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Access Holdings chairman bullish about raising $300m new capital

PHILLIP ISAKPA IN STOCKPORT, UK

- Our shareholders have mind set on recapitalisation
- Has over 800,000 shareholders

AIGBOJE AIG-IMOUKHUEDE, the newly elected chairman of Access Holdings Plc, who chaired his first meeting of shareholders over the weekend, is bullish about raising $300 million in fresh capital as part of the on-going drive to meet new capitalisation threshold set by banking industry regulator, the Central Bank of Nigeria (CBN).

He spoke on the sideline of the second annual general meeting (AGM) of the multinational financial corporation, and based his confidence on what he said were the Access Holdings' strong market position and its shareholders' support.

The financial and investment strategist and leader in Nigeria's business landscape has only just returned to chair the board of the institution after nearly 11 years away from Access Bank, which he led as managing director between 2002 and 2013. He and Herbert Wigwe, the late chief executive officer of Access Holdings Plc, made the bold acquisition of Access Bank in 2002 midwifing it from bottom half of Nigeria's banking leaderboard to becoming the largest banking group in the country today.

Capital raising and mergers and acquisitions (M&A) expertise will be at play in this new round of recapitalisation that the Nigerian banking industry is expected to go through. With his involvement in many capital raising domestically and internationally, the return of Aig-Imoukhuede is expected to give fillip to the drive of Access Holdings'

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Nigeria's easy World Bank's $2.25bn loan

THE NIGERIAN GOVERNMENT has qualified to process a loan from the World Bank totalling $2.25 billion at a low interest rate of one percent.

Wale Edun, minister of finance and coordinating minister of the economy made the disclosure at a joint press ...

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LCFE new frontier 4 crude oil futures

A LANDMARK DEVELOPMENT is set to be experienced in Nigeria's financial market landscape, as the country's economic mainstay, crude oil, is about to make a historic arrival into the local trading scene. The move, poised to unfold on the...

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COMMENT

What we own and how we protect them

NIGERIA IS ONE COUNTRY where the sense of ownership is deep-rooted in the cultures of its nationalities, and serious considerations are, expectedly, given to the way we identify and manage what we own.

As it is in many countries, the...

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Nigeria's inflation to ease in Q2 '24, say analysts at Cowry Asset

ONOME AMUGE & JOY AGWUNOBI IN LAGOS, NIGERIA

THE FIRST QUARTER OF 2024 will be remembered as a turbulent period in Nigeria's economic history, as the nation endured the wrath of inflationary turmoil. The headline inflation rate soared to 33.20 percent in March 2024, reaching its highest level since March 1996, a grim milestone that underscores the lingering impact of persistent challenges such as insecurity threatening food production, removal of fuel subsidies, and currency volatility.

Despite the looming shadow of inflationary pressures, a glimmer of hope appears to be shining through, as Cowry Asset Management Limited predicts that the inflamed inflation rate is likely to begin a gradual descent by the second quarter of 2024. This moderating trend, according to the firm, is predicated upon the Naira's recent appreciation and the eventual offsetting of the inflation base effect, a scenario which could herald the beginning of the end for the country's inflation crisis.

The investment banking firm however warned against overly optimistic expectations for a rapid decline in inflation, anticipating a more measured easing of inflation, with food prices expected to moderate at a more sluggish pace, hindered by the enduring grip of insecurity upon the country's food supply chain.

Cowry Asset cautioned that, even with the anticipated downward trajectory of inflation, the relief felt by households could be muted at best, noting that the projected decline in inflation is not expected to have a substantial impact on the day-to-day lives of most households unless there is an increase in household income. The firm also dismissed fears that a potential increase in public servants' salaries could exacerbate inflationary pressures.

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L-R: Bolaji Agbede, acting group chief executive officer, Access Holdings Plc; Aigboje Aig-Imoukhuede, chairman; Sunday Ekwochi, company secretary; and Roosevelt Ogbonna, non-executive director, during the Group's 2nd annual general meeting (AGM) in Lagos, on Friday 19th April, 2024

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NIGERIAN BREWERIES PLC has confirmed that the final leg of its highly anticipated acquisition of an 80 per cent stake in Distell Wines & Spirits Nigeria Limited will be...

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Gender-Neutral Fintech Isn't Working for Women

WASHINGTON, DC – Financial technology (fintech) has often been touted as a powerful enabler of financial inclusion. And over the past several years, the fintech industry has enabled important advances in access to financial services – including digital savings, credit, insurance, payments, and remittances...

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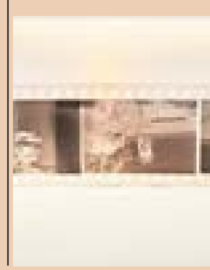

HOW TO SMOOTH THE TRANSITION and embrace the "third half" of life.

The idea of retirement as envisioned by our parents is undergoing a radical change. Once viewed as the last chapter before death, it has now morphed into an intermediate phase that no longer strictly aligns with either old age or complete inactivity...

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Nigeria's inflation...

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It maintained that such concerns are without merit, given the wide gap that currently exists between average household incomes and the minimum income required to maintain an adequate standard of living.

In a recent presentation, Johnson Chukwu, the group managing director and chief executive officer of Cowry Asset Management Limited, dissected the Nigerian economy's performance during the first quarter of 2024 and shared his insights into the projected trajectory for the first half of the year.

The comprehensive examination, titled "Nigeria's Economic & Financial Market Review for Q1 and outlook for H1 2024," dived into the complex financial market landscape of the country, shedding light on the prevailing issues and offering a glimpse into the potential outcomes that may unfold over the next six months.

Setting the stage for his comprehensive analysis, Johnson Chukwu underscored the symbiotic relationship between the global and Nigerian economies, highlighting the importance of understanding the wider world's financial fluctuations in order to make informed forecasts for the country's future. He cited the International Monetary Fund's projections, which foresaw a measured expansion of the global economy at 3.1 percent in 2024, followed by an uptick of 3.2 percent in 2025.

Reiterating the IMF's positive projection, Chukwu highlighted the economic dynamics that bolstered the forecast. He pinpointed the U.S as a pillar of resilience in the global economy, underscoring its role as a force of economic stability. He noted further that the rekindling of growth in China and the increasingly vibrant emergence of India and other developing economies illustrated a multifaceted engine of global growth, propelling the global economic engine forward, and by extension, setting the stage for potential reverberations in Nigeria's economic landscape.

Concerning the domestic arena, Cowry Asset observed that Nigeria's forex market witnessed considerable fluctuations and volatility in the local currency in the first quarter of 2024, prompting the Central Bank of Nigeria to implement various policies to stabilise the Naira, bolster market confidence, and enhance transparency.

"During the quarter, the Naira encountered significant depreciation across FX segments due to speculative activities, leading to historic lows of N1627.40/$1 in the official market and N1900/$1 in the parallel market, despite efforts by the central bank to support the currency," it stated.

Cowry Asset highlighted the measures taken by the CBN, revealing a notable narrowing of the exchange rate gap between the official and parallel markets. It noted that the fruits of the policy reforms began to emerge in 2024, particularly in February with an encouraging influx of foreign exchange inflows, a surge in remittance and increased foreign investment in Nigerian assets.

"Dollar reserves increased by 2.80% to $33.83 billion by March 2024 from $32.91 billion in December 2023, signalling enhanced foreign exchange inflow into Nigeria's economy," Cowry Asset observed. It noted further that the government plans to issue foreign currency-denominated domestic bonds in June 2024 to attract investors concerned about holding the Naira, aiming to stabilise the currency.

Domestic equities market's resilient performance

In its review of the domestic equities market, Cowry Asset observed a flourishing stock market, underpinned by a landscape of price growth in the first quarter of 2024. This is as the All-Share Index (ASI), a faithful barometer of the market's vitality, soared to 39.84 percent Year-to-Date (YTD) growth to amass 104,562.06 points by the end of March 28th.

The review also showed that despite Nigeria's economy facing challenges such as double-digit inflation, the market amassed impressive gains totalling N18.2 trillion, led by the industrial sector with a remarkable 78.49 percent YTD growth as the market cap of listed equities rose 44.50 percent to close the Q1:24 at N59.12 trillion after hitting the N60 trillion mark.

"NGX demonstrated resilience, surpassing international benchmarks and achieving a 39.84% increase in ASI, amidst macroeconomic challenges and consecutive Monetary Policy Rate (MPR) hikes by the Central Bank of Nigeria. Sector-wise, NGX Industrial Index led with a 78.49% increase YTD, followed by Consumer Goods (+43.66%), Banking (+14.76%), Oil & Gas (+24.09%), and Insurance (+26.20%)," Cowry Asset observed.

In its review of the Nigerian fixed income and money market, the investment banking firm unearthed a decidedly bearish trend in the secondary bonds market, with long-term bonds taking the brunt of the hit. It observed that the first quarter of 2024 saw average yields undergo an increase, soaring from a relatively sedate 12.03 percent in December 2023 to 19.41 percent by March 2024. The review noted that the dramatic upsurge was fueled by a wave of sell-offs, largely spurred by the CBN's interest rate hikes.

The shifting winds of investor sentiment in the Nigerian fixed income and money market, as captured in Cowry Asset Management Limited's review, revealed a marked preference for shorter-dated instruments in the first quarter of 2024.

Wary of mounting interest rates and inflationary pressures, investors sought refuge in the relative safety of these instruments, perceiving them as a more stable hedge against volatility.

Dwelling on this, Cowry Asset stated; "The DMO's shift towards larger bond sales aims to align with the cash flow needs of the Federal Government of Nigeria (FGN) and reduce reliance on Central Bank of Nigeria (CBN) financing. This strategy may result in increased issuance in the short term due to timing discrepancies between fiscal collections and budgeted expenditures, potentially raising interest rates."

Interest rate poised to remain elevated in Q2 2024

The Nigerian financial landscape was left reeling in the aftermath of a joint liquidity purge by the Central Bank of Nigeria (CBN) and the Debt Management Office (DMO), which saw about N12.7 trillion wiped from the system over the course of four short months from January 2 to April 15, 2024. Cowry Asset, in its review of the fiscal manoeuvrings, pinpointed the pair's draconian measures as the driving force behind a steep rise in interest rates.

"We project that interest rates will remain elevated in Q2 2024 before we begin to see some moderation by July. This is further reinforced by the pressure to sustain the gains recorded in foreign exchange rates," it stated.

Cowry Asset further noted that massive borrowing by the CBN and federal government would also lead to significant increase in banks' deposit rates as corporate organisations' increased offer of commercial papers provide alternative short-term investment outlets for bank depositors.

Concerning the exchange rate movement, Asset Cowry noted that the Naira has experienced significant appreciation against the US dollar starting from the month of March to close at N1,080/$ and N1,136.04/$ at the Parallel and NAFEM markets respectively by the close of business on April 15, 2024.

The investment firm projected that the government's plan to issue foreign currency denominated bonds in June will further boost forex liquidity in Q2' 2024. It however pointed out that the ability of CBN to sustain the current Naira defence is doubtful given the huge cost of the adventure.

"We therefore expect that the current Naira appreciation will moderate in Q2' 2024. This is further reinforced by the consistent decline in crude oil production," it predicted.

Cowry Asset analysts turned their critical eye toward the Nigerian equities market in the second quarter of 2024, predicting a significant southwards trajectory for prices based on the following factors:

- Current over-valuation of many stocks beyond their intrinsic value.

- Elevated yield on fixed income instruments with attendant portfolio rebalancing by Fund Managers.

- Likely weak performance by many of the quoted companies due to the country's harsh economic environment.

In its fixed income markets outlook, Cowry Asset projected that the CBN's priority to uphold price stability as observed in the hawkish monetary policy stance will result in persistent higher rates in the fixed-income sector, as observed in Q1 2024, as they try to combat inflation.

The investment banking firm observed that in the bid to attract foreign inflows, the CBN has been intentional with higher rates on auctions, issues, and reopening. Given the persisting challenges in the FX market, it expects the offers to continue in Q2' 2024 though as reducing volume and rates.

As the Eurobond market navigates the turbulent waters of a global economic landscape, Cowry Asset anticipates that yields on instruments issued by advanced economies would mellow as inflation and interest rates begin to abate. However, the investment firm painted a divergent picture for emerging and frontier economies' Eurobonds, predicting that yields would remain high as a persistent demand for sufficient risk compensation from investors would keep a firm grip on the market, particularly in relation to instruments issued by countries or corporations perceived to carry a higher default risk.

It added that the demand for higher interest rates on developing economies Eurobonds will also constrain primary market activities.

L-R: Emmanuel Oriakhi, marketing director; Sade Morgan, corporate affairs director; Hans Essaadi, managing director; Uaboi Agbebaku, company secretary/legal director; and Ben Wessels Boer, finance director, all of Nigerian Breweries Plc, during the 78th pre-annual general meeting media briefing of the company held in Lagos recently.

Samantha Power (left), administrator of the United States Agency for International Development (USAID), with Akinwumi Adesina, president, African Development Bank (AfDB) Group, after the signing of memorandum of understanding between USAID and AfDB Group to finance women fund managers in Africa to support women on climate change solutions, in Washington recently.

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ITTF work plan on climate change financing endorsed by members in US

● Set to push tax options at COP30 in 2025
● $2.4trn funding gap exists
● Invites nations, experts, stakeholders to join effort

Phillip Isakpa, Stockport, Uk

A TWO-YEAR WORK PLAN FOR THE International Tax Task Force to come up with measures to raise additional finance for equitable climate and development action has received the endorsement of member countries at a meeting held in Washington DC, United States, last Wednesday.

It is estimated that a $2.4 trillion funding gap currently by 2030 exists annually for developing and vulnerable countries to meet their Paris Climate Agreement and commitments, and the ITTF, set up at the United Nations COP28 in Dubai, United Arab Emirates (UAE), is aiming to bring governments together to foster the political will and advance options for international climate taxes to significantly close this gap.

Member countries of the task force are also aiming to ensure that, with respect to the taxes that will emerge, all industries and people contribute to financing the fight against climate change, taking into account the pollution induced by their activities.

Following the endorsement of the 2-year work plan, members now target putting forward proposals and to promote international agreements on one or several tax options at COP30 in autumn 2025, a statement made available to Business a.m. at the end of the meeting stated.

According to the statement issued by the secretariat of the ITTF, which is being hosted at the European Climate Foundation (ECF), it is hoped that "these agreements can be implemented by relevant decision-makers, and by coalitions of countries ready to commit to implementing new tax options at domestic level or in a relevant international forum, to generate more fairness and equity in the current global tax system."

L-R: Obinna Anyanwu, country director Nigeria, Commonwealth Enterprise Investment; Olasupo Shasore, member, Commonwealth Enterprise and Investment Council; Vice President Kashim Shettima; Rosie Glazebrook, chief executive, Commonwealth Enterprise and Investment Council; Jim Ovia, founder and chairman of Zenith Bank; and others, during the vice president's meeting with Commonwealth Enterprise and Investment Group at the Presidential Villa in Abuja recently.

The Washington meeting, the first official meeting of the task force, coincided with the International Monetary Fund (IMF) and World Bank Group's Spring Meetings in the US capital, and had in attendance the founding members – Kenya, France, Barbados, Ireland, Spain, Antigua and the Marshall Islands – who were joined by a new member, Colombia.

Business a.m. has been told that the European Union, the International Monetary Fund (IMF) and the United Nations attended in observer capacity. With representations currently spread around the world, members are still calling on other interested countries to join the new initiative which is being chaired by Kenya, Barbados and France.

Commenting, Laurence Tubiana, a professor and the chief executive officer of the European Climate Foundation and the architect of the Paris Climate Agreement and also co-lead of the Secretariat of the International Tax Task Force, said:

"Finding new ways to raise the billions needed to fight climate change effectively and equitably is a huge, but necessary task. Building on and complementing the important work done by bodies including the UN and the OECD, our task force will be looking for workable solutions for governments across the world. We're inviting nations across the world, as well as stakeholders and experts, to engage with and input into our research, and we also expect to shortly announce my fellow co-lead of the task force's secretariat."

The ITTF was launched at COP28 but in the aftermath of discussions at the Paris Summit for a New Financing Pact and Africa Climate Summit 2023 targeted at addressing the Paris Agreement climate action and development financing needs, ideas have been crystallising around new climate levies on private air travel, financial transactions, maritime fuel, carbon damages, fossil fuel profits and reinvesting fossil fuel subsidies to provide significant additional revenue and make the financial system fairer and more equitable.

It noted that the initiative comes in the wake of emerging discussions among the international community highlighting "the importance of putting tax cooperation at the service of global public goods and development objectives," and adds that "it echoes calls from supporters of the Paris Pact for People and the Planet (4P), the Bridgetown Initiative and the Nairobi Declaration on Climate Change to leverage additional financing for these objectives."

According to the statement from the secretariat, the first meeting kickstarts a year and half of research and public consultations, with final recommended actions to be delivered at COP30 in November 2025.

"The task force is keen to find practical solutions that raise much needed financing to tackle climate change while having minimal impact on ordinary people. The goal is to develop innovative sources of financing that can be implemented by any country that wants to make a difference, " said Ali Mohamed, Climate Change envoy for Kenya and Sherpa to the task force.

Also commenting, Aurelien Lechevallier, director general for globalisation at the French Ministry for European and Foreign Affairs and Sherpa to the task force, said:

"The need for substantial, sustainable financial resources for countries to tackle climate change has never been more urgent. As a coalition of nations seeking ways to ensure we can meet our climate and development commitments

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Access Holdings...

Continued from page 1

team, comprising the board, executives and management, to achieve its set targets.

Analysts say local and global investor confidence would need to be galvanised in the current drive and the Access Holdings' chairman appears already to be providing the assurances that could lead to a successful capital raising outing by the institution.

The CBN in a bold move last month released a programmed recapitalisation guideline that kicked off April 1, 2024 and is expected to terminate on March 31, 2026. It gave operators in the Nigerian banking industry exactly two years to bring their paid-up capital in line with the categorised requirements for their operating licences.

Specifically, the CBN, which had categorised the nation's banks into three levels — international, national and regional — had followed this up in the new directive with the prescription of a new set of capital thresholds for them. It now requires international banks to maintain minimum share capital of N500 billion, while national and regional banks would need to meet minimum capital of N200 billion, and N50 billion, respectively.

But Aig-Imoukhuede's bullishness also stems from the unanimous backing given by shareholders to the plan presented to them by the board to establish a capital raising programme targeting $1.5 billion at Friday's AGM. This was also after a positive vote to support a rights issue for existing shareholders designed to raise N365 billion.

The financial group had explained to shareholders that money raised through this rights issue will be channelled to supporting ongoing working capital needs, including organic growth funding for the group's banking and other non-banking subsidiaries

According to Aig-Imoukhuede, he has the confidence that following the presentation of the rights issue capital raising plan, the necessary shareholders' support for Access Holdings to embark on the steps to actualisation is in place for the journey. The Access Holdings Plc chairman also talked up what he called the unique relationship the financial group has with the capital market in Nigeria and internationally.

"It is not the first time CBN is coming up with such policy," Aig-Imoukhuede said, adding, "Recall that in 2004 when CBN announced that all banks must recapitalise to the tune of N25 billion and Access Bank had about N3 billion of capital. Between 2004 and 2007, our team, when I was the CEO of the bank, raised two billion dollars of common equity capital.

"Therefore, in 2024 when Access Holdings is much older, wiser, stronger, larger and significantly respected by the capital market with over 800,000 shareholders, raising 300 million dollars in capital for Access Bank, its banking subsidiary, is not really much of a challenge.

"We signalled to the market first that we will be doing a Rights Issue, which means that we must carry everybody along, in spite of our large institutional shareholders.

"Nonetheless, we believe in ensuring that shareholders, either large or small, continue with us on our journey. "They have always supported us when need be with good reasons, because they believe in the company and the performance that would be delivered subsequently to such capital raising exercise.

"What is on the mind of our shareholders now is recapitalisation and they are also concerned about how their company continues to deliver returns," he said.

Aig-Imoukhuede said the group fully endorses the recapitalisation policy of the CBN, noting that it is a good and sensible prudential regulation.

Banks, particularly after a period of significant devaluation of domestic currency, volatility in the foreign exchange and interest rate regime, are always encouraged to build up their capital buffer," he said.

The Access Holdings chairman explained that this measure is to ensure that whatever adverse effect that may arise, as a result of the dynamic changes in the business environment, it would not affect their very concern.

On the future performance and expectation outlook of the group, he said that the earning profile of the group, which is spread across Nigeria, Africa and outside Africa subsidiaries, is very robust.

"As an investor, you always look to see whether there is deep concentration where the profit is coming from; in our case, this is spread across three core areas that are of significant interest to local and international investors.

"If you look at the performance of banks in the year ended 2023 financial reports, you will see that all banks in naira terms have increased significantly their profitability as a result of the devaluation.

"But that isn't the case with Access Bank, whose revaluation benefits come from the fact that it has significant international operations, because it is not a function of holding large foreign currency balances," Aig-Imoukhuede explained.

For instance, he said Access Bank, United Kingdom, is the largest and probably highest performing sub-Saharan African bank that has a licence in the UK and making hundreds of millions of naira of profit from the UK.

According to him, this is not an accounting benefit that comes in the year 2023, but will continue, and with the operations of the bank in France, and across other European, Asia and Middle Eastern jurisdictions.

"We can see that the foreign currency benefit of profit in those locations are going to also accrue to the Holding [Access Holdings Plc].

"The Holding as an investor is also thinking of retail banking, which is like a utility. A retail bank with about 60 million customers is enough to sustain the bank anytime, irrespective of how volatile or uncertain the market is," he said.

The financial behemoth recorded a 335 percent year-on-year increase in its profits before tax (PBT), reaching an impressive N729 billion for the financial year 2023, up from N167.68 billion in 2022; while it reported a remarkable 306 percent growth in profit after tax to N619.32 billion, from N152.20 billion in year 2022.

Its gross earnings of N2.59 trillion in the 2023 financial year saw Access Holdings Plc setting a new benchmark in the Nigerian banking industry. The amount is 87 percent year-on-year higher than the N1.38 trillion gross earnings the financial powerhouse reported for 2022.

As a reflection of its outstanding financial performance, Access Holdings Plc paid a final dividend of N1.80 kobo per share for the 2023 financial year, amounting to a total dividend payment of N2.10 kobo per share, with a total value of N74.6 billion.

Nigeria banks on low-interest $2.25bn World Bank loan for economic recovery

L-R: Babatunde Fashola, former minister of works and housing; Obafemi Hamzat, deputy governor, Lagos State; and Governor Babajide Sanwo-Olu of Lagos State, during the Lagos leadership summit in Lagos recently.

Business a.m.

THE NIGERIAN GOVERNMENT has qualified to process a loan from the World Bank totalling $2.25 billion at a low interest rate of one percent.

Wale Edun, minister of finance and coordinating minister of the economy made the disclosure at a joint press conference conducted by the Ministry of Finance and the Central Bank of Nigeria (CBN), held against the backdrop of the just concluded spring meetings of the International Monetary Fund (IMF) and the World Bank in Washington D.C.

Edun said the package, approved by the board of directors of the World Bank, offers a 40-year term with a 10-year moratorium and a nominal one-per cent interest rate.

In his word: "If you look at the fact that we have qualified for the processing, just this week to the Board of Directors of the World Bank, of the total package of $2.25 billion of what you can call, I mean, if there is no such thing as a free lunch, but it is the closest you can get to free money.

"It is virtually a grant. It is for about 40 years, 10 years moratorium and about 1% interest. So that also is part of the flow you can count." Edun also disclosed that Nigeria is also poised to secure budgetary support and low-interest funding from the African Development Bank. He stated further that the Nigerian government is in the throes of negotiations with foreign direct investors.

The minister addressed concerns about debt sustainability by highlighting the pivotal role of revenue generation in Nigeria's economic strategy and its foundation role in the country's economic game plan. He identified oil revenue as a primary source of revenue, while expressing confidence in President Bola Tinubu's ambitious goal to increase oil production from 1.6 million barrels per day to 2 million barrels per day.

"These measures are crucial for enhancing our fiscal resilience and ensuring long-term economic stability," he said.

The minister also disclosed that in a bid to strengthen its foreign exchange reserves and attract investment, Nigeria is exploring innovative avenues with particular emphasis on leveraging remittances from its diaspora community. He underscored the immense potential of Nigerians living abroad, acknowledging their substantial financial resources that could significantly benefit the Nigerian economy.

Emphasising the wellspring of potential that lies dormant within Nigeria's diaspora, Edun, expressed optimism over their capacity to make substantial contributions to Nigeria's economic growth and development.

Speaking further on how the government aims to effectively harness the potential of diaspora funds he said: "The government is looking at attracting those funds and capturing those funds through a diaspora type of instrument, a diaspora bond. We think that would be a very attractive instrument for Nigerians abroad and for foreign holdings of foreign currency and we look to having a substantive, substantial and successful issue later in the year."

Reps committee steer SEC, FRC towards N45bn remittance resolution

Business a.m.

THE HOUSE OF REPRESENTATIVE Public Accounts Committee, in a spirit of diplomacy and fairness, has provided a platform for the Securities and Exchange Commission (SEC) and the Fiscal Responsibility Commission (FRC) to address their differences over the controversial non-remittance of N45 billion to the Consolidated Revenue Fund.

The FRC had asserted that the SEC failed to acknowledge or respond to its report issued in 2022, which indicated that SEC had allegedly failed to remit approximately N45 billion of operating surplus to the Consolidated Revenue Fund between 2007 and 2021.

In response to the allegations, Lamido Yuguda, the director general of SEC,refuted the claims of non-remittance, stating that the commission had already reconciled its operating surplus with the office of the accountant general of the federation.

"I think if the FRC had actually done a little more work, they would have seen from the OAGF all the efforts that we have made to reconcile the surplus figures from 2007 when FRSC came into being, " the director general told the committee.

Presenting their case before the committee, the team from SEC stated that they possessed documented evidence of previous remittances, which they put forward as proof of their innocence in the alleged non-remittance scandal. In their defence, the SEC team maintained that they are ready and willing to provide any and all required documents to the committee, affirming their cooperation in the ongoing investigation.

Analysis of the SEC's submissions to the committee showed that the organisation had indeed made all required payments, as the documentation submitted by SEC corroborated their claims of compliance.

Furthermore, the representative from the Office of the Accountant General of the Federation affirmed this finding, revealing that regular reconciliation exercises had been carried out between the two parties,

Cross River presents reform strategies to development partners, diplomats

Ben Eguzozie

GOVERNOR BASSEY OTU OF CROSS River State says his administration's reform strategies, actions and economic indices are geared towards attracting investment into the state.

Addressing a large gathering of investment drivers, development partners, diplomats, and policy makers, with the aim of attracting and creating more development opportunities in the state, Governor Otu declared the state was ready to welcome old investors and receive new ones.

Otu made his presentation at the Transcorp Hilton Hotel Abuja during an "Executive Governor's Roundtable" summit, with the theme: "Building Cooperation for a Better Today and a Resilient Future." The governor's audience included the High Commissioner of Canada, James Christoff; Belgium Embassy's Ambassador Leenknegt; French Embassy's Deputy Head of Mission, Jean-Francois Hasperue; India High Commissioner, G. Balasubramanian; ambassador of the State of Israel in Nigeria, Michael Freeman; Norwegian Embassy's Minister Counselor and Deputy Head of Mission, Kristin Waeringsaase; and development partners.

Cross River's once booming tourism industry faced an eight-year hiatus under former governor Ben Ayade. Fragile as it is, visitor traffic begins dwindling when facilities on offer dip. Today, traffic to the tourist site appears to have paled into insignificance.

With a sub-national GDP of $26.33 billion, the state now falls in the list of Nigerian states with dwindled economic fortunes, with the attendant high unemployment rate. As of 2021, the state had an unemployment rate of 53.65 percent with a total unemployed number of 998,203 and underemployment rate of 17.81 percent. The state had a working age population of 2,531,503 and a labour force of 1,860,552, according to a National Bureau of Statistics.

The Nigerian Investment Promotions Council (NIPC), in its website said there are three agricultural zones in Cross River: Ogoja, Ikom and Calabar. These produce in abundance gari, rice, yam, cocoa, pineapple, banana, among others.

NIPC highlighted main areas of investment in the state to include: agribusiness, light manufacturing, healthcare, real estate, tourism, energy, mining, and ecotourism.

In particular, the state's top notch tourism sites, the Obudu Cattle Ranch resort and Tinapa Business & Leisure resort are in dire quest for core investors to revamp its facilities left to rot for most parts of the Ben Ayade administration.

Tinapa, the then N50 billion trade and leisure complex was left to decay until it became target for destruction during the October 2020 #ENDSARS protests. Its four imposing emporiums, each measuring the size of two football pitches, were badly destroyed. The digital filmmaking complex has not been in proper use.

Core investors could consider huge opportunities in upgrading the multi-billion-naira Obudu Ranch Resort International Hotel and Conferencing facilities; taking up sponsorship of the once popular Obudu Mountain Running Challenge, endorsed by the World Mountain Running Association (WMRA) which used to have the highest prize money reward of $50,000.

ITTF work plan...

Continued from page 4

now and into the future, the task force will collaborate to build political will among all governments and bring equitable, evidenced and workable solutions to COP30."

Arnold McIntyre, principal technical advisor for the government of Barbados and Sherpa to the task force, said:

"The new avenues of taxation that we will be exploring in the task force can be a powerful lever that, alongside traditional financing from governments, international financial institutions and the private sector, will unlock the necessary resources for climate adaptation and mitigation. Together we will be developing equitable proposals to apply levies targeting the most polluting sectors and individuals, with the aim of supporting the most climate vulnerable people and countries who have contributed least to rising global greenhouse gas emissions. We look forward to meeting our fellow Heads of State and Government of the International Tax Task Force in the margins of the UN General Assembly to take stock of our collective progress."

The secretariat noted that the task force will consider design options for each levy by taking a stocktake of existing levies already implemented in countries and conducting a literature review, adding that this will be ahead of launching impact studies in the summer to consider each levy's potential based on criteria such as: revenue collection and distribution; national and international equity; economic and environmental impact; potential scale; political feasibility.

It explained that the findings of these studies will include feasible and sensible options for international climate taxes that can easily be implemented, and adds that the first stocktake of this research will come in autumn 2024.

The permutations already made by way of estimates suggest that each tax avenue under consideration could raise between $4 billion and $1 trillion annually for climate mitigation and adaptation through tactical interventions on major polluting sectors and individuals, the secretariat noted.

At COP28, Presidents William Ruto of Kenya, Emmanuel Macron of France, and Prime Minister Mia Mottley moved to establish the International Tax Task Force guided by the aim of mobilising finance at scale while bringing more equitable climate justice and fairness to our current financial system.

It has received the highest possible level of endorsement from the founding heads of state and government with a mandate that builds on the outcome of the Global Stocktake, and complements other initiatives and complements such as the soon to be finalised G20-OECD's inclusive framework for the two-pillar global tax reform and the call for a UN Tax Convention. The secretariat explained that the work of the ITTF will include at least one meeting at head of state and government level ahead of COP30, and representation at international summits, including COP29 in Baku, Azerbaijan, and the UN General Assembly in New York.

