurghada this month, offering 1,235 flights and 242,969 seats. They connect the coastal city to over 80 destinations in Africa, Asia, and Europe. However, nearly 98 percent of inbound flights are from Europe.

Marrakech, the fourth-largest city in Morocco, welcomes about 35 international airlines, surpassing Casablanca Mohamed V (CMN), the country's primary hub. Similar to Hurghada, most flights to Marrakech Menara Airport (RAK) are from Europe. Ryanair is the top carrier from the city, with 500 out of the 2,056 scheduled flights this month.

Sharm el Sheikh International Airport (SSH) on the southern tip of the Sinai Peninsula is Africa's fifth most popular airport for international carriers. In February 2024, there were 31 different airlines connecting the airport to destinations in Europe, Asia, and the Middle East. These include easyJet, TUI Airways, Aeroflot, and Turkish Airlines, with easyJet being the top carrier out of SSH.



**A**IRLINERATINGS.COM CONSIDERS a very different set of data to create the list for the top-ranked airlines and airline products (e.g., the aircraft themselves). They claim to be "The world's best one-stop airline safety and product rating review website."

Airlineratings.com provides safety ratings for over 435 airlines worldwide - and every airline has a safety rating breakdown. They use a one to seven-star ranking system (with seven being the highest). In addition to airlines, Airlineratings.com provides valuable information for over 30 types of aircraft, from widebody aircraft like the Boeing 787 and the A380 to smaller jets. Other, more quirky, questions they ask and answer include questions like:

- "What are all those noises after takeoff and before landing?"
- "Why do you have to put the window shades up for landing and takeoff?"
- "How strong is a wing?"
- "Why is it so costly to fly short distances?"

They may include some data that overlaps with Skytrax as they also consider passenger reviews

## Airlineratings.com A ranking based on safety & more



and reviews written by experienced aviation editors. Overall, Airlineratings.com's list is not so much a rival to Skytrax's list but rather a complement to it.

**Air New Zealand: 2023's airline of the year**

New Zealand's national carrier, Air New Zealand, was named the "Airline of the Year" for 2023's Airline Excellence Award, with the runners-up being Qatar Airways, Etihad Airways, Korean Air, and Singapore Airlines.

The Airline Excellence Award is

an accolade that the small airline has received seven times since 2013. Air New Zealand is being honoured for its innovations like the SkyNest economy beds, its operational safety, the motivation of its staff, and its environmental leadership.

Other criteria included fleet age, passenger reviews, investment ratings, and other considerations. On the airline safety rating page, Air New Zealand received seven stars (including full stars for the sub-categories Fatality Free, Incident Free, and Audit).

- Average Fleet Age: 6.8 years (2022)

Air New Zealand topped the airlineratings.com's list of the world's safest airlines in 2022. Not only does Air New Zealand have an exemplary safety record, but it also has a very young fleet - its aircraft have an average age of just 6.8 years in 2022. The assessment looked at crashes over the last five years, severe incidents in the previous two years, and data from audits

and other relevant information.

Air New Zealand's innovation extends into safety improvements - notably the Future Air Navigation System, which provides real-time monitoring of the engines across the fleet and other safety-related enhancements.

Air New Zealand also won Best Economy Class, Singapore Airlines was named Best First Class, and Qatar was awarded Best Business Class. North American airlines to make the 2023 Top 25 premium airline list were Delta Air Lines, Air Canada, Hawaiian, Alaska Airlines, and United Airlines.





Sade Williams/Business a.m.

**T**HE QUEST TO STABILISE AND grow the Nigerian economy and drive up revenue could benefit from proper investments into the exportation of food and other perishables via air transportation, says Olubunmi Kuku, managing director, Federal Airports Authority of Nigeria (FAAN).

She said this in Minna, Niger State, recently at the commissioning of the newly refurbished Bola Tinubu International Airport, Minna.

Kuku, who represented Festus Keyamo, minister of aviation and aerospace development, at the commissioning thanked Governor Umar Mohammed Bago of Niger State for speedily completing the project, adding that it would surely contribute to the improvement of the state's gross domestic product.

Her words: "The overhauling of the runway and construction of the passenger terminal in a very short timeline was a daunting task that required much expense and synergy between all parties involved. I am, indeed, grateful that this project will forever be seen as a symbol of our nation's dedica-

## Kuku says proper investment in air cargo sector will boost Nigeria's revenue



tion to advancing infrastructure, enhancing connectivity, and fostering economic growth.

"We believe that the Bola Ahmed Tinubu International Airport, Minna, will serve as a gateway to the world, facilitating trade,

tourism, and collaboration on a global scale.

"At FAAN, one of our key aspirations is to help grow Nigeria's economy through the facilitation of exports. We believe that with some investments in the right areas, we

can put a huge dent in the N3.6 trillion worth of perishable goods lost annually.

