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NNPCL & Dangote's no love lost

THE NO LOVE LOST RELATIONSHIP between state-owned oil company, Nigerian National Petroleum Company Limited (NNPCL), and Africa's new kid on the block refining giant, Dangote Refinery and Petrochemical Limited, has now boiled over from crude supply...

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@60 AfDB boosts Africa's investment

THE AFRICAN DEVELOPMENT BANK (AfDB), Africa's premier multilateral financial institution, has marked its diamond jubilee with a resounding commitment to leading the continent's march towards a transformational and...

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COMMENT

Oramah's insights into Africa's energy future

AHEAD OF THE NOVEMBER 2022 United Nations Climate Change Conference (more commonly known as COP27) in Egypt, Dr. Benedict Oramah, president and chair of Afreximbank, authored a thoughtful and compelling commentary about the economic and social...

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Nigeria's Financial & Business Newspaper
Monday, September 16 - Sunday, September 22, 2024 www.businessamlive.com
business a.m.
TOWARDS MORE EFFICIENT MARKETS

Aig-Imoukhuede, Dangote co-founded ABCHealth leads malaria alliance, CAMA

- Access Bank, Chevron, ExxonMobil, ADF on CAMA's council

BUSINESS A.M.

THE AFRICAN BUSINESS COALITION FOR HEALTH (ABCHealth), a pan-African private-sector driven organisation co-founded by two of Nigeria's global business leaders, Aigboje Aig-Imoukhuede and Aliko Dangote, is now to lead-manage the global initiative against malaria in Africa known as the Corporate Alliance on Malaria in Africa (CAMA), it has emerged.

CAMA, once led-managed in New York, the United States by Global Business Coalition for Health (GBCHealth), has seen its organisational secretariat turned over to ABCHealth, which a statement issued over the weekend by the latter described as marking "a pivotal moment in our journey towards enhancing health systems across the continent."

Business a.m. learnt that do-

Aigboje Aig-Imoukhuede

Aliko Dangote

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Experts offer Tinubu elbow room to escape fuel subsidy policy risks

- Urge rethink amid macroeconomic upheavals
- Energy, economic experts on policy, governance
- Say economy, most vulnerable Nigerians hit hard

L-R: Tola Akerele, chief executive officer, National Theatre; Obi Azika, director-general, National Council for Arts and Culture; Hannatu Musawa, minister of art, culture, and creative economy; Faiz Imam, principal adviser to the minister of art, culture and creative economy; Aliyu Nuhu, managing director, Nigerian Film Corporation; and Moriam Ajaga, special adviser to the minister of art and culture, during the investors round-table with the minister in Lagos, recently

IMAGE BY PIUS OKEOSISI

ONOME AMUGE IN LAGOS, NIGERIA

PRESIDENT BOLA TINUBU'S administration has come under mounting pressure from economic and energy experts to revisit the fuel subsidy removal policy. As the current reforms continue to evolve, the experts insist that flexibility in policy implementation is crucial in ensuring the policy aligns with the realities on the ground, not only for the sake of the Nigerian economy but also to protect the most vulnerable segments of the population from the negative impacts of these changes.

The experts offered their insights and proposals to address fuel price instability and the controversial policy reforms implemented by the government during the third-quarter of the

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TRAVELLER & HOSPITALITY

Boost for Nigeria airline business

A MAJOR BOOST HAS BEEN given to airline business in Nigeria as the country has made history by becoming one of the few countries in the world to pioneer the issuance of 'Practice Directions' by the...

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Blockchain for brighter economy

BLOCKCHAIN TECHNOLOGY IS POISED to bring significant change to Nigeria and the African continent, transcending its trendy sta-

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Food insecurity amid Borno floods

NIGERIA IS REELING FROM THE catastrophic collapse of the Alau Dam in Borno State, an event that has left the region battling the worst flooding since the dam's...

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Tracking Air Quality the Right Way

CHENNAI/MUNICH – Every year, the World Health Organization summarizes global progress on malaria control. It details the number of cases in affected countries, shows year-on-year changes, outlines goals, and assesses the current funding landscape. The United Nations puts out a similar annual report for...

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Experts offer Tinubu...

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Policy and Governance Discussion Platform Roundtable, held over the weekend via Zoom and monitored by Business a.m.

The discussions, moderated by Uche Uwaleke, a professor of capital market and finance at the Nasarawa State University, addressed the theme "Nigeria and the Fuel Price Conundrum: Mitigating the Risks to Macroeconomic Stability."

The recommendations highlighted included, among others, improving the nation's refining infrastructure and privatising existing refineries, in an effort to address the challenges of fuel price stability in the country.

Cognisant of the need to shake off Nigeria's dependence on imported fuel and boost the country's financial health, the experts proposed a two-pronged approach: privatisation of existing refineries and a dedicated effort to identify and address revenue leakages. This, they argued, would set the stage for a self-sufficient domestic fuel supply and improved fiscal liquidity in the country.

Setting the stage for the roundtable discussions, Babafemi Badejo, a political scientist and lawyer, who chaired the event, observed that Nigeria's economy has long been heavily dependent on oil and gas, with fuel subsidies becoming a lightning rod issue that impacts all aspects of the country's economic fabric, from inflation and the cost of living to government revenue, foreign exchange reserves, and the shaping of fiscal policy.

"The fuel price conundrum, especially since the epic Subsidy-is-gone pronouncement by President Bola Tinubu, has been a long standing issue that touches all facets of our socio economic fabric from inflation and cost of living to government revenue, foreign exchange reserves and fiscal policy formulation, and not to forget the impact of all these on our foreign exchange rate," he said.

Expounding on the multifaceted role of subsidies in modern economic policy, Badejo explained that around the world, governments have leveraged subsidies as a tool to shield their citizens from the vagaries of fluctuating prices in various sectors, be it agriculture or energy.

The political scientist further elaborated that the decision on which sector receives subsidies and to what extent is a delicate balance of power dynamics within society, where the interests of various stakeholders must be carefully weighed and calibrated

Badejo drew attention to the thorny issues surrounding Nigeria's fuel subsidy regime, raising concerns about the systemic challenges it poses, including corruption, mismanagement, and a selfish mentality among a select few benefactors who exploit the nation's finite yet precious energy resources at the expense of over 200 million people.

He stressed that while fuel subsidies have provided short-term relief to Nigerians, the issue is not inherently with the subsidy itself but with the manner in which it has been implemented and the vested interests that have abused it, causing significant turbulence in the country's economy.

Muhammad Sagagi, an economist and development consultant, in his lead presentation, observed that President Bola Tinubu, at the helm of Nigeria's leadership in 2023, faced a daunting economic challenge.

Sagagi highlighted that the country was in the midst of an unprecedented economic uncertainty and multiple underlying issues, such as low economic growth, a constrained job market, widespread poverty, and price disruptions caused by multiple exchange rates.

According to Sagagi, in the midst of these challenges, President Tinubu found himself tasked with the challenge of leading a struggling nation with a weak economy.

While acknowledging President Tinubu's determination in tackling the economic conundrum, the economic expert nevertheless noted that the president's approach to market-based reforms was fraught with challenges.

Sagagi observed that despite President Tinubu's swift and bold initiatives, these were not part of a well-defined reform agenda that would have brought them together in a unified, cohesive manner. As a result, the president's initiatives were not working harmoniously in a coordinated fashion, according to Sagagi's assessment, leaving the overall reform effort in a state of disarray.

Sagagi pointed out a second critical shortcoming in President Tinubu's market-based reforms: a narrow focus on widening the fiscal space to address the country's fiscal uncertainty, at the expense of broader objectives that could have fuelled economic growth and stability.

In the economist's view, by solely concentrating on the fiscal space, President Tinubu missed an opportunity to pursue additional noble objectives that could have balanced the short-term imperative of fiscal stability with the long-term need for robust growth and macroeconomic stability.

Sagagi enumerated yet another crucial flaw in the president's reform efforts, highlighting the absence of thorough diagnostic assessment

L-R: Tony Elumelu, chairman, United Bank for Africa (UBA) Plc, and founder, Tony Elumelu Foundation (TEF); Vice President Jeremiah Kpan Koung of Liberia; Vice President Kashim Shettima of Nigeria; Pius Olanrewaju, president, Chartered Institute of Bankers of Nigeria (CIBN); and Atiku Bagudu, minister of budget and economic planning, during the opening ceremony of the 17th Annual Banking and Finance Conference in Abuja, recently.

and adequate consultation in the process.

Furthermore, he identified the lack of adequate sequencing as a significant pitfall in the president's reforms.

In the economist's view, unleashing market forces to determine prices for petroleum products, the currency, and electricity, without due consideration for their synergies and interdependencies, or their potential impact on fiscal and monetary policies, can negate the positive effects of individual policies.

"What we saw from this administration is a lot of excitement and unbounded optimism. The result of which we overestimated the efficiency of the reform measures and underestimated the deliverable challenges. We had insufficient accurate and timely information on the benefits and the risk," he noted.

Adding to his analysis of President Tinubu's reforms, Sagagi pointed out that the government's strategy was a blend of orthodox policies that had inadvertently created new problems, and that the administration was struggling to maintain consistency in its messaging regarding price controls.

The government's approach, according to him, was often combative and forceful in dealing with opposition, while there was an alarming dearth of transparent and open communication with the public regarding the reforms and their implications.

Sagagi underscored the crucial role of politics in Nigeria's subsidy regime, stating that those who reap benefits from the current system would fiercely resist any attempts to dismantle it.

Sagagi implored the government to revise its reforms in light of emerging realities, emphasising that flexibility and adaptability are vital leadership qualities.

While acknowledging the need for Nigerians to accept fuel subsidy removal as a necessary step towards a more sustainable future, he argued that the government's first priority should be to develop a comprehensive and transparent fuel subsidy policy.

The economist also called for a shift away from the current system of haphazard palliative distribution "where money is being shared all over the place", and proposed a more comprehensive and sustainable approach to poverty reduction. He suggested that the government should prioritise human capital development, job creation, and infrastructure development in rural areas, with a focus on long-term solutions that go beyond short-term financial handouts.

In his presentation, Tope Fasua, special adviser on economic affairs to the president in the office of the vice president, identified the critical role of the private sector in the rejuvenation of Nigeria's oil refining sector.

Fasua maintained that the private sector's involvement in refining was instrumental in repositioning the sector, and he insisted that the impact of the fuel subsidy removal was already evident in the economy.

Fasua underscored the imperative of cushioning the impact of fuel subsidy removal on Nigerians. However, he cautioned against a blind reliance on direct cash transfers, advocating for a more strategic approach focused on investment in sectors with high potential for value addition, such as agriculture and other productive industries.

In Fasua's view, this alternative approach to subsidies would not only provide immediate relief to the most vulnerable but also lay the groundwork for long-term, sustainable economic growth and job creation in Nigeria.

Dwelling on the critical need for systemic change, Ifueko Okauru, a former chairman of the Federal Inland Revenue Service (FIRS), underscored the vital role of leadership, both at NNPCL and beyond, in resolving the myriad challenges facing the country.

According to the strategy and change management consultant and entrepreneur, while reforming NNPCL is a crucial step, it is only the first of many necessary adjustments to the national leadership structure to tackle the broader issues confronting Nigeria.

She urged policymakers to recognise that dynamic leadership must be fostered across multiple levels of government and the private sector, with a focus on addressing the issues hindering Nigeria's development beyond just the oil sector.

Okauru further argued that the solution to Nigeria's issues transcends mere organisational reform at NNPCL. Instead, she underscored the need for the president to set a powerful example of leadership and accountability, steering the nation's efforts towards greater transparency and efficiency.

Adding to the discussion, Kelvin Emmanuel, an energy economist, weighed in on the crisis plaguing the oil sector and placed the blame largely on the Nigerian National Petroleum Company Limited's (NNPCL) lack of transparency and accountability.

Emmanuel emphasised the need for urgent and comprehensive reform within NNPCL, while also stressing the importance of implementing holistic measures that would mitigate the fuel price crisis without causing adverse effects on macroeconomic stability.

Aig-Imoukhuede...

continued from page 1

miciling CAMA's operational and organisational management in Africa was only a natural progression in a transitional arrangement that GBCHealth always had in place to bring it to the home continent where the issues being addressed are located.

"This appointment is a key milestone in GBCHealth's plan to transition its work to being fully African led. Placing the leadership and management of CAMA within ABCHealth is a testament to its Theory of Change in Cultivating Partnerships and Mobilising Private Sector resources to improve healthcare in Africa and change the way it works," ABCHealth said.

CAMA was set up to mobilise the private sector to drive impactful partnerships for malaria control and elimination in workplaces and communities, creating opportunities for the private sector to engage with peers and with leaders from governments, NGOs, academia, and other sectors to scale impact in the fight against malaria, according to an explanatory note seen by Business a.m. ABCHealth further stated that in taking over the Secretariat for CAMA, it will be building on the successes achieved over the past 17 years, "providing value to its members in relevance and scaled impact in the fight against malaria."

Co-founded by lawyer-banker and financial services sector leader, Aigboje Aig-Imoukhuede, chairman of Access Holdings Plc and Coronation Group, and consummate industrialist and Africa's richest man, Aliko Dangote, president and chief executive officer of Dangote Industries Limited, ABCHealth was set up to work closely with Africa's private sector leaders as well as global organisations to help improve the health and well-being of all Africans.

ABCHealth said in its statement that the new charge to lead CAMA and its esteemed member organisations, as well as the wider malaria ecosystem, to collaboratively control and eventually eliminate malaria across the continent, is a responsibility it was proud to take on.

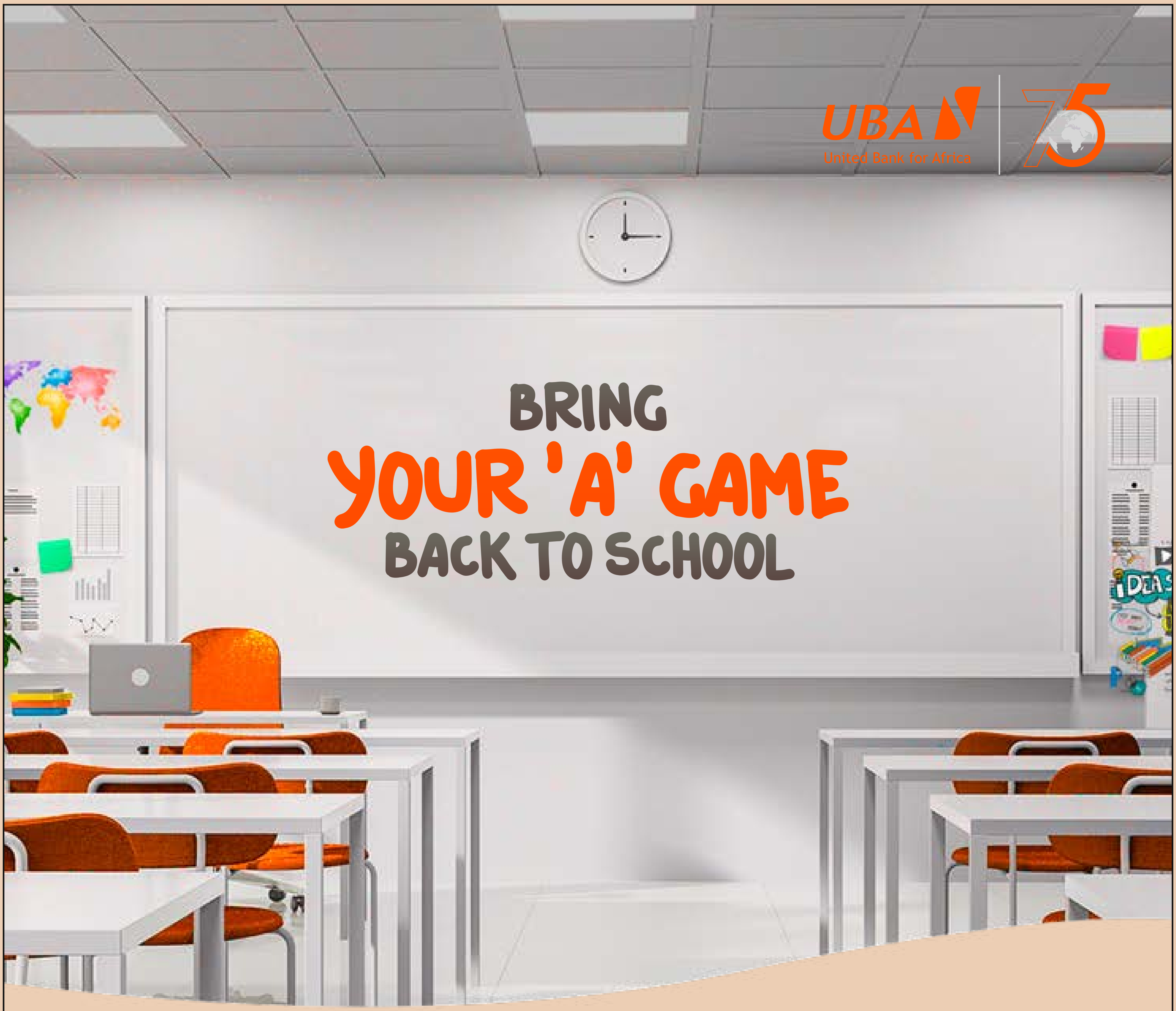
Aigboje Aig-Imoukhuede, who is also the founder and chairman of the Aig-Imoukhuede Foundation also chairs ABCHealth, amongst other philanthropic roles, speaking on the development said: "The current challenges facing Africa's healthcare and its disproportionate disease burden reinforces the strong business case for private sector engagement in health. The transition of CAMA to ABCHealth is a further opportunity for partners in both public and private sectors to collaborate towards improved health outcomes across Africa."

Also commenting, Zouera Youssoufou, the chief executive officer of Aliko Dangote Foundation (ADF) and board director of ABCHealth expressed her delight about the move.

"Our principal and ABCHealth co-founder, Alhaji Aliko Dangote, who is also the chair of the End Malaria Council in Nigeria, looks forward to seeing a scaling up of the impact of CAMA in Africa now that the organisation will be fully led by Africans."

Mories Atoki, chief executive officer, ABCHealth, speaking on the new challenge, said: "Our Coalition is fully committed to moving CAMA further. We recognise the impact of members' activities, and look forward to working with all of them as well as with new members in the coming year and beyond.

We recognise the unwavering support of CAMA's Leadership Council (Access Bank, Chevron, Aliko Dangote Foundation, and ExxonMobil) during this transition and their continued commitment to the Alliance's goal of a Malaria-free Africa."



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Nigeria's trade surplus soars 33.63% to N6.95trn in Q2'24

Onome Amuge

NIGERIA'S EXTERNAL SECTOR performance continued to show growth in the second quarter of 2024, as the country's foreign trade surplus increased by 33.63 percent from the previous quarter to N6.95 trillion. This improvement, combined with the surplus of N5.19 trillion recorded in the first quarter of 2024, brought the total foreign trade surplus to N12.14 trillion in the first half of the year.

The latest foreign trade statistics released by the National Bureau of Statistics (NBS) reveal that fuel products emerged as the top imported goods in Nigeria, highlighting the country's continued reliance on energy imports.

The NBS quarterly foreign trade statistics revealed a drop in the value of other oil product imports for Nigeria in Q2 of 2024, with a recorded value of N4.425 trillion, down by 23.34 percent from N5.772 billion in the first quarter of 2024. Despite this decline, the value of the oil products remains significantly higher than the corresponding period in 2023, marking a 98.64 percent rise from N2.23 trillion recorded in the second quarter of 2023.

According to the NBS, Nigeria's overall import bill for the second quarter of 2024 stood at N12.47 trillion, a decline of 10.71 percent from the previous quarter, which saw a total import value of N13.97 trillion.

Despite the overall decrease in import values, the imports for the second quarter of 2024 reflected a 97.93 percent increase when compared with the corresponding quarter in 2023, which recorded a total import value of N6.3 trillion.

R-L: Muhammed Sani Kalla and Sam Olumekun, national commissioners, Independent National Electoral Commission (INEC); Benedette Udoh, electoral officer, Oredo Local Government Area of Edo State; and Mahmood Yakubu, chairman, INEC, during the chairman's visit on readiness assessment of the 2024 Edo Governorship Elections, held at Oredo Local Government Area of Edo state, recently.

The statistics agency indicated that the Q2 2024 trade surplus recorded a 6.60 percent increase from the previous quarter, signifying an improvement in the country's export performance despite a moderate decline in total merchandise trade.

The NBS also reported that total merchandise trade in the second quarter of 2024 amounted to N31.89 trillion, marking a 3.76 percent decline compared to the first quarter of 2024. However, this figure also represented a 150.39 percent increase from the corresponding period in 2023.

The NBS report read, "The share of total imports accounted for 39.11 percent of total trade in the second quarter of 2024 with the value of imports amounting to N12.47 trillion in Q2, 2024. This value indicates a decrease of 10.71 percent over the value recorded in Q1 2024 (N13.97 trillion) and a rise of 97.93 percent compared to the value recorded in Q2.