N7.314trn accrues to Federation Account in HY2 2023, says RMAFC

● NNPC Ltd remits N874.6bn; NUPRC: N1.568trn; FIRS: N3.65trn ; NCS: N1.216trn

Ben Eguzozie

THE REVENUE MOBILISATION Allocation and Fiscal Commission (RMAFC) says the Federation Account received a little above N7.314 trillion (N7,314,129,314,386.08) in half-year 2023 (HY 2023 – July to December), as captured in the Federation Account Allocation Committee (FAAC) monthly report by the Central Bank of Nigeria (CBN).

The amount captioned CBN Federation Account Component Statement, is higher than N5.244 trillion (N5,244,037,636,561.60) realised in the first half of the year 2023 (HY 2023).

According to Mohammed Bello Shehu, RMAFC chairman, in a statement in Abuja, seen by Business A.M., out of the total gross revenue inflows into the Federation Account, more than N1.692 trillion (N1,692,591,243,111.06) was transferred to the Exchange Gain Differential Account, leaving a balance of N5.475 trillion (N5,475,345,228,675.47) for distribution.

The sum of N3.267 trillion (or exactly N3,267,312,106,993.25) was deducted as approved statutory deductions by the office of the accountant general of the federation (OAGF), leaving a net balance of N2.208 trillion or (N2,208,033,121,682.22) for distribution to the three tiers of government within the period under review.

The RMAFC chairman further explained that out of the N3.267 trillion statutory deduction indicated above, N2.251 trillion was transferred to the Non-Oil Excess Account as savings, leaving a net statutory deduction of N1.016 trillion with further augmentations for sharing among the three tiers of government received from some "reserve accounts," that is, revenues maintained by the Federal Ministry of Finance and OAGF.

L-R: Abba Aliyu, managing director, Rural Electrification Agency (REA); Gabriel Ogbechie, group managing director, Rainoil Limited; Demola Sogunle, chief executive, Stanbic IBTC Holdings, and Antonio Ayodele, director, Ministry of Energy and Mineral Resources, Lagos State, representing the commissioner of the ministry, Biodun Ogunleye, during the Stanbic IBTC Energy and Infrastructure breakfast session in Lagos recently IMAGE BY PIUS OKEOSISI

Mohammed Bello Shehu added that within the period under review, the net sum of N4 trillion (or exactly N4,000,616,207,152.95) was shared with the three tiers of government, an amount higher than the total of N3.069 trillion (N3,069,594,889,669.74) shared to the three tiers of government in the first half year, January to June 2023. In terms of percentages, the RMAFC chairman said "the statutory deduction in the second half of the year constituted 44.12% of the total gross inflow into the Federation Account in the six-month period, which was higher than the first half deductions of 42.31% (inclusive of transfer to the Non-Oil Excess Account)."

On remittances by Revenue Generating Agencies (RGAs), Mohammed Bello Shehu said the Nigerian National Petroleum Company Limited (NNPC Ltd) remitted N874.645 billion (N874,645,145,704.30) into the Federation Account in the HY2 2023 against zero-remittance it made in the first half of the year.

Similarly, the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) remitted N1.568 trillion (N1,568,961,616,920.99), while the Federal Inland Revenue Service (FIRS) remitted N3.653 trillion (N3,653,693,895,023.45) during the period under review. Also, the Nigeria Customs Service (NCS) remitted N1.216 trillion (N1,216,828,656,737.34).

Ecobank redeems $500m Eurobond, raise confidence in African banking

Business a.m.

ECOBANK TRANSNATIONAL Incorporated (ETI), the parent company of the Ecobank Group, has successfully repaid its $500 million 5-year Eurobond, which matured on April 18, 2024, according to an announcement made by the company on the Nigerian Exchange Limited (NGX).

The company stated that the Eurobond, which was issued in April 2019 with a coupon rate of 9.5 percent, received strong support from a diverse set of global investors, including development banks FMO and Proparco as anchor investors.

According to the announcement, Ecobank Transnational Incorporated demonstrated its financial prowess by successfully repaying the entire $500 million Eurobond, along with the accrued interest amounting to $24 million, on the maturity date of April 18, 2024. The noteworthy development, it explained, was achieved through the assistance of the designated transaction agent, highlighting its aptitude in managing its debt obligations and maintaining its reputation as a creditworthy borrower in the global financial markets. Ayo Adepoju, Ecobank's group chief financial officer, commenting on the Eurobond repayment, noted that the 2019 issuance, being ETI's first Eurobond, was instrumental in introducing the firm to a broader range of global investors and elevating the company's presence and brand recognition in the capital markets.

He stated: "When viewed against the backdrop of the difficult operating environment that characterised most of 2023 and is still being felt today – particularly the disruptions in the world supply chain and global financial markets – the Group continues to show resilience through strong liquidity, a robust balance sheet, and a solid leadership team."

While the recently repaid $500 million Eurobond marked Ecobank's debut listing on the London Stock Exchange, it was not the group's first foray into the realm of international bond issuance.

Ecobank's maiden bond issuance took place in 2014, when it successfully listed a $200 million bond on the Irish Stock Exchange, demonstrating its financial prowess and ability to tap into global capital markets.

Alain Nkontchou, chairman, ETI

IMF projects global growth to maintain calm at 3.2% in 2024

Business a.m.

THE INTERNATIONAL MONETARY Fund (IMF) recently projected that global economic growth is set to continue at a stable pace of 3.2 percent in 2024 and 2025, despite remaining below the historical (2000-2019) average annual growth rate of 3.8 percent.

The steady but moderate pace of global growth is expected to be shaped by restrictive monetary policies and the withdrawal of fiscal support, as central banks around the world aim to curb inflation.

Pierre-Olivier Gourinchas, IMF chief economist,lifted the curtain on a world economy that, despite the odds, is showing remarkable resilience in the face of adversity. In a press briefing held in Washington, DC on Tuesday April 16, Gourinchas revealed that global economic activity is weathering the storm with more fortitude than initially anticipated.

"Despite significant central bank hikes aimed at restoring price stability, the global economy grew steadily, supported by favourable supply developments. Global growth, estimated at 3.2% in 2023, is projected to continue at the same pace in both 2024 and 2025. Meanwhile, global headline inflation is expected to fall from an annual average of 6.8% in 2023 to 5.9% in 2024 and to 4.5% in 2025," Gourinchas stated.

According to the IMF, risks to the global economic landscape have diminished since October 2023, leading to a broadly balanced distribution of possible outcomes around the baseline projection for global growth, from a clear downside tilt in the April 2023 WEO and the October 2023 WEO.

Gourinchas, in his assessment of the global economy, painted a picture of a future as precarious as it is promising. The chief economist noted that while the outlook remains balanced, the near-term risks are weighed more heavily on the downside. Among these risks, Gourinchas highlighted the potential resurgence of geopolitical tensions and the possibility of price spikes, which could lead to an increase in interest rate expectations and a corresponding drop in asset prices.

The IMF chief economist offered a sobering reminder that the path to economic recovery may not be a straight line, but a winding road that can lead to unexpected twists and turns. On the downside, he cautioned that high-interest rates could act as a powerful brake on economic activity, potentially leading to greater slowdown than anticipated. At the same time,he added that fiscal policy could become more expansionary in the run-up to elections, which could prove costly down the road.

With inflationary pressures abating more swiftly than expected in many countries, risks to the inflation outlook are now also broadly balanced.

"The priority is to ensure that inflation converges to our target levels smoothly. Calibrating the timing of policy adjustments to individual countries' circumstances. At the same time, heightened attention must now be paid to rebuilding fiscal buffers to guard against future shocks, make room for priority investments, and to ensure debt sustainability," he suggested.

With inflation and debt reduction as key objectives, Gourinchas urged policymakers to focus on supply-enhancing reforms that could spur growth and help alleviate economic pressures. He suggested that governments must take concrete steps to increase productivity and competitiveness, thus positioning their economies for sustainable long-term growth. He also advocated for international cooperation, urging nations to work together on global challenges such as climate change and geo-economic fragmentation.

2024 IMF/WORLD BANK SPRING MEETINGS AGREEMENTS

World Bank, AfDB pact aims to electrify 300m Africans by 2030

Business a.m.

THE WORLD BANK AND THE AFRICAN DEVELOPMENT BANK (AfDB) have joined forces on an initiative to combat Africa's energy poverty crisis by increasing access to electricity across the continent. The landmark partnership aims to empower at least 300 million people in Africa with reliable and affordable power supply by 2030.

The development unfolded during the "Emerging Africa" event at the Spring Meetings of the World Bank and International Monetary Fund (IMF).

The World Bank's move to partner with the AfDB is considered a significant step forward in its ongoing transformation to become more impact-driven and effective in tackling Africa's energy challenges. According to the international financial institution, the initiative, which draws on its diversified range of regional energy programmes, has been reconfigured to support the common objective of ensuring that everyone in Africa has access to reliable and affordable electricity by 2030.

In order to achieve the target of connecting an additional 250 million people to electricity in Africa, the World Bank highlighted that public sector investment will play a critical role. The institution stated that the International Development Association (IDA), its concessional funding arm for low-income countries, will be pivotal in providing $30 billion of funding to support the initiative.

L-R: Abebe Aemro Selassie, director, African department, International Monetary Fund (IMF); Olayemi Cardoso, governor, Central Bank of Nigeria; Kristalina Georgieva, managing director, IMF; and Wale Edun, minister of finance and coordinating minister of the economy, at the African Consultative Group Meeting, in Washington DC, United States of America, recently

Moreover, the World Bank underlined that African governments must adopt policies that will draw in private investment, while simultaneously reforming their utilities to make them financially stable, efficient, and customer-focused. The reforms must also ensure that electricity tariffs are structured in such a way that protects low-income consumers.

In the agreed partnership between the World Bank and the African Development Bank, the World Bank has pledged to provide electricity to 250 million people, primarily through the deployment of distributed renewable energy systems or by connecting them to existing electricity distribution grids. The AfDB, meanwhile, is expected to support an additional 50 million people in gaining access to electricity, bringing the total number of individuals expected to be connected to electricity through this partnership to 300 million.

The World Bank also shed light on the dire situation of energy poverty in Africa, with over 600 million Africans currently lacking access to electricity. This deficiency in power supply, it stated, presents a significant obstacle to the provision of vital services such as healthcare, education, digital inclusivity, and job creation, ultimately hindering economic development and social progress across the continent.

In his remarks at the event, Ajay Banga, the President of the World Bank, underscored the pivotal role of reliable electricity in supporting sustainable development and growth globally.

Banga described electricity as a critical ingredient for economic growth and essential for job creation at scale. He stated further: "Our aspiration will only be realised with partnership and ambition. We will need policy action from governments, financing from multilateral development banks, and private sector investment to see this through."

Commenting on the partnership, Akinwumi Adesina, the AfDB president highlighted the interconnected nature of the issues that the partnership between the African Development Bank and the World Bank aims to address, emphasising the importance of a multifaceted approach to the continent's development.

Adesina stated: "Three things Ajay and I agreed to do was first, solve Africa's energy problem.

"Second is, let's make sure Africa can feed itself, and of course, to do that, you also need energy to power industries for value addition and the third one is to make sure that we create jobs. And you can't create jobs if you don't have energy rolling in an economy".

MDBs co-financing initiative to improve global development impact

Business a.m.

A COALITION OF TEN MULTILATERAL DEVELOPMENT BANKS (MDBs) have forged a partnership to launch a collaborative co-financing platform. The game-changing alliance is designed to pool the collective resources, knowledge, and expertise of the participating MDBs, creating a powerful financing force to drive scalable, impactful development across the globe.

Uniting their vast expertise, unparalleled resources, and far-reaching influence, the African Development Bank, Asian Development Bank, Asian Infrastructure Investment Bank, Council of Europe Development Bank, European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank, Islamic Development Bank, New Development Bank, and World Bank Group form a formidable alliance in global development.

In a statement announcing the establishment of the global collaborative co-financing platform, the World Bank disclosed that a secure, digital co-financing portal will be created. The innovative platform, specifically designed for registered co-financiers, will facilitate seamless sharing of project pipelines across the participating multilateral development banks. The co-financing portal, according to the statement, will be hosted at the World Bank and is envisioned to be a vital tool in accelerating the co-financing process.

Ajay Banga, president, World Bank

Expanding upon the vision of the global collaborative co-financing platform, the World Bank highlighted the pivotal role that the online forum will play in enhancing the effectiveness and efficiency of co-financing. It noted that not only will the forum facilitate conversations around opportunities, best practices, and shared concerns among participating MDBs, but it will also support ongoing efforts to standardise policies and reduce the administrative burden for partner countries.

The global collaborative co-financing platform is expected to benefit both MDBs and their partner countries in a multitude of ways. The online portal and forum will streamline the co-financing process, reducing the administrative burden and costs for countries while enabling them to receive coordinated financing aligned with their priorities, leading to more impactful development outcomes.

The World Bank has identified co-financing as a critical component of its new playbook for Impact,which seeks to amplify the impact of its efforts in sustainable development. By fostering collaborative partnerships, the World Bank Group recognises that it can better align its strategies with those of other MDBs, facilitate the mobilisation of additional concessional resources, enhance efficiency, and drive greater coordination across the global development landscape.

World Bank to extend healthcare access to 1.5bn people by 2030

Business a.m.

THE WORLD BANK GROUP HAS unveiled a comprehensive strategy aimed at providing quality, affordable healthcare for a staggering 1.5 billion people by 2030.

This initiative is a significant component of a broader global mission to establish a fundamental standard of care at every life stage, from infancy to adulthood.

The initiative, announced at the just concluded 2024 IMF-World Bank Group Spring Meetings, is part of the World Bank's broader mission to establish a universal standard of care, and it seeks to ensure that individuals worldwide receive the best healthcare at every stage of their lives, from the cradle to old age, regardless of their location or socioeconomic status.

According to the World Bank, its latest approach is centred on three key elements, including the effort to broaden healthcare coverage to encompass all ages and non-communicable diseases while not limiting it to only maternal and child health.

The other two elements of the plan include extending operations to areas that are difficult to access, such as remote villages, cities, and nations, and collaborating with governments to eliminate unnecessary healthcare fees and financial obstacles.

The World Bank's strategy seeks to improve global healthcare by ensuring that every individual, regardless of location or economic status, has access to care from a qualified healthcare worker. To achieve its goal of reaching 1.5 billion people, the World Bank stated that each individual must have access to treatment, either in person or through telehealth appointments, by 2030. In the face of complex global challenges such as pandemics, an ageing population, conflicts, climate change, and a projected shortage of ten million healthcare workers, the World Bank Group acknowledges that access to quality healthcare has become increasingly strained for many. These compounding challenges exacerbate the vicious cycle of poverty and inequality, hindering progress towards equitable healthcare for all. To counter these obstacles, the World Bank Group is leveraging its expertise in financing, knowledge-sharing, and partnerships to implement a comprehensive strategy aimed at improving healthcare access, reducing financial hardships, and addressing critical shortages of healthcare workers.

With a global vision of reaching 1.5 billion people by 2030, the World Bank Group has pledged to use its full suite of financing instruments to support countries in their quest to achieve universal healthcare access. This approach takes into account the varied levels of development and distinct needs of each country, allowing for a tailored approach to financing healthcare initiatives.

For the poorest nations, the World Bank noted that the International Development Association (IDA) financing will play a critical role in deploying healthcare workers to communities that currently lack adequate access to healthcare. The World Bank Group also disclosed that it is turning to the International Bank for Reconstruction and Development (IBRD) to support healthcare initiatives in middle-income nations. Commenting on the initiative, Ajay Banga the World Bank Group president pointed out that providing a basic standard of care for people throughout their lives is critical for development. He added that the ambition won't be realised with a solo effort and will require partners, a coalition of the public and private sector, working together to expand access to health care services.

Nigeria: Time for backward integration, import substitution

SUNNY CHUBA NWACHUKWU

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CHANGE IS THE RIGHT MANAGEMENT LANGUAGE for today's economic landscape in Nigeria. A complete modification in style of governance and implementation of policy initiatives, suitable to make the desired difference in the nation's economy, with a total shift from the current harrowing economic experiences painfully felt by everyone, is of essence, and most pertinent. With the present trend in economic policy, the formulators are passionately urged (as a matter of urgency) to strategise on the roadmap that will yield positive economic outcomes by adopting well-known and tested economic reform programmes that have worked in other economies that have gone through similar economic turmoil. Fortunately, Nigeria as a very promising nation, happens to be a privileged economy, with great economic potential in terms of human and natural resources that could be leveraged and productively exploited for future economic gains leading to the desired enviable economic growth and development. This is regardless of the country's current daunting economic challenges that are traceable to bad governance, misrule and poor leadership performances in the recent past.

To make the supposedly wrong economic process right at this time demands a drastic economic reform programme that works for this economy, particularly considering our peculiar domestic and systemic, social, ethno-religious challenges. In the financial sector, everybody is witnessing the progressive reverse trend going on with the downward exchange rate in favour of the naira against other currencies (the United States dollar dropping from N2,000 to about N1,050 per USD). This feat was possible because our financial experts were forthright and diligently applied their expertise with professionalism, patriotism and passion. This is the secret behind their visible success so far in the financial sector, achieved with the tools of fiscal and monetary policies they effectively applied. Capacity-wise, this economy has all it takes to turn things around for the general good of every citizen, but for the corrupt mindset of certain very influential individuals with access to policy formulation within the economy, who would rather be manipulated to favour their personal interests at the expense of the state. Such Nigerians seriously require a divine touch for a change of heart and to mend their evil ways, for the good of this battered economy.

Strategically, a paradigm shift is needed in the international arena, to speedily remedy the unfavourable deficit balance that is recorded in the nation's economic and commercial activities in the global market. This is also expressly identifiable in the ways, manner and form of the nation's export and import trading activities with other economies. Nigeria has continued to be projected as a "mono-export, and import dependent economy" to the outside world. This mercantile status (as a "consumer nation") in global markets needs to be changed to one where the balance of trade becomes favourable to the national economy with a surplus from exports against total imports (or the cumulative inflows of goods and services). This reversal can only be feasible if reformative policy initiatives are introduced in the management of day to day activities within the economy.

Among the economic reforms that should change the tide are the backward integration policy and the import substitution policy initiatives. These initiatives will reposition the economy on a pedestal for export operations on finished goods or locally manufactured products; and become net exporters of such products. At the same time, it will enable the economy to wear the garment of self sufficiency. The organised private sector of the economy and all investors in the manufacturing sector, represented by the Manufacturers Association of Nigeria (MAN) and similar stakeholders, require governmental backing, protection and encouragement to be sustained (especially the incubation of newly established domestic industries) in their various local business operations. This is to enable them to mature and become formidable, with their goods competing effectively with other foreign brands in global markets. Nigeria currently needs to implement these economic policies for survival and growth (projecting itself in global markets as a developing country and an emerging market with competitive non-oil finished goods). This concept shall make Nigeria extricate itself from the economic status of a consumer nation, and drastically reduce her dependence on developed economies (even for refined petroleum products, for which she is a major player in the global energy sector, being Africa's foremost oil producing country).

These policy initiatives shall enable local industries to be protected and strengthened for growth. The application of import quotas and tariffs are among the economic measures that should be implemented for effective realisation of a backward integration policy (especially on products that are manufactured outside Africa), now that the African Continental Free Trade Agreement (AfCFTA) has become operational. Africa's resources should cease from being exported at ridiculously low prices to the developed economies, which are then resold to Africans as finished goods/products at very exorbitant rates. Nigerians should rethink and be wise, economically.

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The Coaching Psychologist

Pathway to inclusive leadership

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LET ME TAKE YOU ON A DEEPLY PERSONAL journey — a voyage marked by resilience, setbacks, and a fervent call for inclusive leadership. My name is Joshua Awesome, and my story is one of overcoming adversity amidst the challenges of the professional world. It's a narrative that not only reflects my personal triumphs but also offers profound insights into the transformative power of resilience and the critical importance of embracing diversity in the workplace.

My journey began with a twist of fate — a spinal injury, just days before my birthday, left me temporarily disabled. The subsequent car accident in Johannesburg, South Africa, only compounded my struggles, both physical and emotional. Yet, in the midst of pain and uncertainty, I found solace in the pursuit of employment, determined to reclaim my sense of purpose and independence. From my recovery bed, I sent out over 2000 resumes, hoping for a chance to prove myself in the professional arena.

However, the responses I received were far from encouraging. Recruiters either dismissed me as overqualified or chose silence, leaving me feeling invisible and undervalued. But amidst the shadows of rejection, I discovered a glimmer of hope in global trends, particularly the World Economic Forum's Golden Age Index. It illuminated the untapped potential of older workers and served as a beacon of inspiration during my darkest moments.

As I navigated through the challenges, five reflections emerged from my journey, each offering a guiding light for leaders and organisations:

Reflection 1: Resilience knows no age limit

In the face of adversity, resilience is a timeless virtue. My journey is a testament to the fact that age is no barrier to resilience. Rather, it is a reflection of the depth of experience and wisdom that older workers bring to the table.

Actionable activity: Redefine hiring practices

Leaders and organisations must reassess their hiring criteria to embrace diversity, including age diversity. Let us create workplaces that celebrate the unique contributions of individuals, irrespective of their age.

Reflection 2: Inclusive leadership fosters innovation

True leadership lies in inclusivity. Embracing diversity, including age diversity, fosters a culture of innovation and creativity, propelling organisations towards greater success.

Actionable activity: Foster inclusive leadership

Leaders must actively champion inclusivity at every level of the organisation, creating an environment where diverse perspectives are valued and celebrated. Let us build teams that reflect the richness of human experience.

Reflection 3: Lifelong learning drives growth

In an ever-evolving landscape, adaptability is paramount. Older workers must seize opportunities for growth and development, while organisations must provide the necessary support for their journey.

Actionable activity: Invest in lifelong learning

Organisations should prioritise investments in upskilling and retraining initiatives, empowering workers of all ages to thrive amidst change. Let us cultivate a culture of continuous learning and adaptation.

Reflection 4: Collaboration breeds success

Collaboration is the cornerstone of organisational success. By harnessing the collective wisdom of diverse teams, organisations can unlock new opportunities and drive meaningful change.

Actionable activity: Foster collaboration

Leaders must create spaces for open dialogue and collaboration, where diverse voices are heard and respected. Let us leverage the power of collaboration to navigate complex challenges.

Reflection 5: Empathy builds resilient communities

Empathy is the glue that binds resilient communities together. By fostering empathy in the workplace, leaders can create a supportive environment where individuals feel valued and understood.

Actionable activity: Cultivate empathy

Leaders should prioritise empathy in their interactions, fostering a culture of compassion and understanding. Let us build workplaces where empathy thrives, nurturing resilient communities.

In conclusion, my journey serves as a poignant reminder of the transformative power of resilience and the imperative of embracing diversity in the workplace. As leaders and organisations chart a course towards a brighter future, let us heed the call to action: cultivate inclusive cultures, invest in lifelong learning, foster collaboration, and cultivate empathy. By embracing these principles, we can create workplaces where every individual, regardless of age, background, or circumstance, has the opportunity to thrive and succeed personally and purposefully.

OLUFEMI ADEDAMOLA OYEDELE

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Workplace, facility management and roles in workers' productivity

A WORKPLACE IS A LOCATION where people work for their employer or themselves. It is a place of industry and engagement. It can be an office or a space located in one's home. Workplaces are organised spaces that help businesses deliver their goods, products or services (objectives) to consumers or customers in an efficient way. Corporate team members use their place of work to collaborate and develop new ideas, products and services to offer to their customers. Workplaces are also places of training, research and development (R&D). They are usually arranged or developed to meet the authority's requirements of the type of facility of each sector. In most cases, we can identify a workplace by the design of the structure. For example, the design of a hospital is different from the design of a school. Government is more interested in the hygiene of the environment of food manufacturers, restaurants and water bottling companies. At the same time, the government is more interested in the safety of some workplaces like industrial premises, petrol stations and paint industries. In some countries, governments set aside land for the development of workplaces.

Facilities management, according to the International Facility Management Association (IFMA), is a profession that encompasses multiple disciplines to ensure functionality, comfort, safety and efficiency of the built environment by integrating people, place, process and technology. In April 2017, the International Standard Organisation (ISO) published the ISO 41011:2017 standard for facilities management and defined facility management as the organisational function which integrates people, place and process within the built environment with the purpose of improving the quality of life of people and the productivity of the core business. The essence of our "gregariousness and team-work" should be continuous development in the way we live and interact with each other. The essence of facilities management is to ensure that the spaces where we perform our work are functional, users-friendly, comfortable and productive.

Facilities management thus has the potential to impact the productivity of workers in a workplace. The main task and obligation of a facility management service provider is to create a pleasant working environment for all employees and other facility users. Facility managers are the point of contact for addressing employee concerns and ensuring a safe work environment. They handle issues related to building sanitation, security, fire safety, emergency preparedness, waste management, adequate lighting and heating system, facility repair and maintenance, and accessibility compliance. Facilities management has a long standing history. The term was coined in the 1960s by IBM alumnus and Electronic Data Systems founder, Ross Perot, in reference to network management of IT systems, and soon expanded to include all elements of commercial and industrial space management.

Bertram Nwannekanma and Nkechi Onyedika-Ugoeze in The Guardian of March 20, 2019, under "Facility Managers want role in proper use of national assets", stated that facility management is capable of contributing towards reducing facilities costs, increasing the capacity to generate revenue and improving the productivity, image and core business of organisations. Probably, the greatest challenges facing infrastructure development in developing nations like Ghana, Nigeria and South Africa today, is not infrastructure design, finance or the availability of technology for construction, but maintenance of the infrastructure after delivery. Maintenance can help elongate the lifespan of facilities and reduce the demand for new ones. When the infrastructure is a workplace, maintenance can aid production and ensure that workplaces meet the purpose for which they were created.

Workplace and facilities management professionals are responsible for services that enable and support business performances. Roles covered in facilities management include a wide range of areas such as: health and safety, risk management, business continuity, procurement, sustainability, space planning, energy use control and monitoring, property and asset management, horticulture and landscaping. They typically oversee activities like catering, cleaning, building maintenance, environmental services, security and reception or concierge management. All these roles of facilities managers can be divided into hard and soft facilities management. Some facilities managers have diversified to develop their own facilities. This sector is already valued at over $1.5 trillion in 2023 and has the potential to reach $2.00 trillion before the end of 2030 for obvious reasons.

While hard facilities management include the management of physical structures like cleaning of office buildings, office premises, office facilities like motor vehicles, IT equipment, furniture and fittings etc, soft facilities management include virtual undertakings like security and janitorial services, service charge accounting, water supply, gas supply, lighting provision, catering and hospitality, etc. Beyond the built environment, the workplace recognises the joint responsibility of facilities management, IT and human resources to achieve optimal performance between people, technology and work space, anywhere that work happens, including hospitals, hotels, tourist centres and many other types of facilities. Some human resources sourcing companies have capitalised on the huge gap between demand and supply of facilities managers to set up facilities management companies.

Workplace value represents a large proportion of industrial and office operation's costs, so when organisations bring people together in workplaces, there must be a cogent reason for doing that and there must be a plan to ensure the workplaces are in good condition throughout their lifespan. This can only come about through making use and challenging dedicated facilities management professionals. Workplace facilities management professionals interrelate between different specialties to optimise business performance; they empower work wherever it takes place and to make workplaces productive. Workplace facilities management is a sector to watch out for as it will continue to be a big money spinner in many years to come.

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INSIDE INSURANCE

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Insurance perspectives

What we own and how we protect them

NIGERIA IS ONE COUNTRY where the sense of ownership is deep-rooted in the cultures of its nationalities, and serious considerations are, expectedly, given to the way we identify and manage what we own.

As it is in many countries, the natural resources are, by law, owned by the government, indeed the Federal Government, in the case of Nigeria, while the artificial or processed resources could be owned or held by organisations licensed by the Federal Government of Nigeria.

We have continued to consider those resources we own as assets and always seek to value them to ascertain our worth from time to time.

Understanding what can be owned and by who and at what value is a very important element of any insurance contract. Your insurers would be keenly interested in knowing who will be affected by the loss of or damage to any asset.

Also, they will want to know who will pay the premiums due on the assets they are required to protect against risks that could cause you financial losses.

The most critical asset of any country or organisation is the people! In other words, YOU!

Yes, we hear this, and we are quick to agree, but what is the value of the people, or what's your value? Indeterminable! So, most of the time, the basis for insuring any person is the remuneration or earnings of the person within the period of insurance, often, annually.

Beyond people (You), let's quickly examine how this works in different domains.

• At the federal, state and local government levels, we can identify the assets owned by the government, from investments to infrastructure, and records of them are properly kept and managed from time to time.

The question, however, is: does the government indeed know what it owns, and are the records up-to-date, accurate, and reliable?

From available reports, we know that the assets of the Federal Government of Nigeria held through Ministry of Finance Incorporated (MOFI) would be valued in tens of trillions of naira, when properly updated, and we can expect more premium into the insurance industry and, by implication, greater protection of the assets. An even more interesting dimension to the greater good of insurance regarding the assets of the Federal Government of Nigeria is the increasing revenue that can be generated from those who utilise those assets without having insurance as required by the law.

Adequate insurance of the assets owned by the Federal Government of Nigeria as well as states and local governments would be the demonstration of prudent and transparent management of the assets, which make up our commonwealth.

• For privately owned organisations including Non-Government Organisations (NGOs) that are renowned to own assets worth comparably higher values than those of governments at state and local government levels in Nigeria, the records of their assets are relatively more up-to-date, accurate and reliable. In this digital era, most of these records are "stored in the cloud" and secured by cybersecurity solutions, which often do not guarantee that they cannot be hacked.

When breaches occur and recovery management is required, organisations now rely on cyber insurance, another derivative of insurance, the most tested risk management mechanism for businesses.

Interestingly, such risk associated with internet usage is not limited to organisations or governments. We all get exposed to cyber attacks.

• As individuals, we often do not bother about keeping records of what we own, especially for religious reasons. Truth is, most of the time, we don't even think it matters.

Culturally speaking, what we own is either what has been given to us or what we have acquired and held in our names. Even when debt is involved or we are entrusted with it, an asset that we can use for our own purpose would be considered to be ours. This has been the ignoble basis for which we consider insurance! Why would you insure what is not yours against risks that you can not control? Elsewhere, many individuals choose to protect their assets through means that they will not expose the ownership details, for example, insurance, which requires that you subscribe to a pool.

Too many vehicles and buildings remain uninsured for this reason, notwithstanding the requirements of the law. Individuals have been known to enjoy 'insurance coverages' mostly as part of groups or under employment, but once they are retired and on their own, they revert to the belief that insurance is not reliable, simply because they would not reveal details of the owners.

As individuals, organisations, or governments, we can only begin to make insurance work for us by declaring what we own and considering to protect them through the pooling system insurance provides.