Therefore, we are excited that his excellency has promised to complete the cargo and international terminals within a short time. We

encourage him to do so as we cannot wait to assist the ambitions of the state to be the biggest food producer and food exporter in the country," she said.

Renaming the Minna International Airport after President Tinubu was historic and befitting, given the policy direction and implementations by the current administration, Kuku added.

"This occasion not only pays tribute to a visionary leader but also signifies a new chapter in the development of our aviation industry. President Tinubu's commitment to progress, innovation, and excellence is evident in all his policies and programmes and at FAAN, we are happy to have partnered with the equally visionary leadership of the Niger State Government, ably-led by Governor Bago, on this project.

His commitment, drive and close monitoring contributed immensely to seeing this project delivered in record time and for this, we are indeed thankful," she said.

## MTN, NiMet team up to provide weather information to farmers

**M**TN, THE LARGEST MOBILE PHONE NETWORK in Nigeria, says it will partner with the Nigerian Meteorological Agency (NiMet), to disseminate weather and climate information to farmers and other users across Nigeria.

The partnership is coming on the heels of a memorandum of understanding (MoU) signed in February 2024, between NiMet and Tomorrow.io, a leading weather intelligence company based in Boston, Massachusetts, USA, with footprints across Africa and the Middle East. The two organisations are collaborating on a whole range of areas including commercialising weather data, improving accuracy of weather and climate forecasts, and application of artificial intelligence (AI) in weather and climate intelligence.

Tobechukwu Okigbo, chief cor-

porate services and sustainability officer, MTN Nigeria Communications Limited, said: "As the leading provider of communications services in Nigeria, with over 77 million people on our network, we are committed to supporting national initiatives that enhance the quality of life of Nigerians. Therefore, we are open to supporting NiMet's partnership with Tomorrow.io to make this service available to farmers across Nigeria. "We appreciate the opportunity to work together to improve the nation's food security and anticipate a fruitful working relationship".

On his part, Charles Anosike, director-general and chief executive officer, NiMet, said: "NiMet is the federal government of Nigeria agency responsible for observing, collating, collecting, processing and disseminating all meteorological data and information.

The weather and climate data that we generate are useful planning tools for all Nigerians, farmers and other sectoral operators in aviation, marine, oil and gas, construction, academia etc. We are delighted to be partnering with MTN Nigeria to support the critical task of disseminating weather and climate information to farmers to boost food security which is a key component of the Renewed Hope Agenda of President Bola Ahmed Tinubu".

## Ethiopian Airlines receives award for role in Covid-19 vaccine distribution



**E**THIOPIAN AIRLINES, the national flag carrier of Ethiopia, has been honoured with the prestigious 'Ethiopian Institutional Achievement Award' by the national government of Ethiopia.

The award was presented by Abiy Ahmed, the prime minister, to Mesfin Tasew, the group chief executive officer of Ethiopian Airlines Group.

Ethiopian Airlines Group was distinguished for its substantial role during the COVID-19 pandemic, when it maintained vital air connectivity and also played a pivotal part in the global distribution of the much-needed lifesaving medical supplies and vaccines.

The airline's agility and resilience in adapting to the rapidly changing landscape have been instrumental in its recognition.

Its achievements in fleet modernization, fast growth and continuous internal capacity building initiatives are the other considerations for the recognition.

Mesfin Tasew, group CEO, reaffirmed the airline's dedication to maintaining its status as a leader in the aviation industry saying, "The Award is a testament to the relentless dedication and hard work of all Ethiopian Airlines employees who have worked tirelessly day and night. This accolade is dedicated to every member of our staff, whose commitment has propelled us to new heights of operational excel-

lence and customer service. It is also a salute to the unwavering commitment and industriousness of every Ethiopian Airlines employee, whose collective efforts have ensured operational continuity and excellence even amidst the most challenging times."

In a statement made available to Business a.m., the airline extended its heartfelt gratitude to the government of Ethiopia for the honour and reaffirmed its commitment to serving the people of Ethiopia and its passengers worldwide with even greater dedication.

Among others, Ethiopian Airlines is a global award winner, including winning Skytrax 'Best African Airline' for six years in a row.





## A MCKINSEY SPECIAL FOR CEOs

## STRATEGY &amp; CORPORATE FINANCE

By Carolyn Dewar, Scott Keller, Vikram Malhotra, and Kurt Strovink (McKinsey)

Concluding from last edition

**G**ETTING THE BALANCE right doesn't just set you in good stead as a CEO candidate. It's also a win for the institution. What company isn't better off for having more service-oriented leaders connecting across the enterprise and boldly solving for the good of the whole organisation, especially if they're doing so while delivering on their core responsibilities, building their self-awareness, and developing new capabilities and more fruitful relationships?

#### Understand the CEO selection process and put your best foot forward

There's a point in the climb from the final camp on Mount Everest to the summit where the mountaineer reaches what's called the "south summit" and knows they're just a couple of hours from their dream coming true. But there is one obstacle in the way: Knife Ridge. According to climbers, "You will gasp upon seeing it. It is steep and looks truly nasty."