"The merchandise trade balance in the second quarter of 2024 remained positive at N6.95tn indicating an increase of 33.63 percent compared to the value recorded in the preceding quarter."

The NBS report demonstrated the export sector's pivotal role in maintaining Nigeria's trade surplus, with total exports for the second quarter of 2024 accounting for 60.89 percent of the country's total trade, at a value of N19.42 trillion.

Compared to the previous quarter (Q1 2024), this represented a modest 1.31 percent increase, signifying sustained momentum in the sector. Further, the Q2 2024 figure marked an impressive 201.76 per cent surge compared to the same period in 2023, indicating a significant improvement in the country's export performance.

The report noted that crude oil exports remained the dominant contributor to Nigeria's overall export earnings in the period under review, accounting for 74.98 percent of the total export value at N14.56 trillion.

Non-oil exports contributed 25.02 percent to the total export value, amounting to N4.86 trillion. Non-oil products, on the other hand, accounted for N1.94 trillion of the total exports.

According to the NBS, Nigeria's total exports stood at N19.42 trillion in the second quarter of 2024, marking a 1.31 percent growth from the N19.17 trillion recorded in the preceding quarter. The upward trend was further evident when compared to the corresponding period in 2023, where the total export value was N6.44 trillion, representing a 201.76 percent increase in the space of a year.

The report also revealed that Spain, the United States of America, France, India, and The Netherlands emerged as Nigeria's top five export partners in Q2 of 2024, with crude oil, liquefied natural gas, other petroleum gases, superior-quality cocoa beans, and urea being the primary traded commodities.

The report indicated that Nigeria's export destinations were largely dominated by European and American countries, with Spain emerging as the country's largest export partner in Q2 of 2024. Spain imported goods from Nigeria worth N2.01 trillion, representing 10.34 percent of the country's total exports.

The U.S emerged as Nigeria's second-largest export partner, importing N1.86 trillion worth of goods, representing 9.56 per cent of the total export value.

France followed closely behind, accounting for 9.37 percent of Nigeria's total exports with a total value of N1.82 trillion. Other key export partners included India (N1.65 trillion or 8.50 percent) and the Netherlands (N1.38 trillion or 7.10 per cent)

Elumelu seeks national strategy to tap Nigeria's wealth for shared prosperity

Business a.m.

AS NIGERIA FACES CRITICAL moments in its socio-economic trajectory, Tony Elumelu, chairman of Heirs Holdings, has urged the country to devise and adopt a national strategy that can effectively tap into the nation's rich resources and unleash its untapped potential, a crucial step towards a more prosperous and equitable future.

Addressing delegates at the just concluded 17th annual Chartered Institute of Bankers of Nigeria (CIBN) conference where he spoke on the topic 'Accelerated Economic Growth and Development: The State of Play and the Way Forward,' Elumelu underscored the critical importance of investing in human capital, infrastructure, and security as key factors in enabling Nigeria to reach its full potential.

According to Elumelu, these strategic investments will create a stable foundation on which Nigeria can build a thriving economy and provide its citizens with the resources and opportunities they need to lead prosperous and fulfilling lives.

Elumelu emphasised the importance of a broad-based approach to development, stating, "Nigeria is rich in resources, natural and human. But, time and time again, we have failed to invest in our people and our value chain."

He described a holistic vision of the value chain, which encompasses not just oil and gas or manufacturing, but also critical areas such as power, education, and institutional development. According to him, these foundational sectors form the ecosystem necessary for national success. The billionaire investor argued for the significance of a holistic view of the value chain, highlighting the necessity of not solely concentrating on conventional sectors like oil and gas or manufacturing, but also investing in critical areas like power, education, and institutional development. Elumelu, in his address, stressed the critical importance of electricity for Nigeria's economic, educational, and national development. He explained that without reliable access to power, industrial growth, and the advancement of any sector in the country would remain an elusive dream.

"Nigeria cannot industrialise, our youth cannot be educated, without ensuring our abundant natural resources are translated into plentiful, robust power for all. A power ecosystem that encourages investment and unlocks our economy," he stated.

Drawing on the tenets of Africapitalism, Elumelu affirmed the crucial role of the private sector in fostering sustainable economic change in Nigeria, while stressing the importance of an equitable distribution of the benefits of this growth.

Shell faces new N505bn suit by Niger Delta communities over oil spill damage

Business a.m. Reporter

THE ILAJE COMMUNITIES, located in the Niger Delta region have filed a lawsuit against Shell Plc, seeking N505 billion in damages.

The suit stems from the oil giant's recent decision to sell off its onshore assets in the region, a move that the communities claim is in violation of a pre-existing court order.

According to the plaintiffs, Shell's actions have not only disrupted the communities' way of life and livelihoods but also caused irreparable damage to the environment, warranting the enormous compensation.

The latest lawsuit against Shell is a direct reaction to the oil giant's earlier announcement that it was selling off its onshore oil and gas assets in the Niger Delta region.

The deal, initially valued at $2.4 billion but since depreciated to $1.3 billion, was made between Shell and Renaissance, a consortium of local companies. However, the transaction has been met with significant opposition, as it requires approval from the Nigerian government and other key stakeholders.

In a twist to the already complicated narrative, a group of 1,216 representatives from the Ilaje communities in the Niger Delta region have now brought a lawsuit against Shell in the Federal High Court of Abuja, requesting the court to halt the contentious deal.

The plaintiffs, represented by Mohammed Ndarani, a senior advocate of Nigeria (SAN), contended that the oil giant's decision to sell its onshore assets directly conflicts with a court ruling issued in December 2023, which stipulated that any such sale should be postponed until the completion of a compensation lawsuit filed by the affected communities.

The situation facing Shell in the Niger Delta region continues to grow more intricate, as the Ilaje communities have filed a lawsuit claiming that Shell was responsible for an oil spill that caused damage to their environment, particularly waterways and farms.

Shell, on the other hand, has persistently refuted these allegations, attributing such spills primarily to acts of oil theft and vandalism. The company has argued that the destruction of oil pipelines by local individuals or groups has been a major source of pollution in the region.

In the court filings, the Ilaje community stated that Shell's decision to proceed with the asset sale, in spite of the existing court ruling, should be met with appropriate sanctions.

The communities, who have been suffering from the adverse effects of the oil spill, expressed their dismay at Shell's defiance of the court's order, stating that the company's actions have compounded their ongoing struggles and denied them a chance at justice.

The Ilaje communities have therefore sought relief from the Federal High Court by demanding that Shell pay N500 billion in damages and an additional N5 billion for legal costs within 48 hours of the court's judgement.

Shell has found itself entangled in a series of legal battles with communities both domestically and internationally, as the oil giant is accused of environmental damage caused by historical oil spills, including the Permian Basin, a prolific oil and gas region in the United States.

The lawsuits, which seek either environmental restoration or compensation, have been mounting against Shell, as the communities impacted by the spills seek to hold the company accountable for its actions and the resulting damage to their environment.

No love lost between NNPCL, Dangote Refinery over petrol

● On DAY1 of fuel lifting, both firms bicker over price, supply capacity

Business a.m. Reporter

NEWS

THE NO LOVE LOST RELATIONSHIP between state-owned oil company, Nigerian National Petroleum Company Limited (NNPCL), and Africa's new kid on the block refining giant, Dangote Refinery and Petrochemical Limited, has now boiled over from crude supply issues to new disagreements over the final product, petrol or premium motor spirit (PMS) as the commodity is popularly called in some quarters in Nigeria.

NNPCL held what many likened to a stake-out or even a siege to the refinery on Saturday and Sunday in order to load the first official PMS to be commercially supplied to the market by the world's largest single train refinery in the Ibeju Lekki area of Lagos State, where the refinery has been built on land Aliko Dangote, Africa's richest man, said he paid the Lagos State government at least $100 million to secure its ownership.

The story of the refinery getting this far has not been a smooth one. Africa's richest man, Dangote, the resolute single-minded industrialist and promoter of the refinery had been rattled by the establishment just weeks to the expected commencement of product roll-out from the refinery.

With the installation of equipment and building of the refinery done, the billionaire was sorely tested by establishment insiders at both the regulatory arm and the NNPCL and, also in the market, by international oil companies (IOCs), when he had to cry out that IOCs were refusing to sell him feedstock (crude oil) that would enable his refinery produce.

It would later emerge that Dangote had been relying on an aspect of the Petroleum Industry Act which contains an obligation to supply crude to local refineries by crude oil producers such as the IOCs. Even the regulatory body had been unfriendly when its headship said the refinery had not been granted full licence to produce, and that in the matter of its diesel that it was inferior to others, especially those imported into the country — NNPCL has a near-monopoly on import.

But on Saturday and Sunday a new fault line was opened when NNPCL, said to have deployed 300 trucks to lift fuel from the refinery, disclosed that it had bought the fuel at N898 per litre, and that the refinery could not meet up with its agreed 25 million litres daily supply that had been agreed on. It opened a floodgate of statements from the two organisations.

Members of King's College class of 1979/84 and the school's management during the handover ceremony of kitchen equipment to the school, at the King's College Annex, Victoria Island, Lagos, recently.

Olufemi Soneye, spokesperson for the Nigerian National Petroleum Company Limited (NNPCL) had gone public to disclose that it bought petrol from Dangote Refinery at N898 per litre and forced the Dangote Group to issue a rebuttal.

In its response, Dangote Group issued a statement on Sunday evening through Anthony Chiejina, its chief branding and communications officer, who labelled the claim as "misleading and mischievous".

Chiejina stated that the allegations were a deliberate attempt to undermine the company's recent strides in addressing the country's long-standing energy crisis, especially in light of its groundbreaking investment in the Dangote Refinery.

NNPCL's Soneye's disclosure had led to widespread reporting of an alleged transaction involving the state-owned oil company buying fuel from Dangote at N898 per litre.

But Chiejina denounced the claim as a calculated attempt to undermine the progress made by Dangote in resolving Nigeria's chronic energy challenges, which have persisted for decades and plagued the country's economic development.

"Our attention has been drawn to a statement attributed to NNPCL spokesperson, Mr Olufemi Soneye, that we sell our PMS at N898 per litre to the NNPCL.

"This statement is both misleading and mischievous, deliberately aimed at undermining the milestone achievement recorded today, September 15, 2024, towards addressing energy insufficiency and insecurity, which has bedevilled the economy in the past 50 years.

"We urge Nigerians to disregard this malicious statement and await a formal announcement on the pricing, by the Technical Sub-Committee on Naira-based crude sales to local refineries, appointed by His Excellency, President Bola Ahmed Tinubu GCFR, which will commence on October 1, 2024, bearing in mind that our current stock of crude was procured in dollars," Dangote Group stated.

In the final remarks of the statement, Chiejina reiterated Dangote's commitment to providing Nigerians with high-quality petroleum products, expressing confidence that the recent steps taken by the group will help put an end to the chronic fuel scarcity that has been a long-standing issue in the country.

Prior to Dangote Group's denial of the purported fuel sale to NNPC, Olufemi Soneye, the chief corporate communications officer of NNPC, had on Saturday, September 14, announced the arrival of approximately 300 trucks at the Dangote Refinery in preparation for the loading of petrol.

Soneye wrote: "NNPC Ltd. trucks are arriving at the Dangote Refinery in preparation for the scheduled petrol loading on Sunday, September 15, 2024.

"For this initial loading, the price from the refinery was N898 per litre. I can also confirm, in response to your inquiries, that we will receive 16.8 million litres.

"As of 4 pm Sunday, we have loaded about 70 trucks today and it's still ongoing," he said.

And in a further riposte to Dangote's rebuttal, NNPCL challenged Dangote Refinery to come out clean over the issue of fuel price, stating that it has evidence to prove its claim that it got 16.8 million litres of and at N898.

"If it's not ₦898, then what is the price? Let them inform Nigerians of the actual cost. We have issued Letters of Credit for the product, and there's an invoice. Let them disclose the price," Soneye said.

"We successfully loaded PMS at the Dangote Refinery today. The claim that we purchased it at N1,300 per litre or at N760 is incorrect.

"For this initial loading, the price from the refinery was N898 per litre. I can also confirm, in response to your inquiries, that we will receive 16.8 million litres.

"As of 4 pm Sunday, we have loaded about 70 trucks today and it's still ongoing," he said.

The NNPCL loaded the first batch of petrol from the Dangote Refinery on Sunday.

But apart from the price issue, the question about the refinery's inability to produce and supply the quantity demanded by NNPCL on the first loading day has caught the attention of the public.

The world's biggest single train refinery with capacity to refine 650,000 barrels per day, according to NNPCL delivered only 16.8 million litres of the 25 million that per day that was expected. This means that supply was short by as much as 8.7 million litres on Day 1.

NNPCL sources said the organisation had gone to Dangote with expectation that its demand would be met in full but had been shocked when officials of the Dangote Refinery said it would not be able to deliver all of the 25 million litres.

This has now raised additional concerns especially as to whether or not it has the ability to sustain delivery of the exact quantity of the product especially on the second and third days of the PMS upload.

Analysts fear this could further negatively impact the scarcity of fuel with its supply still precarious and fuel queues still seen in fuel stations across the country.

King's College 1979/84 set invest kitchen equipment donation to alma mater

Onome Amuge

NEWS

THE KING'S COLLEGE class of 1979/84, a part of the King's College Old Boys Association (KCOBA), recently gathered for their 40th reunion, not just to reminisce and reconnect, but also to pay forward in gratitude to their alma mater through a generous donation of kitchen equipment.

The kitchen equipment, including an industrial boiler, two deep freezers, and three grinding machines, was donated to the 115-year-old prestigious institution as a way of expressing the class's deep affection for the school that had shaped their lives in profound ways.

The handover ceremony of the donated kitchen equipment, held at the Kings' College Annex, Victoria Island, was attended by members of the 1979/84 set, the school's management, including the principal and vice principals, and the president of the Parent Teachers Association (PTA), who all witnessed the occasion and extended their gratitude for the generous gesture.

The vision behind the 1979/84 class' donation was outlined by William Uko, a member of the organising committee, who stated that the plan to make a significant donation to the school had been in the works for over five years.

Uko noted that although the 1979/84 class originally consisted of 105 members, it had lost 12 members over the years. Despite this, he emphasised that the members were highly committed to donating something remarkable to the school as a way of contributing to its development.

Uko explained that though the class had previously given back to King's College Lagos, the 40th reunion provided an opportunity to do something more special.

He noted that in preparation for the reunion, the class decided to go beyond just coming together, but also creating a policy that dictated that they would give something back to their alma mater as well. This decision, Uko said, was rooted in the deep respect and appreciation that the class members had for their college and its role in shaping their lives. According to Uko, the 1979/84 class chose to donate to the college's kitchen because they felt this was an area where their contribution would be most beneficial.

Noting that another class had already worked on improving the dining area, Uko stated that their own focus was on providing essential kitchen equipment that would make life easier for both the staff and the students. This decision, he added, was driven by the class's desire to improve the overall experience of students, teachers, amongst others who rely on the kitchen's services.

Uko explained that while the school annex was established some ten years after the class of 1979/84 had graduated, it had since become an integral part of King's College Lagos.

Despite not having direct ties to the annex, Uko stated that the class was determined to support the school community by improving the quality of life for students, teachers, and staff at the annex. He also emphasised that the annex was now an essential part of the King's College story and deserved the same level of support and attention as the main campus.

"Our focus on donating this equipment is to help make life easier for the staff and the students. It is our pleasure to present this and we trust that this will enhance the quality of life of the college," Uko stated.

Speaking on behalf of the school's management, Andrew Agada, the principal of King's College Lagos, acknowledged the class-set's generous donation to the school's annex. He reiterated Uko's sentiment that, while the annex was a relatively recent addition to the King's College community, it was an important part of the school's overall mission.

Principal Agada noted a disparity in attention given to the King's College annex, with most projects historically focused on the main campus. In response, he decided to shift some government projects to the annex, with the goal of observing the resulting improvements.

US-China trade

Rising challenges for foreign firms in China

China's business environment is becoming increasingly complex, with heightened regulations on data, national security, sanctions, and Communist Party influence, alongside massive state support aimed at displacing foreign firms. The evolving Chinese policies, economic headwinds, and geopolitical tensions demand a deep rethink by foreign companies of their China strategy.

MICHAEL ENRIGHT

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CHINA REMAINS CRITICAL for multinational firms. It is the world's second-largest economy and its largest manufacturing location and trading nation. China is also among the world's greatest beneficiaries of foreign direct investment (FDI). As of the mid-2010s, approximately a third of China's GDP could be traced to foreign-invested enterprises (FIEs), their supply chains, and the consumer spending of related employees. However, the evolution of Chinese policies, slower economic growth, changing consumer behaviour, and geopolitical tensions require a rethinking of China strategy for many foreign companies.

The policy environment

Foreign firms have always found China's policy environment challenging. China reserves a substantial portion of its economy for the state or state-owned enterprises (SOEs) through a Negative List for Market Access. China further restricts access to foreign companies through its Special Administrative Measures (Negative List) for Foreign Investment Access, while the financial sector has its own restrictions. While the number of sectors from which foreign firms are excluded has been substantially reduced over time, China is still among the most restrictive of the world's large economies.

China's industrial policies increasingly aim to shift the balance in favour of Chinese firms. The "Made in China 2025" (MIC25) programme announced in 2015 included targets for Chinese firms to displace foreign firms in domestic and international markets across 10 key technology areas. Further support in these areas is embedded in China's 14th Five-Year Plan (2021-2025). They enhance long standing industrial policy including subsidies for Chinese companies in R&D, training, specialised industrial parks, foreign asset acquisitions, as well as preferential access to finance and government procurement. The policies reinforce signals to the banking sector, investors, entrepreneurs, and others as to which sectors they should support. Meanwhile, China continues to force foreign firms to share technology to access the China market. The lack of IP protection in China has cost foreign companies hundreds of billions of dollars in lost revenues, and Chinese theft of IP may have cost trillions more. The stronger local capabilities and increasing assertiveness of these policies make them more of a concern for foreign investors than ever before.

While many aspects of China's Cybersecurity Law, Personal Information Protection Law, and Data Security Law are similar to those found in other countries, limits on cross-border data transfers and related requirements on source codes, rights for government access, and for companies to keep data within servers located in China have been described as "paradigm-shifting" and "unprecedented." China's expansion of its National Security Law and raids on foreign consulting companies have raised fears that even normal business analysis could be subject to arbitrary enforcement. The Anti-Foreign Sanctions Law passed in June 2021, a week after the Biden administration banned investment in 59 Chinese companies for aiding China's military and security forces, allows China to seize assets from companies that comply with foreign sanctions on China and to take action against senior managers of such firms – and their family members.

China requires firms over a certain size to have Chinese Communist Party cells. By 2018, an estimated 73% of private companies in China had set up such cells, including more than 100,000 such cells in foreign-invested companies. The extension of control by China's party-state over all aspects of the Chinese nation has been a hallmark of the Xi administration. In 2016, President Xi Jinping called for the Party to integrate Party leadership "into all aspects of corporate governance." This includes the private economy, both domestic and foreign companies.

Recent developments have combined to worsen the pressure and uncertainty faced by foreign firms operating in China.

The economic and business environment

The size and growth of the China market has long been the main attraction for foreign companies. However, slower economic growth, a greying demographic, and an imploding property sector have changed the "China story." China's 14th Five-Year Plan (2021-2025) claimed the goal of overcoming abject poverty and providing a middle-income standard of living had been achieved and relegated headline economic growth in favour of development of key technologies, self-sufficiency, and national security. Given these forces, many analysts believe China's growth will decline from historical rates of around 7% to 3%-4% per year.

The competitive environment has also changed. While foreign companies were once technology and quality leaders in China, this is often no longer the case. China has become an innovation leader in artificial intelligence, high-speed rail, e-commerce, and e-marketing. Chinese companies have become a global force in electric vehicles, consumer electronics, telecommunications equipment, solar panels, and many other industries, competing not only in the low end, but increasingly in premium segments and industries as well. Localisation and Chinese cultural branding are becoming more important, particularly to younger Chinese, and Chinese consumers have taken to e-marketing and e-commerce to a greater extent than anywhere else in the world.

The slower domestic growth and increased competitive pressures have made the China investment story less compelling.

The political environment

Foreign companies in China are finding themselves caught up in global geopolitics to a greater extent than ever before. Several Korean companies found themselves frozen out of the Chinese market after the deployment of the US Terminal High-Altitude Area Defence, or THAAD, anti-missile system in 2017. Lotte, which once had extensive operations in China, has essentially exited. Samsung Electronics, once one of the largest investors in China, closed its last smartphone factory in China in 2019 and its last personal computer and television factories in 2020. In a classic case of Beijing's selective deployment of non-tariff barriers in service of its foreign policy, Norwegian firms and products were barred from China after the 2010 award of the Nobel Peace Prize to dissident author Liu Xiaobo. It took six years and a written apology from Oslo to normalise trade relations. Australia found itself in a similar position in 2020 after criticising China for refusing to share more information tracing the outbreak of Covid-19. H&M had retail leases and online access blocked after the company said it wouldn't source cotton from Xinjiang. An Australian Strategic Policy Institute (ASPI) report cited 152 times China used what ASPI called "coercive diplomacy" against foreign companies or governments between the years of 2010 and 2020, an era that largely corresponds to Xi's ascendancy.