In terms of costs, processes, and benefits, we will realise that insurance remains the best, in spite of options and alternatives that have emerged over the years.

Do you own devices that seemingly dictate your daily activities? Do you drive vehicles that give you a sense of achievement? Do you live in houses that give you a reasonable level of comfort? If you know you will become distraught when anything bad happens to any of these, then your best bet is insurance.

Remember, most importantly, that whatever is the worth of what you own, when something goes wrong and there is no insurance to replace or repair it, then your worth will reduce; whereas, if you had insurance coverage when accidents occur, you will receive compensation up to the limit of the value of your insurance in the contract with your insurer.

Insurance companies have become more discerning and better prepared, thanks to digital solutions, to respond when their customers report claims or make complaints.

We are on to a new season for insurance stakeholders to experience improvements in insurance product offerings and customer service, and your duty is to test the capabilities of insurance operators.

Let's do this: determine what you own and adopt insurance to protect your worth!

Economics Commentary

MARCEL OKEKE

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The return of subsidy amid Nigeria's falling oil production

NIGERIA'S CRUDE OIL PRODUCTION has witnessed its second consecutive monthly decline, dropping to 1.231 million barrels per day (mbpd) in March, as reported by the Organisation of Petroleum Exporting Countries (OPEC) in its latest Monthly Oil Market Report for April 2024. The decrease was attributed to reduced production compared to February figures, with data showing a drop from 1.322 million barrels per day to 1.231 million barrels per day, a decline of 91 mbpd.

Ironically, this production decline in Nigeria is being experienced at a time when a number of factors on the global scene are conspiring to push up prices of the commodity while curtailing its supply in the world market. Specifically, oil prices have been rising as heightened tensions in the Middle East raised the risk of supply disruptions from the oil-producing region. On Friday, April 12, Brent crude futures climbed 75 cents, or 0.84 percent, to $90.49 a barrel by 0630 GMT, while U.S. West Texas Intermediate crude futures rose 87 cents, or 1.02 percent, to $85.89, according to OPEC market monitor.

Average monthly Brent crude oil price in the last quarter 2023 had hovered between $70 and $75 per barrel; this figure sharply rose to $85 by end-March 2024. And since April, it has been rising higher on a daily basis, hitting over $90 per barrel in the third week of the month. The face-off between Israel and Iran, which escalated in recent times, has unwittingly added to the upwards drivers of crude oil prices. Note that Iran is the third-largest producer in the Organisation of the Petroleum Exporting Countries, according to Reuters' data, and its conflict with Israel certainly has the potential for supply disruptions in the entire Middle East.

However, while this tension in the Middle East is playing out, Nigeria and its oil sector are bogged with a myriad of issues and challenges. These problems are such that, although the first quarter of 2024 saw an average crude oil production of 1.327 mbpd, an improvement over the 1.313 mbpd average in the fourth quarter of 2023, many challenges persist in depressing production levels. Factors such as oil theft and pipeline vandalism continue to hamper Nigeria's oil output, resulting in disruptions and falling below OPEC-approved volumes. Recent reports from the Nigerian National Petroleum Company Limited (NNPCL) underscore the severity of the situation, with 155 oil theft incidents recorded in just one week.

The incidents included illegal pipeline connections, discoveries of illegal refineries, and arrests related to oil theft across various locations in the Niger Delta region. The menace of oil theft has not only affected production but has also inflicted significant environmental damage, with clusters of illegal refineries and oil spills observed in affected areas.

Despite ongoing efforts by the national oil company to combat crude oil theft, the problem persists, leading to substantial financial losses for Nigeria. These losses are more so now that the Israeli-Iran conflict is aiding in inducing rapid rise in the prices of crude oil in the global market — to levels that could provide windfall to many oil nations. But, for Nigeria, data presented by the Nigeria Extractive Industries Transparency Initiative (NEITI), shows the country recorded 7,143 cases of pipeline breakages and deliberate vandalism between 2017 and 2021, resulting in crude oil theft and product losses valued at N4.325 trillion. This trend has not changed, unfortunately.

The situation poses a grave threat to Nigeria's oil exploration and exploitation efforts, impacting economic growth and business prospects while undermining the profitability of oil companies operating in the region. In point of fact, Angola has overtaken Nigeria as the biggest oil producer/exporter in Africa, according to OPEC reports. While OPEC's allotted quota for Nigeria is about two million barrels per day, the country's oil production has kept hovering at about 1.30 million barrels per day.

This is a huge gap and real threat to Nigeria's N28.75 trillion 2024 Appropriation Act, which is hinged on oil production level of 1.78 million barrels per day. The first quarter of the year has gone, with the country very far away from both its production benchmark for the year as well as the allotted OPEC quota. At the same time, many International Oil Companies (IOCs) operating in the country have remained determined to dispose of most of their (land-based) assets — and exit Nigeria. All these go to whittle down both oil discovery and production volumes — for a country whose economic mainstay is yet crude oil.

To this challenge would be added the incubus inherent in the fuel subsidy removal policy announced by President Bola Ahmed Tinubu on May 29, 2023. Rather than disappear, the 'ghost' of the policy has wreaked a lot of havoc on the Nigerian economy in the last ten months or so. Specifically, the inability of the government to have promptly developed local refining capacity, and continued dependence on importation of almost 100 percent local need of petrol (Premium Motor Spirit, PMS) hit the economy hard in various ways.

Massive importation of PMS implied much demand for dollars in the forex market; the continued importation also induced an increase in the pump price of PMS — as the landing cost of the imported refined products kept rising. To 'stabilise' the market as it were, and not endlessly worsen the economic pains of Nigerians, the government is believed to have 'secretly' resorted to subsidy payment. This speculation was recently validated by Gabriel Ogbechie, the chief executive officer, Rainoil Limited, when he said "the federal government now spends N600 billion on petrol subsidy monthly."

Speaking during the Stanbic IBTC Energy and Infrastructure Breakfast Session in Lagos, Ogbechie said the federal government resumed petrol subsidy following the devaluation of the naira in the foreign exchange (FX) market. He said with the current daily consumption at 40 million litres and the foreign exchange rate at N1,300, the government's subsidy per litre on petrol falls between N400 and N500.

The Rainoil boss said: "If you look at what our daily consumption say, conservatively, 40 million litres per day; if you are spending N500, that is at least N20 billion every day; N600 billion every month or N7.2 trillion depending on how you look at it, So, subsidy is definitely back on petrol." Ogbechie said the Nigerian National Petroleum Company (NNPC) Limited being the only petrol importer in the country proves the continued existence of subsidy. Recently, Nasir el-Rufai, the former governor of Kaduna State, also said the federal government was spending more on petrol subsidy than before.

In the face of this 'return of subsidy,' constrained or declining oil production and non-functional local refineries, budgetary projections for 2024 are fast becoming unrealisable. This is more so with 'secret initiatives' that have been eating up the nation's stock of external reserves in recent months. The apex bank, the Central Bank of Nigeria (CBN), has denied vehemently that it has been using part of the reserves in funding the forex market. This strident denial by the CBN boss, Olayemi Cardoso, goes to complicate the prospects of the Nigerian economy.

The CBN is getting soaked in a culture of secrecy over its monetary policies — particularly with respect to the strengthening of the Naira in the foreign exchange market in recent times. The big question remains: how is the CBN sourcing the dollars it uses to fund the forex market? Unwittingly, as the Naira is getting stronger against the dollar, the apex bank is losing the much-needed confidence of the investor, other stakeholders and indeed, the general public. No economy thrives on secrecy.

Similar question goes to the NNPC: how is the current round of oil subsidy being funded? The secrecy surrounding it is a serious cause for worry in the polity; this is because the memory of the very ugly past regarding oil subsidy is still very much with most Nigerians. This is why the federal government must expedite action in seeing that many of the local refineries in the pipeline commence production in no time. The modal refineries that are known to have been under construction in several locations across the country must be encouraged to go live. The same for the much-talked-about Dangote Refineries that is believed could be the game changer (in the Nigerian economy). The economy really badly needs jump-starting!

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AI and Football

Tackling racism and discrimination in the beautiful game

WE'VE HEARD ABOUT IT and are now experiencing it, and we are wondering where the next advancements in artificial intelligence (AI) will take modern life. Microsoft Azure defines Artificial Intelligence as a consistent process where a machine detects, imitates, and responds to human behaviour and intelligence through recognition, learning, reasoning, and action based on pre-set data inputs. The impact of AI permeates almost every aspect of modern-day life, from Its advancements in Health to how it's changing how we move from point A to B, to even Helping us decide what to eat. Artificial intelligence has eaten into one of the oldest and most heavily guarded industries, Professional Football.

The most popular and followed sport worldwide might have its roots in mid-19th Century England. But its influence has spread worldwide, and it is a multi-billion-dollar industry, a global phenomenon that has a huge multiplier effect on businesses in its vicinity. The game is a physical event at its core (and still retains some of these aspects to date). However, the application of AI is helping to shape the way regulatory bodies manage the game.

Racism and Other Forms of Discriminatory Behaviour:

Racism and Discrimination are one of society's oldest problems, prevalent in every walk of life, from more passive-aggressive and Institutionalised racism to the more interpersonal and physical racism experienced by fans and players during football matches. There have been multiple instances of discriminatory slurs chanted and racist gestures made during matches. Football regulatory bodies have aimed at targeting and imposing various degrees of punishment on offenders, with varying results. However, there is still the need to do more; this is where artificial intelligence can provide a helping hand. The business and marketing departments of sporting organisations have embraced AI. Facial recognition AI like Apple's "Face ID" and Amazon's "Rekognition" is already used in American sports arenas. However, football clubs can use this technology to track offending fans as there is proof of their use in fighting crime in other areas of life.

This approach has its supporters, as Immigration agencies in America have employed Facial ID products at their borders. However, that has come with its challenges, as Rekognition and other facial recognition AI have been accused of gender and racial bias, as studies have shown. While this can be a viable solution to the issue of racism and discriminatory behaviour if appropriately applied, football organisations and governing bodies implementing such technology on a large scale could lead to various problems.

The first significant issue with this method is the legal ramifications. These legal ramifications come from the challenges of getting the legal green lights from National Football associations, club management, and stadium/arena management to implement these solutions. Another legal headache surrounding this idea is the ongoing case of Data Privacy laws, as there are continuing concerns about how companies use their customers' facial features and other personal data. While it is possible to use facial recognition systems to investigate racial incidents at football games by identifying the offenders, the results aren't always accurate. Thus, Football clubs can open themselves up to expensive and socially damaging lawsuits.

The second issue would be the cost of setting up and implementing these technologies, as staff will need to be hired and trained on how to use these technologies. These would come at a significant cost as the technology and human resources required to ensure its seamless application are expensive to use and maintain. However, it is arguable that the opportunity cost of football clubs not looking for innovative ways to reduce discriminatory chants in the stands could become even more significant than just bad PR and a slap on the wrist. During FIFA's 48th Ordinary Congress, its president, Gianni Infantino, called for a match forfeiture against a team whose fans make discriminatory chants and gestures in games. A forfeiture automatically counts as a 3-0 loss to the offending team, and the three points lost pose a significant setback considering the financial incentives and sporting consequences (qualification for continental competition and relegation) for final league positions.

As the game of football continues to grow beyond borders, so will the issues of Discrimination. Discrimination cases have increased at the grassroots level and on social media, even in more developed societies. As technology and Artificial Intelligence continue improving, it is time for companies to embrace AI for purposes other than improving their bottom line.

PROJECT SYNDICATE

The World Is Still on Fire

LAWRENCE H. SUMMERS

N.K. SINGH

Lawrence H. Summers was US Secretary of the Treasury (1999-2001), Chief Economist of the World Bank (1991-93), Director of the US National Economic Council (2009-10), and President of Harvard University (2001-06), where he is currently University Professor. N.K. Singh, President of the Institute of Economic Growth, is a former chairman of India's Fifteenth Finance Commission, member of Parliament, and secretary to former Prime Minister Atal Bihari Vajpayee.

CAMBRIDGE/DELHI – The world is facing the worst five-year span in three decades. Higher interest rates have left developing countries crushed by debt, and half of the poorest economies haven't recovered to where they were before the pandemic. Growth is weak across large swaths of the world, and inflation remains persistently high. And behind it all, the thermometer keeps inching up. Last year was the warmest on record, as is true of nearly every month.

For the last several years, world leaders have made big promises and laid out bold plans to mitigate the climate crisis and help poor countries adapt. They pledged that the World Bank would transform itself to work on climate change, and that the multilateral system would get new money and lend more aggressively with the resources it has, including to meet concessional needs. An agreement between creditors would provide debt relief to countries that most needed it. And where public money was insufficient, the multilateral system would be able to catalyze private investment in developing countries.

Despite the bold rhetoric, 2023 was a disaster in terms of support for the developing world. As the chart below demonstrates, the private sector collected $68 billion more in interest and principal repayments than it lent to the developing world. Amazingly, international financial institutions and assistance agencies withdrew another $40 billion, and net concessional assistance from international financial institutions was only $2 billion, even as famine spread. "Billions to trillions," the catchphrase for the World Bank's plan to mobilize private-sector money for development, has become "millions in, billions out."

It is little wonder that World Bank shareholders have not raised capital, substantially changed financing practices, or taken other bold steps. The International Monetary Fund is on net withdrawing funds from the developing world; the idea of comprehensive debt relief has gone nowhere; and financial defaults have been avoided only by the moral default of slashing health and education spending.

Setting aside the complex problem of climate change for a moment, world leaders haven't even been able to tackle the simplest, most straightforward challenges. War, inflation, and poor governance have brought some of the poorest people – including in Chad, Haiti, Sudan, and Gaza – to the brink of famine, yet the international response has been slow and muted. This is both a humanitarian disaster in its own right and a symbol of our broader inability to act in the face of a crisis.

If the world can't even get food to starving children, how can it come together to defeat climate change and reorient the global economy? And how can the poorest countries trust the international system not to leave them behind if that system can't address the most basic challenges?

This week, finance ministers, central bankers, and economic leaders are gathering for the Spring Meetings of the World Bank and the IMF in Washington, DC, where they will discuss the global economy and lay out plans to strengthen it. But these efforts will fail if rhetoric falls as flat as it did during 2023 in terms of concrete action. Here are four big ideas as to what is necessary:

First, reverse the capital flows, so that the lowest-income countries are receiving more support than they are paying out to private creditors. In the short term, that means expanding the multilateral development banks' use of innovative financial tools such as guarantees, risk-mitigation instruments, and hybrid capital. In the slightly longer term, it means stepping up with new money from shareholders – a capital increase for the World Bank and regional development banks, which will require legislative approval in shareholding countries.

Second, transform MDBs into big, risk-taking, climate-focused institutions. Development banks have tinkered around the edges with bolder approaches to lending, but it is time for them to scale up those efforts. The wealthy countries that are the biggest shareholders in the multilateral system need to provide the political support for that risk-taking.

Third, fully fund the International Development Association, a highly effective institution that provides much-needed resources to the lowest-income countries. The World Bank's president has called for the largest-ever IDA replenishment from donors; given the challenges ahead, the world cannot afford to deliver anything less.

Fourth, tackle food security. Last year, the United Nations was able to raise from international donors only about one-third of what it sought for humanitarian relief, and it had to slash its goals for 2024. Stepping up with funding for the several hundred million people without enough food to eat would alleviate a humanitarian disaster and provide evidence to skeptical countries that the international system still can work.

Half the world goes to the polls this year, from the United States and the United Kingdom to India and Mexico. Pervasive distrust of governments and their promises is a ubiquitous issue, and we see every day that the idea of an international community is becoming an oxymoron. The conventional wisdom is that foreign policy falls by the wayside as politicians turn their focus to campaigning and to domestic issues that will win them votes.

We dare to hope that historians will look back at this week's meetings as a moment when global leaders seriously addressed global challenges. The problem is not primarily intellectual. Blueprints like that of the G20 expert group we chaired on strengthening the MDB system abound. It is a problem of finding the political will to take on the most fundamental issues facing humanity.

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VISIONARY VOICES

Gender-Neutral Fintech Isn't Working for Women

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WASHINGTON, DC – Financial technology (fintech) has often been touted as a powerful enabler of financial inclusion. And over the past several years, the fintech industry has enabled important advances in access to financial services – including digital savings, credit, insurance, payments, and remittances – for previously underserved populations. But when it comes to women's inclusion, we have a long way to go.

To find out how fintech firms are delivering on the promise of women's financial inclusion, and which practices work, we asked industry experts. A new study by the International Finance Corporation, based on a survey of 114 fintech firms from 17 countries, captures what they had to say. The findings are telling.

Although 59% of the fintech firms included in the study collect sex-disaggregated customer data, only 32% of firms use this information to tailor the design and delivery of financial services for women. Instead, firms tend to take a "gender-neutral" approach, which does not directly address how to reach women at scale. Perhaps it should not be surprising, then, that for a majority of fintech lenders, women constitute less than 25% of their business customers.

Paradoxically, the report also found that executives in the majority of fintech firms considered women to be valuable customers: more loyal, less risky, and with better repayment rates compared to men. The IFC study results affirm this assessment: while only a small percentage of the surveyed fintech firms tailor products and services to women, most of those who do (63%) said that women customers generate higher customer lifetime value than men.

These firms can offer valuable models for others. Consider the Colombian digital lender Juancho Te Presta: recognizing that women have higher loan-approval rates and lower delinquent-loan rates, the company began using data analysis to tailor products and credit conditions to meet women's needs and preferences. For example, it piloted women-only credit products that cut installment costs by about 15%.

Similarly, mfarmPay – a fintech firm operating in Ghana and Kenya – noticed that women farmers display better loan-repayment patterns, and that their involvement in agriculture over time tends to be more consistent than that of men, who might switch to other activities. So, the company began to consider gender-related factors alongside geodata in credit scoring, thereby narrowing the lending gap between financial institutions and smallholder farmers. The strong presence of women in mfarmPay's management team helps the firm to identify gender-related constraints and informs product design and features.

The India-based firm Indifi developed short-term small loans to help women-led micro, small, and medium-size enterprises to build credit histories. An Egyptian fintech firm has developed a mobile wallet solution that enables the secure and instant delivery of monthly social transfers, thereby helping women to save time and travel costs – and avoid possible harassment.

There are also fintech firms that use alternate data sources to generate credit histories for women customers. Others are providing digital literacy and business training to women alongside financial services, hiring gender-diverse cohorts of agents, and working with telecoms companies to provide targeted financial services to women farmers. And yet, overall, the fintech industry is still missing the opportunity to accelerate financial inclusion for women.

The business case for action is clear. Women comprise an enormous market segment with growing economic and social power. Moreover, they tend to show higher customer loyalty, more financial discipline, better loan performance, and stickier deposits. Women's financial inclusion leads to job creation, higher productivity, and faster GDP growth. There are even links between women's inclusion and climate-conscious business and investment decisions.

When it comes to understanding, valuing, and investing in women's inclusion, the fintech industry is not moving fast enough. And speed is essential: without drastic acceleration of women's financial inclusion, gender bias may become hard-coded into the digital financial-services industry.

The good news is that, as a relatively nascent industry, fintech can still build gender inclusion into its design and delivery. As our study shows, a number of fintechs have already discovered the potential of gender-inclusive design. That must become the norm, not the exception.

> *When it comes to understanding, valuing, and investing in women's inclusion, the fintech industry is not moving fast enough. And speed is essential: without drastic acceleration of women's financial inclusion, gender bias may become hard-coded into the digital financial-services industry*

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Access Holdings gets shareholders' full backing to raise $1.5bn capital

- Welcome Aig-Imoukhuede's return as chairman
- Say new chairman will drive financial success
- Back proposed landmark N365bn rights issue

Onome Amuge

ACCESS HOLDINGS PLC shareholders turned out in full force at the company's second annual general meeting, showering the group with an overwhelming vote of confidence in its ambitious plans to raise up to $1.5 billion in capital.

The shareholders not only backed the company's $1.5 billion capital-raising plan but also welcomed a landmark N365 billion rights issue, specifically intended to bolster the group's financial position and drive strategic investments.

According to Access Holdings, the capital raised through the rights issue will fortify liquidity, with a significant portion dedicated to supporting the ongoing working capital requirements of its subsidiaries, including banking and non-banking entities.

In addition to approving the group's historic capital raising plans, the shareholders ratified the appointments of three prominent individuals, including Aigboje Aig-Imoukhuede, Olusegun Ogbonnewo, and Ojinika Olaghere, to serve as non-executive directors on the group's board.

Aig-Imoukhuede's appointment as chairman of Access Holdings was greeted with enthusiastic approval. Citing Aig-Imoukhuede's instrumental role in steering the institution to become Nigeria's leading lender by market value alongside the late Herbert Wigwe, shareholders expressed confidence in his abilities to lead Access Holdings to new heights of success.

Aig-Imoukhuede's remarkable leadership was particularly showcased during the 2004 recapitalisation of Nigeria's banking sector, masterminded by the Central Bank of Nigeria (CBN) under the stewardship of Charles Soludo. Amidst the dynamic period of transformation and competition in Nigeria's financial industry, Aig-Imoukhuede's decisive leadership proved pivotal in steering the institution through the sea change, positioning it as a market leader. This demonstration of strategic acumen, combined with his long-standing ties to the institution, makes the new chairman a formidable leader, poised to steer Access Holdings through its ambitious expansion plans.

Sunny Nwosu, chairman emeritus of the Independent Shareholders Association of Nigeria (ISAN), expressed confidence in Aig-Imoukhuede's new role and impact moving the company forward.

Aigboje Aig-Imoukhuede, chairman, Access Holdings Plc

Nwosu stated: "We are thrilled with Aigboje Aig-Imoukhuede's return to the role of chairman. His proven track record, experience, and strategic insights position him as the ideal leader to steer Access Holdings towards meeting its lofty targets.

During his tenure as CEO, particularly during the recapitalisation directive by the CBN, he steered Access Bank to raise an impressive $2 billion in capital, and this demonstrates his capacity to, once again, lead Access Holdings towards successfully achieving the objectives of our planned Capital Raise and Rights Issue targets."

Amongst other developments at the AGM, Access Holdings' shareholders were presented with a pleasing dividend pay-out proposal, as the group's robust financial performance was reflected in a 28 percent increase in dividend per ordinary share, from N1.40 kobo in 2022 to N1.80 kobo in 2023.

Notably, Access Holdings Group recorded a historic set of full-year results for the period ending December 31, 2023, with a remarkable 335 percent increase in pre-tax profit to N729 billion, towering above the previous year's N167.68 billion. The group's financial might was further demonstrated by a 87 percent jump in gross earnings to N2.59 trillion, eclipsing the previous year's N1.39 trillion.

Access Holdings has entered a new phase in its global expansion strategy, transitioning from its initial growth-focused approach to a phase of consolidation and efficiency, as the group strives to accomplish its ambitious objectives for 2027 within a five-year timeframe.

With a vision firmly rooted in sustainable growth and value creation for its shareholders, Access Holdings Group has established a global presence spanning an impressive 600 branches and service outlets across three continents, 21 countries, and 60 million customers, reinforcing its position as a powerhouse in the global financial landscape.

The group, with its ambitious plans for expansion, also demonstrated unwavering commitment to fostering a globally connected community and ecosystem that unlocks the limitless potential of Africa and engages with the world, reaffirming its dedication to building a forward-thinking and innovative brand that inspires the global community while bringing value to its shareholders.

Fidelity Bank leaps by 131.5% in PBT growth to hit N124.26bn in 2023

Cynthia Ezekwe

FIDELITY BANK PLC reported a significant surge in its profit before tax (PBT) to an impressive N124.26 billion for the year ended December 31, 2023, representing a 131.5 percent rise against the 2022 financial year.

The bank's audited results, which was issued to the Nigerian Exchange (NGX), showed that the bank's gross earnings grew by 64.9 percent year-on-year (YoY) to N555.83 billion, driven by 81.6 percent increase in net interest income which appreciated from N152.7 billion to N277.37 billion. This led to a profit after tax of N99.45 billion representing a 112.9 per cent annual growth.

A review of the financial performance revealed a 81.6 percent growth in net interest income to N277.4 billion, underpinned by a robust 55.5 percent rise in interest income, reflecting a steady ascent in asset yield throughout the year.

Fidelity Bank's financial performance was further bolstered by a significant decline in average funding cost, dropping by 20 basis points (bps) to a relatively low 4.4 percent due to the bank's success in attracting more low-cost funds, resulting in a surge from 83.6 percent in 2022 to 97.4 percent in 2023. In addition, the combination of higher asset yield and lower funding cost led to an increase in Net Interest Margin (NIM) of 8.1 percent from 6.3 percent in the 2022 full year.

Nneka Onyeali-Ikpe, managing director/CEO, Fidelity Bank Plc

The company's steadfast focus on customer acquisition and retention paid rich dividends in the year 2023, as total customer deposits vaulted past the N4 trillion mark, with a significant 55.6 percent growth from N2.6 trillion in 2022 full year, fuelled primarily by a 81.1 percent surge in low-cost funds.

Despite the choppy economic waters in the year 2023, Fidelity Bank Plc remained resolute in its mission to empower individuals, businesses, and economies to scale new heights, as evidenced by a robust 49.5 percent growth in net loans and advances, from N2.1 trillion in 2022 full year to a staggering N3.1 trillion.

The financials also showed that the bank's liquidity ratio improved to a robust 45.3 percent, up from 39.6 percent in 2022 full year, signalling enhanced liquidity and superior asset quality. Similarly, the Capital Adequacy Ratio (CAR) remained strong at 16.2 percent, handily exceeding the minimum requirement of 15.0 percent.

Fidelity Bank Plc, attesting to its its impressive 2023 financial report, cemented its commitment to rewarding its shareholders by unveiling a proposed final dividend payout of 60 kobo per share for the financial year, coupled with an interim dividend payout of 25 kobo per share, bringing the total dividend to 85 kobo per share for the reporting period.

This significant 70 percent surge in dividend payout, compared to the 50 kobo per share dividend paid in the previous year, underscores the bank's unwavering dedication to value creation for its shareholders and highlights its robust financial health.

UBA courts shareholders backing to power N10.8bn capital injection drive

Business a.m.

AFRICA'S GLOBAL FINANCIAL institution, United Bank for Africa (UBA), is set to take the next step in its journey of growth and expansion as it seeks shareholders' approval to issue N10.8 billion new ordinary shares to raise its share capital from N17.099 billion to N22.5 billion, during the bank's upcoming annual general meeting, scheduled for May 24, 2024.

The multinational financial services company, in a bid to fulfil the CBN's latest regulatory requirements, announced its plan to raise capital through a statement filed to the Nigerian Exchange Limited (NGX), recently. The move comes in response to the CBN's directive issued on March 28, which set out capital requirements for different categories of commercial banks, with international licence holders required to raise their capital base to N500 billion, national and regional financial institutions to N200 billion and N50 billion respectively.

UBA disclosed that the board would propose various capital raising strategies to shareholders at the upcoming AGM, including public offerings, private placements, rights issue, or other transaction modes in either the Nigerian or international capital markets. The proposal, however, remains subject to regulatory approval and the consent of the bank's shareholders.

Tony Elumelu, chairman, United Bank for Africa Plc

In its filing with the NGX, UBA outlined a broad range of options available for raising capital in the Nigerian and international capital markets.

It stated: "The instruments can either be as a standalone issue(s) or by the establishment of capital raising programmes, whether by way of public offerings, private placements, rights issues and/or other transaction modes, at prices, coupon or interest rates determined through book building or any other acceptable valuation method or combination of methods, in such tranches, series or proportions, within such maturity periods and at such dates and upon such terms and conditions as may be determined by the board of directors of the company subject to obtaining the requisite approvals of the relevant regulatory authorities."

UBA's ambitious capital raising plans include an increase in the company's issued share capital from N17,099,710,683 to N22,500,000,000, which will create additional equity for the bank and provide further support for its growth strategy.

However, with a current capital base of N115.82 billion, UBA faces a significant challenge in raising the additional N384.19 billion required to meet the CBN's N500 billion minimum capital requirement for international licence holders.

STOCKS MARKET

	NSE	NSE 30	FTSE 100	DOW JONES	S & P 500	FTSE/JSE	NASDAQ
	99,539.75	3,688.15	7,914.13	33,808.96	4,133.52	77,910.96	12,072.46
CURRENT	2.71	2.71	0.15%	0.07%	0.09%	-1.23%	0.11%
YEAR TO DATE	33.12	33.12	6.21%	2.00%	7.66%	6.66%	15.34%

TOP TRADERS

Company	Volume	Value
UBA	148881854	4009769923
ZENITHBANK	135810416	5483642649
GTCO	98755073	4130780496
TRANSCORP	71430613	998478132.4
ACCESSCORP	44310096	868070283.9

TOP GAINERS

No	Equity	Opening	Closing	%Change
1	TRANSCORP	N 13.60	N 14.95	9.93%
2	MORISON	N 2.33	N 2.56	9.87%
3	OANDO	N 11.45	N 12.55	9.61%
4	CAVERTON	N 1.64	N 1.78	8.54%
5	DEAPCAP	N 0.63	N 0.68	7.94%

TOP LOSSERS

No	Equity	Opening	Closing	%Change
1	GTCO	N 46.00	N 41.40	-10.00%
2	DANGSUGAR	N 59.00	N 53.10	-10.00%
3	FLOURMILL	N 37.50	N 33.80	-9.87%
4	MULTIVERSE	N 15.25	N 13.75	-9.84%
5	DANGCEM	N 755.30	N 686.70	-9.08%

COMMODITIES

SYMBOL	PRICE	CHANGE	%CHANGE	VOLUME
OIL	74.84	0.76	1.03	14,339
BRENT	79.66	0.56	0.71	168,053
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

Nigeria's energy sector opens new frontier as LCFE plans crude oil futures trading

Eyes $4bn annual revenue from crude oil commodities exchange

Onome Amuge

A LANDMARK DEVELOPMENT is set to be experienced in Nigeria's financial market landscape, as the country's economic mainstay, crude oil, is about to make a historic arrival into the local trading scene. The move, poised to unfold on the Lagos Commodities and Futures Exchange (LCFE), promises to open a vast world of opportunity for investors, as the doors of Nigeria's biggest foreign-exchange earning sector are thrown wide open to the general public.

Dwelling on the exciting development, Akin Akeredolu-Ale, the chief executive officer of LCFE, disclosed that a bold vision is in the works to bring a substantial slice of Nigeria's oil and gas bounty, representing up to 20 percent of the country's crude oil, to the bustling trading floor of the LCFE.