When you're formally tapped to be in the CEO selection process, you'll likely have a similar mix of excitement and dread. While every board's process is unique, most will involve the following steps:

1. choosing a top-tier headhunting company to identify the best candidates
2. defining what the business needs from its next CEO
3. determining which stakeholders will play roles in the process and at which stages
4. conducting an initial search to canvas and approach potential candidates both inside and outside the company—including qualified executives not proactively looking to move
5. narrowing the list through in-depth due diligence (often including 360-degree references)
6. holding initial screening interviews to narrow the list to the strongest prospects (the headhunter typically does these interviews)
7. creating a detailed psychometric, personality, and competency profile that allows candidates to be easily scored and compared
8. conducting the final stage of interviews to explore each candidate's vision for the company, leadership qualities, and matching of the desired profile of the next CEO
9. doing further due dili-

# Stepping up: Becoming a high-potential CEO candidate

The road to becoming CEO is a difficult ascent for even the most seasoned leaders. Here are four keys to making the journey a success.



gence (identity check, credit check, and ensuring that no other disqualifications exist) on the preferred candidate, with their consent

10. making sure that all relevant stakeholders are confident in the preferred candidate's suitability and then formally making an offer.

The good news is that if you've followed the advice we've already shared, you're already well prepared for many of the board's inquiries. You'll be able to articulate why you want the role. You'll have a bold vision for where the company should go next and how value will be created across the portfolio. You'll also have translated that into a perspective on what the company needs from its next CEO and be able to make a fact-based argument that your experience, knowledge, leader-

ship skills, and relationships make you the right horse for the course. You'll be prepared to talk about how you've grown over the past three to five years yet also be clear-eyed and honest about your areas of weakness and how you'll need to surround yourself with others who can help in those areas. You'll also have built a following among your colleagues by leading authentically and helping others.

That said, Knife Ridge is no place to start winging it. "Probably the single-most important responsibility the board has is CEO selection," CCHMC's Fisher explains. "They take it very seriously, and so should you. Prepare; prepare; prepare." Fisher, who has served as CEO of three different organisations, made it a point to rehearse his pitch and be

mock interviewed multiple times by his closest advisers, encouraging them to play the role of the cynic. He anticipated questions and had crisp and compelling answers. He had a second set of eyes on any written material submitted into the process. Fisher's successes bear witness to the famous assertion attributed to American football coach Vince Lombardi: "The will to win is not nearly as important as the will to prepare to win."

We've supported numerous executives as they made their way to the summit. Reflecting on this experience, our top ten list of less-obvious yet high-impact advice for putting your best foot forward in the formal selection process is as follows, in no particular order:

- The headhunter is your ambassador to the search

committee. Respect them and the process they've set up (don't try to work around it).

- Every interaction is part of the interview process. Show your best self, whether it's in formal settings (such as presentations and interviews) or informal settings (such as dinners and ad hoc discussions)

- You'll be up against outsiders with fresh and bold perspectives. Make sure that you have an outsider's perspective while being clear on why being an insider is advantageous.

- Connect the dots for people. You know your story; they don't—it's up to you to put it together for them in a way that makes sense and is easy to comprehend.

- Boards, not the sitting CEO, choose the new CEO. Don't mistake positive (or negative) signals from the

incumbent to be representative of your standing in the process.

- Prepare not only for business-related interview topics but also for personal ones (for example, "Tell us about some formative experiences that have helped you build resilience").

- Listen closely to what's being asked and the subtext beneath it, and strive for brevity, clarity, and memorability in your responses.

- Don't just prepare the content. Think through how it is that you want your audience to feel when you leave the room (and adjust your approach accordingly).

- Interviews are a two-way process. Ask questions that help you understand what your mandate will be and make sure that the job will be one you want to have.

- As in other parts of the journey, authenticity matters. You may be able to fake it in an interview, but you're not going to be able to fake it as a CEO.

While we've directed our advice in this article toward internal CEO candidates, much of it applies to those courting a CEO role outside their current organisation as well. We've also endeavoured to make the insights here relevant regardless of the role one has during the final ascent (whether you're the COO, CFO, the head of a business unit, and so on).

That said, we also encourage leaders to seek out advice specific to the positions they hold. For example, if you're a CFO shooting for the CEO job, you may have an extra burden to show that you see a picture bigger than just the numbers, that you're willing to take risks on new concepts with no precedent, and that you can motivate and engage colleagues through stories as well as facts.

"We might succeed or not; that's not important," report experienced Mount Everest alpinists. "The summit is such a small piece of the mountain. Most of the beauty and wonders are experienced during the climb." The ascent to the CEO role is similar. The learning from the journey will be invaluable and, more than likely, set you in good stead to summit other beautiful mountains if that remains an aspiration. If you do set foot on the highest peak, we'll offer our congratulations—you're among the world's most elite business mountaineers.