Despite press commentary, it was China that initiated "decoupling" around 2005. China's "dual circulation" strategy, Xi's formalisation of longstanding trade dogma, aims to reduce China's dependence on the rest of the world while making the rest of the world more dependent on China. This appears to have succeeded: McKinsey reported that the rest of the world's exposure to China tripled from 2000 to 2017 while China's exposure to the rest of the world decreased by a quarter. China's Belt and Road Initiative (BRI) is designed to "decouple" BRI countries from the West and Western institutions and couple them with China. The China International Payments System (CIPS), Beidou geolocation system, and "Digital Silk Road" are designed to do the same. It was the MIC25 programme that galvanised a bipartisan and bicameral American answer, elevating an economic conflict that coalesced in kind around the Trump, and later Biden, administrations' policy responses.

These growing geopolitical tensions, and China's increased willingness to sanction companies officially or unofficially for acts or statements made anywhere in the world, further complicate matters for foreign firms. They dramatically increase the chances that companies will be caught in the tangle of public sentiment and political interests between China and their home countries.

Navigating the terrain

China is therefore increasingly complex for foreign firms. While restrictions on foreign investment have long been a fact of life in China, laws and regulations on data and cybersecurity, national security, sanctions, and Communist Party cells are new, have been expanded, or are being enforced to an unprecedented extent. China has always had aggressive industrial policies, but the scope, level of support, and attempts to displace foreign firms through massive state support are unprecedented in scale and scope.

Coupled with a Five-Year Plan that emphasises self-sufficiency over headline economic growth, the rapidly developing capabilities of Chinese firms, and the emergence of a consumer market that increasingly favours local companies and brands, these factors represent a challenge of enormous proportions for foreign firms. This is particularly true as China's economy slows, the market opportunity for some firms diminishes, and the potential to get caught up in geopolitical tensions grows.

While some foreign firms have exited China, most have stayed. In 2024, European companies were most concerned with China's slowing economy, with an historically low percentage looking to expand in China. On the other hand, East-West tensions represented the leading concern among American companies operating in China. The situation is challenging, but China remains the world's second-largest economy, contributes to a substantial portion of global growth, and is home to competitors and customers that may change the nature of industries globally, giving companies a strategic reason to face them in China.

For firms that continue to invest in China, it has become clear that they must think a lot harder about a lot more questions: Is their sector open or closed to FDI? Is it of strategic importance to China? Is it targeted by industrial policy? Are they a known leader by productive capability? Are they able and willing to transfer technology and expertise? Are they willing to support China's key priorities? The nationality of the company matters. As a result, in addition to their traditional market, competitor, and consumer analysis, foreign companies now must assess the changing policy, business, economic, and geopolitical environment in China. They must ask how much of a role China plays in their global strategies. And ultimately, they must ask themselves what their appetite is for competing – and perhaps failing – in one of the world's most important and challenging economies.

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Reforms to kiss off economic hardship and save Nigerians

SUNNY CHUBA NWACHUKWU

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THE NATIONAL ECONOMIC policies that would reset the economy **demand measures with human face from patriots** (both in government and from the civil society), equipped for selfless service, void of unnecessary politicking or politicising the needed strategies on party sentiments because, the economy has been terribly battered on inhuman and wicked grounds, by the rulers (past and present political class), simply for their selfish benefits. This deed was perpetrated without considering its impact on the ordinary and vulnerable citizens in the land, economically (and today, there is fire on the mountain with mass suffering, mass hunger, mass kidnappings). This proposed new economic order, captioned as reforms, shall be completely different and novel; in the sense that the government in power shall give full backing to the reformists to selflessly and sacrificially conduct and discharge their duties and planned strategic tasks (within a specified time frame, as may be directed by the government), **to freely implement legally backed measures that state would superintend and benefit from socioeconomically.** It shall not be business as usual but, **an operation carried out by a declaration of state of emergency *on security* for lives and property by security operatives; and also freshly assembled and appointed experts on the petroleum and on agricultural sub-sectors of the economy.**

The socioeconomic situation in the land demands urgency to save the entire economy from total collapse. By ordinary perception, it seems difficult or near impossible to actualize impactful strategic reforms on the battered economy. This is because the calculations in operating a strategic plan for a result oriented policy, consistently suffer intentionally established suffocation from individuals in the ruling class with selfish corrupt tendencies that pay the **state** or **the helpless masses,** no good. To buttress this point from the activities in the oil industry, for instance, where the national oil company (NNPCL) has assumed the position of controller or regulator of the price of petrol rolling out from Dangote Refinery (with its about 20% equity participation). Such arrangement is **either** structured for corrupt exploitation against consumers of the refined products because **the inevitable demand** on PMS/petrol for internal combustion engines **is hopelessly inelastic,** on the bases that consumers have no option; or the obvious **non existence of matching competitors or rivals presently in local refining operations,** particularly now, under the present arrangement to provide crude oil in the naira. Such imposition to control and regulate the pump price of PMS coming from Dangote Refinery by NNPCL is an ill arrangement that breeds monopoly in a free market economy, which presently shoots up the price of petrol to an unimaginable figure of N1,300 per litre, as against the publicly expected or promised low pump price of about N300 per litre (with our locally drilled crude oil, supplied in our local currency; without foreign exchange burdens/overload, and the imputed shipment costs of crude outbound and refined products inbound). How can the economy or the people survive under such contraption of price control on a locally refined product whose raw material is supplied in the local currency? The insensitivity in the minds of those in charge of this economy surviving should stop forthwith because the product's price hike at the filling stations spells doom for this economy!

What one thinks the government should be doing presently is not the issue of food palliative, because the citizens that voted them into office are not beggars in the real sense of democracy. The government should be working at urgently reviving, at least, the government-owned refineries currently undergoing rehabilitation in Port Harcourt; and support all functionally fit modular refineries with supplies of crude in our local currency; in addition to Dangote Refinery, for a healthy competitive products' pricing in the energy subsector. This would instantly, and very significantly, reduce pressure on the foreign exchange demand for imported cargoes of refined products and substantially improve the naira exchange rate. The impact alone from this dimension would generally douse the tension of hyperinflation on all goods and services; and shall go a long way in reducing food insecurity for low income earners, particularly the civil servants, who may then have an improved bargaining power in the food market. The aspect of food crisis (food insufficiency in the land) can only be tackled under agricultural sector state of emergency, where farmers are massively deployed and engaged to go back to their respective farmlands with heavily improved security protection by the government. These measures and more, are the likely reforms that shall kiss the present economic hardship and have it seamlessly neutralised, for Nigerians to heave a sigh of relief, economically. It is doable, if sincerely implemented by the government (at all levels), without being pessimistic in walking the talk, on this strategic action plan.

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Shattering stigmas, saving men's lives through support

The Coaching Psychologist

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LAST WEEK, AS I TOUCHED down in Ekurhuleni, South Africa, on World Suicide Prevention Day, the dark clouds overhead mirrored the sombre conversation I had with a fellow passenger. The name Ekurhuleni, meaning "place of peace" in Tsonga, contrasted sharply with the unsettling reality: South Africa recorded 13,774 suicide deaths in 2022, with men accounting for 10,861 of them. This heartbreaking statistic places the country among the highest globally for male suicide deaths.

For decades, society has reinforced the idea that men should be the 'stronger' gender, resilient in the face of adversity. But this expectation has proven fatal for many, who are often left to battle their inner demons alone. Men are five times more likely to die by suicide than women, with factors like unemployment, unresolved childhood trauma, and relationship breakdowns being the most common contributors.

Lesson 1: Recognise the silent crisis

The first lesson in addressing this crisis is acknowledging that mental health struggles can affect anyone, regardless of gender, age, or social status. Psychologists, like Steve Langa, emphasise that "mental health affects everyone and anyone — equally and at any time." Yet, men are still bound by societal expectations to remain stoic and silent, preventing many from seeking help.

The stigma surrounding men and mental health runs deep. From a young age, boys are often told to "man up," masking vulnerability as weakness. As a result, many men suffer in silence, unable to express their struggles without feeling ashamed.

Actionable activity

Start conversations. Whether you're a friend, partner, or employer, create safe spaces for men to talk about their feelings. Ask them how they're really doing, and listen without judgment. Men are more likely to open up when they feel seen and heard. Initiating these conversations could be the lifeline they need.

Lesson 2: Understand the triggers

South Africa's high male suicide death rate is driven by a web of interconnected factors. Unemployment, financial strain, childhood trauma, relationship breakdowns, and societal pressures all contribute to the isolation many men feel. Langa, who works with men, women, and children in distress in Pretoria's townships, encounters hundreds of male patients on the brink of suicide each year. Many are struggling with grief from the loss of loved ones, often due to broken relationships, and overwhelming pressure to provide financially.

Actionable activity

Know the warning signs. If someone you know starts withdrawing from loved ones, expresses hopelessness, or engages in risky behaviours like increased substance use, these are often signs they may be in crisis. Don't hesitate to reach out. Your intervention could be the difference between life and death. Help them find professional resources, and continue checking in to show your ongoing support.

Lesson 3: Confront societal norms

Toxic masculinity has long perpetuated the idea that men must be strong, unemotional, and always in control. This rigid stereotype is at the heart of why so many men fail to seek help when they need it most. Data from the South African Society of Psychiatrists shows that men are more likely to suppress their emotions until they reach a breaking point. By then, it's often too late for intervention.

To change this, we must address the cultural narratives that keep men from being open about their mental health. Globally, men are less likely than women to talk about their mental health, yet they are more likely to die by suicide. It's a vicious cycle that can only be broken by rethinking how we define masculinity.

Actionable activity

Challenge harmful stereotypes. As parents, teachers, and leaders, it's crucial to model and promote emotional literacy among boys and men. Encourage them to express vulnerability and emphasise that asking for help is a sign of courage, not weakness. By creating an environment where men feel safe to share, we can help prevent unnecessary deaths.

Lesson 4: Advocate for men's mental health

Although there are suicide prevention tools available, many are not tailored to the unique challenges men face. The stigma, lack of resources, and societal expectations leave many men feeling as if they have no way out. South Africa's Department of Social Development (DSD) must take men's mental health more seriously, and International Men's Day should be more than just a footnote on the calendar. It should be a day where we focus on the mental health struggles that disproportionately affect men and boys, and actively work to remove the barriers that prevent them from accessing the help they need.

Right now, mental health resources for men are often limited or inaccessible, especially in rural areas. The DSD needs to expand its mental health outreach to ensure that men, particularly those in under-resourced communities, have access to counselling, support groups, and emergency services.

Actionable activity

Promote mental health resources. Advocate for more mental health services that specifically address men's issues. African Institute of Mind will host a THRIVE Mental Health workshop for healthcare professionals at Africa Health and can tailor gender-specific, and raise awareness about existing support systems. Additionally, on International Men's Day 2024, let's create an experience around men's mental health and work to break down stigmas that prevent men from seeking help.

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Business, Governance & Enterprise

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On setting achievable and realistic goals in business

GOAL SETTING INVOLVES the development of an action plan designed in order to motivate and guide a person or group towards a goal, according to Anthony M. Grant in his article titled "An integrated model of goal-focused coaching: an evidence-based framework for teaching and practice". Goals are planned and deliberate desires. Setting goals means a person or a group has committed thought, plan, checklist, emotion and behaviour towards attaining a target or set of aims. In doing so, the goal setters have established a desired future state which differs from their current state thus creating a mismatch which in turn spurs future actions. Goal setting can be guided by goal-setting criteria (or rules) such as SMART criteria, STA rule, Gantt chart, work plan, strategic plan, master plan or blueprint. Goal setting is a major component of personal-development and management growth strategy. Studies of goal setting (methods, challenges and benefits) by Edwin A. Locke and his colleagues, most notably, Gary Latham have shown that more specific and ambitious goals lead to better performance and improvement than easy or general goals.

Ambitious goals should be set ideally to achieve excellent or near excellent performance, assuming that motivation and not ability is limiting attainment of that level of performance. As long as the person or group accepts the goal, has the ability to attain it, and does not have conflicting goals, there is a positive linear relationship between the goal's challenges and task performance. The theory of Edwin A. Locke and colleagues states that the simplest, most direct explanation of why some people perform better than others is because they set ambitious, lofty and 'poles-apart' performance goals. The essence of the theory is: (1) Ambitious and more specific goals lead to significantly higher performance than simple goals, no goals, or even setting of an abstract goal such as just motivating people to do their best, (2) Holding ability constant, and given that there is buy-in of all to goal commitment, the higher the 'achievable' goal, the higher the performance, (3) Variables such as reward and award, feedback, or the participation of people in goal-setting influence behaviour to the extent that they lead to the subsequent commitment to a specific ambitious goal.

Since goals have been realised as the motive for actions, goal setting theory has been developed both practically and experimentally. Cecil Alec Mace carried out the first empirical studies on goal-setting in 1935. Edwin A. Locke began to examine goal-setting in the mid-1960s and continued researching goal-setting for more than 30 years. His findings included the fact that individuals who set specific, ambitious goals performed better than those who set general, easy-to-achieve and simple goals. Locke derived the idea for goal-setting from Aristotle's 'form of causality' which says there may be multiple causes but 'teleology' is the overarching cause of change in any setup. Aristotle speculated that purpose can cause action; thus, Locke began to research the impact of human motivation on goals. Locke developed and refined his goal-setting theory in the 1960s, publishing his first article on the subject, "Toward a Theory of Task Motivation and Incentives", in 1968. This article established the positive relationship between clearly identified goals and performance.

Olufemi Oyedele's "Theory of Motivation to Achieve Excellence in Project" stated that the best way to spur 'positive' employees to their highest performance level is to state what they are to do (set goal/s), give them the tools to do it and say what they will get as compensation for their goal/s. After controlling for ability, goals that are ambitious and specific tend to increase performance far more than easy goals, no goals or telling people to do their best. It therefore follows that the simplest motivational explanation of why some individuals outperform others is that they have different goals. A goal can be made more specific by quantitative and qualitative means: quantification (that is, making it measurable), such as by achieving "increase productivity by 40%" instead of "increase productivity" or "producing 20 tonnes of rice from 10 tonnes produced last year" instead of "producing more tonnes of rice than 10 tonnes", enumeration, such as by defining tasks that must be completed to achieve the goal instead of only defining the goal.

SMART method of setting goals is the most popular in business while Gantt Chart is the most popular in engineering projects. In the public sector, 'work plan' is used, while STA (Specific, Time-bound and Ambitious) is used for personal goal setting. When businesses are setting goals as an organisational strategy, they make them (1) **Specific:** The goal must be clearly defined and identified. No performance can be achieved without identification and definition, (2) **Measurable:** The goal must be able to be qualified or quantified. It must be standardised or calibrated, There must be a benchmark to measure its level of performance or achievement, (3) Achievable: Goal setters must set realistic goals that are achievable. Every team member must understand the goals, have buy-in and sign off on the goals, that is, must be committed to achieving the goals, (4) Relevant: The goal should align or conform to other business objectives of the business, and (5) Time-bound: The goal must have threshold, that is, it must have a beginning and an end.

Setting goals can affect outcomes in four ways: (1) Choice: Goals may narrow someone's attention and direct their efforts toward goal-relevant activities and away from goal-irrelevant actions. (2) Effort: Goals may make someone more effortful. For example, if someone usually produces 4 widgets per hour but wants to produce 6 widgets per hour, then they may work harder to produce more widgets than without that goal. (3) Persistence: Goals may make someone more willing to work through setbacks. (4) Cognition: Goals may cause someone to develop and change their behaviour. People perform better when they are committed to achieving certain goals. Through an understanding of the effect of goal setting on individual performance, organisations are able to use goal setting to benefit organisational performance.

In addition, another aspect that goes with goal commitment is also goal acceptance. This is an individual's willingness to pursue their specific goal. There are three moderators that affect goal setting success: (1) The importance of the expected outcomes of goal attainment; (2) Self-efficacy: one's belief that they are able to achieve their goals, (3) Commitment to others: promises or engagements to others which is called 'assist' in teamwork, can strongly improve commitment. The level of commitment can be influenced by external factors such as the person assigning the goal, setting the standard for the task performer to achieve/perform.

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NJ AYUK

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Oramah provides thoughtful, balanced insights into Africa's energy future

Divestiture is at the heart of the global climate change agenda, and many Western banks are no longer financing investments in African oil and gas

AHEAD OF THE NOVEMBER 2022 United Nations Climate Change Conference (more commonly known as COP27) in Egypt, Dr. Benedict Oramah, president and chair of Afreximbank, authored a thoughtful and compelling commentary about the economic and social impact of divestment from the production of fossil fuels in Africa. With fossil fuel use creating 65 percent of greenhouse gas (GHG) emissions, divestiture is at the heart of the global climate change agenda, and many Western banks are no longer financing investments in African oil and gas.

Dr. Oramah is not a climate science denier nor a fossil-fuels-at-all-cost advocate. In his paper, he is upfront and honest about the effect rising temperatures have already had on the continent, citing the devastation brought by extreme weather events — disastrous rainstorms on one hand, catastrophic droughts on the other. He casts a wary eye on the future, recognizing that developing parts of the world like Africa are at greater risk from climate change than are developed nations.

In his commentary, "Transiting to green growth in fossil export-dependent economies: A pathway for Africa," Dr. Oramah acknowledges that urgent climate action is vital, that the time for foot-dragging is over.

At the same time, Dr. Oramah doesn't overlook the fact that fossil fuels financed by foreign capital have been the economic engine of many African nations. Nor does he neglect to mention that, as major oil companies find themselves on the receiving end of divestment pressure and seek "less risky" assets, investment in the continent's oil and gas sector has fallen significantly, from $60 billion in 2013 to $22.5 billion in 2020 by African Energy Chamber estimates. One shudders to think what would happen to the continent's major oil-exporting countries — including Algeria, Angola, Equatorial Guinea. Gabon, Congo Republic, and Nigeria, where fossil fuels represent anywhere from 7% to 37% of GDP — should the industry evaporate altogether. As Dr. Oramah notes, "divesting from fossil fuel could cut as much as $30 billion off Nigeria's GDP and almost $190 billion off the continent's GDP." The social and economic repercussions — some of which are already playing out as investment has tightened — would be profound as export earnings and revenues dry up, fossil fuel-dependent factories shutter, the already limited fossil fuel-powered grid is strained further, jobs are lost, and poverty ripples even farther through even more communities.

And, of course, the backdrop to all this is the fact that nowhere else is there an electricity deficit like Africa's. Six hundred million people still live without a reliable source of power.

Fortunately, Dr. Oramah's commentary isn't without hope. He poses an interesting question: Is it possible to reconcile the world's carbon reduction goals with Africa's right to use its resources and achieve a smoother and "less painful" transition to renewables? He answers with a promising solution: using earnings from fossil fuels "to support an orderly economic diversification and structural transformation programmes and, importantly, to maintain a meaningful economic livelihood for the most vulnerable population."

The institutional structure to accomplish those goals, Dr. Oramah says, is an African Energy Bank — which his bank is working to establish in partnership with the African Petroleum Producers Organisation (APPO).

The African Energy Bank is expected to achieve four key goals:

- Restore and leverage African and global investment flows into the continent's oil and gas industry over a transitional period.
- Mobilise funding to support investments into the energy value chain of its members.
- Increase investment in transition fuel production and logistics.
- Support diversification of the fossil-dependent economies to mitigate the economic cost of transition.

In addition, Dr. Oramah wrote, the bank will promote intra-African trade and investment to reduce the sizable carbon emissions derived from the externalisation of Africa's supply chains. Some 85% of Africa's trade is extra-African.

It would be difficult, I think, to find fault with Dr. Oramah's concerns, assertions, or well-considered plans. Redirecting current fossil fuel revenues to greener industries on a measured timetable with appropriate benchmarks — that's how Africa can help mitigate environmental harm, stabilise vulnerable economies and prepare them for growth, and incentivise the development of low-carbon, green power across the continent. It's a win all around.

The development of an African Energy Bank does one more thing, though it's not mentioned in Dr. Oramah's commentary.

It reduces our need for foreign aid, the traditional bandage for African poverty.

As I've written in my books and editorials, Africa doesn't need hand-outs. They do more harm than good by blocking the potential and opportunities for poor people to help themselves. After all, it's hard for local farmers to sell their crops or eggs or cattle when they're competing with free food from a for-

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Economics Commentary

MARCEL OKEKE

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Of oil price movement and Nigeria's economic recovery

MOVEMENT OF CRUDE oil prices in the international market, especially the significant drops recorded in the past couple of weeks, now poses a serious threat to the proposals and projections in Nigeria's N28.78 trillion 2024 budget, and the nation's economic recovery generally. At one point, the price of Brent crude dropped below $70 per barrel, the lowest level in almost three years, before inching up slightly.