Akeredolu-Ale made known that the LCFE has been hard at work, diligently mapping out the intricate path to success as they steer the trading of crude oil on the domestic market. He explained that the daring voyage, chartered by the LCFE, is guided by a partnership with the Securities and Exchange Commission (SEC), a seasoned navigator of the

L-R: Kunle Akinkugbe, board director, SecureID Limited; Adedotun Sulaiman, chairman, board of directors, SecureID Limited; Wale Edun, minister of finance and coordinating minister of the economy; Kofo Akinkugbe, founder/group CEO, SecureID Limited; and Adeyemi, board director, SecureID Limited, during a courtesy visit by the minister to SecureID Limited's plant recently.

capital market's regulatory seas, ensuring that the ship remains on course and in compliance with all relevant trading requirements and regulatory guidelines. The LCFE chief outlined the exchange's bold vision, as it takes the helm, steering the oil and gas sector towards new horizons, where local and offshore markets converge, risk is curbed, product availability abounds, and investment opportunities thrive. According to Akeredolu-Ale, the exchange anticipates trading about 50 million barrels, translating to about $4 billion annually at current market prices, setting a course for unprecedented economic growth and prosperity for the nation.

He also expressed confidence that the move will afford Nigerians the opportunity to take direct benefits and further aid the growth of the capital market by trading on both crude and refined product contracts.

The LCFE emerged as a major financial player in 2022, soaring to new heights with its bold foray into gold trading. Just two years later, the exchange has already recorded N66 million worth of transactions, a glowing testament to its success in tapping into the lucrative world of commodities. Through registered commodity brokers, the LCFE has attracted significant investments, with a single gram of gold coin appreciating from N42,500 at launch to N65,000 in just two years. The LCFE has also been cultivating a thriving crop of agricultural trading opportunities, with a diverse harvest of commodities including soybeans, paddy rice, maize, sorghum, sesame seeds, palm oil, and cassava. Solid minerals such as lithium, lead ore, fluorite, zinc, iron ore, kunzite, are also currently traded on the exchange.

The LCFE's foray into crude oil trading promises to revolutionise Nigeria's energy sector, igniting a spark of opportunity for traders and refiners alike. With the ability to trade crude oil futures contracts within the country's borders, players can now hedge against volatile prices, creating a more stable and predictable market.

NASCON pulls merger as SEC derails ambitious Dangote Rice, Sugar alliance

Onome Amuge

NASCON ALLIED Industries Plc suspended immediately its proposed merger with Dangote Sugar Refinery Plc and Dangote Rice Limited following the Securities and Exchange Commission (SEC)'s disapproval of the deal.

The salt processing company and a member of the Dangote Group, seeking to assuage investor concerns and maintain transparency, revealed the curtain on the backstage of the suspended merger in an official statement recently published on the Nigerian Exchange Limited (NGX).

The statement, signed by A.A. Samuel, Nascon secretary, attributed the current non-operational status of Dangote Rice Limited for the deal's dissolution, a condition that proved a fatal obstacle in the planned unification of the companies. The statement partly read: "Nascon Allied Industries Plc. ("Nascon") hereby notifies the Nigerian Exchange Limited and the investing public, that further to its announcement of August 30, 2023 in respect of the proposed merger of Dangote Sugar Refinery Plc, Nascon and Dangote Rice Limited, a decision has been taken to suspend the said merger at this time.

"The suspension is due to the comments and recommendation of the Securities and Exchange Commission ("SEC") centred around the current non-operational status of Dangote Rice Limited.

"Nascon wishes to express its appreciation to all its stakeholders and will keep the public informed of any developments as they arise."

On July 31, 2023, Dangote Sugar Refinery Plc, bearing the torch of corporate ambition, revealed to the NGX and the broader public, the intention to merge with NASCON Allied Industries Plc and Dangote Rice Limited, both subsidiaries of the Dangote Industries Ltd. conglomerate.

The proposed merger was to be executed as an internal restructuring through a scheme of merger, and subject to agreement on terms and conditions by all involved parties.

Dangote Sugar expressed optimism that the merger would consolidate and strengthen the group's market position and lay the foundation to take advantage of future opportunities in the food industry.

In the wake of the merger's abrupt termination, the conglomerate now faces the task of regrouping and reconsidering its strategic direction. However, Nascon assured of continued transparency in communications regarding any future developments related to the merger.

MONEY Nuggets

TUNDE OYEDOYIN

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How a conversation with an OAP got me thinking

WHILE HEADING TO WORK THE morning of the Wednesday after Easter, yours truly found himself sitting side by side again with an Old Age Pensioner - OAP - at his usual McDonald's restaurant.

Since we're both regulars there between 6 am and 7am and had exchanged only pleasantries prior to then. I decided to take our familiarity further by asking just this question: "where do you normally go when you leave here?" Not only did her response generate this piece, as already noted in the title, it got one thinking about the 'R' word — Retirement.

With a shrug of the shoulder, she said, "I go shopping." Boy oh boy! If only wishes were horses, yours truly would have, rather than continue with his journey to work, been hopping from one shop to another as well, every time he left that West London facility. Not surprisingly, this petite English woman went further, telling me that she started work at 20 and had planned to retire at 60.

However, the change in legislation that increased the retirement age of women to 62 had come into force then and thus, she had to put in two more years for her employer.

Tell you what? Women can no longer retire at that age in England and Wales, as there has been another change in legislation. They must therefore work a couple of years more in order to receive full State pension. As we sipped our drinks and carried on chatting, my fellow McDonald's regular said she felt for women still needing to carry on working till the current retirement age. Of course, men's retirement age is more than that of women. That can cause misery and serious thinking if you haven't made provisions for your next step in retirement. Perhaps, your employer doesn't even have a provision for a golden goodbye or defined benefit contribution. That too is worth considering.

As an action point, take a look at any two or three retirees you know and ask yourself, do I want to be like them when I grow up?

Among the thoughts that the conversation with the OAP also generated was a reminder that we must actively plan for that phase of our working career. That could mean forcing yourself to develop another skill or asking the payroll department who your pension provider is. A few days ago, I saw a headline that Brazilian legend Romario wants to make a comeback at 58. One hopes it's either fake news or that it's for the love of the round leather game. As in the day of the Old Testament, "would to God" that it's not because he's run out of cash in retirement.

Go at your own pace

I was on a routine exercise in the street jogging from Notting Hill Gate towards Holland Park last week, when another jogger on the other side of the road went past.

His pace was faster and he was gradually increasing the gap. But I wasn't bothered. I was following my own goal and he too, his.

As you pursue your financial goals for the year, go at your own pace and step things up if you have to. In other words, if going on holiday to Abuja in the summer or a romantic weekend at a choice hotel is among your goals, stick with it. But don't feel compelled to copy the person going to Dubai for their birthday.

Alebiosu, banking veteran, replaces Adeduntan as First Bank MD/CEO

Onome Amuge

FIRST BANK OF NIGERIA LIMITED has appointed Olusegun Alebiosu as its acting managing director with immediate effect, following the abrupt resignation of Adesola Adeduntan who had served as the managing director/CEO of the premier bank.

The bank informed the Nigerian Exchange Limited and the investing public of the development in a notification, signed by Adewale Arogundade, the acting company secretary Alebiosu, dated April 21, 2024.

The notification partly read: "In accordance with the Rulebook of The Exchange (Issuers' Rules), we hereby notify Nigerian Exchange Limited and the investing public of the appointment of Mr. Olusegun Alebiosu as the Acting Chief Executive Officer of our flagship subsidiary, First Bank of Nigeria Limited ("First Bank").

"Following the resignation of the Managing Director of First Bank, Dr. Adesola Adeduntan, the Board of Directors has appointed Olusegun Adebiosu as the acting CEO of the 130-year-old institution.

"The appointment takes effect immediately and is subject to the approval of the Central Bank of Nigeria."

Olusegun Alebiosu, acting managing director/CEO, First Bank Nigeria Limited

The newly appointed acting managing director of First Bank, is no stranger to the dynamic inner workings of the bank, having served as a key player in its transformative journey over the past eight years.

According to FirstBank, Alebiosu was appointed the executive director, chief risk officer and executive compliance officer in January 2022. Prior to this appointment, he was the group executive/chief risk officer, a position he held since 2016.

Alebiosu, in his capacity as executive director and chief risk officer, had been instrumental in steering the bank through a period of strategic change, leveraging his keen insights and expertise to drive the bank towards a more innovative and competitive future.

Business a.m. gathered that Alebiosu brings to the executive management of FirstBank a treasure trove of experience spanning 28 years in the banking and financial services industry with cross-functional exposure to credit risk management, financial planning and control, credit and marketing, trade, corporate and financial banking, agriculture financing, oil and gas, transportation (including aviation and shipping) and project financing.

Prior to joining FirstBank in 2016, Alebiosu carved an illustrious career path through the halls of some of Africa's most prestigious financial institutions. He commenced his professional career in 1991 with Oceanic Bank (now Ecobank Plc). He also served as chief risk officer at Coronation Merchant Bank Limited, chief credit risk officer at the African Development Bank Group, and group head of credit policy & deputy chief credit risk officer at United Bank for Africa Plc.

Adding to his remarkable resume, Alebiosu stands tall as a distinguished member of prominent professional bodies. He is a member of various professional bodies, including the Institute of Chartered Accountants (FCA), Nigeria Institute of Management (ANIM), and Chartered Institute of Bankers of Nigeria (CIBN).

Adeduntan leaves after 9-years leading Nigeria's oldest bank

Adesola Kazeem Adeduntan left First Bank of Nigeria Limited, Nigeria's oldest banking institution, which he led for nine years as managing director and chief executive officer.

His retirement from his position followed an illustrious journey marked by exemplary leadership and innovative financial solutions to reposition the bank as an enviable financial titan in Africa.

Adeduntan disclosed his voluntary retirement in a letter which was addressed to Tunde Hassan-Odukale, the First Bank chairman, titled, "Notice of Retirement." The bank CEO noted that while his tenure was scheduled to conclude on December 31, 2024, he opted to embark on his pre-retirement leave on April 20, 2024, taking a decisive step towards closing the chapter of his illustrious leadership journey with the premier bank.

Adesola Adeduntan

Having led First Bank Nigeria Limited as the CEO since January 1, 2016, Adeduntan's voluntary resignation marks the end of a glorious era as he now sets his sights on exploring new opportunities and avenues that would further fuel his ambition and passions beyond the walls of the bank.

In his letter of resignation, Adeduntan explained that his decision to step down was in pursuit of other interests, signalling his unwavering commitment to personal and professional growth even as he bowed out from his esteemed role at the bank.

Adeduntan's nine year period as MD/CEO of First Bank Limited has ushered in a new era of transformation for the financial institution, one that has breathed new life into the bank and expanded its appeal beyond its traditional clientele. Under his leadership, the bank has cast off its old-school image, becoming a vibrant and dynamic force in the Nigerian banking landscape that attracts customers across all segments of society, from the most affluent to the unbanked, thanks to its innovative offerings and relentless commitment to excellence.

Adeduntan's illustrious career in banking and finance, spanning over three decades, has propelled him to the pinnacle of professional recognition, having amassed many awards and accolades that serve as a testament to his unwavering dedication and remarkable expertise.

Leadway Assurance takes top spot in innovation awards

Cynthia Ezekwe

LEADWAY ASSURANCE COMPANY, one of Nigeria's major insurance underwriters, has been honoured with the prestigious award of "Best Innovation In SME Insurance Services of the Year 2024" after it took the top spot at the 4th Nigeria National SME Business Awards (NNSBA).

The NNSBA event, tagged: "Collaborative Initiatives: Strengthening Networks for SMEs", organised by the Association of Small Business Owners of Nigeria (ASBON) in collaboration with the Lagos State Ministry of Commerce, Cooperatives, Trade, and Investment, was held recently in Lagos with the aim to recognise and celebrate the outstanding contributions of small and medium enterprises (SMEs) to the nation's economy.

Ken Opara, the president and chairman of council of ASBON, in his goodwill message at the event, expressed his delight over Leadway Assurance's commitment to empowering SMEs through innovative insurance solutions tailored to their needs, highlighting the government's initiatives to support SMEs, including the disbursement of N60 billion from the Central Bank of Nigeria (CBN) through the Agric Small and Medium Enterprises Investment Scheme.

Gboyega Lesi, managing director and chief executive officer of Leadway Assurance, expressed his heartfelt gratitude for the prestigious recognition, highlighting the company's unwavering commitment to serving Nigeria's evolving SME sector.

"With years of experience in the insurance industry, we have witnessed firsthand the challenges faced by SMEs, and it's our mission to continue to provide tailored solutions that offer peace of mind and enable growth. This award is a symbol of our team's passion and expertise, and it inspires us to continue innovating and serving our customers with excellence," the CEO said.

Lesi added that Leadway Assurance's recognition for 'Best Innovation In SME Insurance Services of the Year 2024' underscores its dedication to providing innovative solutions that address the evolving needs of SMEs. As a trusted partner, Leadway Assurance remains committed to supporting SMEs on their journey to success and prosperity.

Access Pensions advances client-focused approach in pension backed mortgages

Cynthia Ezekwe

ACCESS PENSIONS, a top-tier pension fund administrator (PFA), has reinforced its pledge to serve as a compass for its customers as they navigate the intricacies of Pension Backed Mortgages (PBMs).

Ophelia Alex-Iwuanyanwu, head of customer experience at Access Pensions, reiterated this commitment during a recent webinar organised by the company, noting that Access Pensions' paramount objective is to ensure an unparalleled customer experience, leaving no stone unturned in the pursuit of customer satisfaction, particularly as customers embrace the transformative potential of Pension Backed Mortgages.

"We offer competitive pension backed mortgage finance tailored to your needs, ensuring your goal of home ownership is achieved. We also guide our customers through every step of the homeownership journey, starting well before the application reaches us. We offer end-to-end guidance from our team to ensure a simplified process that reduces the turnaround time, from initiation to PENCOM's approval," Alex-Iwuanyanwu stated.

The company's head of customer experience also highlighted the innovative suite of services available to customers, designed to enhance their engagement with the company, bolster their financial acumen, and optimise their investment returns. She noted that clients benefit from dedicated relationship managers, access to digital channels, financial literacy programmes, and superior investment returns.

Wale Okunrinboye, chief investment officer, Access Pensions, while speaking on investment management, said the company's investment process is built around applying an analytical approach to securities analysis, asset allocation, optimal trade execution and a quantitative approach to risk management.

NCDMB sees Nedogas $1m investment returns nurturing prosperity in oil sector

Business a.m.

THE NIGERIAN CONTENT Development and Monitoring Board (NCDMB) recently announced a $1 million investment return from Nedogas Development Company Limited (NDCL), marking a promising return on one of the Board's strategic investIn a symbolic gesture, Emeka Ene, the NDCL chairman, journeyed to the Nigerian Content Tower in Yenagoa, Bayelsa State, to present the $1 million investment return to the NCDMB. The cheque was warmly received by Felix Ogbe, executive secretary of the NCDMB and his team, in a heartening display of collaboration and partnership between Nigeria's public and private sectors. The Nedogas Development Company Limited is a joint venture company between Xenergi Limited and the NCDMB Capacity Development Intervention Company (NCDIC).

As part of the project, Nedogas Development Company Limited constructed and commissioned a 300 million standard cubic feet per day capacity Kwale Gas Gathering (KGG) and injection facility located in the Umusam Community, near Kwale in Delta State.

The KGG Facility was designed to handle stranded gas resources in Nigeria's OML56 oil province by providing the opportunity for independent operators in the area to monetise natural gas from their fields through the gas gathering, compression, injection and metering infrastructure of the KGG for quick market access.

Ogbe remarked that the success story of NEDOGAS at Kwale, Delta State could be replicated in other oil- and gas-producing communities to minimise gas flaring. He declared the board's readiness to continue collaborating with the company, stating: "Their model should be extended to other parts of the country where gas flaring is continuing. They have shown that with the modular system, we can quickly remove flaring from our operations in Nigeria."

The Four Mindsets of Retirement

GRAHAM WARD

Adjunct Professor of Organisational Behaviour

ISABELLE LEBBE

Isabelle Lebbe is a Partner in the Investment Management practice of Arendt & Medernach and graduate of the INSEAD EMC Program '23.

HOW TO SMOOTH THE TRANSITION and embrace the "third half" of life.

The idea of retirement as envisioned by our parents is undergoing a radical change. Once viewed as the last chapter before death, it has now morphed into an intermediate phase that no longer strictly aligns with either old age or complete inactivity.

Today, a retiree can reasonably expect to live another 20 to 30 years, ideally in good health, provided they continue to exercise both body and mind. In this context, the word "retirement" seems obsolete. It is perhaps more fitting to refer to it as a "third half".

However, retirement often entails a profound change of identity, especially if work played a substantial role in shaping that identity. Losing much of what defines us while still possessing the energy and desire for a working life can be profoundly disorienting. Indeed, as can be seen from our model below, increasing anxiety can lead to undesirable and unconstructive outcomes.

Getting the transition to retirement right is vital for retirees, their colleagues and organisations. Through our research and interactions with professionals navigating this shift, we have pinpointed four psychological mindsets associated with the transition to retirement.

1. Switch

Vanessa was a partner in an audit firm in Paris. At the age of 51, she decided to cease her professional activity. "I was getting old and realising it," she says. She gave herself two years to organise her succession and slowed down, changing her occupation day by day.

"Things had changed in my head; it had become difficult to stay at 100 percent," she says, adding that she was thinking about her "future job". A year after her retirement, she remains active, but in a different field, now running a bed and breakfast hotel in Marseille. She takes daily walks to the market to source produce for her guests, and winters in the southern hemisphere for two months in the off season.

"Switch" professionals like Vanessa describe a natural transition to their "third half" identity. The common feature among them is how carefully they prepare with small incremental changes and open discussions about their plans. They seem to have departed from their former professional identity without regret, moving towards a new identity that they may not idealise but recognise for its positive benefits.

2. Transcendence

Denis retired a year ago. He is critical of his former professional environment, with its strong "alpha male" culture and workaholism. Nevertheless, one of the various organisations where he serves as a non-executive director is a former client of his.

Other aspects of his work, however, are completely new to him. He has learned to cede executive control and take a position of oversight, which is both rewarding and different. Above all, he has adopted a holistic approach to life, leaving more room for what he finds deeply fulfilling and interesting. For instance, he takes pleasure in coaching a junior basketball team in his spare time.

Individuals who are "transcending" share similarities with professionals going through a rapid "switch"; however, the distinction lies in their desire to maintain a professional identity and shift in steps. They exist in a liminal stage, straddling between two places. Even if they are ready to engage in new activities, they do not wish to completely give up their professional lives, whether in terms of activities or the customers they serve. They have one foot in the new and one still in the old, which gives them a sense of psychological stability and solace.

3. Regret

Gregory, a former accounting partner, retired and became an independent consultant. He left at the mandatory retirement age, relatively disillusioned but in good health. Relieved to have left the political aspects of his former organisation behind, he is bitter about his new role, which he expected to have more purpose. He feels alone and lacking administrative support. To Gregory, enforced retirement felt like a schism.

Much like the "transcending" retirees, those in the "regret" mindset find themselves stuck between their professional and retiree identities. Their choice seems painful, caught between two identities that they fundamentally dislike. Two common characteristics include a form of pessimism regarding their future and a lack of attachment to their current professional identity.

Although they are often strongly critical of their former role, they would have stayed in their profession, had they been given the choice. In short, they are deeply ambivalent and in a subdued emotional state. The former working identity was known but unwelcome, whereas the anticipated identity as a retiree remains vague and anxiety-inducing.

4. False start

Akiko reached an agreement with their law firm before leaving, allowing them to continue the activity of counsel and work with their team and clients. Knowing that they would remain with their organisation, they did not prepare for retirement. "It's a bit egotistical… What am I supposed to do? Be like the mastermind that liquidates itself?"

Akiko has maintained elements of their prior role, including the pension plan, office and parking space under the building. People who "false start" struggle to let go of their attachments, move on, make themselves redundant and properly plan for succession. There seems to be a denial of the biological clock and the need to bring new generations into the mix. They never really leave the starting blocks, hardly shedding their professional identity. Their day-to-day activities are very similar to the ones they have been doing until now. Instead of accepting their status as retirees, they deliberately, and often to their detriment, find themselves incapable of letting go of their profession.

Why retirement matters and what to do about it

Future retirees are often disoriented and relatively anxious about this new phase of their lives. As a result, organisations must carefully consider their approach to dealing with this segment of their talent pool. Should they opt to let them go completely, or do they see an advantage in maintaining a close relationship to benefit from their experience, knowledge or network? To support and guide them towards the chosen strategy, organisations might consider the following initiatives:

Demystify procedures and guidelines

Given that retirement remains a taboo subject in many organisations, with expectations, procedures and available options often unclear, it is important to be transparent about the company's strategy. Discussing the consequences of retirement allows both parties to prepare. This can include conversations about financial considerations, access to the workplace, participation in events and use of email. Financial incentives could be structured to discourage people from "hanging on" indefinitely.

Celebrate and honour the retiree

Organised programmes can initiate and support the transition into retirement, as well as an event to say goodbye and honour their legacy. This experience can be positive for both those leaving the organisation and their colleagues. Sabbaticals near the end of the executives' tenures can provide psychological release to explore new horizons. Assigning people ambassadorial roles at conferences and other visible and high-status events also sends an appropriate signal to the market and the individual.

Provide support

Providing people with time and space for reflection is essential to help them prepare for retirement. Individual coaching or, better still, group coaching, can be invaluable in this regard. This allows them to verbalise their feelings and misgivings, as well as receive the advice and benchmarking they may need.

Despite being potentially laden with anxiety, the so-called third half can be the most glorious chapter of life. Liberated from the shackles of insecurity and aware of their competencies and strengths, executives can be empowered to unleash their mature potential and contribute to society. Rather than perpetuating a taboo, healthy companies address the subject early, identify the specific mindset of each individual and gently guide them towards a different and more constructive future.

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The Power of Public-Private Partnerships

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HOW BOTH SECTORS can collaborate to tackle global challenges.

Current global challenges are daunting. We're not on track to reach the Sustainable Development Goals by 2030. In fact, the United Nations warns that we've entered an age of "polycrisis" in which increased conflicts, the climate emergency and widening economic and social disparities threaten our collective future.

The public sector can't address this sobering reality on its own.

When well-planned and well-executed, public-private partnerships (PPPs) – where firms collaborate with public-sector entities such as government agencies and international organisations – can be an effective force to tackle global problems. For example, PPPs can deliver (or have delivered) positive impacts in public health and HIV/AIDS containment, infrastructure projects in Indonesia and education in Pakistan.

PPPs can create value for each partner by leveraging complementary competencies. They help public organisations allocate resources, spread risk and foster innovation and knowledge transfer. For companies, they can extend reach, build networks, create jobs, strengthen their brand, improve employee engagement and bring a company's core values to life.

The reality, however, is that PPPs are often more complex than partnerships between two private companies. This is due to the nature and goals of stakeholders involved but also often due to the challenges that PPPs aim to address. They try to contribute to solving the world's most pressing problems by bringing together organisations with different goals, cultures, histories and areas of expertise.

PPP is complicated and both sides have to take a strategic approach to the realities of such cross-sector collaboration.

Working relationships

At their core, PPPs are long-term relationships. Like any relationship, you don't know what it's really like until you're in it. And like any relationship, PPPs need to evolve and innovate over time. Each partnership is different, but we can learn from those that have prospered.

One successful example is the 17-year partnership between dsm-firmenich (previously Royal DSM), a nutrition, health and beauty company, and the World Food Programme* (WFP) to fight malnutrition. Harnessing dsm-firmenich's science innovation and technical expertise and the WFP's nutritional knowledge, the partnership, in collaboration with other partners, has co-created ten nutritionally enhanced foods. These foods help address hidden hunger, which refers to the lack of key micronutrients (vitamins and minerals) which affects at least two billion people worldwide. Each year, WFP distributes these nutritious foods directly to 35 million people, while providing technical support to governments to reach an additional 15 million people through social assistance programmes. The partnership also invests in activities that build capacity for countries to initiate and scale up the production of fortified foods including fortified rice in 20 countries and educates millions of consumers about nutrition.

Alignment and commitment

One of the biggest challenges in PPPs is the time frame. Tackling malnutrition around the world is not a quick fix. WFP and dsm-firmenich are working together to address big challenges, which means progress is measured over years, not months.

How do you maintain these partnerships over such long time periods? After all, it's inevitable that internal shifts, from boardroom reshuffles to staff changes and external stresses, such as economic downturns or political upheavals, could potentially impact these relationships. PPPs require a steadfast commitment to long-term change, achieved through incremental steps.

To ensure these partnerships can be sustained over the long-term, companies should seek out public sector partners with complementary strengths who share their values and purpose. As dsm-firmenich's CEO, Dimitri de Vreeze wrote in a World Economic Forum article in 2022: "Collaborations, however, are never done for the sole purpose of collaboration: it needs to fit into a company's purpose and long-term vision."

Both dsm-firmenich and WFP have always shared a vision of a world without malnutrition. The partnership serves more people than either could have on their own by leveraging each party's strengths: dsm-firmenich's scientific innovation and WFP's global network and development expertise. This strategic alignment creates opportunities for large-scale social impact.

PPPs must be owned and sponsored by the heads of each organisation. The leaders of each partner must be a vocal supporter both internally and externally of these highly visible strategic initiatives. From a governance perspective, the partnership's manager should have a direct reporting line to the top. They must not be housed within a business unit, or they risk being compromised by short-term commercial interests.

PPPs are more sustainable when they are linked to the organisations' core strategy and are supported from the top. For example, both WFP and dsm-firmenich have experienced leadership change multiple times over the past 17 years. Yet the partnership has strengthened over time because leadership commitment has been constant. This has been the case even through the recent dsm-firmenich merger.

Negotiating cultural differences

Another challenge with PPPs is internal: the different ways in which each organisation works.

Companies that have only collaborated in the private sector may experience "culture shock" with PPPs. In general, decision-making processes in public organisations tend to move at a slower pace than in most firms. This is because public sector organisations, as stewards of public resources, often require extensive consultation and multi-party review of project deliverables – from contracts to targets and reporting – to consider diverse perspectives and ensure full accountability and transparency. On the other hand, companies can typically take swifter action since they are usually beholden to fewer stakeholders.

There is also the reality of market forces. Companies need to earn profits, but public organisations don't. PPPs need to be structured such that the private partner's financial interests are met and they can continue to invest in R&D. This will both sustain impact over time and open up opportunities to address new global challenges. All parties benefit when the business is profitable.

The key to negotiating differences is in the hands of each organisation's project leader. Leaders who manage the PPP have to be more than a technical expert. They act as stewards of the relationship between the organisations, whose primary role is to nurture and strengthen human connections through active empathy. PPPs will be short-lived if relationships suffer. The leader must know when to push, pamper or pause in order to bridge gaps and build connections that drive a shared mission.

The value of trust

Without a doubt, trust – which we define as "the business of making and keeping promises" – is the most critical success factor that determines whether or not a partnership lasts.

According to research on interorganisational relationships, trust exists when each party has confidence in the other's integrity and reliability. In other words, do partners perceive each other to be competent? Will they deliver and behave as expected? Trust takes time to develop, but can be destroyed in an instant. In practice, it's built project by project through the way you communicate and follow through on commitments.

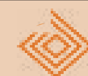
In management, we say that trust is built and maintained through visual cues. In PPPs, partnerships that are transparent foster a high degree of trust; they don't exaggerate claims and are honest when results don't meet expectations. On a tactical level, one way to achieve this is to develop impact reports audited by third parties. More broadly, when progress stalls, partners can strengthen trust by focusing on joint learnings to further their shared mission.

Collective efforts for real impact

Essentially, PPPs take time and are hard work. But they're vital because the big issues of our time can't be solved by individual actors operating alone.

Effective PPPs need top-down commitment from both sides, alongside a shared strategic vision and flexible project leaders. Above all, they need a strong level of trust between both partners.

Companies and public sector organisations need to work together to develop innovative broad-based solutions to address our world's greatest challenges. By doing so, they can contribute to a better world, while also discovering unparalleled opportunities for meaningful innovation and growth.



How Does ESG Emphasis Impact a Company's Value?

Research co-authored by Wharton's Serguei Netessine examines how discussing nonmaterial and material ESG factors in companies' earnings calls influences their overall worth.

SERGUEI NETESSINE

Dhirubhai Ambani Professor of Innovation and Entrepreneurship, Professor of Operations, Information and Decisions, Senior Vice Dean for Innovation and Global Initiatives

IN A CLEAR STANCE last spring, Bank of America's CEO Brian Moynihan underscored the lender's commitment to profits, declaring: "We are capitalists." While this might seem like an obvious affirmation for a bank, it comes at a time when some Wall Street institutions are under fire from Republican politicians who argue that they are putting environmental, social, and governance (ESG) factors above shareholder returns. Moynihan had previously said that "capitalism is the system that will drive the best outcome, and so we believe in profits and purpose."

This type of conflict has sparked a need for a deeper understanding of how ESG factors impact a company's value. A recent research paper co-authored by Wharton senior vice dean for innovation and global initiatives Serguei Netessine explores this question by examining how companies discuss nonmaterial ESG factors (i.e., ones that are less important or less integral to the firm's core business) versus material ones in their earnings calls — and how it influences their overall worth. Netessine's co-authors include Sonam Singh and Ashwin V. Malshe from the University of Texas at San Antonio, and Yakov Bart from Northeastern University.

The researchers' findings indicate that when companies focus on nonmaterial ESG factors in their quarterly financial updates, investors interpret it as a negative sign, signaling potential issues like higher costs, inefficient resource use, and distracted management. And the negative effects of nonmaterial considerations outweigh the positive effects of material ones on a company's value.

For every 10% increase in emphasis on material ESG concerns, the company's value goes up by 1.4%, but a similar increase in nonmaterial ESG emphasis leads to a 3% decline in value. Netessine said: "When companies discuss matters crucial to their business model — for example, a logistics firm discussing how to reduce their supply chain emissions — investors find it sensible. But very often companies talk about unrelated topics like saving penguins and planting forests. The markets hate that. It leads to a pretty dramatic decrease in the value of the company."

The study suggests that investors and researchers should avoid combining material and nonmaterial ESG factors into one aggregate measure. "Investors should pay closer attention to what companies say in earnings calls. If the executives speak a lot about ESG but it's not material, it will be negatively reflected in the value of the company. On the other hand, highlighting material ESG activities is reflected positively," Netessine asserted.

Trade-offs Between ESG Goals and Financial Performance

While many studies stress the importance of addressing ESG concerns in business communication (some investors believe it's crucial for long-term success), there is growing skepticism about the trade-offs between ESG goals and financial performance, as the Bank of America case illustrates. Some recent studies even suggest that focusing on ESG may not necessarily result in higher returns, adding fuel to the ongoing debate.

Netessine notes a dichotomy between retail and institutional investors in this context. "Individual stockpickers are often willing to sacrifice financial returns for a more responsible and sustainable portfolio. This differs from large fund managers who must focus on financial returns due to their fiduciary duty," he said.

Employing a deep learning model called ESG-BERT, Netessine and his fellow researchers studied earnings call transcripts from 6,730 firms in the period between 2005 and 2021. Their analysis reveals that the negative impact of nonmaterial ESG emphasis on a company's value gets worse over time, with a yearly increase of 0.03%. This is attributed to the rising prominence of standards focused on materiality, such as those from the Sustainability Accounting Standards Board (SASB). "Investors expect companies to better distinguish between material and nonmaterial ESG factors," Netessine added.