So take a deep breath and get ready to climb new heights.



## TECHNOLOGY &amp; INNOVATION

●FINTECH ●WEALTHTECH ●AI ●RML ●RPA ●REGTECH ●CRYPTO ●BLOCKCHAIN

Joy Agwunobi

**A** DARKSHADOW WAS RECENTLY cast over Nigeria's internet landscape, as damage to vital undersea cables plunged the country into digital darkness. The country's biggest service providers, including MTN, Airtel, and MainOne, all experienced outages, leaving businesses, organisations, and individuals disconnected from the online world.

The outages caused by the damage to the undersea cables have had a significant economic impact, causing disruptions and disconnections to businesses that rely on the internet. Banking, e-commerce, and other digital services have all been impacted, with some companies unable to operate at all.

On Thursday, March 14, reports emerged of multiple breaks in undersea cables off the coast of Abidjan, Côte d'Ivoire, with disastrous consequences for internet connectivity across Africa. The damage to the MainOne, West Africa Cable System (WACS), Africa Coast to Europe (ACE), MainOne, and SAT3 cables caused widespread outages among internet service providers and cloud service providers in Nigeria.

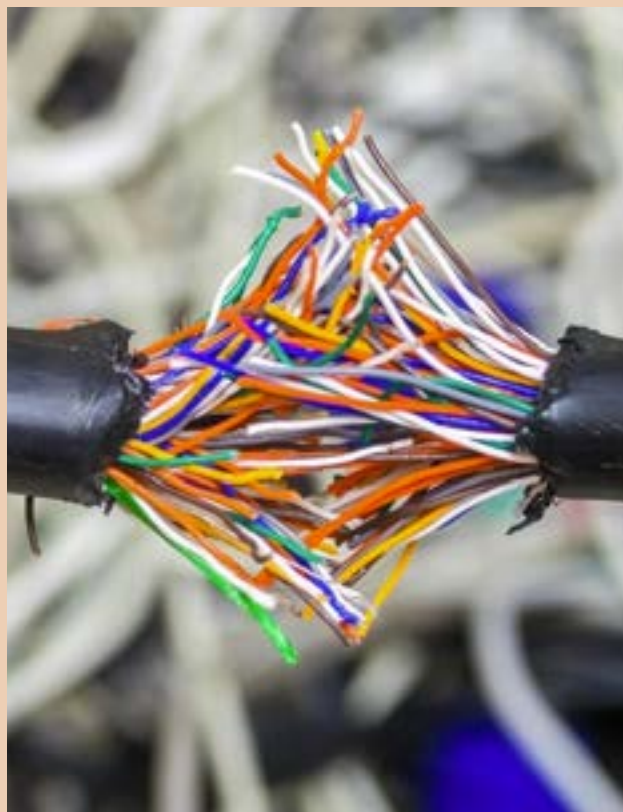
The financial services sector was hit particularly hard by the outages, with banks and other financial institutions unable to process

# Nigerians hit by internet outage after undersea cable failure

transactions or provide other services to their customers. This led to widespread complaints and frustration from those who were unable to access their accounts or carry out financial transactions. Some banks were completely crippled by the outages, while others experienced lengthy delays and interruptions in service.

Among the banks affected by the cable damage was Sterling Bank, which experienced a total shutdown of its network, the bank was unable to process any transactions and its customers were completely cut off from accessing their accounts. Additionally, the Bank's app was also affected by the outage, further worsening the situation for its customers.

In a notice sent to its customers, Sterling Bank apologised for the disruption and acknowledged the inconvenience caused by the network outage. The bank explained that it was working to resolve the issue and promised to notify customers as soon as it was fixed. The notice also acknowledged that customers may have experienced difficulties in transferring funds, reaching the customer care team, or trans-



acting via USSD. The bank expressed its commitment to providing the best service possible and apologised for any disruption this may have caused.

As a result of the network outage, many commercial banks in Nigeria suggested that customers use USSD as an alternative to carry out transactions until full ser-

vices are restored.

The outages also affected telecom subscribers, who experienced difficulty in surfing the internet. This caused widespread frustration among users who rely on these services for communication and access to information. In some cases, people were unable to contact family members or ac-

cess important information online. The outage caused significant disruption to the daily lives of millions of people, highlighting the critical role that the internet plays in modern society.

In response to the outage, MTN Nigeria released a statement apologising to its customers for the disruption and any inconvenience caused. The company explained that the outages were caused by damage to the international undersea cables, which are currently being repaired. MTN reassured its customers that the repair process was underway and that normal service would be restored as soon as possible. The statement also encouraged customers to be patient as the repairs were carried out.

In an official statement, the Nigerian Communications Commission (NCC) confirmed that the widespread internet outage experienced by the country was due to multiple breaks in undersea cables. The NCC stated that these breaks resulted in significant disruptions to internet service in Nigeria and other countries. The Commission also requested the understanding and patience of the public as it works to resolve the

issue.