Reuters Daily Briefing on Tuesday, September 10, 2024, showed that global oil benchmark Brent crude futures settled at their lowest level since December 2021 after OPEC revised down its demand forecast for 2024 and 2025. This was in the face of supply concerns arising from Tropical Storm Francine in the western Gulf of Mexico. Brent crude futures settled down $2.65 (or 3.68%) at $69.19 a barrel, while US West Texas Intermediate (WTI) crude settled down $2.96 (or 4.31%) to $65.75 a barrel.

These sharp declines in the prices of crude run contrary to the assumptions and benchmarks for Nigeria's 2024 budget. While Nigeria's 2024 Appropriation Act is based on oil price of $78 per barrel, the commodity currently sells at about $70 per barrel. Similarly, while the 2024 budget projects an oil production level of 1.78 barrels per day, Nigeria has been producing around one million barrels per day; and only inched up to barely 1.35 million barrels per day a couple of weeks ago.

While the price of crude in the international market rose to nearly $100 per barrel by September 2023, average weekly price of the commodity (especially Brent crude) has remained above $80 per barrel for the better part of 2024. Therefore, the sudden sharp drop in the prices of the commodity portends danger to the health of the Nigerian economy, especially at this time that the paucity of foreign exchange (FX) has led to massive devaluation of the naira.

The sharp drop in the prices of crude as well as the huge gap between the projected oil production level in the 2024 budget and the current actual (low) production, really put the budget in double jeopardy. On one hand the emerging scenario of constrained production and dropping prices (below budget benchmark) would lead to a burgeoning budget deficit. On the other hand, impaired FX earnings from crude oil sales would translate to weak supply of FX, and further devaluation of the local currency in the forex market.

Meanwhile, the numerous factors constraining Nigeria's production and supply of crude oil remain even more potent: lingering oil theft phenomenon, pipelines vandalism, organised sabotage on oil assets and 'communal disturbances' in the Niger Delta, among others. These, in part, have led to the exit of not a few international oil companies (IOCs) from the shores of Nigeria in recent times. The upshot of all these has been a continued decline in fresh investment and production level all these years.

Evidently, Nigeria has so long stayed far below the production quota allocated to it by the Organisation of Petroleum Exporting Countries (OPEC) — losing its premier position among Africa's oil producing countries. Indeed, from a level of over two million barrels per day quota, Nigeria has recently been cut down to a ceiling of about 1.6 million barrels per day. This was owing to Nigeria's consistent poor output level for so many years.

The constrained production level and the sharp drop in crude oil prices will obviously lead to heightened FX scarcity in the forex market. This will in turn further drive the devaluation of the naira; and also lead to rise in imported inflation, as importers deploy so much naira to import the usual goods and services. This obviously will be reflected as a 'cost push' high inflationary trend, as importers of raw materials and other production inputs factor-in forex-induced costs.

Since the full floatation of the Nigerian currency mid-2023, the core problem of the forex market and, indeed, the economy, has been the gross undersupply of FX in the market. Thus, the opening of the market to the forces of demand and supply in the determination of the exchange rate of the naira, saw the local currency exchange rate against the dollar and others crash to unprecedented low levels.

Now that the main source of forex supply to the Nigerian economy (or the forex market) is threatened by the significant fall in crude oil prices, the naira might resume its freefall in the FX market. At some point early this year, the naira exchange rate against the dollar was like a yo-yo; shooting up to almost N2000/$ before coming to N1800/$. It still hovers between N1700/$ and N1650/$.

Unfortunately, these exchange rates are still two times weaker than the 2024 budget assumption of N800/$. In other words, the paucity of forex supply to the FX market has kept weakening the local currency against the dollar and other hard currencies. For quite some time now, the apex bank — the Central Bank of Nigeria (CBN) — has tried a number of initiatives to increase FX supply to the system. Particularly, the CBN had offered some extraordinarily attractive Treasury Bills that got in foreign portfolio investors (FPIs).

However, the 'gains' from such FPI inflows were short-lived, as the 'hot money' attracted left the Nigerian market no sooner than it came. Yet in pursuit of improved FX inflow, the Federal Government recently issued a dollar-denominated local bond, seeking to raise $500 million in the first tranche. Preliminary reports indicate that the bond recorded a subscription of about $900 million.

Unwittingly, however, the experimental dollar local bond issue has exposed the Nigerian economy to what the IMF calls a 'dual monetary' economy. This means that the 'good currency'— the dollar — now exists side-by-side with the 'bad currency'— the naira. And in line with Gresham's Law, the 'good money' will certainly chase out the 'bad.' And really, now that Nigerians have official outlet to invest their assets in the durable currency — dollar — the naira will certainly stand as the loser in the long run.

With the dollar bond soon to be listed on the Nigerian Exchange (NGX) Limited and the FMDQ Exchange, it becomes tradable. This gives Nigerians the opportunity to utilise the debt instrument to save or 'store' their assets for durability and stability. Indeed, sooner than later, astute investors can mop up the dollar via the 'black market' and invest in the official dollar bond via daily trading on the NGX.

This, for sure, is one of the ills of a 'dual monetary' system. And apart from the dangers of the dollarisation of the Nigerian economy inherent in the dollar bond, it infringes the CBN Act 2007 (Section 15) which recognizes the naira as the only legal tender. Somehow the rabid chase for the dollar has blinded both the monetary and fiscal authorities from seeing the ugly sides of their policies and programs. We hope the economy, once again, is saved from serious negative unintended consequences of these initiatives. Time shall tell!

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Oramah provides...

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eign government or institution.

What we do need are skills development, infrastructure, and enabling environments to build vibrant economies — things I sincerely believe are possible through the work of a multi-billion-dollar, pan-African energy bank and its capacity-building. The African Energy Transition Bank will serve as a catalyst for private investment. By channelling these funds into African projects, the bank will drive homegrown development and socioeconomic growth while increasing access to electricity for everyday Africans.

In short, Africans will be doing it by ourselves and for ourselves, without Western assistance or, more to the point, interference.

Dr. Oramah's commentary gives the world a much-needed voice of reason when it comes to Africa's energy transition.

The pragmatic approach he proposes for Africa's energy transition respects the global community's need to slow climate change—and holds our continent responsible for helping the world achieve that vital goal. But it also shows that we can protect our planet and people without sacrificing African needs and priorities.

NLNG boosting local content in Nigeria with Train 7 — NCDMB

Ben Eguzozie

THE NIGERIAN LNG TRAIN 7 project being built at the cost of $7 billion, is seen amplifying Nigeria's local content participation in the country's hydrocarbon industry, according to Felix Omatsola Ogbe, the executive secretary of Nigerian Content Development and Monitoring Board (NCDMB).

Ogbe said the "Train 7 project has significantly boosted local capacity through the production of ancillary components and accessories within Nigeria, contributing directly to the project's successful execution".

Upon completion, the LNG Train 7 will increase Nigeria's gas liquefaction terminal production capacity by 35 percent from the current 22 MTPA to 30 MTPA. Nigeria LNG Ltd operates six liquefaction units called NLNG trains producing 22 mtpa.

Recently, BEAMCO, an indigenous company was contracted by NLNG to assemble pumps and valves for the Train 7 project. There was also the commissioning of the Daewoo Galvanising plant at Abam-ama, Okrika, Rivers State.

The NCDMB executive secretary, who took over from his immediate predecessor Simbi Wabote, said it was commendable that the recent Presidential directives on local content implementation, which mandate that contracts in the oil and gas sector be awarded exclusively to local companies with proven in-country capabilities, was instrumental to these achievements.

"The accomplishments we are witnessing at the NLNG Train 7 project are a testament to NLNG's unwavering commitment to Nigerian content. This project stands as a beacon of what we can achieve when we prioritise our local industries and talents," Ogbe said, while reflecting on the progress made by in-country players in the hydrocarbon industry.

NLNG management says it has achieved 52 million man-hours on the Train 7 project with zero lost time injury (LTI).

NCDMB is assuring that it will further support the gas liquefaction company to achieve more of its desire to raise Nigeria's share of global LNG participation. Reports say there is increasing focus on LNG in Nigeria, which is already the world's sixth largest LNG exporter, with a 6 percent market share in 2022, and a current annual production capacity of 22.5 million tonnes. The government has declared 2021-2030 as its "decade of gas," signalling an intent to focus on the gas resource.

Gas value-chain experts say the LNG Train 7 is significant to Nigeria to rejig its much-harried oil and gas sector, which is facing record unprecedented divestment worth some $21 billion by the international major energy players – Shell, TotalEnegies, Eni, Chevron, ExxonMobil, among others.

But Ogbe, NCDMB boss, after visiting the NLNG's six-train plant, Train 7 construction site, the NLNG Shipping and Marine Services Limited (NSML) training centre, Maritime Centre for Excellence (MCOE) in Finima, Bonny Island, Rivers State, is optimistic that the ugly trend might just soon be reversing.

He is of the view that there is a need for increased collaboration and advocacy for Nigerian content in the oil and gas industry.

He was received at the NLNG Train 7 imposing construction site by a battery of the company's team: Olakunle Osobu, deputy managing director; Nnamdi Anowi, general manager production; Ali Uwais, Train 7 project director; Abdulkadir Ahmed, NSML managing director/CEO; among other senior management officials.

He noted with delight the fact that the Maritime Centre for Excellence (MCOE) was the first training centre in Africa to receive accreditation from the UK Maritime and Coastguard Agency (UK MCA) to deliver and issue certificates for the STCW 2010 Electronic Chart Display and Information System (ECDIS) and Basic Liquefied Gas Tanker Cargo Operations courses. The MCOE, a maritime training and research facility, aims to enhance maritime expertise in Nigeria and the West African region. It currently hosts specialised training for marine services providers in the upstream oil and gas sector, with the support of NCDMB.

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Africa's Path to Green Prosperity

ERIK BERGLÖF

Erik Berglöf is Chief Economist at the Asian Infrastructure Investment Bank.

BEIJING – As South Africa prepares to take over the G20's rotating presidency, its government has vowed to make 2025 the "year of Africa." At the same time, the United Nations Climate Change Conference in Brazil (COP30) will serve as a litmus test for global climate action, revealing how much progress the world's largest polluters have made in fulfilling their commitments to reduce greenhouse-gas (GHG) emissions and provide climate finance to developing countries.

Given that Africa accounts for just 4% of global GHG emissions and bears little historical responsibility for climate change, the continent has understandably been reluctant to embrace the net-zero agenda. As the UN Economic Commission for Africa noted in its latest State of the Climate in Africa Report, what African countries truly need is to boost investment in climate adaptation and resilience.

But a shift appears to be underway. As African economies recover from the COVID-19 pandemic, and large amounts of capital flow into climate mitigation, many policymakers are recognizing the pivotal role that investment could play in fueling a massive wave of technological innovation and green growth across the continent.

Green tech could be a game-changer for Africa, and recent developments suggest that this emerging sector may hold the key to overcoming the continent's long-term growth challenges. Rising foreign investment in battery production in Morocco, and ongoing talks between India's Hinduja Group and Egyptian firm El Nasr Automotive to establish an electric-vehicle plant in Egypt, points to a future where Africa, with its abundant renewable-energy potential and undervalued natural resources, benefits from a green economic boom.

One of Africa's most valuable assets is its young population. Although the percentage of Sub-Saharan Africans enrolled in higher education has remained shockingly low, at under 10% since the early 2000s, the continent's rapid population growth means that the absolute number of graduates is growing. Moreover, African higher education has improved markedly over the past two decades, with more institutions offering high-quality programs and research output continuing to increase.

Some of these improvements became particularly evident during the pandemic, as individual researchers and health-care professionals stepped up to inform policymaking. Scientific collaboration across the continent flourished, with the Africa Centers for Disease Control and Prevention facilitating the exchange of knowledge and expertise.

In fact, it could be argued that African epidemiologists and economists collaborated more effectively during the pandemic than their counterparts in Europe did. The annual Africa Economic Symposium, hosted by the Policy Center for the New South (PCNS) in Rabat, underscores the increasing collaboration between academics and policymakers, bringing together leading researchers and thinkers from across the continent.

This year's Symposium, held in July, focused on the decline in official development aid and private-sector investment in Africa, driven largely by high debt levels that have deterred investors and limited the ability of multilateral development banks and bilateral lenders to provide support. While Africa's overall debt burden has not increased dramatically since COVID-19, debt-servicing costs have soared, forcing many countries to spend more on loan repayment than on health and social services.

Against this backdrop, the PCNS Symposium offered a glimmer of hope. While African countries urgently need financing for climate adaptation, the funds already allocated for mitigation can be leveraged to access new green technologies. These investments could, in turn, enable African governments to gain a foothold in global value chains, as Morocco's burgeoning battery industry has shown.

Africa's enormous natural capital is another important asset. Properly valuing these resources could boost many African countries' wealth and lower their borrowing costs. Meanwhile, monetizing these valuations could help governments reduce their debt burdens through mechanisms like debt-for-nature swaps, whereby countries pledge to protect globally significant natural assets in exchange for debt relief.

Fortunately, multilateral development banks are scaling up their investments across the continent. The African Development Bank has led several innovative initiatives, such as the Africa Go Green Fund, and introduced new tools to increase its lending capacity. The World Bank has also ramped up lending, while the European Bank for Reconstruction and Development – after a decade of success in North Africa – is finally moving into Sub-Saharan markets. And the Asian Infrastructure Investment Bank is steadily expanding its presence, with a focus on climate-related projects and forging closer ties with African countries.

South Africa's G20 presidency represents a unique opportunity to rally the international community behind the continent's green transformation. With the African Union as a permanent member of the G20, the stage is set for a discussion that highlights Africa's potential to tackle global challenges and revitalize the world economy.

Amid regional turmoil and rising geopolitical tensions, Africa represents the ultimate test of whether the international development-finance system can still operate effectively. Though significant challenges remain, the African century remains within reach.

Africa Economic Symposium, hosted by the Policy Center for the New South (PCNS) in Rabat, underscores the increasing collaboration between academics and policymakers, bringing together leading researchers and thinkers from across the continent

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VISIONARY VOICES

Confronting Africa's Cost-of-Living Crisis

HIPPOLYTE FOFACK

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WASHINGTON, DC – The rising cost of living in Africa has triggered a wave of protests in recent months, underscoring the disproportionately higher economic and social costs of inflation on a continent with persistent widespread poverty and heightened vulnerability to global volatility. The world, it seems, is now living through a tale of two inflations.

Initially, the current inflation cycle – a product of pandemic supply shocks and escalating geopolitical tensions – affected developed and developing countries alike. But inflationary pressures have become less synchronous over time. While price growth has fallen sharply in advanced economies, it remains stubbornly high – and, in some cases, rising – in Africa. And even though inflation in many developed countries is trending down to central banks' 2% target, it has hit double digits in nearly one-third of African countries (a ratio that is even higher when excluding CFA franc countries, where the euro peg has contributed to monetary stability).

For example, the annualized inflation rate in Nigeria, one of Africa's largest economies, hit 34% – a 28-year high – in May, and is forecast to remain elevated in the second half of the year, largely owing to soaring food inflation, which accelerated to 40%. This stands to reduce household purchasing power and raise the risk of food insecurity even more, especially for Nigeria's growing rank of poverty-stricken and most vulnerable citizens. The country has the world's largest population living in poverty after India. Meanwhile, government reforms, including the sharp devaluation of the naira – which has lost 70% of its value against the dollar since June 2023 – to attract foreign investors, have only made matters worse for a country that relies heavily on imports of food and other essentials.

In August, protests against the resulting economic hardship spread across several large Nigerian cities. They followed weeks of riots in Kenya against the government's finance bill, which proposed tax hikes on basic goods such as oil, bread, and sanitary pads, even as millions were already struggling to make ends meet. Dozens of demonstrators in both countries were killed during official attempts to quell the uprisings.

Food-price inflation affects low-income households more than their high-income counterparts because they spend a greater portion of their budget on necessities. Consider that food costs account for 16% of consumer spending in advanced economies, but around 40% in Sub-Saharan Africa (SSA). This difference in the composition of spending explains the more regressive nature of inflation in SSA, which is home to 60% of the world's extreme poor, and why inflation there carries a greater risk of political upheaval.

The lack of formal employment opportunities has also exacerbated Africa's cost-of-living crisis. To be sure, the wages of low-income workers with formal jobs are not keeping pace with price increases. But informal sector activities – a disguised form of unemployment and constraint on shared prosperity – account for roughly 85% of total employment on the continent, and these workers must also deal with income volatility and unexpected components of inflation, further tightening the squeeze on households.

Recent research assessing the distributional effects of the inflation cycle on households in the United States found a phenomenon known as "inflation inequality": prices have risen more quickly for those at the bottom of the income distribution than for those at the top. The spread of protests across Africa suggests that a similar dynamic is at work on the continent, where the disproportionately higher food prices caused by positive exchange-rate pass-throughs have dramatically increased the welfare costs of this inflation cycle.

Government policies have also heightened the cost-of-living crisis. Instead of supporting vulnerable groups through targeted interventions, African governments have indiscriminately raised taxes and cut spending to meet external liabilities. Interest payments on sovereign debt now consume around one-third of Kenya's revenue and more than two-thirds of Nigeria's. In both countries, procyclical fiscal policy and austerity measures have had a knock-on effect on prices, stoking inflation and worsening the cost-of-living crisis.

But in response to the protests, governments are reversing some of their procyclical policies or implementing complementary measures to mitigate their impact. Kenyan President William Ruto dismissed his entire cabinet and withdrew the controversial finance bill, which was expected to raise $2.7 billion in additional revenue to meet fiscal targets set by the International Monetary Fund. In Nigeria, the government has announced a 150-day suspension of import duties for certain foods to alleviate the pressure on struggling households.

Nonetheless, more must be done to close the gap between actual and potential growth and expand opportunities for young people. Africa is the world's most natural-resource-rich continent, yet Africans face bleak futures in countries that lack sufficient engineers and political will to transform these resources, create enough well-paying jobs, and expand prosperity. Africa's excessive reliance on imports as an alternative to expanding aggregate output has sustained external imbalances and hollowed out the jobs market, causing more people to fall into destitution.

To meet the aspirations of young populations, African governments should rethink constraints on public spending and overcome the recurrent balance-of-payments crises that have long shaped economic policy across the continent. Increased investment in building a workforce that is fluent in emerging technologies is critical to spurring industrialization. This, in turn, would bolster Africa's manufacturing sector, which in other parts of the world has long served as a social escalator and growth accelerator, catalyzing convergence with high-income countries. The transformation of African economies will also drive the development of regional value chains, bolster intra-African trade (and thus mitigate the region's exposure to global volatility), and build large national buffers to wean the region off debilitating aid dependency.

Africa's policymakers must not only invest in human capital to move their countries up the value ladder in a global economy where technology has become a key driver of growth. They must also strive to equalize access to opportunities and achieve shared prosperity to strengthen the concept of the nation-state and enhance national security. To quote Samora Machel, the first president of Mozambique, "For the nation to live, the tribe must die." For too long, a tribal approach to governance has undermined national development, perpetuating intergenerational poverty and exacerbating inflation inequality.

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The Water-Security Crisis

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LONDON – When it comes to water, the world confronts an unsustainable situation. Yet fixing the problem is not only within reach; it is also the low-hanging fruit in tackling climate change and generating jobs and growth.

The water crisis is plain to see. Year after year, in one region after another, record-high heat waves and droughts are followed by destructive storms and floods. Food systems are running dry and cities are sinking as we reach the limits of extracting water from the land. More than 1,000 children under the age of five die each day from illnesses caused by unsafe drinking water and a lack of sanitation, and hundreds of millions of women spend hours each day collecting and hauling water.

This is a human-made crisis, and it can and must be resolved through human interventions. But to achieve equity and sustainability everywhere, we will need new approaches to governing water and a wave of vastly higher investment, scaled-up innovation, and capacity-building. The costs of these moves are insignificant compared to the economic and humanitarian harms that will be inflicted by continued inaction.

The first step is to recognize that the problems we face are not merely local tragedies. A destabilized water cycle increasingly affects every corner of the world. Current approaches tend to deal with the water we can see – the "blue water" in our rivers, lakes, and aquifers – and assume that the water supply is stable year after year. But this is no longer true, as changes in land use, climate change, and a water cycle out of kilter are affecting rainfall patterns.

Too often, current thinking overlooks a critical freshwater resource, namely the "green water" in our soil, plants, and forests, which transpires and is recycled through the atmosphere. Green water generates around half the rainfall that we receive on land, the very source of all our freshwater. In the same vein, countries are connected not only through flows of blue water (like rivers) but, more critically, through atmospheric flows of moisture. As a critical component of the global water cycle, green water urgently needs to be better managed.

Most dangerously, disruptions to the water cycle are deeply intertwined with global warming and the decline of the world's biodiversity, with each reinforcing the other. A stable supply of green water in soil is crucial to sustaining the land-based natural systems that absorb 25-30% of the carbon dioxide emitted from fossil-fuel combustion.

This process represents one of the most significant natural subsidies to the global economy. Yet the loss of wetlands and soil moisture, together with deforestation, is depleting the planet's greatest carbon stores, with devastating consequences for the pace of global warming. Rising temperatures then trigger extreme heat waves and increase evaporative demand in the atmosphere, which severely dries landscapes and heightens the risk of wildfires.