The research further highlights that the negative impact of nonmaterial ESG emphasis is more pronounced for companies in regulated industries, such as finance and banking. Netessine said this can be explained by investors' desire for reassurance of steady returns, coupled with the potential harm to already thin profit margins resulting from the immediate costs of focusing on nonmaterial ESG considerations.

He suggests that these findings can ultimately help executives understand how ESG factors influence a company's value. The paper may also help them balance the needs of investors who prioritize important ESG factors for financial reasons, and other stakeholders who want more attention on less financially crucial ESG issues.

ANGELA DUCKWORTH

Rosa Lee and Egbert Chang Professor

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Want to Achieve Your Dreams? Try Subdividing Your Goals

Breaking down big work goals into smaller components can enhance long-term success significantly, Wharton research shows.

HAVE A MASSIVE, DARING goal in mind? Breaking it into smaller steps can help you achieve your dreams.

A research paper led by Wharton PhD alumni Aneesh Rai and Edward Chang and co-authored by Wharton professors Marissa Sharif, Katy Milkman, and Angela Duckworth found that breaking down a commitment to volunteer 200 hours per year for a nonprofit into smaller subgoals (volunteering 4 hours weekly or 8 hours biweekly) increased the amount of time volunteers spent helping by 7-8% over several months.

When applied across a large organization like Crisis Text Line (CTL), which partnered with Wharton faculty and doctoral program alumni on the study, the 8% increase in volunteering becomes quite meaningful.

If CTL implemented the researchers' most effective approach across all volunteers for a year, it could result in an estimated 19,900 additional hours of volunteering — at virtually no extra cost, the paper reports.

These findings suggest that subgoal framing can be a cost-effective and potent strategy for individuals, managers, and organizations hoping to make long-term progress on their goals.

To produce these results, the researchers communicated with more than 9,000 participants who had signed up to volunteer on the CTL crisis counseling platform and had committed to spending 200 hours per year as counselors. Some people were encouraged to aim for "some hours every week" to hit their 200-hour yearly goal and others were encouraged to volunteer "8 hours every 2 weeks" or "4 hours every week" to hit their 200-hour yearly goal — messages that broke that larger goal down into more bite-sized, short-term targets.

The researchers found that how they framed the goals influenced how many hours crisis counselors actually spent volunteering.

Milkman said: "Our major contribution is to demonstrate in a large, organizational setting that simply encouraging people to pursue bite-sized, short-term subgoals when they are committed to big, long-term goals substantially boosts their achievement over the long-term at absolutely zero cost."

How to Accomplish Goals Without Procrastinating

Breaking down a big goal into smaller ones means there are more immediate objectives to meet (or miss). This means there are more frequent and immediate deadlines, which previous studies along with Milkman's research show can reduce procrastination.

"We believe that setting more detailed subgoals can help people stick to their goals because these smaller steps require less time commitment compared to tackling the whole goal at once," Milkman said. This aspect makes commitment to the goal more appealing, similar to the "pennies-a-day" effect. For example, in a 2020 study, participants were more willing to sign up for a savings program when it was framed as deducting smaller amounts more frequently from their bank account compared to a larger sum deducted less often.

While setting more detailed subgoals has its advantages, it also comes with some risks that are explored in the paper. One danger is that it can make people feel too comfortable. Subgoals act as clear milestones of progress, which can make people feel that they have already accomplished a lot early on and can relax their efforts. "This means people might slack off or lose motivation," Milkman said.

Flexibility Is Key to Achieving Your Dreams

Another significant risk in suggesting people strive to achieve micro-goals on short time scales is that it offers them less flexibility in how they'll achieve their long-term objectives. For instance, if your goal is to visit the gym 120 times a year, there are many ways you could accomplish that. But if you break it down into a monthly goal of 10 gym visits, your options for achieving that goal become more limited.

"The smaller the goals, the less wiggle room you have to change your plans. This lack of flexibility can lead to a higher chance of failing or facing setbacks, which might make you give up on the goal altogether," said Milkman. Research on what's called the "what-the-hell effect" has shown that when people don't meet their goals, it increases the likelihood of them giving up on their goals entirely. For instance, a study from 1975 found that dieters who exceeded their daily calorie limits often ended up abandoning their diet entirely by overindulging.

And yet, more recent research has highlighted the advantages of being flexible in pursuing goals. For example, a study from 2021 by Wharton's Marissa Sharif showed that incorporating psychological flexibility into goals, by allowing for "emergency reserves" like skipping days in a gym routine, helped improve goal performance by far more than just setting less ambitious goals overall. Flexibility reduces the feeling of failure when there's a setback; additionally, being flexible in pursuing goals gives people more control over their schedules, which studies show has various benefits like improved well-being and work-life balance.

In exploring their own data, Rai and his co-authors found some "suggestive evidence" that shows describing subgoals more flexibly — for example, encouraging volunteers to work "8 hours every 2 weeks" rather than "4 hours every week" — slows the decline of volunteering rates (which generally decay over time). These findings imply that flexibility in goals might be more important for maintaining commitment over the long-term than for initially motivating goal pursuit, Milkman noted.

"Essentially, what we're saying is that subgoals can enhance progress," said Milkman. "However, as these subgoals become increasingly small, they also become less adaptable. This means that micro goals are beneficial up to a certain point, but pushing too far into the details — say, with hourly goals — would likely actually start to impede progress."

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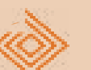

Quoted Insurers

Security	P/close	Open	High	Low	Close	%Change	Volume	Value
AIICO	0.99	0.99	1.07	0.99	1	1.01	5,516,812	5,594,906.41
CORNERST	1.93	1.93	-	-	1.93	0	178,179	323,660.13
LASACO	2	2	2	2	2	0	214,785	429,570.57
MANSARD	5.5	5.5	-	-	5.5	0	157,054	827,624.85
MBENEFIT	0.55	0.55	0.56	0.55	0.56	1.82	2,476,572	1,365,858.15
NEM	10.4	10.4	10.35	9.4	10.35	-0.48	690,510	6,749,279.35

RIMSON canvasses risk management principles for Nigeria's economic growth

● Wants creation of a national risk office
● Appointment of chief risk officer of the federation
● To spearhead proactive, risk-mitigation strategies

Stories by Cynthia Ezekwe

AT THE FOREFRONT OF NIGERIA'S quest for sustainable growth and development, the Risk Managers Society of Nigeria (RIMSON) is canvassing the urgent adoption of risk management practices across all sectors of the economy.

RIMSON highlighted that in a landscape of growing economic complexity, characterised by dynamic markets and myriad challenges, a proactive, strategic approach to identifying, assessing, and mitigating risks is essential for safeguarding and sustaining long-term growth across the nation's diverse industries.

In the face of mounting risks and unrelenting volatility, the organisation decried the absence of a robust risk management framework in Nigeria's public sector, noting that such an approach is critical for strengthening the resilience and adaptability of businesses and industries, safeguarding against potential losses, and ultimately fostering a more stable and prosperous economy.

GUS Wiggle, the RIMSON president, made the call for increased implementation of risk management practices during his keynote address at the 2024 National Risk Management Conference.

Standing at the intersection of opportunities and challenges, where the implications of global economic disruptions loomed large, Wiggle pointed out the devastating consequences of excluding risk management from Nigeria's policy-making process.

Addressing the conference, titled "Global Economic Disruptions – Opportunities & Challenges for National Resurgence", Wiggle highlighted the costly consequences of neglecting risk management in Nigeria's policy development. The inability to preempt and mitigate risks, he asserted, has been a catalyst for recurrent economic turmoil, loss of life, and, ultimately, a dimming of the nation's hope for resurgence and prosperity.

He stated further: "The major lesson and issue identified by the Risk Management Society of Nigeria, which we have also been emphasising since the commencement of this current leadership is the lack of full integration and implementation of Risk Management in our budgeting, planning and governance.

Gus Wiggle, president, RIMSON

"The various policy somersaults further confirm the lack of risk management in the development of various policies. This has led to recurrence of avoidable economic and loss of lives."

In a sweeping vision for a risk-resilient Nigeria, Wiggle championed the need for a bold, coordinated approach to the country's risk management landscape, placing it firmly at the centre of policy-making and government initiatives. Echoing his organisation's unwavering commitment to the integration of risk management across all sectors of the economy, he called for the creation of a national desk office of the chief risk officer of the federation, a strategic role tasked with spearheading proactive, risk-mitigation strategies in collaboration with state and local governments.

With the clarion call for risk management integration ringing clear, Wiggle, leader of the pioneer risk management society in Nigeria, reaffirmed its dedication to championing awareness, education, and culture in the realm of risk management. He noted that the organisation, founded in 1985 by a diverse collective of risk management professionals, remains unwaveringly true to its mission of galvanising support for risk management as a foundational cornerstone of Nigeria's economic and social infrastructure.

Speaking on RIMSON's vision for year 2024, he said, "As a risk management body, the body looks forward to a 2024 where: Risk Management integration and implementation will enhance our national security, healthcare, economy, and prosperity. Equipping the citizens and nation to maximise opportunities inherent in the emerging risks."

He also pointed out that the risk management society looks forward to greater risk management advocacy cutting across every arm of governance, all geopolitical zones, and sectors of the economy through greater collaboration with relevant stakeholders.

"We look forward to the development of the much-needed manpower in the field of Risk Management through the Society's training arm – The Center for Risk Management Development (CRMD). We also look forward to amplifying the Risk Management message to the grassroots to further the Society's mission of promoting Risk Management Culture in Nigeria," he added.

Wiggle maintained that RIMSON would continue her advocacy and contributions for the integration and implementation of risk management into every sector of the Nigerian economy, with the support of all stakeholders for the greater good of the nation.

NAICOM leadership rejig brings fresh eyes to industry regulation

Cynthia Ezekwe

A LEADERSHIP REJIG AT THE NATIONAL INSURANCE COMMISSION (NAICOM) that has affected its board and executive management appears to have been aimed at bringing fresh and futuristic eyes to the insurance industry regulator.

In a decisive move to bolster Nigeria's insurance sector, President Bola Tinubu put his presidential pen to the appointment of the chairperson, commissioners, and members of the board of NAICOM, a regulatory agency dedicated to safeguarding and fostering the growth of the insurance industry in Nigeria.

In particular, notice is taken of the appointment of the insurance advocate and campaigner Olawoye Gam-Ikon, an insurance and management consultant with wide-ranging expertise in the technical details of insurance, and how to connect its benefits to people, especially policyholders.

A statement issued by Ajuri Ngelale, the special adviser to the president on media and publicity, stated that the president appointed Halima Kyari as the chairperson of the board of the National Insurance Commission (NAICOM).

Halima Kyari, newly appointed chairperson, NAICOM

Olusegun Omosehin, new commissioner for insurance/CEO, NAICOM

Olawoye Gam-Ikon as deputy commissioner, technical operations

In another development, Olusegun Ayo Omosehin was appointed the commissioner for insurance and chief executive officer of NAICOM.

The statement also named Olawoye Gam-Ikon as deputy commissioner, technical operations, while Usman Ankara Jimada was appointed as the deputy commissioner, finance and administration.

President Tinubu's appointees also included Miriam Kene Kachikwu, Adeniyi Olusegun Fabikun, and Umar Khalifa Mohammed, who were selected as members of the board to oversee the crucial mission of guiding NAICOM into a new era of excellence in the insurance sector.

Ngelale noted that the president expects the new board of NAICOM to uphold integrity while protecting the interest of policyholders, and the general public, stating that doing so would improve trust, boost confidence, and promote stability in the insurance sector.

Olusegun Ayo Omosehin: Nigeria's new Commissioner for Insurance

Nigeria's new commissioner for insurance and chief executive officer of NAICOM, was born on August 13, 1967 in Abe-alala of the Ilaje Local Government Area of Ondo State. He is not new to the insurance business and profession as he has been in insurance practice for over 30 years after becoming a staff of Crusader Insurance Plc in 1993.

Omosehin has put in the hard work since he entered the industry and established himself as one of the top insurance practitioners in the country. This has helped him in his rise in the industry which has seen him at the helm of a few top-notch insurers rapidly.

He studied Political Science at the then Ondo State University and also holds a Masters degree in International Law and Diplomacy from the University of Lagos, which showed his preparation for work in the foreign service, he had planned before insurance came calling. Three years after joining the insurance industry, in 1996 he became a Chartered insurance practitioner after just two sittings, and he is regarded as one of the multi-disciplinary professionals in Nigerian insurance today. In 2020 Omosehin joined Old Mutual Nigeria Life Assurance Company Limited as managing director and chief executive officer, after having previously worked at Custodian and Allied Insurance Plc where he was for nearly nine years before leaving in 20003 as divisional head, operations, to join Admiral Insurance Company as managing director. At Admiral he executed a transformational agenda that led to a turnaround for the insurer from a loss-making company into a profitable venture. Omosehin was also at AIICO Insurance Plc, a period described as one of sterling service because, again, he engineered and executed the transformation agenda for the insurance group leading to setting a clear path to profitability for the insurer.

After leaving AIICO Insurance in 2009 he joined Mutual Benefits Assurance Plc in 2010 to continue his professional growth with the stint here presented him with the opportunity to showcase his craftsmanship as a technocrat.

With over 10 years at Mutual Benefits Assurance he was exposed to greater challenges and his professional competence played a major role in attracting opportunities to him which pulled him to higher assignments. With his new assignment, especially with the modern and futuristic mindset of the new team — himself; board chairman Halima Kyari, who has a great deal of finance and banking industry experience; deputy commissioner, technical, Olawoye Gam-Ikon, who is down to details on technical operations and innovation; and Usman Ankara Jimada, the new deputy commissioner, finance and administration — many would be looking out for one thing: the INNOVATION the team will bring to the industry that has long been considered lethargic in regulatory supervision

MARKET COMMENTARY FOR THE WEEK ENDED 19TH APRIL, 2024

Focus for the week: UBA PLC FY'23 Earnings Release - Balance sheet expansion drives earnings growth

4th Quarter Performance

In its Q4 results, UBA's Gross Earnings came in at 767 billion, 213% higher y/y. This was as a result of a 199% y/y growth in the bank's Interest Income to 409 billion, thanks to improvements across all the interest income lines. Meanwhile, Non-Interest Revenue (NIR) also grew by 278% y/y to 307 billion, driven by significant gains in trading income and FX revaluation gains.

On the other hand, Interest Expense came in 262% higher y/y at 145 billion, as interest paid on customer deposits rose by 89% y/y. Overall, Net Interest Income printed 173% higher y/y at 265 billion.

Cost-wise, the bank recorded impairments charges of 62 billion (+121% y/y), with a cost of risk of 4.8%, while Opex grew 190% y/y to 254 billion, with staff costs as the main driver. In all, Q4 PBT grew by 310% y/y to 256 billion, while PAT grew 192% y/y to 158 billion.

Balance sheet size expansion to drive FY'24 performance.

For the FY period, the bank's asset size grew by 90% y/y to 20.7 trillion, due to the translation of the Foreign Currency (FCY) component of the bank's balance sheet following the devaluation of the Naira in the NAFEM window. Based on the strengthened balance sheet, we expect the bank's Gross Earnings to grow by 24% in 2024 to 2.9 trillion. Hence, we raise our Interest Income estimate to 1.9 trillion (Previous: 1.4 trillion), due to a larger loan book and effective asset repricing following the CBN's rate hike by 600bps this year. Also, we revise our Interest Expense forecast to 710 billion (Previous: 500 billion), owing to higher savings rate and cost of interbank borrowing. In all, this gives a Net Interest Income figure of 1.2 trillion (Previous: 930 billion).

Recapitalisation to drive long-term growth

Following the CBN's move to increase the capital buffers of Nigerian banks by reviewing upwards their minimum capital requirements, we estimate UBA's funding gap at 384.2 billion. We opine that the recapitalisation exercise will strengthen the earnings potential of the bank in the long run. However, we expect the bank's number of shares outstanding to increase, which would in turn lead to a dilution of shareholders' equity in the near term.

TP reviewed upward to 30.80 (Previous: 24.90)

Overall, our projections yield a PBT figure of 1.1 trillion (+44% y/y) and PAT of 874 billion (+44% y/y). However, like we highlighted above, the near-term implication of the capital raise is a slower growth in EPS, due to dilution of shareholders' equity. Thus, whilst we expect revenue and PAT to record strong growth, EPS is projected to only expand by 6% y/y to 18.6 (FY'23: 17.7).

Our valuation yields a 12-month target price (TP) of 30.8 after pricing in recapitalization. The stock is currently trading at a discount to its peers, with a P/B of 0.43x vs Tier-1 peer average of 0.8x.

What shaped the past week?

Equities: This week, the local equity market traded in a bearish manner, losing 2.71% w/w to settle at 99,845.91pts. These Losses was majorly driven by sell-offs in banking stocks, as the index lost 11.46% w/w. Banking counters such as GTCO (-19.08% w/w), UBA (-13.69% w/w), and FBNH (-9.83% w/w) saw price declines, as the market continued to react to the recapitalization direction from the CBN.. Similarly, the Industrial Goods sector fell by 2.71% w/w, due to losses observed in DANGCEM (-4.37% w/w) amongst others. Likewise, in the Consumer Goods space, profit-taking in the likes of DANGSUGAR (-9.60% w/w), saw the sector decline by 0.96% w/w.

Fixed Income: This week, system liquidity remained constrained for most of the trading sessions due to borrowings via the Standing Lending Facility (SLF) window. Hence, the OPR and Overnight rates remained elevated, to close at 29.39% and 30.25% respectively. Meanwhile, in the secondary market, a good number of trades were consummated, as we saw yields rise 600bps w/w on average in the NTBs market. In the OMO space, trading was relatively muted, as yields only rose 2bps w/w. However, in the bonds space yields contracted by 34bps w/w on average, as investors locked attractive rates at the short-end of the curve.

Currency: At the NAFEM, the Naira depreciated by 27.71 w/w to close the week at 1,169.99 per dollar.

Domestic Economy:

In March, headline inflation increased by 150 bps to 33.2% y/y (Feb'24: 31.70% y/y). This uptick was driven by both an increase in food and core inflation, which printed 40.01% y/y (Feb'24: 37.92% y/y) and 25.39% y/y (Feb'24: 24.67% y/y), respectively. We highlight that the surge in headline inflation was due to severe food insecurity. Overall, we expect the increase in electricity tariffs to add to inflationary pressures in April. Ultimately, the surge in inflation could call for more policy rate tightening.

Global: This week saw global markets grappling with a myriad of challenges, as geopolitical tensions, mixed economic indicators, and corporate developments influenced investor sentiment.

Geopolitical concerns surged following Iran's attack on Israel, casting a shadow over market outlooks worldwide. In the United States, robust retail sales figures for March provided a glimmer of optimism, but Federal Reserve Chair Jerome Powell's cautionary remarks on interest rates tempered market enthusiasm. Mixed corporate earnings reports further contributed to market volatility, with notable disparities between sectors. Europe faced its own set of challenges, with geopolitical turmoil in the Middle East exacerbating economic uncertainties. Despite this, optimism emerged from the European Central Bank's indication of potential monetary policy easing in the coming months. Asia-Pacific markets experienced declines amidst cautious sentiment, despite China's economy surpassing growth expectations in the first quarter. Currency markets were marked by the Japanese yen's historic low against the dollar. Corporate activity, including product launches for Huawui Technologies and earnings anticipation for Taiwan Semiconductor Company, added to market sentiment as well.

What will shape markets in the coming week?

Equity market: The market received a notification from NASCON stating SEC's suspension of the proposed merger of DANGSUGAR, NASCON and Dangote Rice. Following the news, the two stocks opened fully offered. We expect the sector to trade bearish next week, while the banking sector trades mixed.

Fixed Income: Looking ahead, we expect liquidity levels to determine investors' sentiments in the NTBs market, while investors continue to lock-in attractive rates in the Bond market.

Indicators	WK CLS	WK OPEN	WTD (%)	YTD (%)
EQUITIES				
NGX 30	3,688.15	3,796.05	(2.84)	32.18
NGX All-Share Index	99,539.75	102,314.56	(2.71)	33.12
Market Cap (NGN bn)	56,296.34	57,864.64	(2.71)	37.58
FEDERAL GOVERNMENT SECURITIES (%)				
91-Day T-Bill	24.83	16.49	0.51	21.91
182-Day T-Bill	25.32	17.05	0.48	19.89
364-Day T-Bill	24.90	18.78	0.33	14.69
2-Year FGN Bonds	18.80	19.93	(0.06)	6.66
3-Year FGN Bonds	18.70	19.17	(0.02)	6.55
5-Year FGN Bonds	18.84	19.06	(0.01)	5.54
7-Year FGN Bonds	19.80	19.84	(0.00)	6.00
10-Year FGN Bonds	19.06	19.06	0.00	4.56
20-Year FGN Bonds	18.69	18.86	(0.01)	4.49
INTERBANK MARKET RATES (%)				
NIBOR OPR	29.39	29.67	(0.28)	14.33
NGN EXCHANGE RATES (₦)				
USD/NGN	1151.00	1142.28	(0.76)	(31.54)
GBP/NGN	1426.39	1450.70	1.68	(24.86)
EUR/NGN	1226.47	1233.66	0.58	(23.72)
CNY/NGN	158.97	159.92	0.59	(25.51)
ZAR/NGN	54.64	59.40	8.01	(11.40)
USD/NGN FORWARDS				
1M	1172.38	1212.79	3.33	(20.20)
3M	1211.71	1248.89	2.98	(21.87)
6M	1272.39	1304.74	2.48	(24.45)
1Y	1406.65	1404.46	(0.16)	(29.40)

Source: NGX, FMDQ OTC, Bloomberg, Vetiva Research

SECTOR	INDEX VALUE	WoW Δ	YTD Δ
BANKING	788.92	-11.46%	-12.07%
CONSUMER GOODS	1,588.95	-0.96%	41.71%
INDUSTRIAL GOODS	4,686.48	-2.71%	72.79%
OIL & GAS	1,290.74	0.00%	23.75%
VETIVA 30 ETF	36.40	-1.89%	34.81%
INSURANCE	381.62	-2.80%	18.64%

Weekly Top 5 Gainers

Stock	Closing Price (₦)	% Change
MORISON	3.72	45.31%
GUINNESS	55.00	10.00%
ACADEMY	1.91	9.77%
PRESTIGE	0.61	8.93%
THOMASWY	2.14	8.63%

Weekly Top 5 Losers

Stock	Closing Price (₦)	% Change
UNITYBNK	1.62	-26.32%
FBNH	24.30	-9.83%
TANTALIZER	0.32	-8.57%
DEAPCAP	0.63	-7.35%
CAVERTON	1.50	-6.83%

Source: Vetiva Research

Share Price List as @ Friday 19 April, 2024: The Nigerian Stock Exchange

Company	Previous Close	Open	High	Low	Close	Change	% Change	Volume	Value (N)
ABBEYBDS	2.50	2.50	-	-	2.50	0.00	0.00%	5,827	14,391.16
ABCTRANS	0.71	0.71	-	-	0.71	0.00	0.00%	171,143	117,350.38
ACADEMY	1.91	1.91	-	-	1.91	0.00	0.00%	100,810	203,825.22
ACCESSCORP	17.25	17.00	17.20	16.80	17.00	-0.25	-1.45%	34,338,666	584,535,782.95
AFRIPRUD	6.25	6.25	-	-	6.25	0.00	0.00%	801,220	4,835,592.60
AIICO	0.99	0.99	1.07	0.99	1.00	0.01	1.01%	5,516,812	5,594,906.41
AIRTELAFRI	2,200.00	2,200.00	-	-	2,200.00	0.00	0.00%	297	588,060.00
AUSTINLAZ	2.03	2.03	-	-	2.03	0.00	0.00%	50,100	100,200.00
BERGER	15.20	15.20	-	-	15.20	0.00	0.00%	31,989	439,302.30
BETAGLAS	59.40	59.40	-	-	59.40	0.00	0.00%	5,158	275,956.00
BUACEMENT	143.20	143.20	-	-	143.20	0.00	0.00%	2,800	360,920.00
BUAFOODS	379.90	379.90	-	-	379.90	0.00	0.00%	6,690	2,287,980.00
CADBURY	19.00	19.00	-	-	19.00	0.00	0.00%	91,337	1,696,617.20
CAP	24.00	24.00	24.00	24.00	24.00	0.00	0.00%	168,723	4,040,814.35
CAVERTON	1.61	1.61	1.50	1.50	1.50	-0.11	-6.83%	306,779	461,754.13
CHAMPION	3.36	3.36	3.40	3.40	3.40	0.04	1.19%	253,350	860,494.08
CHAMS	1.69	1.69	1.70	1.70	1.70	0.01	0.59%	1,370,973	2,369,705.95
CILEASING	3.70	3.70	-	-	3.70	0.00	0.00%	301,331	1,004,002.23
CONOIL	90.90	90.90	-	-	90.90	0.00	0.00%	4,088	334,602.80
CORNERST	1.93	1.93	-	-	1.93	0.00	0.00%	178,179	323,660.13
CUSTODIAN	9.00	9.00	9.00	9.00	9.00	0.00	0.00%	1,008,030	9,081,098.95
CUTIX	2.99	2.99	2.99	2.90	2.90	-0.09	-3.01%	953,757	2,829,624.82
CWG	5.70	5.70	6.10	6.10	6.10	0.40	7.02%	1,214,187	6,832,504.45
DAARCOMM	0.70	0.70	-	-	0.70	0.00	0.00%	84,205	53,109.45
DANGCEM	656.70	656.70	-	-	656.70	0.00	0.00%	3,060	1,808,766.00
DANGSUGAR	48.00	43.20	-	-	48.00	0.00	0.00%	251,163	10,850,241.60
DEAPCAP	0.68	0.68	0.63	0.63	0.63	-0.05	-7.35%	434,600	273,355.00
ELLAHLAKES	3.00	3.00	3.10	3.10	3.10	0.10	3.33%	623,333	1,947,534.30
ETERNA	15.25	15.25	-	-	15.25	0.00	0.00%	157,695	2,270,370.60
ETI	26.00	26.00	-	-	26.00	0.00	0.00%	1,955	46,466.65
ETRANZACT	6.25	6.25	-	-	6.25	0.00	0.00%	150	922.50
FBNH	26.95	26.95	26.00	24.30	24.30	-2.65	-9.83%	12,825,931	315,732,683.55
FCMB	7.20	7.65	7.65	7.20	7.20	0.00	0.00%	1,115,391	8,236,580.45
FIDELITYBK	8.70	8.70	8.90	8.90	8.90	0.20	2.30%	7,207,387	63,477,831.20
FIDSON	15.90	15.90	-	-	15.90	0.00	0.00%	10,500	151,326.00
FLOURMILL	30.50	30.50	-	-	30.50	0.00	0.00%	54,411	1,821,489.40
FTNCOCOA	1.25	1.25	1.37	1.37	1.37	0.12	9.60%	396,255	538,408.75
GEREGU	1,000.00	1,000.00	-	-	1,000.00	0.00	0.00%	4,241	3,816,900.00
GTCO	34.35	34.35	35.00	33.50	33.50	-0.85	-2.47%	38,295,593	1,310,438,252.10
GUINEAINS	0.34	0.34	0.34	0.34	0.34	0.00	0.00%	384,198	130,728.21
GUINNESS	55.00	55.00	-	-	55.00	0.00	0.00%	432,036	23,739,565.25
HONYFLOUR	3.54	3.54	-	-	3.54	0.00	0.00%	160,104	517,386.00
IKEJAHOTEL	7.26	7.26	-	-	7.26	0.00	0.00%	41,774	204,110.75
IMG	13.75	13.75	-	-	13.75	0.00	0.00%	86	1,066.40
INFINITY	7.04	7.04	-	-	7.04	0.00	0.00%	10,121	64,167.14
INTBREW	4.50	4.50	-	-	4.50	0.00	0.00%	230,643	1,044,610.30
INTENEGINS	1.41	1.41	1.41	1.41	1.41	0.00	0.00%	168,687	231,126.98
JAIZBANK	2.00	2.00	1.97	1.93	1.93	-0.07	-3.50%	1,695,654	3,349,717.84
JAPAULGOLD	1.69	1.69	1.74	1.59	1.67	-0.02	-1.18%	4,946,743	8,276,081.83
JBERGER	58.50	58.50	-	-	58.50	0.00	0.00%	74,715	3,974,021.60
JOHNHOLT	1.98	1.98	-	-	1.98	0.00	0.00%	23,240	42,994.00
LASACO	2.00	2.00	2.00	2.00	2.00	0.00	0.00%	214,785	429,570.57
LEARNAFRCA	3.30	3.30	-	-	3.30	0.00	0.00%	37,227	113,251.80
LINKASSURE	0.88	0.88	-	-	0.88	0.00	0.00%	55,000	47,750.00
LIVESTOCK	1.33	1.33	1.45	1.41	1.45	0.12	9.02%	1,201,437	1,698,809.90
MANSARD	5.50	5.50	-	-	5.50	0.00	0.00%	157,054	827,624.05
MAYBAKER	6.00	6.00	-	-	6.00	0.00	0.00%	75,111	454,466.45
MBENEFIT	0.55	0.55	0.56	0.55	0.56	0.01	1.82%	2,476,572	1,365,858.15
MECURE	9.72	9.72	-	-	9.72	0.00	0.00%	1,616	14,140.00
MEYER	5.60	5.60	-	-	5.60	0.00	0.00%	6,900	35,756.00
MORISON	3.72	3.72	-	-	3.72	0.00	0.00%	300,629	1,228,959.25
MRS	135.00	135.00	-	-	135.00	0.00	0.00%	455	55,282.50
MTNN	224.00	224.00	-	-	224.00	0.00	0.00%	246,765	51,542,134.30
MULTIVERSE	13.75	13.75	-	-	13.75	0.00	0.00%	7,649	94,847.60
NAHCO	33.00	33.00	-	-	33.00	0.00	0.00%	242,300	7,633,745.25
NASCON	52.55	52.55	-	-	52.55	0.00	0.00%	32,086	1,517,667.80
NB	28.05	28.05	28.00	28.00	28.00	-0.05	-0.18%	318,902	8,929,316.05
NEIMETH	1.80	1.80	-	-	1.80	0.00	0.00%	128,770	220,670.18
NEM	10.40	10.40	10.35	9.40	10.35	-0.05	-0.48%	690,510	6,749,279.35
NESTLE	900.00	900.00	-	-	900.00	0.00	0.00%	15,403	12,930,397.00
NGXGROUP	21.85	21.85	-	-	21.85	0.00	0.00%	212,089	5,004,357.15
NNFM	48.30	48.30	-	-	48.30	0.00	0.00%	1,006	43,761.00
NPFMCRFBK	1.60	1.60	1.60	1.60	1.60	0.00	0.00%	403,555	653,647.00
NSLTECH	0.60	0.60	-	-	0.60	0.00	0.00%	2,135	1,266.40
OANDO	11.10	11.10	11.50	11.50	11.50	0.40	3.60%	1,934,325	21,829,898.80
OKOMUOIL	247.00	247.00	-	-	247.00	0.00	0.00%	11,599	2,803,354.50
OMATEK	0.85	0.85	0.84	0.80	0.84	-0.01	-1.18%	1,649,505	1,350,874.35
PRESCO	231.50	231.50	-	-	231.50	0.00	0.00%	574	119,621.60
PRESTIGE	0.61	0.61	0.61	0.55	0.61	0.00	0.00%	1,237,209	695,956.02
PZ	38.00	38.00	-	-	38.00	0.00	0.00%	468	16,005.60
REDSTAREX	3.38	3.38	-	-	3.38	0.00	0.00%	12,376	39,698.20
REGALINS	0.39	0.39	0.41	0.41	0.41	0.02	5.13%	825,719	336,803.75
ROYALEX	0.62	0.62	0.67	0.67	0.67	0.05	8.06%	1,922,762	1,287,804.04
RTBRISCOE	0.54	0.54	0.59	0.57	0.59	0.05	9.26%	3,406,093	2,032,315.03
SCOA	2.15	2.15	-	-	2.15	0.00	0.00%	11,725	23,351.80
SEPLAT	3,370.00	3,370.00	-	-	3,370.00	0.00	0.00%	265	803,745.00
SKYAVN	22.95	22.95	-	-	22.95	0.00	0.00%	4,103	94,695.05
SOVRENINS	0.44	0.44	-	-	0.44	0.00	0.00%	11,200	4,816.00
STANBIC	52.50	52.50	50.00	50.00	50.00	-2.50	-4.76%	4,243,760	211,810,700.45
STERLINGNG	4.25	4.25	4.21	4.21	4.21	-0.04	-0.94%	902,324	3,806,435.38
SUNUASSUR	1.00	1.00	1.01	1.00	1.00	0.00	0.00%	713,395	723,029.13
TANTALIZER	0.35	0.35	0.35	0.32	0.32	-0.03	-8.57%	1,468,814	495,772.88
THOMASWY	2.14	2.14	-	-	2.14	0.00	0.00%	2,150	4,221.00
TOTAL	346.50	346.50	-	-	346.50	0.00	0.00%	17,893	5,726,262.60
TRANSCOHOT	97.70	97.70	-	-	97.70	0.00	0.00%	1,625	143,308.75
TRANSCORP	14.00	14.00	14.00	13.40	14.00	0.00	0.00%	12,374,526	170,321,559.45
TRANSEXPR	1.27	1.27	-	-	1.27	0.00	0.00%	6,187	7,407.49
TRANSPOWER	377.00	377.00	-	-	377.00	0.00	0.00%	1,613,405	556,654,924.20
TRIPPLEG	4.13	4.13	-	-	4.13	0.00	0.00%	1,000	3,720.00
UACN	11.35	11.35	-	-	11.35	0.00	0.00%	61,478	678,608.80
UBA	22.70	22.70	23.00	22.70	22.70	0.00	0.00%	38,715,443	880,552,163.85
UCAP	18.10	18.10	17.00	17.00	17.00	-0.30	-1.66%	2,272,730	40,227,486.70
UNILEVER	14.00	14.00	13.60	13.45	13.60	-0.40	-2.86%	2,089,720	28,337,061.80
UNIONDICON	8.10	8.10	-	-	8.10	0.00	0.00%	940	7,614.00
UNITYBNK	1.80	1.80	1.63	1.62	1.62	-0.18	-10.00%	2,684,176	4,383,222.32
UNIVINSURE	0.35	0.35	0.35	0.35	0.35	0.00	0.00%	1,408,248	495,812.64
UPDC	1.23	1.23	1.23	1.23	1.23	0.00	0.00%	326,450	409,298.32
UPDCREIT	4.30	4.30	-	-	4.30	0.00	0.00%	208,674	882,321.45
UPL	2.46	2.46	-	-	2.46	0.00	0.00%	2,286	5,305.80
VERITASKAP	0.62	0.62	0.64	0.56	0.59	-0.03	-4.84%	6,381,662	3,744,372.98
VFDGROUP	202.90	202.90	-	-	202.90	0.00	0.00%	526	102,833.00
VITAFOAM	18.90	18.90	-	-	18.90	0.00	0.00%	1,639,362	28,272,595.20
WAPCO	33.00	33.00	-	-	33.00	0.00	0.00%	446,983	14,762,599.70
WAPIC	0.64	0.64	-	-	0.64	0.00	0.00%	152,145	98,352.37
WEMABANK	7.15	7.15	-	-	7.15	0.00	0.00%	687,508	4,745,695.70
ZENITHBANK	36.00	36.00	36.50	35.50	35.50	-0.50	-1.39%	24,408,133	875,853,766.25