A statement released by the submarine cable company, MainOne, has revealed that a force majeure has been declared in response to the undersea cable cut that has disrupted internet services in Nigeria and other West African countries. The company also hinted that while actions have been taken to repair the damage, the process could take weeks to complete.

MainOne explained that a force majeure was declared following a series of tests and assessments that provided sufficient technical data to suggest that underwater activity was the likely cause of the cable break.

The statement from MainOne detailed the steps that will be taken to repair the damaged submarine cable, including identifying and mobilising a vessel to retrieve the necessary spares for the repair, sailing to the fault location, and pulling the affected section of the cable onto the ship. The next step involves splicing the cable by skilled technicians on the ship, followed by the inspection and testing of the repaired cable. The repaired cable will then be lowered back into the sea and guided to a good position.

## MTN, Huawei forge alliance to boost Africa's digital transformation

Business a.m.

**M**TN GROUP AND HUAWEI, have signed a Memorandum of Understanding (MoU) to set up a joint innovation technology lab. The lab will be located at MTN's headquarters in South Africa, and will serve as a platform for collaboration and the development of innovative digital solutions across the African continent.

The signing ceremony took place in Barcelona, Spain, at the Mobile World Congress (MWC), and was attended by senior delegations from both MTN and Huawei. The two companies plan to use the joint innovation technology lab to focus their research and development efforts on a range of cutting-edge technologies, including 5G and beyond, artificial intelligence (AI), big data analytics, cloud computing, and digital financial services.

In addition to the development of innovative technologies, the lab will focus on addressing the unique challenges faced by Africa, such as improving network coverage in rural areas, increasing energy

efficiency, and lowering the cost of services.

A key aspect of the Joint Innovation Technology Lab will be the active participation of MTN's operational teams in the innovation process. This will ensure that the solutions developed are not only technologically advanced but also address the specific needs and challenges faced by MTN's customers.

Mazen Mroué, MTN Group's Chief Technology and Information Officer, described the Joint Innovation Technology Lab as more than just a partnership between two companies, but rather an investment in the digital ecosystem of the African continent.

"We believe collaboration is essential for developing solutions that truly meet the continent's needs, and this Lab will pave the way for a more inclusive, sustainable, and prosperous future for Africa," Mroué said.

Li Peng, the Corporate Senior Vice President and President of ICT Sales and Service at Huawei, said the company will continue to innovate with MTN to ensure they have the best products and solutions for the African market.

"This will not only give MTN a competitive edge in terms of network quality, user experience, and rapid deployment but also help MTN achieve its business objectives. This newly established lab will help supercharge both MTN's R&D as well as Africa's digital economy, bringing more prosperity to the African continent," Peng said.

## Heirs Technologies taps Obong Idiong as new CEO

Business a.m.

**H**EIRS TECHNOLOGIES HAS appointed Obong Idiong as its new chief executive officer, a move that highlights the company's commitment to digital transformation.

The leading digital transformation company, in a statement made available to Business a.m., assured that with Obong at the helm, Heirs Technologies, it will continue to deliver its vision of empowering businesses to thrive, through innovative digital solutions, global expertise, and a focus on local capacity and value.

Idiong's appointment is a testament to his wide-ranging experience in technology and his proven ability to lead organisations through successful digital transformations. Prior to joining Heirs Technologies, Idiong was MD/CEO at Africa Prudential Plc, where he spearheaded the company's digital transformation and led it into a new era of agility and innovation. Idiong's previous experience also includes senior management roles at United Bank for Africa Plc and Heirs Holdings Limited, where he has played a pivotal role in shaping the digital strategies of these companies.

As part of its commitment to driving innovation and enabling businesses to thrive, Heirs Technologies offers a range of services

that leverage cutting-edge technology to help customers achieve their goals. The company's IT Consulting services provide clients with tailored solutions that are designed to meet their specific needs, while its managed services and business process outsourcing solutions are focused on delivering cost-effective and scalable solutions that drive efficiency and growth. Additionally, the company's locally relevant enterprise solutions provide businesses with the tools they need to stay ahead of the curve in a competitive and rapidly changing environment. As Idiong noted, Heirs Technologies is focused on bringing Heirs Holdings' values and approach to the technology sector, with a focus on excellence, execution, and enterprise.

"We are committed to bridging an enormous gap in the technology ecosystem by delivering local relevance to a global market and offering cutting-edge solutions to enable our customers to become more competitive," he said.

In another development, Fumbi Chima, a global technology leader and innovator, has been appointed as Chair of Heirs Technologies. Chima has a wealth of experience in senior technology roles at some of the world's leading

companies, including Adidas, Fox Network Group, Burberry Corporation, Walmart Stores Inc., and American Express.