Hence, the water crisis impacts virtually every one of the United Nations Sustainable Development Goals and threatens people everywhere. Insufficient food for a growing world population, an accelerated spread of diseases, and increased forced migration and cross-border conflicts are just a few of the predictable outcomes.

Mission H2O

Such a large-scale collective and systemic problem can be fixed only with concerted action in every country and through collaboration across boundaries and cultures. A shared understanding of the common good is crucial. Otherwise, what might look good for one country today could easily create problems for that same country tomorrow, as well as for others around the world.

The situation demands not only greater ambition but also a mission-driven approach to water – one that cuts across multiple sectors and focuses on all levels, from managing local river basins to shaping multilateral cooperation. We can and must succeed on the world's most important water missions:

-Launching a new Green Revolution in food systems to cut back on water use while increasing agricultural yields to meet a growing population's nutritional needs.

-Conserving and restoring the natural habitats that are critical for protecting green water resources.

-Establishing a "circular" water economy in every sector.

-And ensuring that every vulnerable community has adequate clean and safe water and sanitation services by 2030.

While these missions should drive policy shifts, align the public and private sectors, and spur innovation, they also require new ways of governing. Policymaking must become more collaborative, accountable, and inclusive of all voices, especially those of youth, women, marginalized communities, and the Indigenous Peoples who are on the frontlines of water conservation.

The most fundamental policy shift lies in valuing water properly to reflect its scarcity as well as its critical role in sustaining the natural ecosystems that every society depends on. We must cease the underpricing of water across the economy and the harmful agricultural subsidies that drive unsustainable usage and degrade the land. Rechanneling those funds toward promoting water-saving solutions and providing

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VISIONARY VOICES

Tracking Air Quality the Right Way

SOUMYA SWAMINATHAN

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CHENNAI/MUNICH – Every year, the World Health Organization summarizes global progress on malaria control. It details the number of cases in affected countries, shows year-on-year changes, outlines goals, and assesses the current funding landscape. The United Nations puts out a similar annual report for HIV/AIDS. This regular tracking of serious public-health concerns is essential for addressing them effectively, because it can help channel resources to where they are most needed and identify interventions that are working.

But there is no authoritative, up-to-date global accounting of air pollution, a health risk that takes a larger toll than malaria and HIV/AIDS combined. Particulate matter, a form of air pollution often associated with dust and smoke, was the leading contributor to the world's disease burden in 2021, and has been found to cut 1.9 years from average life expectancy. Air pollution was also linked to more than 700,000 deaths in children under five years old in 2021, making it the second-highest risk factor for death in this age group.

The world's main authority on air quality is arguably the WHO, which produces globally influential standards for pollution levels. Its most recent guidelines, published in 2021, aimed to improve air-quality standards by lowering the recommended level of fine particulate matter (PM2.5) from ten micrograms per cubic meter to five.

The WHO also compiles data on annual particulate matter in cities worldwide through its ambient air quality database, which is primarily sourced from government measurements and updated every two to three years. But in the most recent edition (updated in January 2024), only 0.4% of cities reported data from 2022, and more than half of the data are at least seven years old. Many countries in Africa, Latin America, and Asia – which bear a disproportionate share of the health burden from air pollution – are missing measurements, with four of the most polluted countries reporting none at all. This lack of data makes it impossible to gauge global progress or to ensure strategic resource allocation.

Satellite-derived data could fill in the gaps. But while several groups generate and compile such information, there is no definitive database. (Anecdotally, when we asked ten air-quality experts where they go for the most recent data, we received 14 different answers, none of which meet the criteria for an authoritative global source.) Moreover, annual data often have a lag of up to two years, and there is no established mechanism to assess their quality. Contrary to its name, calculating satellite-derived air-quality data requires ground monitoring data, which can make satellite data less reliable in countries with little monitoring capacity.

Addressing air pollution worldwide requires a clear view of the global picture. Fortunately, building a system that regularly tracks collective progress on reducing particulate matter, with built-in mechanisms to help improve data-gathering efforts in the most polluted places, is technologically, logistically, and politically feasible.

The first goal should be to create an annual, authoritative accounting of PM2.5 pollution in every country. This would require incentivizing countries to contribute more recent ground-monitoring data, establishing a process to combine these data with available satellite information to determine their annual pollution levels, and identifying capacity and data gaps and directing resources accordingly.

Global development and philanthropic organizations will have to provide significant financial and human resources to launch such an effort, including support for countries that currently lack the capacity to monitor or measure air quality. It will also require public-health, environmental, and finance leaders to work together, much as they have done to tackle other serious issues such as malaria, HIV/AIDS, COVID-19, and tuberculosis.

Several UN agencies, including the WHO, the World Meteorological Organization, and the UN Environment Programme, could house or coordinate these data-gathering and capacity-building efforts. And institutions such as the World Bank, regional development banks (the African Development Bank, the Asian Development Bank, and the Inter-American Development Bank, among others), bilateral donors, and philanthropies must help finance them.

There is a dire need for international collective action to tackle this challenge, which is local, yet has global consequences. The latest report on reporting and tracking air quality, published by Our Common Air, addresses some of the key concerns in the commission's recommendations. We have successfully confronted global health challenges in recent years and, in doing so, created a playbook that can be applied to others. The question now is whether the international community will use it to tackle the world's single greatest external risk to human health.

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Onome Amuge

@60 AfDB renews focus on boosting Africa's investment environment

THE AFRICAN DEVELOPMENT BANK (AfDB), Africa's premier multilateral financial institution, has marked its diamond jubilee with a resounding commitment to leading the continent's march towards a transformational and sustainable future.

The occasion was solidified by the launch and pricing of a new $2 billion social benchmark transaction, with a maturity date of 18 September 2029, precisely coinciding with the 60th anniversary of AfDB's founding.

The transaction, released in the format of a social bond under the bank's sustainable bond framework, represents the bank's second USD global benchmark issuance for the year 2024, closely following its 3-year $2 billion social benchmark transaction in January.

According to the bank's analysis, the new transaction brings an on-the-run reference point in the 5-year part of the USD curve, extending AfDB's outstanding curve, and demonstrating the issuer's commitment to maintain liquid lines at key benchmark maturities.

"With the final order book closing in excess of $3.7 billion (including USD 150 million of Joint Lead Managers (JLMs) interest), and 66 investors participating, the success of this 5-year transaction is considered a clear vote of confidence from investors in AfDB's AAA credit.

"The strong participation from ESG investors representing 25 percent of the final order book also highlights investors' confidence in the bank's sustainable bond framework and development mandate," the bank stated.

AfDB's 5-year $2 billion social benchmark issuance began with an undeniable surge in demand, reflected by the rapid accumulation of over $2.5 billion in Indications of Interest (IoIs) from the bank's high-quality investor base within a single day, a clear reflection of the confidence in AfDB's solid financial standing.

In another development, the launch of commemorative events to mark AfDB's 60th anniversary in Abidjan, the economic capital of Cote d'Ivoire, brought the continent together in celebration of the bank's unwavering commitment to shaping a brighter future for Africa.

An in-depth examination of the bank's transformative journey since its inception in September 1964, when representatives from 25 African countries came together in Khartoum, Sudan to envision a brighter future for the continent, reveals a narrative of unwavering resilience and passion that has carried AfDB through even the most challenging moments, leaving a legacy of positive change that will endure for generations to come.

L-R: Irowa Erhabor, project manager, GAIN-ENSAND Project; Abass Babatunde Yusuf, deputy country director, GAIN Nigeria; Michael Ojo, country director, GAIN Nigeria; Chidi Amadi, chief of staff to the FCT minister; Ubokutom Nyah, mandate secretary, Economic Planning, Revenue Generation, and Public-Private Partnership (EPRS & PPP); Wadala Aliyu Bodaji, permanent secretary; Uzodinma Joy, director, EPRS & PPP, during the signing of MoU between GAIN-ENSAND Project and FCT administration in Abuja, recently.

Georges Rigobert Aithnard, an iconic figure in AfDB's rich history, captivated audiences during the institution's 60th anniversary commemoration event, regaling attendees with a mesmerising narrative of the challenges faced by the nascent bank during its early years.

The 89-year-old, who served as the bank's oldest retiree, provided invaluable insights into AfDB's formative years, offering a unique window into the struggles and triumphs that have shaped the bank's storied legacy.

Aithnard's passion for the bank's mission was evident in the vivid accounts he shared during the 60th anniversary commemoration event, drawing from his personal experiences that spanned 30 years, from his initial role as personal assistant to Mamoun Beheiry, the first President of AfDB in 1965 to his tenure as director of the African Development Institute, which ended in 1995.

Aithnard's vivid recollection of a time when the first President of AfDB faced challenges in securing a meeting with the vice president of a sister multilateral development bank served as a stark contrast to the present day, where the African Development Bank has evolved into a formidable powerhouse within the multilateral development community.

Addressing an audience comprising AfDB's past and present staff, partners, and senior government officials, Aithnard commended the bank's remarkable rise, affirming that it has cemented its position as a leader among its peers, and an influential voice within the global development landscape.

"When I joined the African Development Bank in 1965, the bank was much more modest than it is today. There has been robust progress over the years.

"Despite the fears and challenges the bank faced then, it confronted problems head-on, secured global ratings, and continued to increase its capital. Today, we are delighted that the bank has overcome its fears to become a global development institution with influence beyond Africa," he stated.

At the helm of the discussion, Victor Oladokun, the bank's senior advisor on communication and stakeholder engagement, orchestrated a dynamic exchange of perspectives, drawing insights from staff members across different levels of the bank's organisational structure.

Among the panellists, Nnenna Nwabufo, director general of the bank's East Africa regional development and business delivery office, delivered an endorsement of the institution's vital role as a key player in Africa's development, describing the institution as Africa's partner of choice.

"The bank is at the centre of the conversation on Africa's development. It has become Africa's partner of choice. When African countries want to discuss development, they come to the African Development Bank because it has become a trusted partner," Nwabufor said.

Joséphine Sallah Ayari, providing valuable insights from the general services staff's perspective, and Hannatou Mamane, representing the bank's short-term staff, offered compelling reflections on their personal experiences working at the African Development Bank.

Both panellists acknowledged the vital role of Akinwumi Adesina, the bank's president, in ushering in a new era of progress and growth for staff members at all levels.

Akinwumi Adesina, president of the African Development Bank Group, led the institution's 60th anniversary celebrations with a stirring expression of gratitude and optimism, christening the momentous occasion as a "day of joy".

Adesina, in an outpouring of gratitude and pride, acknowledged the AfDB's impressive strides, spanning from its humble beginnings in Abidjan, Côte d'Ivoire to its current reputation as Africa's preeminent development partner. He also highlighted its support of over 6,575 projects and investments worth $77 billion across 3,000 projects in the past decade, a testament to the bank's unwavering commitment to driving Africa's socio economic development.

The AfDB leader, known for his signature bowtie, displayed his gratitude to President Ouattara for hosting the African Development Bank Group's headquarters in Abidjan and for his continued support.

He also shared a highlight of President Ouattara's contribution in 2019, when he helped the bank secure a general capital increase of $115 billion, representing the largest such increase in the bank's history. The AfDB president noted that the transformational increase, coupled with the bank's total capital reaching $318 billion in May earlier this year, served as an affirmation of shareholder confidence in the bank's mission and vision.

Speaking further on landmark achievements spearheaded by his administration, Adesina stated: "Following my election as President in 2015, during my first term, I made a case for a stronger bank with financial resources to help implement and scale up our High 5s: To light up and power Africa; To feed Africa; To industrialise Africa; To integrate Africa; To improve the quality of life of the people of Africa," Adesina said.

"In the past 9 years, we have provided over $55 billion in support of infrastructure, from energy to roads, corridors, seaports, airports, rail, digital infrastructure, water and sanitation. Today, the Bank is the largest multilateral financier of infrastructure in Africa."

Adesina further illuminated the bank's remarkable impact, sharing that over the past eight years, the bank's efforts have positively touched the lives of about 400 million Africans.

He underscored significant milestones in the bank's progress, noting that while in 2016 only 25 percent of Africans had access to electricity, this figure has now risen to 52 percent, with the bank's $20 billion Desert-to-Power initiative in the Sahel set to bring 10,000 megawatts of power to 250 million people across 11 countries.

Adesina also announced that the AfDB has successfully mobilised $72 billion to boost Africa's agricultural potential through the Feed Africa Summit in Dakar, Senegal, and additionally, has helped Africa address the challenges of climate change by raising $25 billion through its Africa Adaptation Acceleration Programme and $14 billion through its Climate Action window.

The Water...

Continued from page 11

targeted support for the poor and vulnerable would go a long way.

To fix chronic underinvestment in water, we must reprioritize water infrastructure in public finance, where it is oddly neglected in most countries. Policymakers can draw on best practices in public-private partnerships to provide fair incentives for long-term commitments, while serving the interests of the public, especially underserved communities.

Given the collective nature of the water challenge, we must ensure larger and more reliable flows of finance to help low- and lower-middle-income countries invest in water resilience. Multilateral development banks, development finance institutions, and public development banks will need to work closely with governments to support national water missions that reflect local needs and ecological conditions. International trade agreements also offer potential levers to promote efficient water use, because they can help to ensure that the "virtual water" embedded in traded goods does not aggravate scarcity in water-stressed regions.

Just as we are doing for emissions, we must compile high-integrity data on corporate water footprints and create frameworks for water-use disclosure. We must also develop systems for valuing water as part of natural capital. Putting a price on this most critical resource could deliver significant dividends for countries over time.

In short, we must shape markets across our economies – from agriculture and mining to energy and semiconductors – so that they become radically more efficient, equitable, and sustainable in their water use.

The 2023 preliminary report of the Global Commission on the Economics of Water set out the case for pursuing fundamental change in the way the world manages water. Our final report this October will show how we can do so through transformative, collective action.

We are only in 2024. If we do not address these problems head on, wildfires, floods, and other water- and climate-driven extreme events will only get more intense and deadly in the years to come. Advancing the water-security agenda may seem more difficult amid growing geopolitical tensions, but it presents an opportunity to prove that collaboration can benefit all countries and enable a just and livable future for all.

We cannot shrink from this challenge.

This commentary is featured in our forthcoming magazine, PS Quarterly: The Climate Crucible.

STOCKS MARKET

	NSE	NSE 30	FTSE 100	DOW JONES	S & P 500	FTSE/JSE	NASDAQ
	97,456.62	3,609.40	8,164.12	39,118.86	5,460.48	79,707.11	17,732.60
CURRENT	1.06	0.82	-0.19%	-0.12%	-0.41%	0.93%	0.71%
YEAR TO DATE	30.34	29.36	5.57%	3.79%	14.48%	3.66%	11.16%

TOP TRADERS

Company	Volume	Value
JAPAULGOLD	105650070	274495361.1
FBNH	43192810	1242734889
ZENITHBANK	28620582	1073424297
UBA	15538544	371185368.9
ETI	14595478	329553796.5

TOP GAINERS

No	Equity	Opening	Closing	%Change
1	FLOURMILL	N 49.55	N 54.50	9.99%
2	CAVERTON	N 2.31	N 2.54	9.96%
3	ETI	N 21.60	N 23.75	9.95%
4	RTBRISCOE	N 3.32	N 3.65	9.94%
5	UPDC	N 1.62	N 1.78	9.88%

TOP LOSSERS

No	Equity	Opening	Closing	%Change
1	DAARCOMM	N 0.72	N 0.65	-9.72%
2	DEAPCAP	N 1.02	N 0.93	-8.82%
3	PZ	N 17.10	N 15.65	-8.48%
4	CUSTODIAN	N 14.20	N 13.00	-8.45%
5	MCNICHOLS	N 1.54	N 1.41	-8.44%

COMMODITIES

SYMBOL	PRICE	CHANGE	%CHANGE	VOLUME
OIL	80.12	-0.01	-0.01	540
BRENT	82.64	0.01	0.01	91,282
NAT GAS	2.182	0.054	2.54	10,501
RBOB GAS	2.451	0.001	0.04	1,658
GOLD	2,402.90	3.8	0.16	51,560
SILVER	29.24	-0.059	-0.2	16,227
COPPER	968.6	-5.3	-0.54	7,361
PALLADIUM	4.231	-0.006	-0.14	20,751
WHEAT	900	-2.3	-0.25	1,493
SOYBEAN	501.5	UNCH	UNCH	0
CORN	551	8.25	1.52	6,825
SUGAR	1,112.25	15	1.37	3,621
COFFEE	411	6.25	1.54	21,948
COTTON	18.65	-0.01	-0.05	3,867
ROUGH RICE	238.7	0.5	0.21	1,412
COCOA	71.06	0.36	0.51	1,828
	14.39	0.15	1.05	54

NGX rebounds with N607bn profitable week for investors

Onome Amuge

INVESTORS ON THE Nigerian Exchange Group (NGX) had a highly profitable trading week, recording a capital gain of N607 billion as equity capitalisation soared to N56.00 trillion, a significant increase from the previous week's figure of N55.39 trillion.

The market's rebound comes after a loss of N83.55 billion in the prior week, with the bourse experiencing gains in three out of the five trading days.

The All-Share Index (ASI) maintained its upward trajectory, recording a 1.06 percent increase to finish the week at 97,456.62 points, a substantial improvement compared to the 96,433.53 points recorded in the prior week.

The equities market opened the trading week on a negative note, as investors incurred a loss of N111 billion on Monday, September 9, 2024, following a sharp decline in market performance.

The downward trend was short-lived as the market rebounded on Tuesday, September 10, 2024, with investors gaining an impressive N343 billion by the end of the trading session.

L-R: Lucky Adaghe, executive director, operations, Asset Management Corporation of Nigeria (AMCON);. Yetunde Oni, managing director/CEO, Union Bank; Gbenga Alade, managing director/CEO, AMCON; and Adeshola Lamidi, executive director, resolution/enforcement, AMCON, when the CEO of Union Bank and her team paid the management of AMCON a business visit at the corporate head office of AMCON in Abuja...recently.

Following the previous day's gains, the Exchange witnessed a sharp reversal on Wednesday, September 11, 2024, as the market suffered a N50 billion loss by the close of trading.

However, the bulls returned with full force on Thursday, September 12, 2024, as investor sentiment improved, leading to a gain of N178 billion by the end of the trading session.

The Exchange concluded the trading week on a positive note as the market ended the week with a N247 billion gain on Friday, September 13, 2024. The strong performance marked a fitting end to a volatile week, with investors capitalising on emerging opportunities and driving the market upward.

During the trading week, the NGX saw a surge in trading activity, with investors transacting a total of 2.584 billion shares worth N51.205 billion in 50,615 deals, marking an increase from the previous week's figures of 2.141 billion shares valued at N51.217 billion traded in 55,603 deals.

The financial services industry dominated the market, leading the activity chart with a volume of 1.707 billion shares worth N26.989 billion traded in 19,277 deals, accounting for 66.05 percent of the total equity turnover volume and 52.71 percent of the total equity turnover value.

The NGX also witnessed a high level of trading activity in the oil and gas industry, with 332.829 million shares worth N11.997 billion transacted in 9,956 deals, placing the industry as the second most active sector in the market for the week.

The services industry came in third, recording a turnover of 146.189 million shares worth N530.544 million in 3,404 deals, contributing 5.66 percent to the total equity turnover volume and 1.03 percent to the total equity turnover value.

Jaiz Bank Plc, Zenith Bank Plc, and Japaul Gold & Ventures Plc emerged as the top three most actively traded equities on the NGX. The three companies combined traded 947.855 million shares worth N11.084 billion in 4,822 deals, representing 36.68 percent of the total equity turnover volume and 21.65 percent of the total equity turnover value.

The NGX witnessed a surge in share price growth this week, with CAVERTON taking the lead, recording 59.75 percent increase in its share price, followed by RTBRISCOE, which saw a 42.02 percent rise in its share price.

UPDC also experienced a notable increase in its share price, with a rise of 36.92 percent, indicating strong investor confidence in the company's growth prospects.

Despite the overall bullish sentiment, LEARNAFRICA emerged as the top loser, with a 22.15 percent decline in its share price, followed by JULIUS BERGER, which shed 17.89 percent of its share prices.

PZ also experienced a significant drop in its share price, declining by 17.63 percent, marking the third-largest share price decline on the NGX for the week.

GTCO writes new chapter with N1trn half-year profit

Business a.m.

Guaranty Trust Holding Company Plc (GTCO) has blazed a trail in the Nigerian financial industry, becoming the first institution to break the N1 trillion profit barrier. This is as the company's audited consolidated and separate financial statements for the period ending June 30, 2024, released to the Nigerian Exchange Group (NGX) and London Stock Exchange (LSE), revealed an unprecedented profit before tax of N1.004 trillion, a 206.6 percent increase compared to the N327.4 billion reported in the corresponding period ending June 2023.

GTCO's impressive financial performance is further underscored by the 25.5 percent increase in its loan book (net), which rose from N2.48 trillion reported in December 2023 to N3.11 trillion in June 2024.