Experts rally for smart, immediate action to address Nigeria's post-harvest nightmares

Stories by Onome Amuge

AS NIGERIANS GRAPPLE WITH a rapidly shrinking wallet, a fresh report from the National Bureau of Statistics (NBS) has illuminated the harsh realities of food inflation in Nigeria, heightening experts' concerns about the alarming downward spiral of purchasing power among the nation's residents. While the country battles the dual challenges of income inequality and a changing climate's devastating effects on food prices, the people of Nigeria bear the brunt of this burden, facing ever-increasing costs for essential food items.

The never-ending nightmare of food inflation in Nigeria took a turn for the worse in March 2024, with food inflation rates skyrocketing to 40.01 per cent. The jaw-dropping 15.56 per cent surge from last year's March rate of 24.45 per cent underscores a deepening crisis of affordability, as Nigerians find themselves priced out of essential food items more than ever before.

Nigeria also finds itself battling a monumental struggle with post-harvest losses. Despite the country's rich agricultural potential, an estimated 40 per cent of its yearly harvest, which includes essential staples like cassava, maize, and yams, is tragically lost due to insufficient storage and transportation infrastructure. This devastating waste, a harsh reminder of the country's long-standing neglect of critical infrastructure, has now become a significant obstacle to food security, contributing to skyrocketing prices and deepening poverty, particularly among the nation's most vulnerable citizens.

Abubakar Kyari, minister of agriculture and food security identified the post-harvest issue at the 6th West African Cold Chain Summit held recently, in Lagos,noting that the alarming statistic represents not only a substantial economic loss to farmers but also poses a grave threat to food security and nutrition in the country.

"Nigeria, like many other West African nations, grapples with significant post-harvest losses, exacerbated by inadequate cold chain facilities and inefficient supply chain systems," he stated.

Kyari's message on post-harvest losses was echoed by his representative, Zuburat Mahmud, who pointed out that the survival of Nigeria's food security hinges on the critical components of cold chain infrastructure: refrigeration, transportation, and storage facilities.

While noting that there is a need to redouble efforts to bridge existing infrastructure gaps, the minister said the journey towards achieving a resilient and inclusive cold chain ecosystem still has a long way to go.

Lateef Sanni, a professor and Executive Director at the Nigerian Stored Produce Research Institute (NSPR), reinforced the vital role of cold chain infrastructure in mitigating the devastating post-harvest losses that threaten Nigeria's food security. Sanni's comments highlighted the need for urgent investment in approximately 300 cold chain hubs across the country, a figure which would mark a significant step towards minimizing post-harvest losses and bolstering the country's ability to maintain food availability and affordability, particularly in the face of growing population pressures. In an interview with the News Agency of Nigeria (NAN), Lateef Sanni, executive director of the Nigerian Stored Produce Research Institute (NSPRI), underscored the significance of cold chain infrastructure in solving the pressing issue of post-harvest losses, which plague Nigeria's food security. He also highlighted the dire need for an immediate investment in storage facilities and cold chain hubs across the nation, calling for a united front against the severe food wastage that has caused an estimated 40 per cent loss of produce every year.

Sanni, underscored the pressing necessity of cold chain infrastructure across Nigeria, insisting that no fewer than 300 such facilities were needed throughout the nation's 774 local government areas.

He also pointed out the critical importance of establishing at least 10 cold chain hubs in each local government area, noting that the current number of hubs, which is less than 10 in total,represented a pitiful fraction of the necessary infrastructure.

He stated: "We have 774 local government areas in this country, and we need nothing less than 10 cold chain hubs in each local government of this country.

"We have less than 10 that are just springing up and being supported by donor agencies and development partners from Germany and Switzerland.

"I am calling on the private sector to take advantage of that opportunity and invest in these cold chain hubs to reduce our post-harvest losses.

"That is my own drive now; my drive is private sector driven to reduce post-harvest losses from 40 per cent on our agricultural produce to the barest minimum."

The executive director of the Nigerian Stored Produce Research Institute , highlighted the urgent necessity for collaboration and partnership between research institutions to solve Nigeria's food security crisis. Sanni noted that the challenge of post-harvest losses and food insecurity could not be solved by a single institution and would instead require a concerted effort from a diverse range of institutions with expertise in agricultural production, cold chain infrastructure, storage, and distribution.

The recently concluded "1st Post-harvest Connect Conference and Exhibition" provided a crucial platform for stakeholders in the agricultural sector to engage in a frank discussion about the future of post-harvest management in Nigeria. The event, themed "Scaling Appropriate Post-harvest Solutions for Sustainable Food and Nutrition Security," saw participants from a variety of backgrounds call for increased government and private investment in technology and infrastructure to address the country's post-harvest management challenges.

In a call to action, Canisius Kanangire, the executive director of the African Agricultural Technology

Foundation (AATF), urged for a significant increase in investments into post-harvest management, highlighting the vital role it plays in addressing the pressing challenges faced by smallholder farmers on the continent.

Sharing his insights into the dire situation of post-harvest losses in Nigeria, Kanangire, represented by Emmanuel Okogbenin,a senior AATF official, highlighted the tremendous revenue lost by the country due to post-harvest challenges.

Kanangire urged research institutes and investors to collaborate and strengthen their technology transfer delivery processes in order to ensure that smallholder farmers receive the necessary support and innovative technologies to improve post-harvest management. He added that such technological innovations must consider the financial constraints often faced by farmers in the country.

"Farmers in Africa will become globally competitive through the use of the best technology, optimal agricultural practices, strategic product value addition, and boosted access to efficient markets within and outside Africa," he said.

A recent study by ActionAid Nigeria found that an estimated N3.5 trillion is lost annually across the country due to post-harvest losses in the agricultural sector. This, according to the non-governmental organisation, translates to an average loss of N94.5 billion per state including the Federal Capital Territory.

The ActionAid Nigeria study, shining a spotlight on the devastating impacts of post-harvest losses on the country's agricultural sector, painted a bleak picture for smallholder farmers. Already facing an uphill battle against limited resources, land ownership problems, and the ever-increasing challenges of climate change, these farmers now find themselves confronting post-harvest losses, which not only diminish their earnings but also dwarf the yearly budgetary allocations for agriculture in every state of the nation.

Against the backdrop of an already precarious food security situation in Nigeria, ActionAid Nigeria, Small-Scale Women Farmers Organisation in Nigeria (SWOFON), and the Comprehensive Africa Agriculture Development Programme (CAADP) recently united in an urgent call to address the crippling issue of post-harvest losses.

The coalition highlighted the importance of addressing this problem with a holistic approach that includes the voices and participation of smallholder farmers, women, and other traditionally marginalised groups in decision-making processes. With a resounding call for a paradigm shift in Nigeria's approach to agriculture, the coalition of organisations demanded an immediate and intensive focus on reducing post-harvest losses to address the country's mounting food and nutrition security crisis.

Recognising the need for concrete action to stem the hemorrhage of N3.5 trillion annually in post-harvest losses, the coalition stressed the need for investment in infrastructure and rural development, specifically prioritizing improvements in farmers' access to technology, storage facilities, efficient transportation, and processing equipment, to prevent avoidable losses.

A key theme echoed by the coalition was the imperative for localized solutions in combating post-harvest losses in Nigeria. Rather than placing all their hopes in large-scale, centralized facilities, the coalition argued that smaller, community-based processing and storage facilities would better serve the needs of farmers in rural areas, who often face significant challenges in accessing centralized resources.

Iron ore slips, but China demand fuels second straight week of gains

THE IRON ORE FUTURES MARKET took a modest breather on Friday, with prices dipping slightly after a hearty two-week rally fueled by a resurgence in Chinese demand. Despite the temporary pullback, the market appears to be on an upward trajectory, as renewed appetite for iron ore in China has buoyed prices to two consecutive weeks of gains.

In China's DCE market, the heavily traded September iron ore contract pulled back marginally, concluding daytime trade at 871 yuan per metric tonne, down a modest 0.34 per cent. Despite this slight dip, the contract was poised to post a commendable 5.3 per cent weekly gain, underscoring the enduring strength of the market.

According to Pei Hao, a Shanghai-based analyst with Freight Investor Services (FIS), the recent pullback in iron ore prices is merely a healthy market correction following two weeks of robust gains.

"Traders are cashing in on some of their long positions, securing their profits in the wake of such a strong rally," he explained, adding that this profit-taking was a natural, normal occurrence within the market.

Mysteel data revealed that average daily hot metal output among surveyed steel mills sustained a steady upward trend, with production levels increasing for the third consecutive week by 0.7 per cent to 2.26 million tonnes as of April 19.

The uptick in production was mirrored by a healthy profit margin, which rose to 48.48 per cent, up from 38 per cent the week prior, reflecting the robustness of China's steel sector.

While the iron ore market has been enjoying a robust recovery this month, with prices surging over 15 per cent, the specter of potential intervention by China's state planner has loomed large.

Hao cautioned that a sustained rise in raw material prices relative to steel prices may squeeze profit margins for steel mills, dampening their appetite for raw materials including iron ore. This could exert downward pressure on iron ore prices, as reduced demand from mills acts as a counterweight to the recent uptrend.

In China's DCE market, other steelmaking ingredients performed strongly, with coking coal and coke both registering healthy 0.39 per cent and 0.37 per cent gains, respectively. However, the story was not uniformly positive for all steel-related commodities.

On the Shanghai Futures Exchange, steel benchmarks predominantly dipped in value, with rebar and hot-rolled coil each losing 0.3 per cent and 0.26 per cent, respectively. Wire rod declined by 0.54 per cent, while stainless steel bucked the trend and rallied by a robust 2.09 per cent.

Copper hits two-year high as fund purchases ignite rally

Stories by Onome Amuge

THE COPPER MARKET WAS alight with a record-breaking surge, hitting its highest price in almost two years, as investment funds continued a buying binge triggered by anxieties over dwindling supply.

The copper market was on fire, with prices on the London Metal Exchange (LME) scorching to a near two-year high of $9,843 a metric tonne before tempering slightly to $9,834. The red-hot metal, which plays a crucial role in electricity transmission and construction, has been on a tear, recording a 16 per cent rise over the past two months alone.

Alastair Munro, an analyst at Marex, pinpointed the key drivers of the recent bullish market sentiment, emphasizing that April has seen "broad money inflows into the commodity space.

Citi also updated its base case scenario, painting a compelling picture of copper prices reaching as high as $10,500 a tonne in the next two quarters, with an average price of $10,000 per tonne. The bank's latest analysis further predicts that the present rally will extend its trajectory for at least the next three months.

L-R: Martín De Simone, World Bank education specialist and task team lead, EdoBESST; Ozavize E. Salami, executive chairman, Edo State Universal Basic Education Board (Edo SUBEB);. Imuentinyan Akin-Omoyajowo, board secretary, Edo SUBEB;. Ojo Akin-Ionge, senior special assistant to Governor Godwin Obaseki on strategy, project monitoring, change and performance management at a recently concluded World Bank EdoBESST Implementation Support Mission event in Benin City Edo State recently.

Meanwhile, reports showed that as the LME aluminium market weighed the ramifications of recent sanctions imposed on Russian commodities, the price of the versatile metal responded with a sharp uptick, climbing 1.7 per cent to $2,659.50 a tonne. This positive move was largely attributed to the U.S. and U.K. governments' decisive actions banning the LME and CME from accepting new Russian-made aluminium, copper, and nickel into their warehouses.

The LME reported daily notifications from investors seeking to withdraw aluminium from the exchange's warehouses, pointing to a continued trend of tightening physical metal availability. This marked reduction in available inventory has had a palpable effect on the market, with LME aluminium stocks dropping to a mere 171,200 tonnes, a level not seen since August of last year. Tin prices on the LME rose to a 22-month high of $35,100 a tonne, surpassing expectations and delivering a 3.3 per cent gain at $35,065, up from its previous price point. The surge, bolstered by a large position taken by an unknown party, aggressive fund buying, and concerns about dwindling supply, has sent tin's value rocketing upwards and spreads soaring.

Nickel wasn't left out of the bullish metal market as it galloped to a 3.6 per cent increase to $19,235 a tonne after striding past the 200-day moving average the previous day. Nickel surged to a seven-month high of $19,355 during the week, showcasing its formidable strength in the market.

Gold futures hit 5-week bullish streak as Iran-Israel conflict rattles global markets

GOLD PRICES HELD FIRM on track for a fifth consecutive weekly rise, as the latest episode in this geopolitical saga, involving a reported Israeli missile strike in Iran, raised anxieties of potential retaliatory strikes and triggered an influx of safe-haven buying, which bolstered demand for gold. With investors scurrying towards the safety of gold, the precious metal acted as a robust hedge against potential volatility, weathering market uncertainty with its characteristic resilience.

In the spot market, gold prices demonstrated remarkable constancy, standing firm at $2,378.30 per ounce, after briefly flirting with the $2,417.59 level earlier in the trading day. The precious metal's weekly performance was equally robust, with prices registering a healthy one per cent gain. However, the U.S. gold futures market fell slightly, registering a marginal dip of 0.2 per cent, with the contract price landing at $2,393.50.

The serenity of an Iranian city was abruptly shattered by a series of loud explosions, initially believed to be an Israeli attack. While Tehran sought to diffuse the situation by downplaying the incident and signaling no immediate plans for retaliation, the incident nevertheless ratcheted up market volatility, as investors grappled with the repercussions of a potential escalation in the Middle East.

David Meger, director of metals trading at High Ridge Futures, offered a nuanced analysis, explaining that gold's trajectory in the near-term hinges on the evolving geopolitical situation.

As Federal Reserve officials continue to converge around the notion that there is no pressing need to loosen monetary policy, the case for interest rate cuts has seemingly been put on the back burner for now.

This stance, reflected in market expectations that the probability of a rate cut in September stands at a modest 65%, has dulled the shine of gold, which does not offer interest or dividend payments. In this environment, investors tend to prefer yield-bearing assets, detracting from gold's appeal as an alternative safe-haven asset.

Despite the temporary headwinds posed by higher interest rates and geopolitical rumblings, gold's long-term outlook remains resolutely bullish, bolstered by a confluence of factors.

In its latest assessment, Chinese state-backed research institution Antaike predicts that gold will continue to climb in price, driven by a favorable demand outlook from China, a key market, and lingering uncertainties in the global economy.

Wheat gains over 3% as Israeli Strike on Iran spark market anxiety

CHICAGO SOYBEAN, CORN, and wheat futures saw a bullish rally after reports of an alleged Israeli missile strike on a site in Iran rattled the market, stoking fears of rising geopolitical tensions in the Middle East.

Nonetheless, despite this temporary upward surge, all three agricultural contracts were firmly rooted near their lowest levels since 2020, held down by a persistent oversupply in global markets, which has exerted downward pressure on prices throughout the year.

The wheat futures contract at the Chicago Board of Trade (CBOT) enjoyed a 3.6 per cent surge, landing at a price point of $5.73 a bushel. The upward trajectory of wheat prices mirrored similar movements in other agricultural commodities on the CBOT, with corn futures climbing 1.2 per cent to $4.41-1/4 a bushel, and soybean futures gathering steam, notching a 0.7 per cent increase to $11.57-1/4 a bushel.

The specter of rising instability in the Middle East, coupled with potential ripple effects on trade routes and shipments, weighed heavily on the minds of traders, who viewed the expanding violence as a potential disruptor to the world's agricultural supply chain.

Commonwealth Bank analyst Dennis Voznesenski commented on the key concern among market participants. He noted that with Russia, a staunch ally of Iran, serving as the world's leading exporter of wheat, any escalation in the region could potentially cause significant disruptions to wheat shipments, adding to the existing pressures of ample supply.

The sentiment in the grain market this week appeared to follow a divergent pattern, with wheat futures raking in a solid 3 per cent weekly gain and corn prices posting a respectable 1.5 per cent increase. However, soybean prices remained under pressure, on course for a 1.5 per cent weekly decline.

Oil settles slightly higher after Iran downplays suspected Israeli attack

OIL PRICES WAVERED IN a relatively muted fashion, registering a minor gain to close out the session, albeit posting a weekly loss overall. However, oil's price trajectory was guided by geopolitical developments, as Iran's measured response to a reported Israeli attack on its soil led to optimism that the Middle East might avert an escalation of tensions, easing concerns over potential oil supply disruptions in the region.

Brent crude oil futures inched upwards by a marginal 0.21 per cent at $87.29 a barrel. Despite this modest gain, the flagship crude benchmark remained in negative territory for the week.

Meanwhile, U.S. WTI crude oil also fluctuated, with the May contract advancing 0.5 per cent to settle at $83.14 a barrel. However, the June contract, which is more actively traded, garnered less traction, edged up by only 0.14 per cent to $82.22 a barrel.

Both Brent and WTI crude oil prices experienced sharp increases, surging by more than $3 a barrel as the market reacted to reports of explosions in Isfahan, an Iranian city, which sources attributed to an Israeli attack.However, this knee-jerk rally fizzled out after Tehran, the Iranian government, downplayed the incident and signaled that it would refrain from retaliating. This shift in Iran's stance contributed to a retraction of the earlier price gains, as the market's initial fears of an escalation in the Middle East were assuaged, at least for the time being. Amid escalating tensions between Iran and Israel, investors in the oil market were on high alert, vigilantly tracking developments that might trigger a more significant conflict in the region, which could potentially lead to a disruption in oil supplies. The chain of events began with a suspected Israeli airstrike on April 1, targeting an Iranian embassy in Syria's capital, Damascus. Iran retaliated with drone and missile attacks on April 13, triggering concerns about further escalation.

While the immediate threat of violence seemed to have ebbed, the ever-present possibility of a resurgence remained a source of concern for investors, who were not entirely convinced that Middle Eastern tensions had been fully neutralised.

Seeking to factor in both geopolitical risks and broader market dynamics, analysts from Goldman Sachs and Commerzbank raised their Brent crude forecasts on Friday. Their updated price projections took into account the potential implications of escalating tensions, which might constrain oil supply, coupled with prospects of a rebound in demand, and the likelihood of OPEC+ maintaining its disciplined approach to production levels.

Giovanni Staunovo, an oil market analyst from UBS, highlighted the dual forces of buoyant demand and restricted supply as primary drivers for oil prices in the current landscape.

In his statement, Staunovo acknowledged that oil demand is continuing to rise at a robust rate, supported by a range of factors, including economic growth, transportation recovery, and manufacturing resurgence. However, on the supply side, the voluntary production cuts by OPEC+ nations,extended in recent months,are still exerting a notable dampening effect on oil output, limiting the volume of crude available in global markets and contributing to higher prices.

Nigerian Breweries on track to seal Distell Wines & Spirits deal by H1 2024

Onome Amuge

NIGERIAN BREWERIES PLC has confirmed that the final leg of its highly anticipated acquisition of an 80 per cent stake in Distell Wines & Spirits Nigeria Limited will be concluded during the first half of 2024, falling between the months of April and June.

The development, poised to cement the company's strategic foothold in the high-potential wine and spirits market, is the culmination of a thorough process that began with shareholders' approval of the acquisition in December 2023, setting the stage for a momentous expansion into one of the most promising segments of the Nigerian beverage industry.

Battling against the forces of foreign exchange scarcity and a volatile macroeconomic landscape, Nigeria's oldest and largest brewing company, has shouldered the weight of an unrelenting 2023, reeling from a devastating N153bn forex loss as the country's currency suffered devaluation.

In light of the ongoing economic challenges, Nigerian Breweries is betting on strategic cost-saving measures, as the company looks to streamline its operations and optimise its resources.

The strategic shift,which includes the planned acquisition of Distell Wines & Spirits Nigeria Limited,is viewed as a prudent response to the domino effect of the Nigerian economy's double-digit inflation, currency devaluation, and contracting consumer spending, offering Nigerian Breweries a potential path towards increasing efficiency, enhancing profitability, and

L-R: Ladun Baderinwa, associate, Olaniwun Ajayi LP; Tayo Aduloju, chief executive officer, Nigerian Economic Summit Group (NESG); Niyi Yusuf, chairman, NESG; Omolola Samuel, partner, Crowe Dafinone; Abosede Okungbowa, audit supervisor, Crowe Dafinone; and Jonathan Aluju, partner, Olaniwun Ajayi LP, at the NESG annual general meeting 2024 in Lagos recently.

safeguarding its business in uncertain times.

Hans Essaadi, the managing director/chief executive officer of Nigerian Breweries Plc, recently made a candid revelation in a pre-AGM media briefing in Lagos,announcing a strategic company-wide reorganisation as part of its strategic recovery plan. Amidst revelations of two of the nine Nigerian Breweries' operations being shuttered, Essaadi affirmed the move as a decisive step towards optimising cost management and bolstering the firm's resiliency in the face of economic headwinds.

Commenting on the 80 per cent acquisition stake in Distell Wines & Spirits Nigeria Limited, Essaadi said: "The final part of the transaction is being completed at the South African end with the expectation that the transaction would be completed in full in the second quarter of this year.

"This is a strategic acquisition that is in furtherance of our beyond beer agenda and which would provide us with a complimentary multi-category portfolio and strengthen our market share in the wider beverages market. More importantly, it will help us to future-fit our business and enhance our long-term profitability through the addition of new products in the wines, spirits, and flavoured beverages categories."

Essaadi explained that following shareholder endorsement in December 2023, the company had successfully sealed the deal, executing the necessary transaction documents with Heineken Beverages (Holdings) Limited of South Africa to acquire an 80 percent equity stake in Distell Wines and Spirits Nigeria Limited, along with 100 per cent of Heineken Beverages' import business in Nigeria.

In his assessment of the company's financial performance, the company CEO noted that while the company's diligent management had managed to secure an operating profit of N45 billion, the brewer's bottom line had been buffeted by powerful economic forces, leading to a net loss of N106 billion for the year 2023.

Essaadi revealed that not only did the staggering net loss weigh heavily on Nigerian Breweries' bottom line in 2023, but also took a heavy toll on the company's retained earnings, hindering the ability of the board to recommend any dividend payment for the year,a stark departure from the company's illustrious track record of consistent dividend payments.

On the way forward, he stated: "The Board has explored different options with a view to improving the Company's financial position and thereby creating the platform to enable us to return to profitability as soon as possible in line with the Board's commitment to creating long-term value for our Shareholders. The Board has resolved to propose to shareholders for consideration and approval at the AGM, a recapitalisation scheme by way of rights issue.

"The objective is to raise fresh capital up to N600 billion that would be used to settle the outstanding Fx payables and part of the local bank facilities."

Essaadi expressed confidence that, despite the near-term challenges and painful measures necessitated by the currency devaluation, the company was taking decisive steps to eliminate the naira devaluation risk and hefty foreign exchange losses that had ravaged its financials in the previous year. He affirmed that these measures would also serve to reduce the company's significant interest burden, setting a course for a more robust and resilient financial position for the company, even in the face of ongoing economic volatility.

Essaadi stated that the board had carefully considered a range of options to address the challenges facing the company and had arrived at the conclusion that a capital restructuring through a rights issue was the most suitable option at this juncture.

He underlined the board's conviction that the proposed rights issue would provide a fair and equitable opportunity for all shareholders to increase their stake in the company, proportionate to their existing holdings, at a price that would be determined by the board with due consideration to prevailing market conditions.

NNPC Ltd,First E&P joint venture reaps 20,000bpd from OML 85

Business a.m.

THE OML 85 JOINT VENTURE—comprising the Nigerian National Petroleum Company Limited (NNPC Ltd) and its partner, First Exploration and Petroleum Development Company Limited (First E&P)—have announced a historic milestone with the commencement of oil production from the Madu Field, an asset located within the OML 85 lease area.

Located in the shallow waters offshore Bayelsa State, the Madu Field,an asset central to the OML 85 lease area and operated by First E&P, is projected to yield a daily average output of 20,000 barrels of crude oil, heralding a significant contribution to the nation's energy production and a promising milestone for the joint venture partners, NNPC Ltd and First E&P.

The development is considered a testament to the commitment of the President Bola Tinubu administration to optimise production from the nation's oil and gas assets through the provision of an enabling environment for existing and prospective investors.

Highlighting the far-reaching significance of this milestone, Mele Kyari, group chief executive officer of NNPC Ltd, commended the commencement of oil production at the Madu Field as a major step forward in achieving the overarching goal of maximising the output of Nigeria's energy resources, bolstering revenue growth, and powering the nation's economy toward greater prosperity.

Kyari, who commended stakeholders for their support, also explained that the addition of 20,000 barrels per day by an indigenous oil player signals the commitment of stakeholders to achieving economic development for Nigeria.

It would be recalled that the Final Investment Decision (FID) on the development of the Madu Field and a sister field, Anyala, was taken by the NNPC Ltd/First E&P JV in 2018.

Production from the Madu Field will be processed at the JV's Abigail-Joseph Floating Production Storage and Offloading (FPSO) Unit, which has a crude oil storage capacity of up to 800,000bbls.

ASR Africa breaks ground on N250m office block project in Usmanu Danfodiyo University

Business a.m.

THE ABDUL SAMAD RABIU AFRICA INITIATIVE (ASR Africa) has commenced the construction of a state-of-the-art N250 million office block for the Abdul Samad Rabiu College of Health Sciences at Usmanu Danfodiyo University. The milestone project, funded by Abdul Samad Rabiu, chairman of BUA Group and founder of ASR Africa, is part of the philanthropic initiative's commitment to investing in educational infrastructure and providing quality education across the continent

The construction of the office block was kicked off with the groundbreaking ceremony which was held within the institution's premises. The project, which is a one-storey facility, will comprise 20 staff offices, the office of the departmental head, a panel room, staff convenience as well as storage spaces. This became necessary following the expansion of the College facilities comprising five faculties and a school of medical laboratory sciences with various departments spread across the faculties and the school.

Speaking at the event,L. S. Bilbis, the vice chancellor of the University, welcomed the ASR Africa team with profound gratitude and expressed satisfaction with the level of support received so far from Abdul Samad Rabiu, the chairman of ASR Africa, and the BUA Group. Bilbis noted that the project, upon completion, will accommodate its growing academic programs and students and that the choice of the project was in response to this pressing expansion need.

Ubon Udoh, the managing director of ASR Africa, appreciated the university's outstanding performance in health and medical sciences. He reiterated the commitment of the ASR Africa chairman to support quality education within the tertiary education system in Nigeria. He urged the institution to focus on the sustainability of this noble project and provide the necessary support to the construction team for the speedy completion and delivery of the project.