Commenting on her appointment, Chima stated, "I am pleased to be a part of this movement to unlock Africa's potential. Having worked in technology leadership roles across global organisations, I am confident that Heirs Technologies will create impact that will improve lives and transform the continent."



Tony Elumelu (left), chairman, Heirs Holdings, with Obong Idiong, chief executive officer, Heirs Technologies



•TELCOS •INNOVATION •R&amp;D •AI •ML •CLOUD COMPUTING •BIG DATA •CYBERSECURITY

## NCC champions ethical AI at World Consumer Rights Day

Business a.m

**T**HE NIGERIAN COMMUNICATIONS COMMISSION (NCC), on the occasion of the 2024 World Consumer Rights Day, addressed the need for responsible and ethical development and use of artificial intelligence (AI) systems. The NCC noted that AI systems should be designed with the consumer in mind and must be used in a way that is both ethical and transparent.

On March 15th each year, the world unites to observe World Consumer Rights Day, an annual event that raises awareness about consumer rights and the importance of protecting consumers from unfair and deceptive practices. This year's theme, "Fair and Responsible AI for the Consumer," highlights the need for AI systems that are ethical, transparent, and designed to benefit consumers.

At the World Consumer Rights Day event held at the NCC head office in Abuja, Aminu Maida, the NCC's executive vice chairman, delivered a speech that called for a balance between innovation and consumer rights and dignity. Maida noted that the NCC has been proactive in protecting consumers,

through the implementation of several initiatives that focus on the needs of consumers.

"With the Commission's special interest and commitment to Consumer Protection, we have proactively put in place consumer-centric initiatives to deal with first level complaints by the telecom consumer.

These initiatives include the Consumer Complaints Management (CCM), through which various channels of lodging complaints were created, the NCC Toll-free line 622 available between 8:00am to 8:00pm daily except on Sundays and Public Holidays, the Do-Not-Disturb (DND) Code 2442, for stopping unsolicited messages, the Consumer Portal-http://consumer.ncc.gov.ng, and the Commission Consumer X account @Consumersncc," he stated.

He listed other initiatives to include the Telecom Consumer Assistance, Resolution and Enquiries (TEL-CARE), at Nnamdi Azikiwe International Airport, Abuja, an additional platform to enhance awareness of the Commission's activities, make enquiries on consumer complaints and also for advocacy on any thematic telecom issues or concern, as well as the Harmonized Short Codes initiative which

enables consumers to use the same codes to access services across all networks.

Maida, who was represented by Abraham Oshadami, the executive commissioner, technical services designate at NCC, explained that the initiatives are designed to deal with consumer complaints at the first level, with the goal of providing an efficient and effective resolution process," he stated.

As Maida explained, the NCC has been consistent in its commitment to protecting consumers and upholding their rights. He noted that over the years, the commission has worked to uphold a number of consumer rights, including the right to privacy, the right to quality of service, the right to timely redress, the right to take action on disputed charges, the right to a fair complaint process, and the right to accurate billing.

"Using AI responsibly is crucial in order to guarantee consumer trust and circumvent possible problems. Responsible AI means using it in an ethical way throughout its development, deployment, and usage. This includes considering issues like bias, privacy, transparency, and accountability. According to reports, responsible AI aims to empower consumers, build trust, and minimise negative effects," he stated.

## Data & Information Governance Insight

### Logical data subject access request handling and refusal



**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

**D**ATA PROTECTION AND PRIVACY have become paramount, and the handling of Data Subject Access Requests (DSARs) represents a critical aspect of an organisation's compliance framework. Navigating the complexities of these requests requires a meticulous and logical approach, ensuring that the rights of the data subject are balanced with the legal and operational realities of the organisation. Moreover, there are instances where refusing a DSAR, or certain aspects of it, becomes necessary. This process must be managed with equal parts logic and sensitivity, ensuring that all actions are defensible, transparent, and in strict adherence to data protection laws.

At the core of handling DSARs logically is the establishment of a clear, comprehensive process that begins with the immediate acknowledgment of the request. This step is crucial, as it sets the tone for the data subject's experience and demonstrates the organisation's commitment to data protection. Following acknowledgment, a precise verification of the data subject's identity is essential to protect against data breaches and ensure that personal information is only disclosed to those with a rightful claim. This process requires a careful balance, seeking sufficient evidence of identity without being overly burdensome, thus respecting the individual's rights and the organisation's security concerns.

Once identity verification is complete, the next step involves a thorough assessment of the request. This assessment should determine the specificity, scope, and feasibility of the DSAR, identifying any potential challenges in retrieval and compliance. It is here that the organisation's understanding of its data landscapes is tested, necessitating robust data mapping and classification practices. Efficiently navigating this step requires a deep knowledge

of where and how personal data is stored, processed, and managed across the organisation.