Moreover, the group's deposit liabilities increased significantly, swelling by 39.8 percent from N7.55 trillion in December 2023 to N10.55 trillion in June 2024.

In a testament to the group's diversified and resilient balance sheet, GTCO achieved remarkable growth across all its asset lines. This dynamism was further reflected in the healthy and well-structured balance sheet across its banking franchises in the diverse markets where it operates, as well as its varied business verticals such as payments, pensions, and funds management.

At the close of the quarter, total assets and shareholders' funds stood at N14.5 trillion and N2.4 trillion, respectively, solidifying the group's position as a financial powerhouse.

GTCO's robust financial health and asset quality was further evidenced by the group's impressive Capital Adequacy Ratio (CAR), which remained strong at 21 percent by the end of the quarter. In addition, the group's commitment to maintaining a high standard of asset quality was demonstrated by the IFRS 9 Stage 3 loans, which stood at a reassuring 4.3 percent in June 2024, compared to 4.2 percent in December 2023.

Following the release of Guaranty Trust Holding's financials, Segun Agbaje, the chief executive officer, shared his elation over the Group's remarkable progress in establishing itself as a pre-eminent financial holding company.

Agbaje, in a statement, noted that despite the uncertainties in the operating environment, the group's performance in the first half of the year where it recorded its highest profit to date, is a testament to the resilience and adaptability of its business model.

In light of the outstanding performance, Agbaje expressed his unwavering optimism for the future, underscoring GTCO's steadfast commitment to leveraging its distinctive position as a thriving financial services ecosystem.

Kila cheers Credit Corp, but sounds warning bell over mismanagement

Onome Amuge

ANTHONY KILA, A PROFESSOR of Strategy and Development at the Commonwealth Institute of Advanced and Professional Studies, has thrown his support behind the federal government's recent effort to reinvigorate consumer finance by establishing the Nigerian Consumer Credit Corporation (CREDICORP). However, Kila stressed the importance of exercising due diligence and exercising strict oversight during the implementation of the project to ensure that CREDICORP does not degenerate into a mere cash-sharing scheme, which could ultimately lead to the project's abandonment.

Kila, a prominent political economist and renowned public affairs analyst, expounded on his views while speaking at the Cambridge African Round Table (CARt), an international forum composed of analysts, corporate and public leaders, diplomats, and scholars with the aim of fostering dialogue, research, and connectivity to advance our comprehension of African and global issues.

The event, which took place on 13th September 2024, was organised to discuss economic and developmental opportunities in African and Caribbean countries at a roundtable themed "Finance, Production and the Market in African Countries.

The political economist, in his endorsement of the Nigerian Consumer Credit Corporation, acknowledged the potential of the initiative. However, he expressed his support with reservations and outlined specific caveats to ensure its successful implementation.

"The Nigerian government and those who act on their behalf should be careful not to limit or turn the project into a cash-sharing scheme," he warned.

He also underlined the need for both the government and public to be mindful of the potential dangers of the project, while also emphasising the potential benefits it could bring.

Kila further insisted that the CREDICORP scheme should be perceived as an opportunity for Nigeria to "ginger" and empower Made in Nigeria products and services and, by doing so, increase the creation of jobs and wealth in the country.

The professor of strategy and development, in his capacity as a public analyst, urged stakeholders to steer clear of any misuse of the CREDICORP scheme, highlighting the importance of safeguarding the project from corruption and waste.

Furthermore, Kila called on political economists in African and Caribbean nations to take a proactive role in guiding their respective communities, governments, and businesses towards prosperity through collaboration.

Quoted Insurers

Security	P/close	Open	High	Low	Close	%Change	Volume	Value
AIICO	1.13	1.13	1.15	1.1	1.12	0.88	8,279,352	9,303,879.55
CORNERST	2.11	2.11	2.32	2.11	2.32	9.95	2,423,416	5,510,742.85
LINKASSURE	0.95	0.95	1	1	1	5.26	605,923	601,058.77
MANSARD	5.41	5.41	5.46	5.36	5.46	0.92	1,719,208	9,345,573.53
NEM	7.7	7.7	-	-	7.7	0	136,486	1,061,142.05
SUNNUASSUR	1.18	1.18	-	-	1.18	0	111,164	140,714.92

NAICOM chief takes up gauntlet, advocates for local aviation insurance

● Pushes for local content provisions
● To support growth of the specialised business

Cynthia Ezekwe

R-L: Oregbesan Olalekan, head ICT/M&E manager, (PIU); Adekunle Oyenusi, director (legal)/project manager (PIU); Jelilat Motunrayo Awojobi, deputy director (F&A)/finance manager (PIU); Naveen Kapoor, team lead (P&PMT); Ahmed Bolaji Nagode, director general (NAPTIN); Abdulahi Usman, business support (P&PMT); Tunde Thani, managing director, Explicit Communications Limited; Shehu Bello, deputy director, for procurement/ and procurement manager (PIU); Francis Elughi, in-house consultant (PIU), on the project site, taking pictures together at the contract signing between NAPTIN and Explicit Communications Limited in Abuja recently,

OLUSEGUN AYO OMOSEHIN, THE commissioner for insurance (CFI) and chief executive of the National Insurance Commission (NAICOM), in his quest to elevate the aviation insurance industry and ensure the safety and security of Nigeria's local airlines and aviation businesses, has called for an infusion of local content into aviation insurance policies. This, he believes, will not only catalyse the growth of the industry but also strengthen its ability to manage risks and protect the assets of local stakeholders, a vital component of the sector's continued success and expansion.

Omosehin underscored the importance of incorporating local content provisions in aviation insurance policies during a recent courtesy call on Festus Keyamo, the minister of aviation and aerospace development, in Abuja.

Local content provisions in insurance entail regulations or incentives that encourage insurance companies to utilise local resources, invest in local economies, create products tailored to local needs, and forge partnerships with local businesses and organisations. These provisions aim to harness the local expertise and resources available, fostering economic development, promoting the growth of the insurance industry, and meeting the specific needs of local stakeholders.

In the context of aviation insurance, local content provisions includes partnering with local airlines and aviation businesses to develop customised insurance products, using local adjusters and surveyors to assess claims, investing in local training and capacity-building programmes for insurance professionals, using local reinsurers or brokers to support local economic development, as well as developing insurance products that address unique local risks or challenges

Dwelling on this, Omosehin underscored the necessity of capacity building, noting that local insurers must undergo training to effectively manage the unique risks associated with aviation insurance. He explained that implementing regulatory measures for local content provision in aviation insurance would not only support the growth of the sector but also bolster risk management practices within the industry.

According to the commissioner for insurance, local content provision will enhance risk management practices, promote local economic growth and development, enhance local expertise and capacity, improve access to insurance coverage for local businesses and individuals, encourage innovation and tailored insurance solutions, and reduce reliance on foreign insurers and reinsurers.

While acknowledging the importance of capacity building, regulatory support, and collaboration, Omosehin noted that these factors currently present major hurdles in achieving successful local content provision in Nigeria's aviation insurance sector.

To address these challenges, he stressed on the urgent need to implement regulatory measures and industry-wide initiatives that will facilitate local content provision in Nigeria's aviation sector.

The NAICOM chief also argued that a concerted effort from both the regulatory and industry stakeholders is critical for creating an enabling environment that supports local insurers, promotes capacity building, and incentivises collaboration with international experts.

Responding to Omosehin's remarks, Keyamo acknowledged the importance of local content but noted a significant challenge, which is the inability of the local insurance market to handle the risks associated with dry lease aircraft arrangements. He explained that most local firms would need to seek reinsurance in the international market, which would increase costs for local airline operators.

According to Keyamo, the risk exposure in the aviation sector is so significant that even after local insurers underwrite the risk, they would need to seek reinsurance in the international market, incurring additional costs for local operators. This, he explained, underscores the importance of supporting the growth and development of the local insurance market, through capacity building and collaboration, to better manage the complex risks associated with the sector.

Keyamo also clarified that the concerns raised by international lessors and manufacturers regarding the local insurance market's capacity to handle risks associated with dry leases are significant barriers to aircraft delivery to Nigeria.

He insisted that this issue must be resolved before international players will be willing to deliver aircraft to the country, stressing the need for increased local capacity building and risk management expertise.

In aviation, a dry lease refers to any leasing arrangement whereby an aircraft is leased to another party without any additional services or crew" provided by the lessor (the aircraft owner). In a dry lease, the lessee (the party leasing the aircraft) gains possession and control of the aircraft, but they are responsible for all the operational aspects, including flight crew, maintenance, insurance, fuel, and other operational expenses.

According to the aviation minister, the international lessors and manufacturers are insisting that they will not bring aircraft into Nigeria if the risk is placed in the local market, as they argue that the risk must be placed in the international market.

Keyamo, cognisant of the concerns raised by international lessors and manufacturers, disclosed plans to initiate discussions with NAICOM to consider an exception for dry lease insurance in the aviation sector.

The minister proposed that, while all other aviation-related insurance should remain local, a potential carve-out for dry lease insurance could help alleviate international players' concerns.

Keyamo further articulated that addressing the insurance issue and amending legal guidelines to prevent the issuance of injunctions that hinder lessors from repossessing aircraft in case of dry lease defaults, would create a more inviting environment for international lessors and manufacturers to bring their aircraft to Nigeria under dry lease arrangements.

Retail insurance takes beating on tough times, as insurers battle to boost operations

FACING AN INCREASINGLY DIFFICULT economic environment in Nigeria, many insurance companies are experiencing a decline in sales of retail products, with some finding it challenging to maintain their market share. Thus, the retail insurance sector is struggling with tough economic conditions, brought on by rising fuel prices, inflation, and stringent government policies, making it difficult for insurance providers to attract and retain customers.

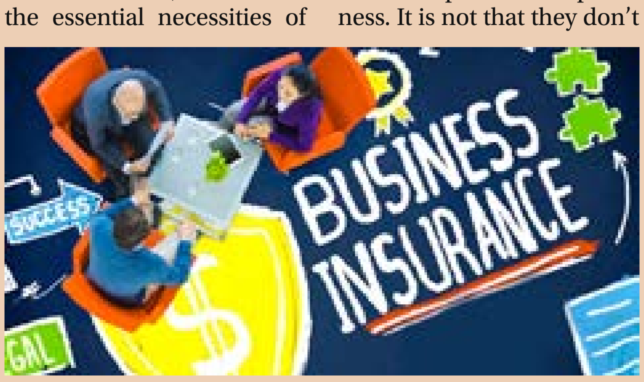
Sharing his perspective on the situation, Stephen Alangbo, the managing director, Cornerstone Insurance Plc noted that the economic situation has forced people to prioritise their needs, adding that the current economic situation of the country is a major constraint to people distributing retail insurance products due to high cost of transportation.

On how insurance companies can remain afloat amid the economic challenges, Alangbo highlighted the need for strict enforcement of compulsory insurances, noting that the economic condition of Nigeria calls for increase in adoption of insurance by Nigerians, to enable business continuation in the face of unforeseen occurrences.

The Cornerstone Insurance MD stressed the need for insurance companies to pay claims to affected policyholders, highlighting that doing so will motivate Nigerians to embrace insurance, and contribute to the economic growth of the country.

Alangbo also spoke on the need for insurance companies to demonstrate more activities on Corporate Social Responsibility (CSR), stressing that when the economy rebounds, people would identify more with companies that supported them. On his part, Ben Ujoatuonu, managing director Universal Insurance Plc, explained that it is a trying time for retail insurance business, stating that the income level of people buying retail insurance products is low as many of them live on a daily income.

According to him, the present economic condition of the country makes it difficult for insurance businesses to thrive, given the rate of inflation, and cost of the essential necessities of the citizens.



"A loaf of bread is now N2,000 and a tuber of yam going between N6,000 to N10,000 and these people don't make this kind of money. So, if you are talking to them about insurance, they would be looking at you from the point of helplessness. It is not that they don't appreciate the need to protect their lives and assets, but they can't buy insurance. It is really affecting our line of business," he said.

Speaking on the way out, he emphasised the need for stricter enforcement of compulsory insurance, which is required by law.

Ujoatuonu urged insurance companies to increase awareness, engage in social responsibility, and settle claims promptly to encourage people to buy insurance, noting that the current economic situation of the country calls for investment in insurance, as replacing lost or damaged assets is challenging due to financial constraints.

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LEADERSHIP & ORGANISATIONS

How to Mitigate Resentment in Your Team

Nadav Klein

Assistant Professor of Organisational Behaviour

CREATING CO-DEPENDENCIES AMONG team members could help foster more harmonious team dynamics.

When conflicts in a team – no matter how minor – are left unresolved, it can eventually breed resentment. If unaddressed, this could lead to cynicism and distrust, as well as harm individual and team performance. How should leaders deal with this?

The intuitive answer might involve orchestrating frank, albeit difficult, conversations between the discordant parties. But such conversations are unlikely to lead to the desired reconciliation without a baseline of trust and goodwill. Research reveals that people become less cooperative when they expect others to be uncooperative. Instead, consider a slightly counter-intuitive alternative: Get the employees who resent each other to rely on each other.

Think about the last time you desperately needed assistance from a colleague you didn't particularly like but who was nevertheless able to deliver the help you required. You probably felt happy. Or relieved. Or both. At that moment, your prior issues fell by the wayside, and your positive feelings from receiving help were transferred to some extent to the individual who delivered. What's more, the resentment likely subsided because you now have evidence that the other person can and will be motivated to help you.

This does not mean that longstanding conflicts were instantly resolved; that would require the frank and difficult dialogue mentioned earlier. But at this point, such a conversation can take place from a baseline of goodwill, making it more likely to succeed.

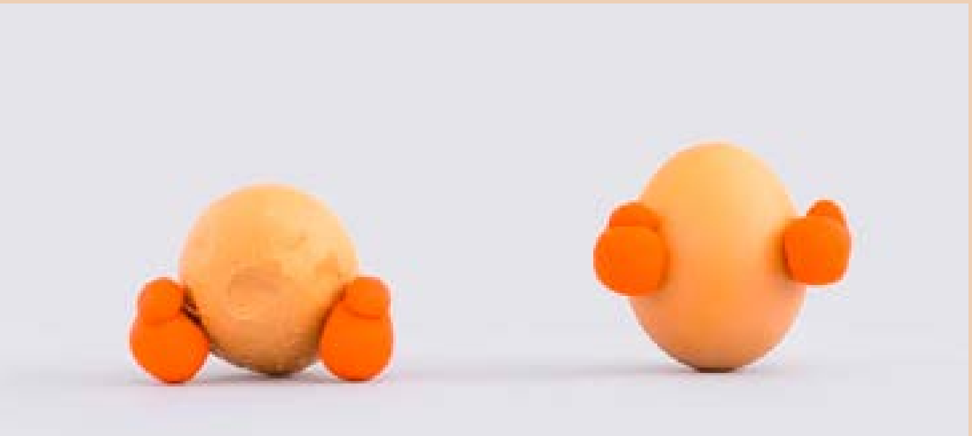
Co-dependency creates reciprocity

In the 1950s, psychologists Muzafer Sherif, Carolyn Wood Sherif and their team investigated how resentment and conflict can be quelled. They invited 22 teenage boys to camp out at Robbers Cave State Park in Oklahoma, United States. By all accounts, the boys should have gotten along famously. They had a lot in common, came from comparable backgrounds and shared similar likes and dislikes.

But things went awry when the researchers split the boys into two teams and asked them to partake in various competitions such as tug-of-war and baseball, effectively pitting them against each other. Each team created their own team flags, hierarchies, customs and jargon organically. Soon, a spiral of escalation ensued. First came insults and name-calling between the two teams. Then, the stealing of valuables, including the rival team's flag. Finally, one of the teams ransacked the other's cabins in the middle of night. Surveying the boys, the researchers found they had developed starkly negative attitudes towards their rivals.

The researchers tried several ways to lower the temperature. An intuitive but mistaken first attempt was to ask the rival team members to engage freely in communication. Unfortunately, that evolved into a shouting match. The researchers realised that a baseline of goodwill and trust was needed, and found a better way: engaging the boys in tasks that made them depend on the rival team to achieve mutual goals.

The researchers were creative in orchestrating these situations. One day, water to the camp was blocked by a large boulder that could only be moved with the strength of the boys from both teams. Another day, the researchers let the boys rent a popular movie, but its cost and the convenient lack of budget meant that boys from both teams had to chip in. Over time, as the boys had to rely on one another, their



hostile sentiments towards their rivals were replaced by favourable attitudes.

The deep insight from this situation lay the foundation for a psychological theory called intergroup contact theory: It's hard to hate someone you need help from. Co-dependency creates reciprocity. Originally, and still to this day, this theory has been applied to political and group conflict. Subsequently, it has been applied to workplace relationships.

Other research supports this insight, finding that small acts of giving – be it money, time or effort – are surprisingly highly appreciated, at times just as much as large acts of self-sacrifice. By simply creating a necessity for feuding teams to cooperate, a surprising amount of goodwill can be generated.

A well-known example of this is the "team of rivals" set up by former US President Abraham Lincoln during the American Civil War, which included politicians and generals whose disagreements would have otherwise had them at each other's throats. But the extreme situation they faced meant they had to depend on one another for success. Instead of bickering, they learnt to appreciate one another's ideas and cooperate.

How leaders can address resentment

How can leaders determine the best way to address feuds within their team? First, determine if resentment is brewing to a degree that you should be concerned. The solutions proposed here require the reshuffling of tasks and personnel, and so should only be used when business-as-usual is no longer an option.

If this is the case, start by mapping out the ways in which discordant team members need each other's expertise, resources and help. Create or adapt projects and tasks such that cooperation is required from everyone, including those who seem not to get along with each other. Like Sherif and his team, you can frame the reasons for cooperation as an external pressure that cannot be solved otherwise. People may perceive such unorthodox pairings as an attempt to manipulate them, but they will be more accepting if they deem it to be an organisational necessity – be it due to staffing shortages, competitive pressures or the special talents of the employees in question.

Moreover, organisational necessities can incentivise feuding employees to do a great job for the sake of the organisation (instead of continuing their feud in secret while working together). You can also design the task with additional incentives to do well. Critically, these incentives should kick in when the task is accomplished. This means that the incentive will create a true co-dependency.

Ensure that the cooperative task involves achievable goals from both parties to make sure each person can deliver something useful to the other. This will create preliminary evidence for each individual that the other is not so bad, while laying the groundwork of increasing trust and goodwill for eventual conflict resolution. For example, a task like "prepare a slide deck to pitch to a client together" is achievable, whereas "raise sales by 5 percent in the next quarter" is more uncertain and unsuitable for this context.

Solutions in action

Let's take a concrete example. Imagine that you are managing a sales team, and your star salespeople are at loggerheads, both believing that the other is trying to steal their clients. Proactive leaders may opt to have a frank conversation about the issues. This is not unreasonable. However, as noted, there needs to be some level of trust and goodwill between the parties for such conversations to succeed.

Consider an alternative: Following the steps outlined above, you create a joint and achievable goal that your two salespeople must cooperate on, framing it as an organisational necessity. Perhaps the issue is getting rookie salespeople up to speed, which needs to happen more rapidly. You explain there needs to be an in-house sales training seminar, and you want your best people running it.

This environment will compel your two disgruntled stars to cooperate if they want to deliver a great seminar. You can also add a joint incentive – stellar evaluations from participants would earn your feuding stars a bonus. Through this cooperation on an achievable task, resentment will recede and future frank conversations can occur to help resolve the deeper issues.

Take another example. You have a member on your team who seems to be a constant "devil's advocate". In the past year, they have been repeatedly warning that demand for your main product will dry up due to enterprising competitors working on cheaper and better substitutes. They are citing "leading indicators" that they came up with but that no one else subscribes to. When they speak up in meetings, eyes roll and irritated sighs are heard.

Such a situation presents a challenge to the team leader. On the one hand, devil's advocates can provide valuable warning signs and divergent ideas. On the other hand, deep-seated resentment towards the devil's advocate may cause team members to discount their opinion and create a toxic team culture.

A solution might be to assign discrete, achieveable projects that would require the devil's advocate to collaborate with their team members, preferably working on goals that are unrelated to the contentious topic of future demand. For instance, perhaps everyone can work together on a slide deck about past sales to be presented to highers up (thus avoiding the conflict about the fate of future sales). This would give your devil's advocate and the rest of the team the chance to demonstrate cooperative behaviour towards one another and help change the team dynamics.

Creating co-dependencies among team members might help reduce their resentment towards each other over time. If leaders and managers create incentives for cooperation and provide opportunities to build trust and positive feelings, individuals will cooperate, even if they dislike each other at first. After all, it's hard to resent someone you need help from.

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STRATEGY

Technology Counter-Offensive! Fight Back Against Disruption

NATHAN FURR
Professor of Strategy

COMPANIES CAN RESPOND to new technology with smart strategies.

Disrupt or be disrupted – or so the business mantra goes. But the reality is, new "game-changing" technology isn't always a death sentence for existing companies. Not everything that appears to be disruptive, disrupts.