ASR Africa is currently undertaking several health and educational interventions in Sokoto State for N2.5 billion. These include the construction of the ASR Africa Administrative building for the College of Health Technology, Gwadabawa; administrative building and school clinic for the School of Nursing,Tambuwal; and two units of faculty buildings, One unit of administrative building; one unit of hostel and a complete water scheme at the Sokoto State University College of Medical Sciences.

Indorama operations not polluting the environment – company

● Company committed to goal of zero harm, safe, healthy environment
● Implements effective environment management system

Ben Eguzozie, in Port Harcourt

INDORAMA NIGERIA, whose operations in the country straddle petrochemicals, and fertiliser, says its production processes do not pollute the environment, being a responsible corporate citizen, is committed to the goal of zero harm, safe and healthy environment by implementing effective environment management system as an integral part of its operations.

Jossy Nkwocha, head, corporate communications of the company told some journalists at the company's corporate headquarters in Eleme near Port Harcourt, Rivers State, that "to achieve our commitment, we have implemented a robust Environment Management and Monitoring System, and the environmental performance is acknowledged by Regulators and Lenders. We are putting efforts into continual improvement of our environmental systems and performance".

Nkwocha said the company publicly reassures "our financial partners, government agencies, host communities, and other stakeholders that our operations are environment friendly and have been operated under national and international standards".

He gave key highlights of Indorama's environment management system to include: compliance with all applicable national and state environmental regulations, and adherence to good international best practices; environmental performance is the major criteria considered for plant technology selection for new development. The environmental criteria considered are low energy per ton of production, low water consumption and minimum effluent generation, low noise from plant operation, minimal purge, and emissions. Extensive environmental and risk assessment studies and incorporation of recommendations in plant design and operational monitoring.

It also includes installation of best-in-class available detection and control systems for effective operational control and prompt actions. All pollution abatement equipment is designed for appropriate capacity considering the worst-case scenario. Installed detectors across the plants and all safety devices are designed considering the worst-case scenario.

Other safety environment management system are undertaking detailed Environmental and Social Impact Assessment (ESIA) study under the federal ministry of environment guidelines, which is inclusive and covers study of environmental and social components including stakeholder engagement under supervision of federal and Rivers State ministry of environment.

The fertiliser and petrochemicals company said the study conducted by FMEnv accredited consultant was submitted to the ministry, which undergoes public disclosure for 21 working days for public review & comments before panel review and subsequent approval from ministry.

Nkwocha was reacting to a recent claim by a group, "Alliance for the Defence of Eleme" which circulated media write-ups, and supposedly sent to the International Finance Corporation (IFC), African Development Bank (AfDB) and the Emerging Africa Infrastructure Fund (EAIF), stating that the funding agencies "have committed financial assistance to Indorama for various projects in Nigeria".

The group cited a Federal High Court Port Harcourt FHC/PH/CS/23/2024, allegedly "restraining Indorama from further pollution of our environment". However, the court order expired with effluxion of time.

However, Indorama roundly rejected this, claiming that it carries "periodic preventive maintenance of pollution abatement and pollution control infrastructures to ensure optimal functionality; conducts regulatory mandated environment audit and environmental evaluation study under supervision of relevant regulatory agency representatives, and submits same to relevant authorities for review and approval as per defined frequency.

Indorama is currently ramping up its fertiliser capacity to phase III. On March 28, this year, it signed a $75 million loan facility with the AfDB Group to enable it (Indorama) to increase its fertilizer production and develop a port terminal for exports, supporting food production and food security across regional and international markets, while fostering job creation in Nigeria. The expansion will include the development of a third urea fertilizer production line and a new shipping terminal at Indorama's facilities in Port Harcourt. The new production line is expected to have an annual capacity of 1.4 million metric tons of urea, one of the most widely used fertilizers worldwide.

The company says, it equally undertakes periodic monitoring (daily, weekly, monthly, quarterly as defined) of noise, ambient air quality, stack emissions, treated effluent quality, groundwater quality, recipient water body (Okulu River) water quality and biodiversity, etc., by in-house team and accredited consultant; and benchmarked against national limits and IFC/World Bank (IFC/WB) standards. It said, it keeps standards for emissions better than the Nigerian environment federal ministry, as the IFC/WB norms are more stringent. It added that it selects the best technology and equipment to minimize emissions and make its plants future proof.

Dele Togund, chairman, membership and branch liaison committee, Institute of Chartered Secretaries and Administrators of Nigeria (ICSAN); Uto Ukpanah, vice president, ICSAN; Funmi Ekundayo, president, ICSAN; Lemmy Omoyinmi, guest speaker; and Oladipo Okuneye, registrar/CEO, ICSAN, during the membership summit in Lagos recently.

Transcorp Power lights up with N67.86 billion in Q1 2024 gross revenue

Onome Amuge

TRANSCORP POWER PLC HAS SHOWCASED its financial strength with an impressive first quarter (Q1) performance in 2024, as reflected in its recently released unaudited financial statements on the Nigerian Exchange.

This is as the company's gross earnings soared to N67.86 billion in Q1 2024, marking a significant 223 per cent increase over the N21.04 billion recorded in Q1 2023, highlighting the firm's robust financial health and solid operational efficiency.

The company also reported a 775 per cent surge in profit before tax (PBT) for the first quarter of 2024, with PBT standing at N28.77 billion compared to N3.29 billion in the same period last year. The company's financial prowess was further exemplified by the 665 per cent year-on-year increase in profit after tax (PAT), with PAT totaling N20 billion in Q1 2024 compared to N2.6 billion recorded in Q1 2023.

Transcorp Power's remarkable performance was highlighted by the impressive growth in total assets for the first quarter of 2024, reaching N276.2 billion, a significant 24 per cent increase compared to N223.3 billion recorded in the preceding quarter, Q4 2023. Evans Okpogoro, the chief financial officer of Transcorp Power, provided insights into the company's Q1 2024 financial performance, highlighting a 51 per cent gross margin,a 14 percent improvement from 37 percent in Q1 2023.

Okpogoro further disclosed a significant drop in the cost to income ratio to 70 per cent from 87 percent in Q1 2023, as well as a significant rise in net profit margin to 30 per cent from 13 percent during the same period, highlighting the company's impressive financial management.

"This highlights the remarkable operational efficiency gains of the Company. Transcorp Power has continued to grow its revenue aggressively and consistently over the last five years. We expect that by year end 2024, we will see a similar growth trajectory recorded between FY 2022 and FY 2023," he added.

Peter Ikenga, the managing director and CEO of Transcorp Power, expressed pride in the company's robust financial performance during Q1 2024, despite facing significant sectoral challenges like gas supply issues and macroeconomic challenges.

Ikenga acknowledged the resilience of the company's business model, which allowed them to sustain growth despite difficult circumstances, noting that this impressive performance was achieved through efficient implementation of strategic initiatives, a testament to the company's unwavering dedication to excellence and growth amidst adversity.

"We remain committed to leveraging our strengths to capitalise on emerging opportunities, drive sustainable growth and provide superior value," he added.

The MD/CEO of Transcorp Power, reassured the company's stakeholders that the company will continue to underscore innovation, operational excellence, corporate governance, and stakeholder engagement as key pillars of its growth strategy, with the ultimate goal of creating exceptional value for the long-term well-being and prosperity of the company and its stakeholders.

NSIA fuels $500m domestic infrastructure drive in Nigeria

Onome Amuge

THE NIGERIA SOVEREIGN INVESTMENT AUTHORITY (NSIA has disclosed a $500 million investment into domestic infrastructure projects, underscoring the organisation's commitment to bolstering Nigeria's infrastructure and economic capacity.

Fresh off a noteworthy year of financial performance in 2023, the Nigerian establishment which manages the Nigeria sovereign wealth fund, into which the surplus income produced from Nigeria's excess oil reserves is deposited,also sharpened its strategic focus for the years ahead, centering on infrastructure development and expanding its portfolio of subsidiaries as it looks to further strengthen its role as a pivotal engine of Nigeria's long-term economic growth.

Speaking at the NSIA 2023 earnings presentation in Abuja, Aminu Umar-Sadiq, managing director and CEO of the authority, shed light on the organisation's strategic priorities for the years ahead.

In his words: "The NSIA's impact on domestic investments has created real-time jobs and contributed to ease of doing business. Subsequently, by creating a more attractive investment environment, the NSIA is effectively leveraging its resources to attract significant additional capital for critical projects. "Already, the NSIA has made investments in over 50 per cent of locally owned and operated private equity funds. This targeted support strengthens the local financial ecosystem and empowers homegrown businesses to contribute to national development."

Pelumi, London-Lagos solo driver, gets accolade from Onyema, Air Peace chief

ALLEN ONYEMA, EXECUTIVE chairman, Air Peace, has applauded solo driver, Pelumi Nubi, for accomplishing the feat of driving from London to Lagos, and has offered her a free London Business Class return ticket.

The Air Peace boss gave the commendation when he hosted the travel content creator at the airline's head office in Lagos recently.

"You made us proud. At a time when the economy is down, you've made Nigeria proud. We are full of joy that you achieved this feat. That is why we said we should acknowledge you.

"We are really impressed with what you did. You are part of our national pride. We appreciate what you have done and we have decided to offer you a free Business Class return ticket to London," Onyema stated.

Nubi expressed her gratitude to the management of Air Peace for the offer and lauded the airline for its recently launched London service, which has been an industry disruptor.

Pelumi, a travel blogger and the curator of Oremi Travels, recently solo-drove from London to Lagos and has been getting accolades for being the first woman to achieve such a feat – a solo-drive from the UK to Nigeria.

Operations, management of Nigerian airports rejigged for innovation, ideas

● Emerging structure seen in new directorates
● PACP, Special Duties, Cargo Dev. & Services

Sade Williams/Business a.m.

THE NEW DIRECTORATES created in the Federal Airports Authority of Nigeria (FAAN) are designed to bring fresh ideas and innovations into the operations and management of airports in the country, Obiageli Orah, director, public affairs and consumer protection of the agency has said.

She said FAAN has gone through tremendous changes with the upgrade of the former Corporate Affairs department into the Directorate of Public Affairs and Consumer Protection, the creation of a Special Duty directorate and that of Cargo Development and Services, among other changes, all geared toward meeting global standard in the management of airports under FAAN.

Obiageli spoke when she received the new executive members of the League of Airport and Aviation Correspondents (LAAC) led by Suleiman Idris, its chairman, in her office in Lagos.

According to the FAAN director, the vision of President Bola Ahmed Tinubu as encapsulated in the Renewed Hope Agenda underscored the vision of the minister of aviation and aerospace development, Festus Keyamo to create new directorates that will ensure that Nigerians and the travelling publics are offered the best services across airports in the country.

While she commended the minister for the new initiatives, Obiageli said, "FAAN has gone through tremendous changes in the past few months. We've added some new directorates to the existing ones; I will start with my directorate which is public affairs and consumer protection. It is relatively a new one because we had corporate affairs but now christened public affairs and consumer protection. We also added a directorate of cargo development and services, which deals with everything regarding cargo and hajj operations. We now also have a special duty directorate, one I will describe as an interventionist directorate that helps the agency intervene in any situation as the case may be."

Idris Suleiman, chairman, LAAC, and Obiageli Orah, director, public affairs and consumer protection, FAAN, during the courtesy visit

According to her, "Whether new or existing, every single director has the drive, the energy including the managing director who on her own has super energy, everyone of us has the drive to ensure that we give the best to Nigerians. The minister himself, who I am sure you are equally aware of his capacity, is always on the go. The vision he has for FAAN is outstanding, and I would extend that to the new hope agenda of Mr. President, Bola Ahmed Tinubu, because we are all here to key into the new hope agenda."

The FAAN spokesperson further said that "the new directorate and the existing ones, all we are here to do is to serve Nigerians and we are bringing a lot of innovations, we met system in place and all we can do is to build on the system, and in building upon the system we met, changes may occur, we may modify some things but it is all in good faith in order to serve Nigerians and the travelling public better.

"The passengers that pass through the airports deserve the best because they pay money, they pay taxes, buy tickets and pay taxes on those tickets and all that, so we feel and know that they deserve the best. So that is why security of all passengers is very important, their safety and comfort of all our passengers are paramount to our operations.

"And you talk about the services we render like seamless movement at the airports and of course the movement of goods from one point to the other without any form of damage or challenges. When you look at all these, it gives you an idea of the vision that this administration has for Nigerians and where we are heading to.

"We want Nigerians to be proud when they talk about FAAN, when they are passing through the airports, we want them to be proud of being citizens of this great country and the agency responsible for managing the airports on their behalf," she stressed.

In his response, Idris, the LAAC chairman, pledged the support of the association in achieving the vision of the new administration in turning the fortune of the country's aviation industry around, affirming that they will continue to play the role of the media in upholding the leadership of the sector to account.

ANALYST INSIGHT

The Airport Customer Experience

Airport charges and passenger experience

AVIATION STAKEHOLDERS ARE working hard at recovering, post pandemic. All need each other to thrive. Experts have suggested that going forward airports and airlines will need to develop models of airport charges that allow better risk sharing between airports and airlines. The passenger experience will be affected by the ability of airports to collaboratively develop airport charging models.

Revenues that come from airport charges are the lifeblood of airports which they need for cost recovery as well as finance infrastructure to ensure that passenger experience is maximised. Typically when traffic increases, charges fall; the reverse is also true for when traffic falls. Across the globe airports have been reported to have had to refinance and negotiate terms with creditors, as debt levels are on the rise. The situation of airports is such that they have assets that are fixed and may have limited or no alternative use. So when debts begin to rise and risk profiles in the industry continue to change, costs of financing will be on the increase.

The global aviation standard setting body, International Civil Aviation Organisation (ICAO), requires that: "consultation with airport and air navigation services users before changes in charging systems or levels of charges are introduced is important." It states further in its document 9082: "Airports may produce sufficient revenues to exceed all direct and indirect operating costs (including general administration, etc) and so provide for a reasonable return on assets at a sufficient level to secure efficient financing in capital markets for the purpose of investing in new or expanded airport infrastructure and, where relevant, to remunerate adequately holders of airport equity."

Airport charges do have an impact on the overall passenger experience. These charges are usually added to ticket prices which passengers pay. Higher airport charges may, if material enough, lead to more expensive ticket costs, and affect their travel choices and willingness to fly. Airport charges, however, are said to represent a small proportion of airline costs and have a minimal impact on passengers. Airlines may also choose to operate out of airports with lower charges to save costs. This decision can limit the choices available to passengers relating to flight options and destinations.

Where costs are increasing continually and airport charges are not adequate to meet with and improve on the costs of running facilities and amenities at an airport, the passenger experience may be less pleasant.

Where the process of collection of airport charges is inefficient, queues may result in increased customer wait times at the airport and increase in their level of dissatisfaction with services at the airport. Where operations are impacted by the level and administration of charges, longer wait times that result can affect overall travel experience. Recently at an airport lounge, the card payment was taking a long time. The passenger inserted three different bank cards and a final boarding announcement had been made. It took the intervention of someone with cash to speed up the payment process so that the passenger did not have a delayed boarding.

Airport charges can contribute to overall passenger satisfaction with their travel experience. When passengers feel that they are not getting value for the charges they pay, they may become dissatisfied and have a negative perception of that airport. So, airport charges do play a significant role in shaping the passenger experience. It is important that all members of the airport community work collaboratively to carefully consider how these charges impact travellers to ensure a positive and seamless journey for passengers.

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 and +2348023125396 (WhatsApp only).

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We do not have enough air traffic controllers — Farouk, NAMA MD

AHMED UMAR FAROUK, an engineer, is managing director, Nigerian Airspace Management Agency (NAMA). In this interview, he speaks about the upgrade of Navaids, including addressing communication and power issues as well as revealing challenges the agency is grappling with. SADE WILLIAMS was there and captured these excerpts from the interview.

It seems NAMA is taking a new shape and direction. How has it been since you were appointed managing director of the agency?

I AM AN INSIDER IN NAMA. Before my appointment, morale was very low and the other aspect was service delivery as custodian of the Nigerian airspace [was] also another issue. We were having low workers' morale and service delivery and these challenges are associated with this situation. We had to find a way to have a common ground to address the two simultaneously. We had to look into workers welfare first because it is when we have a conducive environment that we would have higher productivity and we will get the best from the workers. The first [thing] is about the workers and that was what we addressed. Secondly, it is the issue of communication – navigation surveillance and power systems – which is the core responsibility of the agency. We are lucky because the minister of aviation and aerospace development, Mr Festus Keyamo first asked the agencies' chief executives to key into his KPIs in front of the cameras of what is expected of us. Don't forget the five agenda of the Honourable Minister anchored on the Renewed Hope Agenda of the President and the whole essence is to ensure that the narrative changes and that is what the Honourable Minister is assiduously working to achieve and to God be the glory, and from what we have seen at the moment is that he is on the right direction with some of the activities many have seen and commended. He has gone to about two countries with air operators in Nigeria to create the enabling environment for them to succeed in their businesses. It is part of his agenda to encourage local airlines to thrive in their business because the mortality rate of these airlines is too high and worrisome. It is on that note he decided on the invitation of one of the producers of aeroplanes who invited him and went and had meetings with the business community and how they can open up business discussions with them. We can see the improvement in that regard. Honestly, much was achieved. We have identified the challenges and we are working on them gradually. It requires a huge investment. [With] the economic situation in the country, you don't expect to have everything overnight, it has to be a gradual process. We have a focus. We have the short-term, the medium term and long-term solutions to all these challenges. That is where we are at the moment.

Infrastructure decay has been one of the challenges NAMA has grappled with over the years. What was the state of infrastructure in NAMA when you came in and what is it now? What are they expected to be before the end of this year?

Let me start with communication. Before now, most of the airlines avoided Nigerian airspace and they found it extremely difficult to communicate with air traffic controllers; the reason was that the communication system was weak, and oversaturated due to demand. As the industry is growing, you should expect more routes to open and there was no corresponding facility to match the emerging air traffic. So, what we did was to cause a huge investment in that regard by the Federal Government. We realised that there were so many openings, so many routes, we had to increase more stations to have signals that would cover the entire Nigeria. The entire communication had been re-designed to make sure that everywhere, every blind spot is covered and where we are today, even if one system fails, the air traffic controller will not notice because there is an overlap and one overlaps the other; the other one will assist you. We realised also that our radios are working well and well positioned and we have addressed the challenges we met but then, we are still having issues. These issues have nothing to do with radios, now it has to do with electricity. That is why I declared an emergency on power and you will agree with me that power [has been a] national issue for decades and has defied solutions and the government is still working hard to ensure that they get it right. What we have decided to do is to deploy solar energy to some of these facilities so that they can function well. We have two sources of power. We have the primary one which is the national grid and we have the second one which is generators, and plants and the third one is solar. We deployed all these three because the International Civil Aviation Organization (ICAO) frowns at a situation where you have a blackout even for seconds; so, we make sure that we have an uninterrupted power supply. The funding is not there. We are approaching it systematically to make sure that communication is good. At the moment, we have significant improvement but there is still room for improvement. Recently, the minister approached the presidency for intervention and N40 billion was budgeted but we are yet to access the money. As soon as it is done, we will be able to tackle safety critical challenges that are before us as far as communication is concerned.

If you go to Navigational Aids (Navaids), we are also having obsolete facilities. For an average electronic system, the lifespan is about ten years. Most of these electronics have been working for the past 15-20 years. You will expect the performance to be below the standard. We are replacing them; we have commenced replacement of all these facilities. If not for funding, we would have finished replacing all of them. But for now, we have done almost 80 percent but the contractors are still working. The level of patriotism in them is highly commendable. They have understood us and they are working hard to ensure that they complete the project. Here, we have surveillance. This is where I have a serious challenge – the Total Radar Coverage of Nigeria (TRACON). We have been having challenges. I will categorically tell you that since 2014, we have not had enough spare parts. The cost of spares is the issue and the obsolete state of the equipment. The Federal Executive Council (FEC) has approved the modernisation of the TRACON system. 15 percent of the fund has been paid and we are hopeful when the presentation from Thales [is made], they will commence installation as soon as other things are put in place. We are hopeful that at the end of it, at least the system will go back to optimal performance. That is as far as surveillance is concerned.

Ahmed Umar Farouk, managing director, NAMA

The other one is the power system, [which] is also part of the approval that we got. All these things I am saying, there is a tremendous improvement and the hindrance to working effectively is squarely on the power issue. If they get this N40 billion presidential intervention, I am telling you that in the next few months, we will be able to conquer these challenges. Another one I know is the one that has to do with AIS automation. This programme has been ongoing for the past nine years or more. This boils down to funding. The honourable minister of aviation has come to the rescue of the company. As I speak to you, they have gone back to work because they have been financed and we are hopeful all things will be equal. In the next quarter, this nine-year, ten-year programme will see the light of day and come to fruition. All things being equal, in the third quarter of this year, we should be completing that project.

Shortage of air traffic controllers has been a recurring issue, how are you addressing that? Do we have enough air traffic controllers?

We don't have enough air traffic controllers. The challenge is still there. The mistake of the past administration; there was no proper manpower auditing or proper planning. It takes time to train air traffic controllers and they are quite aware of this. It has gone on for many years. Now that we have decided to recruit them, it takes more than one year to train air traffic controllers that will be on the hot seat. You can imagine the gap and we can't train hundreds of them. You can imagine the time it takes to train them. What is the turnover of that process? It takes time to get the number required. That is the challenge we are having. We are working toward making sure that aspect is addressed.

NAMA has over the years been an unstable agency. How have you been able to manage the industrial harmony that exists in the agency since your appointment?

I started my career with the Ministry of Labour and Productivity. Once a labour [man], always a labour [man]. I engaged them when I came in and I told one of the labour unions that I am also a comrade and that I will try as much as I can to address most of the issues. I am an insider, I know the challenges and the issues. I don't have to wait for you to agitate before I address the issues. I began to address them one after the other to the extent that when I had a meeting with them, they said to me that there were no issues left and [one of] the reasons that [they] have been clamouring for an insider to be appointed as MD of NAMA and I told them that we should not allow this agency to be destroyed, telling them that every staff must tighten their belt and that every one of us is also important. I told them that to whom much is given, much is expected of them to work round the clock to make sure that we grow this agency to the next level. We have a group of individuals that we have brought in as directors who have also assisted the system because all of them came from various backgrounds, they have excelled and we have insiders that would help to guide them to work as a team. That is the reason you have seen industrial harmony.

Are you still considering a review of navigation charges? Are the airlines comfortable with that?

There was a meeting of aviation stakeholders that was convened by the Nigeria Civil Aviation Authority (NCAA) and at that meeting; I raised the issue with airline operators of Nigeria. Since 2008, the navigation charge has been the same. At that time in 2008, the charge was N11,000 when airfare was N16,000. They have been reviewing the air ticket and today, the fare is N150,000 per flight, we are still charging N11,000. I think it is unfair and anytime you draw their attention to it, they do not want us to review it. We are a cost recovery agency and the huge investment we are making to make sure that safety is not compromised. It is high time the airlines accepted the reality. We are going to review our navigational charges to match the current economic situation. That is where we are. We have written to the Ministry and when it is time to do that, we will call for stakeholders meeting so that we let them know and give them time to prepare and adjust to the new charges.

What type of support has the minister given to NAMA to ensure that we change the narrative?

The main problem of the agencies had been political interference. Professionals were not allowed to do things professionally but since the advent of this administration, what we are witnessing is a lack of interference. The minister doesn't interfere in the agency's operations but makes sure they conduct the affairs of this industry professionally. Whatever we ask, it is given to us except it is beyond.

He never interferes in the operations of the agencies. He is a thorough person. As a lawyer, he doesn't want to fail.

GLOBAL CLIMATE FINANCE

ITTF aiming at global climate tax with incentive to curb carbon emissions – ECF director

• One that ensures political feasibility, minimal distortions, and fairness

Ahead of the meeting in Washington D.C., United States last Wednesday, 17 April 2024 of the International Tax Task Force (ITTF), which was set up at the COP28 United Nations Climate Change Conference in Dubai, United Arab Emirates (UAE) co-chaired by Kenya, Barbados and France, with the onerous responsibility of trying "to foster political will and advance feasible, scaleable and sensible options for climate levies that can easily be implemented to help finance Paris Agreement commitments," by developing and vulnerable countries, Business a.m., Nigeria's fastest growing financial and business newspaper, got MORGAN Després, executive director of international finance, European Climate Foundation (ECF), to field questions from PHILLIP ISAKPA & ONOME AMUGE.

Morgan Després, executive director of international finance, European Climate Foundation.

What makes the International Tax Force unique, and how does it differ from other organisations that are working on similar issues, and what is the significance of having France, Barbados and Kenya as the co-chairs of the task force?

THE TASK FORCE'S UNIQUE strength is twofold: firstly, it aims to foster political will around options for progressive climate taxes and secondly, it is creating coalitions of willing countries to become the frontrunners to implement these taxation measures. By doing this, it will provide equitable, workable tax solutions to governments that enable them to mobilise finance at scale.

The task force will operate alongside and complement other international and multilateral organisations, such as the ongoing negotiations at the UN, OECD, G20 and IMO, by providing a neutral forum for discussion and research.

Having Kenya, Barbados and France as co-chairs of the task force, and diverse global membership, demonstrates its commitment to genuine equity. Progress must involve developing and vulnerable countries that historically have been locked out of such negotiations. We invite all countries to join the task force and be part of the process of finding solutions to help tackle the $2.4 trillion annual funding gap faced by developing and vulnerable countries (excluding China).

How will the task force engage with countries and organisations that are not members, and what will be the task force's process for developing and implementing new taxation policies?

The task force will conduct impact studies and consultations with the widest possible range of stakeholders including industry representatives, civil society organisations and the general public. All countries are invited to become members or observers of the task force.

The final recommendations will likely be delivered at COP30. After this, all discussions related to the endorsement and implementation of the taxes by governments will be part of international political negotiations between governments that are outside of the task force's mandate.

How will the task force determine what tax options are feasible and equitable? What kinds of impacts will the task force consider when evaluating each tax option?

For each tax option, the task force will determine how much revenue could potentially be raised, whether this is adequate to needs, and how it can be allocated to climate-positive investments, adaptation projects, and assisting developing nations in their climate efforts. It will also consider questions of national and international equity, to ensure polluters pay their fair share, while also ensuring that consumers are protected during this cost-of-living crisis and potential tax options are all feasible taking into account the current economic challenges many countries face around the world.

Importantly, the task force will assess the economic impact, with the goal of proposing an effectively designed global climate tax that creates an incentive to curb carbon emissions while ensuring political feasibility, minimal distortive effects and fairness. It will also evaluate the political feasibility and scalability of each tax option to ensure it can be easily adopted by new countries.

What exactly is the $2.4 trillion funding gap, and how does it affect developing and vulnerable countries?

Right now, the most vulnerable people and economies who contribute the least to global emissions are not only experiencing the worst impacts of climate change, but they're also disproportionately least able to finance adaptation and mitigation measures.

According to the HLEG climate finance framework, to meet their climate targets and Paris Agreement commitments developing and vulnerable countries excluding China will need to mobilise USD $2.4 trillion every year. Those funds need to come from somewhere.

The task force aims to propose solutions to this issue through innovative financing mechanisms, with revenues raised through taxes on those most responsible for the climate crisis: the most highly polluting industries and individuals.

Can you explain more specifically what the proposed climate taxes would entail, and how they would work? Do you think these proposed taxes will be enough to address the funding gap, or are additional measures needed?

The exact design of each tax option will be determined after extensive research and consultation. For the options currently on the table, there are a range of ways they can be designed which the task force will explore to deliver the most effective, equitable and feasible recommendations.

tTaxes under consideration currently include a fossil fuel levy, financial transactions tax, air passenger levy, windfall fossil fuel profits tax, maritime fuel levy and a fossil fuel subsidy phase out. The exact potential revenue for each tax option will be worked out through a rigorous research, consultation and analysis phase.

Are these additional tax proposals likely to be met with resistance from certain groups or countries? If so, how might such resistance be addressed?

The climate crisis is a challenge we all face together. Some countries and stakeholders may be resistant to tax options they feel might adversely impact them, but all countries are free to join the task force and support in the development of proposals that are equitable and fit-for-purpose while minimising any adverse consequences.

Crucially, the task force brings together coalitions of willing countries to advance specific tax options, and later on in our mandate, the task force will put forward credible, feasible and scalable ways to implement these options.

How do these proposed levies aim to make polluting industries and people contribute to fighting climate change?

This is about breaking taboos. The tax avenues being considered are targeted at the most polluting industries and individuals that have historically been able to avoid taxation and therefore have not contributed their fair share to the fight against climate change. The task force aims to change that.

How can these proposed levies bring about more equitable climate justice and fairness to the financial system?

Vulnerable countries and people shouldn't be footing the bill for a problem they didn't cause. If we want a fairer global financial system, we need to correct this and ensure the biggest polluters contribute their fair share to climate finance.

The research process will determine the most effective way this can be achieved for each tax option.

What is the potential impact of a financial transactions tax on global markets, and how might it affect investors and financial institutions?

One of the task force's top priorities is to evaluate the impact of each levy option on all stakeholders, as well as the impact on the economies of developing and vulnerable countries.

In-depth impact studies will determine the likely economic impact of each levy option, including how to avoid any potential adverse impacts. The final recommendations will include evidenced, effective measures governments can take to mitigate any negative consequences.

What would be the impact of a wealth tax on the global economy, and how might it affect economic growth and income inequality?

As it stands, a potential wealth tax is not currently part of the mandate of the International Tax Task Force, as set out in the original terms of reference.

It is however being discussed at the G20 under the Brazilian Presidency, something which governments like France - one of the task force co-chairs - are supportive of. The task force is keen to ensure all of the potential climate levies it looks at avoid duplication and are complementary to existing initiatives.

TECHNOLOGY

Africa's emerging telcos grapple with brand loyalty, infrastructure costs

— van Breukelen, CEO, Itemate Solutions

• Days of 5 or more telcos servicing a 20m market in Africa are gone

Africa's telecommunications ecosystem is a thriving sphere where a select group of telecom titans, including MTN, Airtel, Safaricom, among others stand as beacons of Africa's economic and social evolution. These telcos have provided connectivity to hundreds of millions of individuals long left in the dark by a lack of robust fixed broadband and fibre connectivity.

However, as Africa's telecommunications sector embarks on a journey of diversification and expansion, an opportunity presents itself for emerging telcos to flourish and leave their mark on this dynamic landscape.

ROBERT van BREUKELEN, chief executive officer (CEO) of Itemate Solutions, a leading provider of digital solutions and software platforms, in an interview with Business a.m.'s ONOME AMUGE, shared his expert insights on how emerging African telcos can grasp the opportunity to enhance their offerings and channel the spirit of innovation that drives their dominant counterparts. Excerpts:

Given the dominance of large telecoms players such as MTN, Airtel, amongst others in the African telecom sector, what opportunities and challenges do you think emerging telcos face when seeking to establish a foothold in the African market?