However, the path to fulfilling a DSAR is not always straightforward. There are circumstances under which an organisation may find it logical, and legally permissible, to refuse a request or part of it. Such decisions must never be taken lightly and require a solid foundation in the applicable legal framework, such as the General Data Protection Regulation (GDPR) for organisations within the European Union and Nigerian Data Protection Act for organisations in Nigeria. Grounds for refusal may include cases where the request is manifestly unfounded or excessive, particularly if it is repetitive in nature or requires disproportionate effort to fulfil. In such instances, the rationale for refusal must be clearly articulated, demonstrating how the decision aligns with legal provisions and the principles of reasonableness and proportionality.

When refusing a DSAR, communication with the data subject becomes paramount. The response should be crafted with care, explaining the reasons for refusal in a manner that is both comprehensive and comprehensible. It is vital to detail the assessment process and the criteria used to reach the decision, thereby providing the data subject with a transparent view of the organisation's reasoning. Furthermore, the response should inform the data subject of their right to appeal the decision, either through internal review mechanisms or by escalating the matter to the relevant data protection authority. This approach not only underscores the organisation's commitment to fairness and transparency but also reinforces the integrity of its data protection practices.

The handling of DSARs, whether in compliance or refusal, demands a strategic approach that integrates legal obligations with operational capabilities. Organisations must navigate these waters with a keen un-

derstanding of the nuances of data protection legislation, an in-depth knowledge of their data management practices, and a commitment to the principles of transparency and accountability. Training and awareness are indispensable, ensuring that all employees understand the importance of DSARs and the role they play in maintaining trust and compliance.

The logical handling of DSARs, and the reasoned refusal of such requests when necessary, represents a complex yet crucial aspect of an organisation's data protection strategy. It requires a judicious balance of legal acumen, operational efficiency, and ethical consideration, underpinned by transparent communication and a steadfast commitment to upholding the rights of individuals. In navigating these challenges with diligence and integrity, organisations not only ensure compliance with data protection laws but also reinforce their reputation as trustworthy custodians of personal data.

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**G**LOVO AND VISA HAVE announced a new partnership that aims to provide SMEs with the skills and knowledge they need to navigate the digital economy. The two companies will work together to create educational content, workshops, and events to help SMEs overcome the challenges of digitization and leverage opportunities in e-commerce and digital payments.

As part of the partnership, Glovo and Visa will launch a series of online training courses under the umbrella programme Glovo Local. The courses will be accessible to SMEs through the Glovo platform and will be tailored to the specific needs of business

## Glovo, Visa team up to help 40,000 SMEs digitise payments

owners, covering topics such as setting up an online business, managing finances, and understanding e-commerce trends.

The training series, which will be available to SMEs in Spain, Portugal, Ivory Coast, Morocco, Tunisia, Ghana, Uganda, Kenya, and Nigeria, will cover a range of topics related to the digital economy, including digital payments, marketing campaigns, social media, and money management. In total, over 40,000 SMEs will have access to the training resources, giving them the tools they need to succeed in the digital age.

In a statement, Sébastien Pellion, head of impact and sustainability at Glovo, said, "We are using this oppor-

tunity to further our offering to SMEs and to strengthen a collaborative ecosystem for entrepreneurs and business owners that shape our cities. Only 20 percent of SMEs in the markets where we operate sell via digital channels, resulting in a huge potential for them to tap into new customer bases."

Carl Manlan, vice president and head of social impact, CEMEA, Visa, stated, "Visa acknowledges that SMEs are the backbone of economic growth and inclusion and equipping them with innovative solutions and resources with our partners is essential. Small, independent businesses account for over half of Europe's GDP and employ around 100 million people."

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**KENNETH  
AMAESHI, PHD**

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**P**ROFESSOR BENEDICT ORAMAH'S RECENT ARTICULATION of Development Commercial Banking is very compelling. According to him, Development Commercial Banking is "... a careful blend of investment banking and commercial banking aimed at delivering three outcomes, namely positive socioeconomic impact to society, as well as solid financial returns and goodwill to the bank".

Professor Oramah is the president and chairman of the board of directors of Afreximbank – an important African financial institution. His statement on Development Commercial Banking is weighty, strategic, and timely, and I will tell you why!

Over the years, I have spent some time intellectualising the role of business, particularly banking, in Africa. Initially, it started with an interest in Corporate Social Responsibility. In 2006, together with colleagues, I published one of the first academic papers on CSR in Nigeria, exploring if the practice was driven by indigenous values or an expression of Western mimicry. Although we concluded that the then CSR in Nigeria, which was largely philanthropic, was informed by indigenous values, it also showed some Western influences.

But CSR is beyond philanthropy. Businesses – both small and big – create impacts on society and the

environment. These impacts can be negative or positive. In developing countries and emerging markets, the state (i.e., the government) often struggles to govern and control the excesses of businesses. In such situations, the government needs to be supported.