Take turbine-powered cars. Despite the initial hype, these experimental cars never disrupted the automobile industry. The lesson here is that companies shouldn't fear being swept aside if they do not adopt the latest "revolutionary" technology. The threat of disruption is real, but it's often easier to see in the rearview mirror. For instance, the success of Tesla's electric vehicles seems obvious now, but would have been difficult to predict in advance — just look back to the skepticism the organisation faced in the early 2010s for proof.

So, what are companies to do when faced with a potential threat? Our recent research in Organization Science offers some helpful insights. We studied how automobile companies responded when a new fuel delivery system, electronic fuel injection (EFI), threatened to replace carburettors.

In the period of study from 1978 to 1992, some manufacturers chose to improve their carburettors, essentially extending the life of the existing technology. Others opted for a hybrid approach, combining carburettors and EFI systems. These strategies improved carburettor performance, slowed down the overall switch to EFI technology and bought valuable time for companies to adapt. They also had important trade-offs.

Technology counter-offensive strategies

While it is sometimes true that new technologies will disrupt, it is often the case that companies can push back. Companies facing new, potentially disruptive technologies have a number of options. They can improve their existing technology (extension strategy) or combine the old and new technology into a whole new product, like a hybrid car (bridging strategy).

These approaches are often criticised as being inertial responses to change, with limited effectiveness once the disruptive technology becomes dominant. But that's not the whole story. In the early stages, when the new technology is still unproven, there is a lot of uncertainty. Nobody knows for sure if it will actually be better, how easy it will be to commercialise or if the existing technology can be improved enough to stay relevant.

"Counter-offensive" extension or bridging strategies can be quite successful. In some cases, companies have used them to delay the new technology from taking over for years, even decades, like with semiconductor lithography (used in chip manufacture) and typesetting (preparing text for printing). Other industries have managed to indefinitely forestall a takeover, such as in silicon semiconductor material technology.

Our research examined how carburettor manufacturers strategically responded to the rise of EFI. We found that companies that focused on continuously improving carburettors saw faster performance gains than before EFI. Conversely, those that created hybrid carburettor-EFI designs saw slower improvement in traditional carburettors, but their hybrids performed better.

The combination of these improvements actually slowed the pace of EFI adoption by about 25 percent, or one year, giving companies more time to adapt. Although this may not sound very long, it translated into about 18 percent of car models sticking with carburettors for an extra year, resulting in significant additional revenue for those companies. In some niche markets, carburettors persisted for even longer.

Importantly, extension and bridging strategies led to different trade-offs. Manufacturers that adopted an extension strategy improved their carburettors, but ended up selling them to a much smaller, more specific customer base. On the other hand, companies that embraced a bridging strategy created hybrid products that performed better and were cheaper to adjust to the new technology. This increased the likelihood of the firm surviving and successfully switching to EFI.

Dealing with disruptive new technologies

Firms threatened by disruption need to consider both demand elasticity (the likelihood that customers, or large niches, will stick with the existing technology), as well as technical and competitive elasticity (the potential for improvement of the existing technology and the challenges of commercialising the new technology).

Put simply, companies should consider how attached their customers are to their product, and whether they can significantly improve it to keep up with the competition. By considering these factors, firms can choose the most effective counter-offensive strategy.

1.Strong customer loyalty and room for improvement

If there is customer demand and significant room for improvement in the existing technology, extension strategies (focusing on continuous improvement) can be highly effective.

2.Moderate customer loyalty and room for improvement

If there is some customer preference for the existing product and marginal room for improvement, bridging strategies, like creating hybrid solutions, can extend the life of existing products while lowering adjustment costs in the event of eventual substitution.

3.Weak customer loyalty and limited improvement

If the new technology offers a clear path forward and the existing one has limited customer support and potential for improvement, an adoption strategy remains essential. Companies need to embrace the new technology to stay competitive.

Ultimately, firms have a wider array of options than simply succumbing to the "disrupt or be disrupted" mentality. Instead, they should become proactive participants in the innovation race, anticipating disruption and choosing the most effective counter-offensive strategy for their unique circumstances.

more than banking

CORNELIA C. WALTHER

Cornelia C. Walther is a visiting scholar the Wharton AI & Analytics Initiative.

How We Can Harness AI to Fulfill Our Potential

Visiting scholar Cornelia Walther explains the four assets you need to protect your personal agency and critical thinking skills as AI becomes a bigger part of our lives.

THE FOLLOWING ARTICLE WAS written by Dr. Cornelia C. Walther, a visiting scholar at Wharton and director of global alliance POZE. A humanitarian practitioner who spent over 20 years at the United Nations, Walther's current research focuses on leveraging AI for social good.

The rapid advancement of artificial intelligence has brought immense potential to revolutionize our lives, from automating mundane tasks to offering unprecedented insights and predictions. However, as we increasingly integrate AI into our daily routines and decision-making processes, there is a growing risk of delegating too much of our cognitive autonomy. This shift can lead to overreliance on AI, diminishing our ability to think critically, make independent judgments, and maintain a sense of personal agency. Stanford studies have shown that when individuals rely excessively on AI, they tend to experience a reduction in cognitive engagement and decision-making capabilities.

AI's allure lies in processing vast amounts of data and performing complex calculations far beyond human capabilities. Initially, this technology serves as a valuable tool, enhancing our productivity and aiding in various domains. As utilization turns into reliance, we may begin to trust AI systems more than our own judgment, leading to a passive acceptance of AI-driven outcomes. This transition can eventually evolve into dependency, where AI's influence over our decisions becomes so pervasive that we lose the ability to operate independently.

A study published by the MIT Sloan School of Management highlights the dangers of this dependency. Overreliance on AI in decision-making processes can lead to a decrease in critical thinking and problem-solving skills among professionals. Vigilance toward our own mind matters even more now. In addition to the well-known caveats of human thought like bias and prejudice, we are now at risk to slip from AI delegation to AI dependency.

The biggest challenge of the 21st century will be our ability to maintain and enhance our agency amid the growing presence of AI. We can address this challenge by adopting four assets: Attitude, Approach, Ability, and Aspiration.

1. Attitude: Cultivating Awareness, Appreciation, Acceptance, and Accountability

To counteract the risks associated with AI dependency, we can start by adopting a specific attitude. This involves cultivating awareness of the capabilities and limitations of both AI and humans, appreciating their respective potential, accepting the responsibility to use AI ethically, and holding ourselves accountable for the decisions made with AI assistance. A word on each:

Awareness: Understanding the scope and constraints of our own minds — and of AI — helps us set realistic expectations and avoid blind trust in its outputs. Awareness involves mindfulness, staying informed about AI developments, and being critical of the data and algorithms that drive these systems.

Appreciation: Recognizing what makes us unique as human beings and how AI might serve us in complementarity makes it possible to harness technological benefits while retaining our critical faculties. Appreciation involves acknowledging AI's contributions to efficiency and innovation, but not at the expense of our judgment and free will.

Acceptance: Embracing the ethical implications of AI usage means accepting our role in ensuring these technologies are used responsibly. This includes being vigilant about the biases of humans and algorithms, and the ethical concerns in AI applications that reflect those.

Accountability: Holding ourselves accountable for AI-driven decisions ensures that we remain active participants in the decision-making process. Accountability involves regularly evaluating AI's impact on our choices and adjusting as necessary. Ultimately, we are responsible for the outcomes that derive from the technology in our lives.

(All of these come together in the "A-Frame," a concept that is explored further in this forthcoming book.)

2. Approach: Aligning Aspirations to Values and Actions

The second asset involves adopting an approach whereby we align our aspirations with our values and actions. This means ensuring that our use of AI reflects our personal and societal values and that our actions are consistent with these principles.

Aligning Aspirations to Values: Our goals in using AI should align with our core values, such as fairness, transparency, and inclusivity. This alignment helps prevent the misuse of AI and ensures that its deployment serves the greater good.

Aligning Values to Actions: Translating our values into concrete actions is crucial for maintaining agency. This involves implementing ethical guidelines and practices in AI usage, advocating for responsible AI policies, and participating in discussions about AI's societal impact.

3. Ability: Developing "Double Literacy," or Brain Literacy and Algorithmic Literacy

To preserve our agency amid AI, we must develop "double literacy": a 360-degree understanding of both our own cognitive processes (brain literacy) and the mechanisms behind AI systems (algorithmic literacy) and how they interplay.

Brain Literacy: By understanding how our brains work, we can better recognize when AI might be influencing our decisions and take steps to mitigate this influence. Brain literacy involves being aware of cognitive biases and the ways in which AI can exploit these biases.

Algorithmic Literacy: Knowing how AI algorithms function allows us to critically assess their outputs and identify potential flaws or biases. Algorithmic literacy involves learning about the data, models, and assumptions that underpin AI systems and using this knowledge to make informed decisions.

Both types of literacy must be embedded in a holistic understanding of people and planet, and the kaleidoscope of constant change in which technology is increasingly omnipresent. AI holds the promise to enhance our lives, at work and at home. Whether it fulfills that promise depends on our ability to understand what it is (not) and who we are (not).

4. Aspiration: Embracing the Vision of a Society where Everyone Gets a Chance to Fulfill Their Potential

We have grown used to a world where only the strongest survive and resources are limited. What if we shifted our focus from scarcity to abundance, and from judgment to curiosity?

AI might serve as an ally in exploring unknown parts of our own frame of mind and expanding existing resources, whether it is knowledge or material assets to make all ends meet. Whether we are moving toward an age of abundance or perpetrating the status quo of scarcity depends on our Attitude, Approach, and the Action that we take — but most importantly, it depends on the Aspiration that underpins them, online and offline.

It is a slippery slope from experimentation with AI, to regular use of AI, to reliance and full-blown AI addiction. Hence our biggest challenge today is to consciously curate our cognitive autonomy and the power of personal agency that depends on it. By investing in cognitive autonomy, we are positioning ourselves for a journey where we remain the masters of our own decisions.

INNOVATION

How AI Analytics Spurs Innovation at Newly Public Firms

A new study by experts at Wharton and elsewhere shows how AI can stop innovation declines at early-stage firms after an IPO.

LORIN HITT

Zhang Jindong Professor, Professor of Operations, Information and Decisions

LYNN WU

Associate Professor of Operations, Information and Decisions

THERE'S A NEW FRONTIER for the ever-expanding capabilities of AI: reviving innovation at firms that have slackened on that front after an initial public offering (IPO).

With increased deployment of AI analytics funded by the capital raised in an IPO, firms can reduce some of the "innovative penalties" they face, according to a paper titled, "Innovation Strategy after IPO: How AI Analytics Spurs Innovation after IPO." Wharton professors of operations, information and decisions Lynn Wu and Lorin M. Hitt wrote the paper with Bowen Lou, professor of data sciences and operations at the University of Southern California.

The paper noted that the decline in innovation after an IPO is counterintuitive. After all, following an IPO, a firm should have reduced financial pressures because it has newly raised capital. The new financial strength should increase incentives to engage in risky innovation. Firms could also reap reputational gains after an IPO, which could make it easier to acquire talented and innovative employees, strengthening bargaining power with suppliers and signaling quality to consumers.

The reality, however, is that the "quality of the innovative output" tends to drop after IPOs, especially at early-stage firms, the paper noted. That "innovation decline" occurs because of three factors: the newly public firm prioritizes short-term financial goals (e.g., quarterly earnings) at the cost of longer-run innovation payoffs; it must meet higher disclosure requirements, which discourage innovation; and it has lower managerial and employee incentives to pursue innovation following the dilution in ownership with an IPO.

Wu explained how the incentive to innovate could be reduced when an IPO suddenly increases the number of owners. "You don't want to take risks in innovation anymore because if you're successful, the gains are shared with a lot more people. And you don't always get appropriately recognized for those gains. Furthermore, to meet quarterly earnings and financial disclosure requirements, it is difficult to think beyond a few quarters. These can all discourage long-term innovation," she said. "So managers tend to be less innovative in their endeavors."

Those factors may encourage newly public firms to shift their focus to lower risk, incremental innovations that are more likely to be built upon their existing stock of knowledge, and discourage them from pursuing riskier novel or breakthrough innovation, the paper pointed out. Innovation declines are seen also in firms that get acquired.

AI Analytics a Superior Option to Protect Innovation

For sure, options other than an IPO are available to firms that want access to more resources but also protect their innovation: for instance, they could use leveraged buyouts or mergers and acquisitions, the paper stated. But the success of those strategies is not certain, and they are often expensive, risky, and entail significant organizational change, it added.

In other settings, firms that recognize those threats to innovation have taken conscious steps to avoid them, the paper noted, citing prior research. Dell, for instance, reverted to private ownership through a leveraged buyout in 2013, to prioritize long-term innovation. Swedish furniture maker Ikea, on the other hand, chose to stay private to maintain its focus on innovation.

AI analytics is a more attractive option for newly public firms to maintain the innovation momentum, according to the paper. (The authors defined AI analytics as analytics related to data analysis and machine learning.) Recent advances in analytics technology, enabled by new machine learning capabilities and increased digitization efforts, could potentially mitigate some of the innovation declines that newly public firms face, without requiring complex financial restructuring, the paper noted.

A particular casualty at newly public firms is innovation that involves "re-combinations," or new combinations of existing technologies. "But AI analytics helps to generate new combinations, Wu noted. That is because AI analytics brings capabilities to facilitate "the process of searching, aggregating, and mining diverse knowledge, which enables new combinations of [existing] technologies," the paper explained.

According to the study, firms acquiring AI analytics capabilities after an IPO experienced less of a decline in innovation quality compared to similar firms that had not acquired those capabilities. Thus, AI analytics helps such firms overcome the negative effects of short-term focus on earnings and higher disclosure requirements. Specifically, AI analytics, as measured by the skillsets of employees, can help generate innovations that are new combinations of existing innovations. However, AI analytics is not a panacea for all innovation woes in a firm. AI analytics had only a limited effect in addressing the concerns around reduced managerial incentives for innovation, and in generating radically new innovation.

The study analyzed patent data at 1,471 firms from 1988 to 2013, of which 1,080 had an IPO and the remainder stayed private. It extended the data to 2019 to examine the effects from recent advances in machine learning. Wu said she expected the trends shown in the study to continue with the advent of GenAI. "The large language models are really about turbocharging combinations," she noted.

Highlights from the Study

The biggest innovation gains for newly public firms that invested in AI analytics were in manufacturing (61%) and information technology (19%); the least responsive were those in real estate (0.14%) and utilities (0.20%).

AI analytics is helpful in driving innovation of combinations of existing technologies, but that could not be established for radically new innovations.

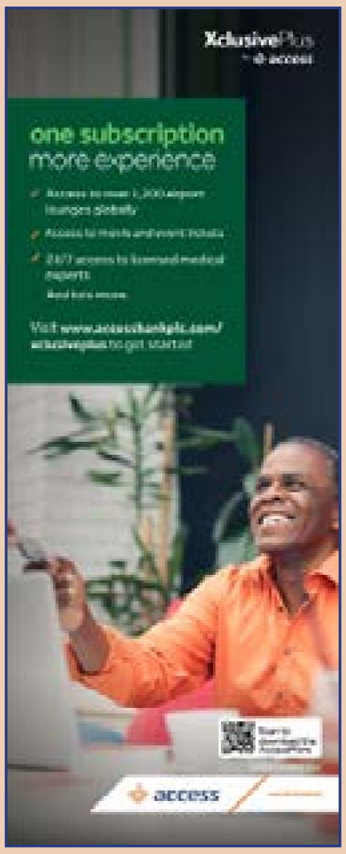
The requirement of information disclosures can be daunting for newly public firms in industries with long product cycles such as energy and biopharma, and impede their innovation efforts. AI analytics can be particularly helpful in those settings by "decreasing the negative impact of information disclosures on innovation."

Within AI technologies, machine learning skills are critical in driving innovation, especially in new combinations of existing technologies.

The study tracked job postings, resumes and online job reviews to study how post-IPO firms are ramping up their AI capabilities.

The study is among the first to examine how AI analytics and related emerging technologies can be used to mitigate the innovation decline after IPO and the underlying mechanisms.

All considered, Wu pointed out that the takeaway from the study is not that AI analytics is a cure-all for innovation problems. "AI is general-purpose technology, but it is not something that you should use as a hammer on everything," she said. AI can only partially address the innovation decline after an IPO, and help solve problems with short-termism or increased disclosure requirements. It still does not solve any of the innovation declines caused by reduced incentives, she noted.



Quoted Insurers

Security	P/close	Open	High	Low	Close	%Change	Volume	Value
AIICO	1.13	1.13	1.15	1.1	1.12	0.88	8,279,352	9,303,879.55
CORNERST	2.11	2.11	2.32	2.11	2.32	9.95	2,423,416	5,510,742.85
LINKASSURE	0.95	0.95	1	1	1	5.26	605,923	601,058.77
MANSARD	5.41	5.41	5.46	5.36	5.46	0.92	1,719,208	9,345,573.53
NEM	7.7	7.7	-	-	7.7	0	136,486	1,061,142.05
SUNNUASSUR	1.18	1.18	-	-	1.18	0	111,164	140,714.92

Business interruption tops Allianz list of entertainment sector risks

Stories by Cynthia Ezekwe

A RECENT SURVEY BY the Allianz Risk Barometer, which assesses key business risks across diverse industries, has revealed that business interruption is the most pressing risk facing the entertainment sector in the second half of 2024.

Drawing on insights from over 3,000 risk management experts and industry leaders, the Allianz Risk Barometer report reveals the mounting significance of proactively identifying and addressing business risks to safeguard against potential disruptions and ensure business continuity.

The report identified business interruption as the leading risk for the entertainment industry, citing supply chain disruptions, supply chain issues, operational downtimes, and logistical challenges as key drivers of this risk.

The report also highlighted the urgent need for entertainment companies to adopt proactive risk management strategies. It recommended that they implement comprehensive business continuity plans, diversify their revenue streams, and embrace digital transformation to enable remote operations, thereby mitigating the impact of these risks and maintaining business continuity in the face of unforeseen challenges.

"Regular risk assessments and scenario planning are also essential to ensure preparedness for potential disruptions," Allianz added.

L-R: Idris Salihu, head, corporate services, Development Bank of Nigeria (DBN); George Ogbonnaya, group head, business banking, First City Monument Bank (FCMB); Nnenna Jacob-Ogogo, head, SheVentures of the bank; Nicholas Peter, head, SME liability; Aimenya Ugba, SME analyst; and Chinma George, head, renewable energy, during the annual lecture series and awards ceremony of DBN held in Lagos, recently, where FCMB won the awards of "Best Bank with the Highest Impact on MSMEs Accessing Credit for the First Time in Nigeria" and the "Highest Disbursement to Sustainability Projects."

Pandemic outbreaks were identified as a significant risk to the entertainment industry, according to the Allianz Risk Barometer report.

The report pointed out that since live events and large gatherings are a cornerstone of the entertainment sector, any disruptions to these activities due to pandemics can have a substantial adverse impact on businesses.

To mitigate this risk, the report recommended that entertainment companies implement robust health and safety protocols, including enhanced sanitation measures, mask mandates, and vaccination requirements to protect the health and safety of patrons and staff, ensuring that their operations can continue with minimal disruptions even in the event of a pandemic outbreak.

"Developing flexible event formats, such as hybrid or virtual events, can help maintain audience engagement during pandemics. Establishing partnerships with health authorities and investing in rapid response capabilities are also critical for managing pandemic risks," the report noted.

In line with the Allianz Risk Barometer report, natural catastrophes, including floods, earthquakes, and extreme weather events, represent significant threats to the entertainment industry. These events, it stated, can disrupt production schedules, destroy infrastructure, and force the cancellation of live events, resulting in financial losses for entertainment companies.

The Allianz Risk Barometer stressed the need for companies to invest in resilient infrastructure, develop comprehensive disaster preparedness plans, and enhance early warning systems to mitigate the impact of natural catastrophes on the sector.

The Allianz Risk Barometer report not only emphasised the urgent need for companies to take immediate action to mitigate the risks of natural catastrophes in the entertainment sector but also underlined the importance of forming strategic partnerships with local authorities and insurance providers to ensure adequate coverage and response strategies."

Furthermore, the report highlighted the risk associated with the rapid adoption of new technologies in the entertainment industry. Allianz noted that while technologies such as virtual reality, artificial intelligence, and blockchain can enhance audience experiences and streamline operations, they also introduce new vulnerabilities and regulatory challenges.

However, it stressed the need for companies to conduct thorough risk assessments before adopting new technologies, invest in ongoing staff training, and stay informed about emerging regulatory requirements.

In addition to highlighting the need for thorough risk assessment, the report emphasised the importance of collaborating with technology experts and engaging in industry forums to help navigate the complexities of new technological advancements.

Against this backdrop, Allianz noted that addressing these top risks requires a proactive and collaborative approach within the entertainment industry. The business insurance giant urged stakeholders in the sector to implement the following measures:

- Develop resilient business continuity plans: Implement diversified and flexible business strategies to minimise disruptions.
- Enhance health and safety protocols: Establish robust measures to protect audiences and staff during pandemic outbreaks.
- Invest in disaster preparedness: Build resilient infrastructure and develop comprehensive back-up plans for natural catastrophes.
- Strengthen cybersecurity measures: Implement advanced cybersecurity technologies and conduct regular training programs.
- Navigate technological advancements: Assess risks associated with new technologies and invest in continuous learning and compliance.