THE AFRICAN TELCO MARKET has rapidly consolidated over the past decade with some telcos merging, large telcos acquiring smaller telcos and inefficient telcos disappearing.

There do appear to be some interesting dynamics taking place with the likes of MTN pulling out of smaller markets (MTN Guinea Bissau and Guinea Conakry operations being sold to Telecel and Telecel having also acquired Vodafone Ghana) which enables "Tier 2" telcos to grow their footprint while the "Tier 1" telcos focus on their bigger markets and moves towards mobile financial services (banking, loans, remittance, insurance, Mobile Money).

We are also seeing governments assisting smaller telcos to upscale and grow their share in the market through preferential pricing and regulations. This could be due to governments having a stake in the telco or wanting to reduce the influence of the larger telcos in their countries. Some larger telcos are more focused on the corporate and higher end customers, thereby leaving an opportunity for emerging telcos to service the lower end of the market: mostly prepaid customers with feature phones.

While there are opportunities for emerging telcos, they will face challenges entering markets particularly due to brand loyalty (many of the biggest brands in Africa are telcos) and infrastructure costs with bigger competitors rolling out 5G.

Do you think there is still space for more competition in the African telecoms industry, or is market consolidation likely to be the long-term trend?

There is space for more competition in certain markets. However, I believe the days of five or more telcos servicing a market of 20 million are gone. We have seen Ethiopia issue a licence to Safaricom, removing Ethiotel's monopoly. Safaricom will face an uphill battle capturing a large portion of the market given the government's stake in Ethiotel.

Consolidation is more likely to be that of telco groups with a regional focus rather than the land-grab we saw in the 1990s and early 2000s. Consolidation within countries will continue in some markets but these aren't always successful such as is the Tigo/Airtel consolidation in Ghana.

How can smaller, emerging telcos leverage innovative solutions and technologies to carve out a niche in the African market, particularly for underserved communities?

A great initiative that we at Itemate are piloting with Mellowvans is providing telcos with an affordable and durable electric vehicle which is fitted with a tablet that runs the point of sale solution. The vehicle, with a range of over 130 kilometres, and featuring spacious and secure storage, provides the telco with a mobile store which can go to more remote areas rather than customers travelling to brick-and-mortar stores and queueing for hours.

What strategies can emerging telcos implement to improve their point-of-sale capabilities, both in terms of efficiency and customer experience? How can they leverage new technologies and analytics to provide a better in-store experience?

Telco stores/service centres have long queues where customers can sit for hours before being serviced by an agent. Traditionally, a telco agent can alternate between a dozen or more systems to service customers. This is inefficient and time-consuming.

A streamlined point of sale that provides a single interface for all types of sales and services that a customer might require can dramatically reduce the time required to service customers. This reduces queueing time, improves customer experience and enables more customers to be serviced in a day. Many point of sale solutions don't cater to the specific needs of the telco industry and their customers. Itemate's point of sale solution is built-in and is specifically created for the telco industry with robust integrations to other platforms (Mobile Money, CRM, Postpaid) provides many benefits.

This includes extensive Reporting capabilities and Dashboards that provide real-time sales and inventory data as modules providing the telco with the analytics and insights to drive more sales and efficiency.

What solutions can emerging telcos deploy to mitigate the risks associated with SIM recycling and ensure customer data is securely handled? How can they balance the need for profitability with the need to respect customer privacy and trust?

Many smaller telcos manage their numbers and the recycling thereof manually. This does increase the risk of numbers being recycled incorrectly resulting in customer dissatisfaction and reputational risk.

Also, as telcos offer a wider range of services, particularly mobile financial services, telcos need to be even more thorough in ensuring the accuracy of the number recycling. In the past when phones were used for basically calls and SMSs, recycling a number incorrectly would result in a user not being able to make a call until it was resolved. Now, a user might not be able to access their Mobile Money until it is revolved. Not being able to access one's money has a much bigger impact than not being able to make a call. Automating the number management and recycling using a system such as Itemate's Number Management solution ensures 100 percent control and accuracy of numbers and recycling.

What steps can emerging telcos take to build and maintain strong, long-term relationships with their dealer networks?

Telcos rely heavily on their dealer networks to access a broader market while not having to be present in these areas. This is done through selling to dealers at a discounted rate and these dealers sell to customers from their stores or kiosks. However in many instances the telco has no view of their dealers activities after the dealer has left with their stock.

Providing dealers with a point of sale on a mobile phone which is integrated into the telcos systems not only provides the dealer with a business tool but also provides the telco with invaluable data as to the dealers' sales behaviour (where and when they are selling) and inventory levels. This enables the telco to manage their stock and have stock ready for the dealer when the dealer's stock reaches a particular level. The telco is also able to share information and trends to the dealers which the dealer might not have access to.

Given the inherent logistical challenges associated with inventory management, how can emerging telcos in Africa minimise losses and streamline their operations to better compete with larger, more established players?

Inventory management is crucial to any business and telcos are no different. Telcos move large quantities of valuable physical (handsets and SIMs) and virtual (airtime and eSIM) products throughout the country. These are both serialised and non-serialised (quality based). The telco needs to know where every item is at any time. Itemate's inventory management/track and trace solution which is an extension of Itemate's point of sale solution provides the telco with real-time inventory management of every inventory item from procurement to warehouses, stores, cashiers and the sale of the item. Full traceability ensures that there is someone accountable if the inventory goes missing from any location.

How can emerging telcos collaborate with their suppliers and logistics partners to ensure that inventory is securely moved around, and how should they handle instances of theft and fraud?

Any opportunity that again springs to mind is the use of the likes of Mellowvans to move inventory between warehouses and stores. Mellowvans' secure storage, vehicle tracking and onboard digital recording is an ideal solution.

World Bank warns of widening digital gap in low-income nations as connectivity remains elusive

Cynthia Ezekwe

A NEWLY PUBLISHED report from the World Bank Group has shone a spotlight on the deepening digital gap between those who are digitally connected and those who are not, commonly known as the digital divide,seen to be widening at an alarming pace in low-income countries.

The World Bank Group In its report, "Digital Progress and Trends Report 2023," uncovered a troubling trend, indicating that low-income countries are falling further behind in the digital realm, with inadequate digital infrastructure and scarce resources magnifying the digital gap that is hindering development and economic growth.

"Despite the potential of digital technologies to create enormous socioeconomic benefits, their uneven deployment, adoption, and use have created so-called "digital divides" across individuals, businesses, and countries. For instance, in Africa, mobile internet covers 84 percent of the population, but only 22 percent make use of it," the report noted.

The World Bank Group identified a complex web of factors contributing to the underutilization of digital technologies in low- and middle-income countries. These include:

- High costs of devices and digital services, which make accessing and utilizing technology financially unfeasible for many individuals and businesses.

- Limited digital skills, resulting in a workforce that is ill-equipped to effectively use digital tools and platforms.

- Quality of service issues, including poor internet connectivity and unreliable digital services.

- Perceived irrelevance of digital technology, stemming from cultural attitudes and concerns about trust and safeguards.

According to the report, the digital landscape is shifting in striking ways. While middle-income countries are steadily closing the gap with high-income countries in terms of internet usage and penetration, low-income countries continue to struggle, falling further behind in their digital journey.

The World Bank Group also noted that the digital infrastructure divide is especially stark when examining fixed broadband penetration rates by country income groups.In 2022, high-income countries enjoyed a robust fixed broadband penetration rate of 38 per cent, reflecting a mature and well-developed digital ecosystem. Meanwhile, upper-middle-income countries also demonstrated significant progress, with a penetration rate of 31 per cent. In contrast, the fixed broadband penetration rate in lower-middle-income countries languished at a four per cent, highlighting the inadequate digital infrastructure and challenges with affordability in these regions.

"The nearly nonexistent penetration of fixed broadband in lower-middle-income and low-income countries also implies very limited computer use by households and businesses, as desktop computers often use fixed broadband based on its capacity to offer faster speed and lower latency than mobile broadband," the report submitted.

The digital infrastructure disparity is also apparent when analysing internet speed and download rates, with high-income countries pulling further ahead, while low-income countries struggle to keep up. According to the report, internet speeds in high-income countries have continued to improve, outstripping the advancements seen in middle-income countries. Most alarmingly, download speeds in low-income countries even declined between 2019 and 2023, compounding the already sluggish internet speeds and contributing to a significantly inferior user experience.

The World Bank Group report further highlighted the widening gaps in data traffic per capita, revealing stark divisions in the ownership and utilisation of devices, the quality of connection, and affordability. While smartphone adoption is steadily converging in high-income and middle-income countries, low-income countries continue to lag behind, with substantially lower device ownership rates. Moreover, the quality of connections in these regions is typically inferior, with patchy coverage and unstable internet speeds.

The report underscored affordability as a key factor exacerbating the divide in smartphone adoption across countries, particularly for those living in low-income areas.

It also noted that even entry-level smartphones remain prohibitively expensive for the lowest-income segments of society, often exceeding 14 per cent of their annual income. For those subsisting on less than $2 per day, such prices are simply out of reach, reinforcing the existing digital divide and impeding the potential benefits of digital connectivity.

Beyond smartphones, the report also highlighted the disparities in computer ownership, revealing a striking contrast between high-income and low-income countries, as well as urban and rural households. According to the report, countries like Australia, Belgium, Estonia, Israel, Japan, and Poland enjoyed computer ownership rates of over 80 per cent, with minimal differences between urban and rural households. In stark contrast, the Kyrgyz Republic, Malawi, Mali, Mozambique, Myanmar, and Nigeria had computer ownership rates of less than 20 per cent, highlighting the vast chasm between high-income and low-income countries.

"Computer Ownership is higher in other lower-income countries, although it is heavily skewed toward urban households, as in Angola, Bhutan, or Niger. In Latin America and the Caribbean, more than half of urban households, on average, possessed a computer or tablet, while only 38 percent of rural households possessed such devices. In rural Colombia, Haiti, and Nicaragua, these devices were present in only about 15 percent of households," it added.

Axel van Trotsenburg, senior managing director of the World Bank, discussed the profound impact digitalisation has had on various aspects of life, opening up new opportunities and possibilities for innovation, efficiency, and inclusion. However, despite these potential benefits, digitalisation's progress and impact have been characterised by significant imbalances both within and across countries.

In his remarks, Trotsenburg highlighted the emergence of a new era in development, where digitalisation is transforming societies and economies at an unprecedented pace.

Governments, as the report underscored, hold an influential position in the process of fostering technology adoption. However, the path to successful intervention is paved with vital considerations. These include identifying specific market failures that warrant government support, accurately quantifying the extent of these failures, and assessing why and under which conditions government involvement can genuinely accelerate adoption without wasteful expenditure of public resources.

The report noted further that affordability of devices is a concrete element that governments can target to close the use gap, reducing the digital underutilization among people who live within range of a broadband signal but do not utilize digital services.

The World Bank Group acknowledged that import duty reductions and tax exemptions, while effective in lowering the cost of devices, carry fiscal implications that must be carefully evaluated.

To this end, it proposed that financing schemes for devices should be structured with a risk-sharing model in mind, allowing various stakeholders to contribute to subsidizing devices for individuals without connectivity. These parties could include device manufacturers, retailers, consumers, app partners, and governments, each of whom have a vested interest in widening the reach of digital technology and encouraging its adoption among those currently without access.

L-R: Grace Idiare, Top 25 Hackaholics 4.0 participant and founder, Varsity Scape; Tunde Mabawonku, executive director, retail and SME, Wema Bank; Damilare Ololade, Top 10 Hackaholics 4.0 participant and founder, University X; Jane Agbahowo, winner of Hackaholics 4.0 and founder, Ireti; Solomon Ayodele, head of innovation, Wema Bank; and Abimbola Agbejule, head of corporate sustainability and responsibility, Wema Bank, at the Wema Bank Hackaholics 5.0 press conference recently at Wema Bank headquarters.

Finance Ministry goes digital in tax exemption oversight with Incentive Monitoring and Evaluation Platform

Cynthia Ezekwe

THE FEDERAL MINISTRY OF FINANCE has unveiled a groundbreaking electronic platform, the Incentive Monitoring and Evaluation Platform (IMEP), to enhance the oversight of tax expenditures related to import duty exemption certificates.

In a recent statement announcing the launch of the IMEP, Wale Edun, minister of finance and coordinating minister of the economy, highlighted the significance of introducing a sophisticated automated tool to the federal ministry of finance.

According to Edun, the objective of introducing the IMEP is to transform the way the ministry measures the impact of customs duty exemptions granted to various entities, including government entities, companies, non-governmental organizations, and international organisations.

Edun further detailed the additional functionalities of the IMEP platform, pointing out the incorporation of innovative features designed to improve the oversight and analysis of customs duty exemption processes.

These functionalities include:

- A duty claw-back mechanism that provides for the recovery of customs duties in cases where exemptions are not utilized for the intended purposes.

- Electronic report generation, enabling the automated creation of reports on customs duty exemptions and their utilization.

- A centralised database for tracking, facilitating the monitoring of the status of exemptions and the compliance of beneficiaries with the requirements.

"One of the critical objectives of the IMEP is to provide a framework that will prevent ineligible applicants from receiving tax benefits, enforce compliance with fiscal policy measures, and offer a comprehensive analysis of the economic impact of tax incentives," the minister noted.

Edun stressed that the IMEP platform is an indispensable tool for enforcing fiscal discipline and accountability in the customs duty exemption process, while also enabling a thorough and analytical evaluation of the economic impact of these incentives.

Specifically,he noted that the system has been crafted with the objectives of checking and restricting ineligible applicants, thus promoting transparency and integrity in the allocation of exemptions. Another objective, he pointed out, is the reinforcement of rigorous compliance with fiscal policy measures, guaranteeing that tax incentives are utilised in line with the government's economic objectives.

The minister noted that the introduction of the IMEP represents a significant step towards reducing the cost of tax expenditure and ensuring that tax incentives have a positive impact on the Nigerian economy. He added that the initiative is part of the government's commitment to fostering transparency, accountability, and efficiency in the management of the nation's resources.

Nigeria redefines AI landscape with indigenous multilingual language model for Inclusive AI

Business a.m.

IN A PUSH FOR THE inclusion of Nigeria's diverse local languages in the Artificial Intelligence (AI) landscape, the country recently unveiled the Nigerian Multilingual Large Language Model (NML2), a flagship project aiming to ensure that indigenous languages are integrated into the nation's AI policy.

The initiative, unveiled during the National Artificial Intelligence Strategy (NAIS) Workshop, is one of several initiatives formulated by over 120 AI experts who assembled to develop a comprehensive national AI policy for Nigeria.

Bosun Tijani, Nigeria's minister of communications, innovation, and digital economy, announced that the Nigerian Multilingual Large Language Model (NML2) will be trained in five under-resourced languages and accented English, seeking to remedy the lack of diverse language representation in existing datasets used to develop AI solutions. Tijani disclosed further that over 7,000 fellows from the Ministry's "Three Million Technical Talent" programme will lend their support to the project.

"The launch of Nigeria's first Multilingual Large Language Model (LLM) through a partnership between @awarritech, @DataDotOrg, @NITDANigeria, and @NCAIRNigeria," the minister stated.

The NAIS Workshop is considered a crucial step in Nigeria's journey towards becoming a leading voice in the global conversation on AI adoption.

Tijani noted that the workshop was instrumental in developing an initial draft of the National AI Strategy, marking a significant milestone in the nation's pursuit of AI advancement.

Building upon the successes of the NAIS Workshop, the minister emphasised the formation of the Nigeria AI Collective and the establishment of a Nigerian computing infrastructure pilot, both significant developments in the nation's pursuit of AI innovation.

The Nigeria AI Collective, as outlined by the minister, will serve as a crucial platform for collaboration and synergy among diverse stakeholders, advancing Nigeria's AI ecosystem through inclusive and sustainable practices.

He stated further: "Our second announcement was the partnership between 21st Century Technologies, @Galaxybackbone and @NCAIRNigeria to accelerate the development of Artificial Intelligence projects of national interest.

"21st Century Technology is funding the acquisition of an initial set of GPUs to kickstart our national computing capacity. The compute, which will be available to local researchers, startups, and government entities working on critical AI projects, will reside at the GBB Data centre in the FCT."

As Nigeria prepared to host the NAIS Workshop, Tijani asserted the country's need to be at the forefront of AI development and governance, emphasizing the vital role of a comprehensive national strategy in achieving this goal.

Tijani underscored the urgency of action, highlighting the imminent convergence of AI systems across the globe and the importance of Nigeria's involvement in this critical domain to ensure the country's voice is heard in shaping the future of AI development and regulation, as well as its role as a potential global superpower in this regard.

Nigerian student pioneers agritech solution to address agricultural challenges in Africa

Cynthia Ezekwe

SMART ISRAEL, NIGERIAN student at the African Leadership University (ALU), has created Smartel Agric-tech, an innovative tool that seeks to revolutionise African agriculture and promote global progress toward meeting the United Nations' Sustainable Development Goals (SDGs).

Data from McKinsey highlights Nigeria's immense untapped agricultural potential, largely due to prevailing challenges surrounding productivity, infrastructure, and access to financial resources. The country's agricultural sector, which accounts for a significant 22.3 per cent of Nigeria's GDP and provides employment for around 70 per cent of the nation's workforce, is yet to realise its full potential, despite the vital role it plays in the country's economy.

Determined to address these challenges and unlock Nigeria's full agricultural potential, Smart Israel developed Smartel Agric-tech, an innovative solution utilising advanced hydroponic technology and artificial intelligence (AI). The revolutionary technology is designed to build climate-resilient food systems, providing an efficient, sustainable solution to the issue of food shortages that has long been a problem in Nigeria.

Smartel Agri-tech is breaking new ground in Nigeria's agricultural sector, bringing forth much-needed change in the areas of food security and economic empowerment. By offering a climate-resilient alternative to traditional agricultural practices, which often depend on unpredictable weather patterns and can lead to land degradation, deforestation, and increased carbon emissions from food transportation, Smartel Agritech is providing a greener, more sustainable approach to food production.

Israel highlighted the remarkable advantages of hydroponic systems, which enable farmers to cultivate crops year-round, independent of weather conditions and local geography. This, he explained, means that even in arid regions and densely populated urban areas, where conventional agriculture is impractical, fresh and healthy food can be grown locally, improving food security for smallholder farmers and their communities.

The ALU student explained that Smartel's container systems leverage hydroponics to grow crops indoors using a nutrient-rich water solution, eliminating the need for traditional soil-based farming. Equipped with advanced smart irrigation and IoT sensors powered by artificial intelligence, these systems effectively monitor and regulate water consumption, resulting in optimal crop growth using only 10% of the water required in conventional farming methods.

Data & Information Governance Insight

PETs as guardians of our digital world

MICHAEL IRENE, PhD

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PRIVACY-ENHANCING TECHNOLOGIES (PETs) are poised to transform how we manage and protect our digital interactions, blending seamlessly into our daily professional lives. The advancements in homomorphic encryption, federated learning, and multiparty computation are set to revolutionise the safeguarding of sensitive data, offering both security and functionality without compromise. Here's a deeper look into how these technologies will impact the lives of three individuals across different professions.

Sarah, who owns a small business, has always been cautious about managing her company's financial data. With businesses increasingly relying on cloud computing, the risk of sensitive information becoming vulnerable is a major concern. The introduction of advanced homomorphic encryption changes the game for Sarah. This technology allows data to be processed while remaining encrypted, enabling Sarah to perform complex financial calculations and forecasts without ever exposing the actual data. Even in the event of a data breach, the information remains encrypted and indecipherable to unauthorised parties. For Sarah, this isn't just a technological upgrade; it's a crucial layer of security that brings peace of mind in her daily operations. Her ability to maintain the confidentiality of her financial projections and strategic decisions gives her a competitive edge in a cutthroat market.

Meanwhile, Alex, an IT manager at a city hospital, faces the challenge of protecting patient data — a task that is both critical and complex given the sensitive nature of medical records. Federated learning emerges as a key player in 2024, empowering Alex to enhance patient privacy while still contributing to collaborative medical research. This technology enables hospitals to participate in developing a shared AI model that improves the prediction of patient treatment outcomes. Instead of sharing patient data, each hospital updates the AI model locally, and only this updated model is shared centrally. For Alex, federated learning means he can ensure the hospital reaps the benefits of collective medical advancements without compromising the privacy of patient information. It streamlines collaboration across institutions, fostering a new era of innovation in healthcare while strictly adhering to privacy regulations.

Lastly, Jamie, a researcher collaborating on international drug discovery projects, benefits from multiparty computation. This technology allows her to share valuable research data with global teams without revealing the data's original format or sensitive details. Jamie and her colleagues can analyse collective data and gain insights without actual data exchange, ensuring the original datasets remain confidential and secure. Multiparty computation not only facilitates Jamie's research but also protects the integrity and privacy of the data involved. This capability is particularly crucial in her field, where data sensitivity and security are paramount, and any breach could have significant ethical and competitive repercussions.

The integration of these privacy-enhancing technologies into everyday scenarios highlights their importance not just as tools, but as essential protectors of our digital lives. For professionals like Sarah, Alex, and Jamie, PETs offer more than security — they ensure peace of mind, enabling them to perform their roles effectively while trusting that their critical information remains safe and private. These technologies are transforming the landscape of digital privacy, ensuring that as our reliance on technology grows, so too does our ability to protect ourselves within this digital world. As we continue to explore the possibilities of a digitally driven future, the role of PETs in providing a secure foundation cannot be underestimated, acting as the silent guardians of our digital interactions and integral to our online safety and privacy.

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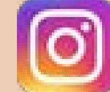
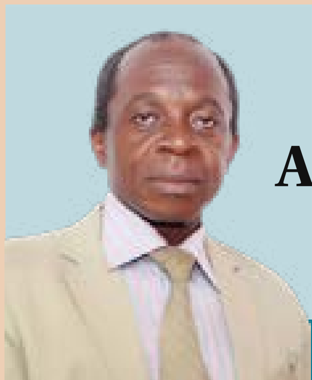
businessamlive @Businessamtweet  @businessamlive1 businessamlive Media



Africa & Global Observatory

OLUKAYODE OYELEYE

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South Africa and the renaissance of xenophobia

ALL POLITICS IS LOCAL, after all, and South Africa's politics is typical. In a country where the new high road to power is the street and the new sentiment for seizing power involves suborning local people and inciting them against migrants, politics is taking the rest of the country down the path of irreversible decline. While an average South African may live in denial of the problem or choose to construe it entirely differently, the reality is that South Africa is steadily losing it and may come to terms with this sooner than later. South Africa's crisis is further complicated among its people by the deliberate distortion of facts, particularly those involving its history, economy and politics.

Mantras and messages that evoke strong sentiments and tend to obliterate an understanding and good grasp of the true causes of South Africa's problems appear to have been inordinately and disproportionately promoted by politicians and accepted as the inviolate truth by the people. Those politicians have successfully found what to blame in their crude attempts to garner and sustain huge followership. The meteoric rise of Jacob Zuma to the presidency of South Africa typifies a case study of South Africa's deterioration on many fronts. The social and economic decay Zuma presided over during his nine years in office – from May 2009 to February 2018 – nearly totally eclipsed the positive achievements attributable to his indigenous predecessors.

Zuma rode to power on the back of his charisma and street smartness. Unfortunately, however, neither of the two could sustain him till the end of his tenure nor helped in making him a good president in office. Zuma reportedly latched on his huge support in the ruling African National Congress (ANC) to hasten Thabo Mbeki's exit from office as a president that had a very feeble and thin political support base, quite unlike Nelson Mandela, his former boss and predecessor in office. Kgalema Motlanthe who took the reins of office in September of 2008 had to step down in May 2009 when Zuma took over. Before the end of Zuma's own regime, his ruling ANC had to ignominiously push him out of office to save the party that was evidently coming to ruins as it was already widely recognised as notorious for its many transgressions, chiefly corruption within.

It was becoming obvious that the ANC – a party that has been in power since Mandela took office in 1994 till now – was gradually losing appeal. Since nature abhors vacuum, other political groups became potential replacements. One of them is the Economic Freedom Fighters (EFF), a party led by Julius Malema, a dogged, indomitable and fiery campaigner against the White domination of South Africa's economy and previous political influence. Malema's harsh rhetorics found acceptance among many South Africans. More recently, another pressure group that is turning political has found its own niche in South African politics. The group, popularly known as Operation Dudula, is currently gaining wider appeal and followers. Its only one central message is the eviction of foreigners, particularly migrants from other African countries. Although that message did not start with Operation Dudula, it blossomed under Zuma's regime.

Under Zuma's watch, South Africa slid into an economic downturn that still plagues the country till now. The tendencies to violence against foreign nationals have been blamed on Zuma himself who was adjudged as being less than welcoming to foreigners. Malema of EFF accused Zuma of leading South Africans to believe that violence is the solution to their problems. He said "there is no country in Africa that can survive in isolation." But his statement was at variance with that of a traditional ruler who was supposed to rally people together. The speech made in March 2015 by the Zulu's king, Goodwill Zwelithini, was unequivocally xenophobic. His statement, made in isiZulu, contained clear instructions. "We ask foreign nationals to pack their belongings and go back to their countries," he was quoted as saying. In essence, it seems like many South Africans of low and high estate still carry over the racist mentality from the years of Apartheid rule. And this seems like finding expression in the violent reactions, especially to foreigners in their country. Coming from politicians and traditional authority is enough motivation to further promote intolerance and violence against the foreigners. And now, a pressure group is all out to give vent to this in the form of a political agenda.

Retaliation could cost South Africa dearly, and excessive fixation on migrants to the exclusion of other causes of their economic crisis could negatively affect the impression about and relationship with South Africans living elsewhere in Africa as people could single out South Africans and their businesses for violent attacks in those countries where they reside. It began to happen in the aftermath of the 2019 xenophobic attacks on non-South Africans. In Lagos, one highbrow outlet of Shoprite supermarket chain was destroyed by angry youth in a reprisal attack against South Africa for attacking Nigerians living in that country.

With "Operation Dudula," in a matter of time, South Africa will very likely lose its "rainbow" colour. And that loss will emanate from toxic local politics arising also from hostile sentiments and intolerant rhetoric, ushering in a new wave of xenophobia. It could become a pariah nation. The case of Operation Dudula is a single-message barefaced onslaught against Africans of other nationalities other than South Africa. The vigilante group that has metamorphosed into a political party has apparently found a rallying point in the message that their name connotes. Dudula, in Zulu language, means to "force out," "push out" or "knock down" and refers to the movement's goal to expel migrants. The group, undoubtedly, thrives on unsubstantiated claims, rumours and fear mongering to manipulate the sentiments of South African citizens, blowing the foreigners' offences out of proportion and blaming the presence of migrants for many of South Africa's social issues. On the accusation of citizens' unemployment attributed to foreigners, it is important to put the migrant population in perspective. It is true that there is a steadily rising unemployment in South Africa and about a third of South Africans have been unemployed since 2021, causing widespread suffering for the population.

But South Africa's current population is estimated at 60 million people, whereas the highest number of immigrants as of July 2020 was 2.9 million people, by one estimate, approximately five percent of the country's population and thus the highest percentage of migrants compared to the total population of any African country. Results from Census 2022 showed that the SADC region remained the dominant source for international migrants, contributing 83.7 percent of the total migrant population, which has probably not increased since the xenophobic showdown of 2019. Another source has it that, with one in three South Africans unemployed, South Africa has been described as one of the most unequal societies in the world. But the number of migrants living in South Africa has been grossly exaggerated. A 2022 report by the Institute for Security Studies (ISS), an independent research organisation based in the capital, Pretoria, showed that there are about 3.95 million migrants in South Africa, making up 6.5 percent of the population, a figure considered in line with international norms.

Operation Dudula was established in Soweto – a township of Johannesburg – in June 2021. It emanated from an online solidarity movement called "Put South Africa First" on X, formerly known as Twitter, in 2020 during the COVID-19 pandemic. Many of its members are unemployed and disgruntled young people who have credited Operation Dudula for being more effective than the government in getting rid of undocumented migrants. Their understanding of South Africa's post-Apartheid history is warped and incomplete and could have been intentionally so as many of them grew up through the early years of the political transition from White minority rule to black majority rule. They are building on the history of events that started shortly after the end of the Apartheid rule. The upsurge in migrants' population then arose from the new hope the citizens from many other countries found in South Africa, which motivated them to move over there, seeking opportunities for better living.

The South African anti-migrant group was the first to formalise what took the form of sporadic waves of xenophobia-fuelled vigilante attacks in South Africa that began shortly after white-minority rule that ended in 1994 when South Africans began to see many foreigners of African origin coming from other African countries. Since then, there have been bouts of xenophobic attacks from time to time. The hatred for migrants cuts across various social strata. The xenophobic rhetoric used by some public officials, politicians and anti-migrant groups has helped sustain the myth that the country is already overrun with migrants. Former president, Zuma, was a role model in this camp. The rise of this group also feeds on the decline of ANC. Current polling suggests that support for the governing ANC – the party that was once led by Mr Mandela – could fall below 50 percent for the first time. This might create opportunities for Operation Dudula to gain more followers as it aims to contest this year's general election, in which case it will probably latch onto ANC structure and diminish its membership. However, the fact that Dudula is now being registered as a political party does not automatically guarantee that it will be allowed to run in an election, let alone win. But, should it be on the ballot, it might corner appreciable positions and become a political party with some official influence.

Operation Dudula members, finding a common ground in the hate message and conspiracy against foreigners, voted Zandile Dabula as president in June 2023. "Our country is a mess," she said, surmising without any proof that "foreign nationals are working on a 20-year plan of taking over South Africa." With the rise in popularity of Operation Dudula and its fixation on accusations against foreigners, just like many other notable political figures, it seems very unlikely that South Africa will find any meaningful solution to the lingering and rising problem as one of their members reportedly said that "most of the drug addicts are South African rather than foreign nationals." She argued that the foreigners "are feeding our own brothers and sisters" with drugs "so that it can be easy for them to take over" South Africa. They seem misled and obsessed with the accusation that people who sell drugs are not South African citizens but rather citizens from countries such as Ethiopia, Malawi, Somalia and Zimbabwe.

They fail to reckon that a bulk of revenues accruing to South Africa's economy emanate from South African companies' investments in many of the countries of origin of the migrants. For instance, a South African hospitality enterprise, running chains of hotels, a major telecom company operating in many African countries, an entertainment company that has continental coverage, a supermarket chain, and many more are from South Africa.

The prospects of Operation Dudula in government in South Africa looks scary, especially if they control the levees of power at the centre. It looks like their mission could cost South Africa dearly, especially if Operation Dudula wins and has some notable representatives in office after the election. Altogether, the prognosis of South Africa looks gloomy if power goes into the hands of Operation Dudula. It could begin a process of rapid and irreversible decline of a country hitherto held as Africa's economic powerhouse. It could signal the beginning of the end for South Africa's prospects for economic growth and expansion as other countries are very likely to reciprocate in kind against South Africa. In this case, diplomatic relations and economic cooperation could become strained and development could be further slowed down. For now, we are observing the direction to which South Africa would drift.

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