Uncomfortable with the then-predominant understanding of CSR in Nigeria as mainly philanthropy, I again worked with colleagues to position CSR as a private governance of corporate externalities (i.e., positive and negative impacts of organisations on society and the environment), which requires some entrepreneurial efforts and innovation. The book on this, titled *Corporate Social Responsibility, Entrepreneurship, and Innovation*, was published in 2012 – six years afterwards – by Routledge, USA.

These milestones are important to highlight because the challenge of mainstreaming CSR as a legitimate business discourse stood out for me in this era. No one seemed to take CSR seriously. Even the holistic view of CSR as private corporate governance was hard to sell in an environment where taking advantage of regulatory shortcomings, loopholes, and institutional weaknesses was celebrated as strategic and innovative business moves.

A light bulb moment for me was when Tony Elumelu coined Africapitalism and saw it as a possible way to articulate the private sector's positive role in Africa's development. When I came across the idea in 2013, it captivated me.

Firstly, it resonated with my burgeoning research interest in the broad area of business and society in Africa. Secondly, I was very impressed that a hard-nosed, successful entrepreneur like Mr Elumelu could key into such a society-oriented interpretation of entrepreneurship, which was still largely ignored in Africa. This fortuitous discovery led me to write a piece on Africapitalism as an economic philosophy for the sustainable development of Africa in *The Guardian* (UK). And the rest is now history.

Following subsequent interactions with Mr Elumelu on Africapitalism, his foundation – The Tony Elumelu Foundation – funded a research project on mainstreaming Africapitalism in the global academe at the University of Edinburgh, which I led. The research

# Oramah's developmental commercial banking idea needs Elumelu's Africapitalism



Tony Elumelu

produced an academic peer-reviewed journal article and books published by Cambridge University Press – the first of its kind on Africapitalism – and Routledge publishers, respectively. It also expanded Mr Elumelu's articulation and produced a much more nuanced understanding of Africapitalism, emphasising **progress, parity, peace, and place** as essential characteristics of a fit-for-purpose-capitalism.

As an idea, Africapitalism is an imaginative articulation of a possible face of capitalism in Africa, which could be extended to other parts of the world. It is a discourse to galvanise a movement which will ultimately change the practice of capitalism in Africa. Positioned as such, Africapitalism becomes an aspiration for Africa's renaissance – i.e. a force for change. It challenges the status quo – i.e. capitalism in Africa – which has not transformed Africa.

The problem here is not necessarily the spirit of capitalism, as the harbinger of human freedom and economic emancipation, but the inherited form of capitalism practised in Africa, which is often at variance with the continent's socio-economic development. This misalignment invariably creates lopsided outcomes – e.g. economic banditry, corruption, inequality, poverty, et cetera – which Oramah's Developmental Commercial Banking will seek to address in Africa.



Benedict Oramah

Putting Africa first is at the heart of Africapitalism. It is an understanding of Africa primarily as a place (not necessarily a market) with meaning and value to people's identities. It is a form of entrepreneurship that seeks to meet Africa, where the continent is on its development path. Again, this view resonates well with Professor Oramah's developmental commercial banking idea.

By drawing attention to the importance of place in capitalism, Africapitalism also draws attention to the need to appreciate capitalism fundamentally as an indigenous practice rooted in and influenced by place, as much as capitalism, in turn, influences place. This understanding speaks to Professor Oramah's antagonism of the negative colonial influences on commercial banking in Africa. No wonder he argues that "...a widespread adoption of Developmental commercial banking practices across Africa will enable the continent to move away from the colonial legacy of commercial banking practice that emphasises short-termism and consumption, instead of, investment financing."

Today, Africapitalism is making its way, albeit gradually, into the global academe. However, the question remains: how can Africapitalism, as a discourse, be translated into practice? This is where

Professor Oramah's developmental commercial banking idea comes in. However, the idea needs a strong and coherent economic and business philosophy, which Africapitalism provides.

It is pleasing to notice that Professor Oramah also sees the relevance of integrating our educational system in his vision for the development and mainstreaming of Developmental Commercial Banking in Africa. Hence, his proposal for Afreximbank Academy (AFRACAD) to work "...with Wigwe University and perhaps the Africa Capacity Building Foundation (ACBF) in Harare and others to develop a course content and programme that would enable the introduction of Developmental Commercial Banking in African Universities".

The Tony Elumelu Foundation is also keen to mainstream Africapitalism in the academe. Recently, Harvard Business School published a case study on TEF with emphasis on Africapitalism.

Africapitalism and Development Commercial Banking hold a lot of prospects for Africa's development. But beyond commercial banking, Africapitalism can also inform and shape other businesses and sectors. While it is a good idea to rethink and reform commercial banking for Africa's development, it is more critical to ensure Africapitalism is well embedded in our educational system – an area of interest I have been championing through research and policy advice.

Mr Elumelu and Professor Oramah are Africonsconscious entrepreneurs who should collaborate to achieve their mutually compatible goals. In turn, they should be emulated and supported to succeed.

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