"By proactively addressing these risks, the entertainment industry in Africa and the Middle East can enhance its resilience, ensure operational continuity and longevity, and drive sustainable growth," Allianz concluded.

14,179 RSA holders withdraw N23.4bn from pension fund over harsh economy

business a.m.

AS THE NIGERIAN ECONOMY CONTINUES to endure a period of instability, the country's job market has taken a significant hit, leading to a growing number of Nigerian Retirement Savings Account (RSA) holders who have lost their jobs resorting to pension withdrawals to support themselves and their families during this trying time.

According to data from the National Pension Commission (PenCom), 14,179 RSA holders withdrew a total of N23.4 billion, representing 25 percent of their pension savings, in the first half of 2024 alone, as they struggled to cope with the financial challenges brought on by job losses in the midst of a difficult economic climate.

The PenCom report, despite noting a decline in the pace of withdrawals in the second quarter of the year, serves as a reminder of the protracted struggle many Nigerian RSA holders continue to endure due to the country's economic challenges. This is as a total of 5,528 RSA holders withdrew N9.2 billion from their pension savings in Q2'24.

According to some industry observers, the higher number of withdrawals in Q1'24, which amounted to N14.2 billion, was largely attributed to the usual financial pressures that arise at the beginning of each year, putting further strain on individuals and families as they manage their expenses.

The PenCom report showed that the total of 5,528 RSA holders who withdrew N9.2 billion during the second quarter of the year were predominantly from the private sector, with 5,223 applicants hailing from private organisations, and the remaining 305 applicants from the public sector.

Furthermore, N9.3 billion was approved for the 5,528 RSA holders under the age of 50 years, highlighting the far-reaching impact of the economic turmoil on Nigeria's younger workforce, particularly those in the private sector who may have been disproportionately affected by job losses.

With regards to residential mortgage financing, the PenCom report indicated that a total of 1,390 RSA holders requested access to up to 25 percent of their RSA balances during the quarter under review, to contribute towards the equity payments for their residential mortgages. Of the 1,390 requests, 1,234 were approved, amounting to N10.5 billion in total.

However, 156 requests were rejected due to incorrect documentation, indicating the importance of accurate paperwork and the potential impact on individuals seeking access to their pension savings for important financial transactions such as mortgage payments.

"Out of the 1,234 applicants whose benefits were approved, 379 were from the private sector, while the remaining 855 were from the public sector," the report stated.

The report further disclosed that a total of 4,387 individuals applied for the death benefits of deceased employees or retirees, with 4,376 requests being approved and 11 rejected due to incorrect documentation.

Stanbic IBTC Pension Managers disburses N7bn to 80,000 retirees

Cynthia Ezekwe

STANBIC IBTC PENSION MANAGERS, a leading pension fund manager in Nigeria, has demonstrated its commitment to providing unparalleled customer service and promoting the financial security of its clients by disbursing N7 billion in monthly benefits to retirees.

Olumide Oyetan, the chief executive of Stanbic IBTC Pension Managers, in a recent discussion about pension payment, reaffirmed the company's commitment to securing the future of pension contributions through innovative solutions, while addressing concerns about the timely disbursement of benefits to retirees.

Elaborating on Stanbic IBTC Pension Managers' commitment to retirees, Oyetan stated that the company has paid almost N7 billion monthly to approximately 80,000 retirees, adding up to a total of over N1.3 trillion disbursed since the inception of the Contributory Pension Scheme (CPS).

"Our dedication to providing top-tier pension fund administration for both private and public sector employees is evident through our focus on timely payments and effective investment strategies.

"With shareholders' funds exceeding N60 billion, Stanbic IBTC Pension Managers is far above the regulatory minimum of N5 billion and well positioned to support our clients in achieving a secure retirement," he said.

VETIVA CAPITAL MANAGEMENT LIMITED

MARKET COMMENTARY FOR THE WEEK ENDED 13RD SEPTEMBER, 2024

VETIVA CAPITAL MANAGEMENT LIMITED

Focus for the week: H2'24 Agriculture Outlook - Weathering the perfect storm

THE GLOBAL AGRICULTURAL SECTOR faces a complex landscape shaped by geopolitical tensions and environmental concerns. The ongoing Russia-Ukraine conflict continues to disrupt global agricultural trade, maintaining food and grain prices above pre-conflict levels. This situation is further exacerbated by Houthi rebel attacks in the Red Sea, leading to a decrease in trade volumes through the Suez Canal. These disruptions have significantly increased food prices, particularly affecting import-dependent regions in Africa and Asia.

In the vegetable oil market, palm oil has emerged as a critical player amidst supply shortages of alternative oils like sunflower and soybean oil. However, the industry faces challenges including declining yields, adverse weather conditions, and increasing pressure for sustainable practices. The EU's proposed deforestation law adds another layer of complexity, potentially restricting palm oil exports and reshaping global trade flows.

For Nigeria, the agricultural sector, while crucial to the nation's economy, experienced mixed fortunes in H1'24. The sector grew modestly at 0.18% in Q1'24, significantly lower than the previous year. Key challenges include insecurity in crop production zones, poor infrastructure, and rising input costs. These factors contributed to a surge in food inflation in Q1'24. Consequently, the Nigerian government has responded with emergency measures, as they are mulling over plans to suspend import duties on staple foods and agricultural inputs. However, the success of these initiatives, including plans to establish new palm oil plantations, remains uncertain due to implementation challenges and the long-term nature of such investments.

Looking ahead to H2'24,

Indicators	WK CLS	WK OPEN	WTD (%)	YTD (%)
EQUITIES				
NGX 30	3,609.40	3,579.07	0.82	29.56
NGX All Share Index	97,456.62	96,433.53	1.06	30.34
Market Cap (NGN bn)	55,129.33	54,550.59	1.06	34.72
FEDERAL GOVERNMENT SECURITIES (%)				
91-Day T-Bill	18.01	18.79	(4.16)	15.10
182-Day T-Bill	21.57	19.39	0.11	16.14
364-Day T-Bill	22.42	21.26	0.05	12.22
2-Year FGN Bonds	19.15	19.07	0.00	7.01
3-Year FGN Bonds	19.13	19.11	0.00	6.99
5-Year FGN Bonds	19.58	19.57	0.00	6.29
7-Year FGN Bonds	18.02	18.01	0.00	4.22
10-Year FGN Bonds	18.77	18.77	(0.00)	4.26
20-Year FGN Bonds	17.25	17.49	(0.01)	3.05
INTERBANK MARKET RATES (%)				
NIBOR OPR	31.25	31.25	0.00	16.19
NGN EXCHANGE RATES (₦)				
USD/NGN	1546.41	1593.32	2.94	(76.73)
GBP/NGN	1994.87	2055.38	2.94	(74.62)
EUR/NGN	1665.59	1736.72	2.94	(70.04)
CNY/NGN	216.50	222.06	2.94	(70.93)
ZAR/NGN	85.05	87.63	2.94	(73.40)
USD/NGN FORWARDS				

SECTOR	INDEX VALUE	WoW Δ	YTD Δ
BANKING	903.07	5.12%	0.32%
CONSUMER GOODS	1,579.33	1.47%	40.05%
INDUSTRIAL GOODS	3,854.55	0.17%	42.12%
OIL & GAS	1,927.23	2.00%	84.77%
VETIVA 30 ETF	35.75	-0.14%	32.41%
INSURANCE	411.72	1.59%	28.00%

Weekly Top 5 Gainers

Stock	Closing Price (₦)	% Change
CAVERTON	2.34	[illegible]
ETERNA	7.45	42.03%
UPDC	1.76	26.52%
[illegible]	29.80	[illegible]
ETRANZACT	5.80	30.00%

Weekly Top 5 Losers

Stock	Closing Price (₦)	% Change
LEARNAFRICA	3.63	[illegible]
[illegible]	148.00	[illegible]
FZ	15.65	[illegible]
MERVALUE	211.00	[illegible]
DAARCOMM	0.63	[illegible]

Source: Vetiva Research

the outlook for the global and Nigerian palm oil industry remains mixed. While potential supply tightening due to weather conditions could boost prices, the industry must navigate increasing sustainability pressures and potential regulatory changes. For Nigeria, while government initiatives aim to increase domestic production, the short-term impact on pricing is expected to be subdued.

What shaped the past week?

Equities: The local market closed in the green, upturning last week's bearish performance. The ASI gained 106bps to close at 97,456.62 points, as investors' sentiments were positive amid bargain hunting during the week. As at Friday's close, all sectors closed higher w/w. The banking sector (+5.12% w/w) was the week's top performer as FBNH jumped 31.52%w/w. The Oil & Gas sector followed (+2.00% w/w), continuing its bullish run, as OANDO (9.40% w/w) and CONOIL (9.09% w/w) posted weekly gains. Additionally, gains in CUSTODIAN (+15.04% w/w) and CONHALL (+12.59% w/w) lifted the Insurance index by 1.59% w/w. Furthermore, gains in the Consumer Goods space (+1.47% w/w) were driven by FLOUR-MILL (+22.47% w/w), HONYFLOUR (+13.42% w/w) and NESTLE (+9.88% w/w). Finally, the Industrial Goods sector managed a 17bps gain w/w as BERGER (27.73% w/w) sustained its bullish run through the week.

Fixed Income:

During the week, The DMO offered ₦162 billion across maturities on the curve, compared to ₦233 billion offered in the previous auction. With the reduced offering, the subscription levels also declined to ₦563 billion from ₦1,129 billion in the previous auction. At the end of the auction, the DMO allotted ₦162 billion across all maturities. Following this, stop rates across all tenors declined, with the 91-day, 180-day and 364-day bills contracting by 37bps, 50bps and 35bps to close at 16.63%, 17.00% and 18.59%, respectively. Despite the continued decline in rates, OPR closed the week above the 30% mark at 31.20% (-5bps w/w), as liquidity remained tight. At the end of the week, yield movements were seen on the 91-Day bill (+78bps), 182-Day bill (-218bps), 364-Day bill (-116bps), 2-year note (-8bps), 3-year note (-2bps), 5-year note (-1bp), 7-year note (-1bp), and 10-year note (+24bps).

Currency: At the end of the week, the Naira appreciated by ₦46.91 w/w to close at ₦1,546.41 per dollar.

Domestic Economy: Nigeria successfully raised $900 million in its debut issue of domestic dollar-denominated bonds, representing a 180% oversubscription, compared to the initial proposal of $500 million. The 5-year bond was issued at a coupon rate of 9.75%, slightly higher than a comparable Eurobond yield of 9.67%. While this debt raise could boost the external reserve stock, the government could explore more bond issues, given its target of $2 billion. While this and future domestic dollar bond issuances could raise Nigeria's medium-term external debt profile, they could alternatively serve as cheaper refinancing mechanisms when Eurobonds mature.

Global: U.S. consumer sentiment rose to a four-month high in September, amid expectations that inflation will continue moderating over the next year and household incomes improve, but views on the labor market weakened against the backdrop of slower job gains. Ebbing price pressures give the Federal Reserve ample room to focus on the labor market, which has slowed considerably from last year's robust job growth. The U.S. central bank is expected to kick off its long-awaited policy easing cycle next Wednesday. Meanwhile, Wall Street's main indices rose on Friday as investors reevaluated the possibility of a bigger interest rate cut by the Federal Reserve next week. Traders' bets of a 50-basis point rate cut jumped overnight, now standing at 43% (prev: 14%). All the three major U.S. benchmark indices were trading near a two-week high, on track to log solid weekly gains. The Dow Jones Industrial Average rose 0.84% to 41,440.48, the S&P 500 rose 0.56% to 5,627.15, and the Nasdaq Composite gained 0.64% to 17,682.47. Meanwhile, in the UK, The FTSE 100 edged up 0.4% to 8273.09 on Friday, while the pan-European STOXX 600 index was up 0.7% at 515.75 points on the day, even as the ECB cut rates again on Thursday. However, in Asia, stocks recorded losses as the Nikkei closed 0.68% lower on Friday to close at 36,581.76 points, while the Shanghai composite index lost 0.48% to close at 2704.09 points.

What will shape markets in the coming week?

Equity market: Looking ahead, bargain hunting is expected to persist as investors position themselves to take advantage of undervalued stocks, particularly in sectors showing resilience. Broader market sentiment remains positive, the prospect of improved corporate earnings of select firms should uplift investor confidence, pointing to a favorable environment for equity gains in the coming session.

Fixed Income: Amid moderating rates, we anticipate that system liquidity will be a major factor in shaping trading activities in the coming week's trading sessions.

MONEY Nuggets

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'You can't afford to park the bus'

A successful person realises his personal responsibility for self-motivation. He starts with himself because he possesses the key to his own ignition switch — Kemmons Wilson, founder, Holiday Inn Hotels

WHILE INSIDE THE local Tesco store on the last Wednesday of August, the plan was to just pick a couple of things and pop back home. But then, yours truly stopped by at the newspaper section, hoping to take a glance at the headlines.

I scanned some and expectedly, nothing shifted until my eyes got to that of the Daily Mail. Beneath the masthead was "Shield your savings, pension and property from Labour's Budget of Pain," which was the title of their Money Mail special report. Though buying a newspaper wasn't supposed to be part of the reason why I popped out of the house, yours truly couldn't afford to not instantly make the decision to go home with that paper. You cannot afford to park the bus when a report like that is out there for the taking. At just over a pound, that is less than that of a medium cup of chocolate at Costa Coffee. Not grabbing the paper would have been an unforced error that could result in losing more than a hundred times the cover price. Who wouldn't want to exchange that tiny amount to know how to shield their savings?

Here's the thing, you must keep topping up your financial literacy level. Sadly, though, after graduating and perhaps, going further to eventually landing a job of their dreams or one that puts enough food on the table, it's very easy to settle into a life of drudgery. For many, it's okay to just coast along with the daily grind. By so doing, a lot of us have parked the bus.

As it turns out, we do that at our peril. If there's one single reason why you cannot afford to park the bus, it's because there're people and structures out there who are ready to dip their hands into your pockets. They could come in the form of prospective online lovers or simply through signing up for things you never need or use. The government itself may be out to help themselves to your money as is the case here in the United Kingdom. When Sir Keir Starmer's people release their "budget of pain" next month, many Britons will simply wish they didn't thumbprint their votes for them in July.

If you're reading this article and are a regular reader of this column, I say thank you and also congratulate you for not parking the bus. But please, read further in order to keep sharpening your money intelligence level. Moreover, go over previous editions of this column. As they say in social care, it's in your 'best interest.' In addition to reading everything about money matters, watch business and other exciting programmes on the TV, as well. When possible on weekdays, yours truly fits his breakfast and other routine things around the Arise News Morning Show, from eight to eleven. I'd also recently extended it by another half an hour for the global business report.

That's one way of not parking the bus.

As Kemmons Wison, the founder of the globally famous Holiday Inn Hotels puts it in the opening quote cited above, each one of us is personally responsible for our self-motivation. Personal finance is an area that affects us every single day and so, you cannot afford to park the bus by not upgrading and refreshing your financial education. Take it from here, sooner or later, what you're learning, storing and acquiring will come handy.

Keep something aside for your milestones

Like many Londoners, Mrs O took advantage of the last bank holiday before Christmas to go shopping at the Stratford Westfield on the last Monday of last month. I tagged along.

While there at the Deichmann store, trying out shoes, an elderly Caribbean woman sat next to her on one of their many side chairs to try out a heeled shoe. Not surprisingly, she sought Mrs O's opinion and asked if it was fine. She said to go for it. Yours truly nodded too.

Out of curiosity, I asked if she had an occasion for it. She replied with a smile, noting: "It's my sixtieth wedding anniversary, next week." Wow! We were naturally surprised. May the Lord continue to bless the marriage.

Funnily, she added that all the effort she was making was just "for one evening." It's definitely worth celebrating, madam.

Share Price List as @ Friday 13 September, 2024: The Nigerian Stock Exchange

COMPANY	PCLOSE	OPEN	HIGH	LOW	CLOSE	CHANGE	% CHANGE	TRADES	VOLUME	VALUE
ABBEYBDS	2.53	2.53	2.53	2.53	2.53	0.00	0.00 %	9	55,543	143,133
ABCTRANS	0.85	0.85	0.90	0.90	0.90	0.05	5.88 %	14	706,882	636,794
ACADEMY	2.63	2.63	2.63	2.63	2.63	0.00	0.00 %	6	3,260	8,653
ACCESSCORP	18.70	18.70	19.25	18.80	19.25	0.55	2.94 %	371	7,233,000	138,126,749
AFRIPRUD	9.15	9.15	9.00	9.00	9.00	-0.15	-1.64%	73	903,642	8,165,156
AIICO	1.14	1.14	1.15	1.12	1.12	-0.02	-1.75%	103	4,637,696	5,252,020
AIRTELAFRI	2200.00	2200.00	2200.00	2200.00	2200.00	0.00	0.00 %	13	665	1,414,924
AUSTINLAZ	2.00	2.00	2.00	2.00	2.00	0.00	0.00 %	1	300	600
BERGER	22.00	22.00	23.95	23.95	23.95	1.95	8.86 %	121	457,196	10,458,793
BETAGLAS	48.00	48.00	48.00	48.00	48.00	0.00	0.00 %	3	24,502	1,061,986
BUACEMENT	113.90	113.90	113.90	113.90	113.90	0.00	0.00 %	88	124,361	12,832,396
BUAFOODS	394.90	394.90	394.90	394.90	394.90	0.00	0.00 %	39	6,773	2,452,595
CADBURY	19.70	19.70	19.70	19.70	19.70	0.00	0.00 %	37	95,483	1,733,690
CAP	35.00	35.00	35.00	35.00	35.00	0.00	0.00 %	5	8,000	256,900
CAVERTON	2.31	2.47	2.54	2.47	2.54	0.23	9.96 %	47	3,362,952	8,450,236
CHAMPION	2.96	2.96	3.20	3.20	3.20	0.24	8.11 %	9	163,700	515,761
CHAMS	2.09	2.09	2.14	2.08	2.13	0.04	1.91 %	40	1,176,380	2,491,508
CHELLARAM	3.70	3.70	3.70	3.70	3.70	0.00	0.00 %	2	15,250	51,088
CILEASING	4.11	4.11	4.38	4.11	4.11	0.00	0.00 %	64	1,986,045	8,330,622
CONHALLPLC	1.40	1.40	1.52	1.52	1.52	0.12	8.57 %	18	437,768	659,204
CONOIL	168.00	168.00	168.00	168.00	168.00	0.00	0.00 %	29	7,195	1,087,884
CORNERST	2.33	2.33	2.50	2.50	2.50	0.17	7.30 %	37	1,816,136	4,458,659
CUSTODIAN	14.20	14.20	13.00	13.00	13.00	-1.20	-8.45%	106	1,708,168	22,051,485
CUTIX	2.95	2.95	2.90	2.90	2.90	-0.05	-1.69%	51	991,390	2,888,809
CWG	5.65	5.65	5.75	5.65	5.70	0.05	0.88 %	38	1,348,022	7,741,067
DAARCOMM	0.72	0.72	0.67	0.65	0.65	-0.07	-9.72%	49	2,005,984	1,336,969
DANGCEM	532.00	532.00	532.00	532.00	532.00	0.00	0.00 %	44	105,859	50,685,289
DANGSUGAR	35.00	35.00	35.95	35.00	35.00	0.00	0.00 %	162	2,161,603	76,480,358
DEAPCAP	1.02	1.02	1.01	0.93	0.93	-0.09	-8.82%	51	3,531,128	3,382,526
ELLAHLAKES	3.00	3.00	3.29	3.02	3.02	0.02	0.67 %	148	7,930,480	24,260,149
ENAMELWA	19.30	19.30	19.30	19.30	19.30	0.00	0.00 %	4	5,600	98,965
ETERNA	32.15	32.15	31.00	31.00	31.00	-1.15	-3.58%	165	1,219,231	37,973,819
ETI	21.60	21.60	23.75	22.00	23.75	2.15	9.95 %	102	14,595,478	329,553,797
ETRANZACT	8.00	8.00	8.00	8.00	8.00	0.00	0.00 %	36	622,782	4,605,587
FBNH	26.40	26.40	29.00	27.10	29.00	2.60	9.85 %	508	43,192,810	1,242,734,889
FCMB	7.60	7.60	7.60	7.60	7.60	0.00	0.00 %	94	466,138	3,488,179
FIDELITYBK	10.75	10.60	10.95	10.60	10.95	0.20	1.86 %	163	5,424,507	58,624,028
FIDSON	13.10	13.10	13.10	13.10	13.10	0.00	0.00 %	40	377,813	4,829,812
FLOURMILL	49.55	49.55	54.50	54.50	54.50	4.95	9.99 %	35	185,425	10,100,580
FTNCOCOA	1.69	1.69	1.82	1.61	1.74	0.05	2.96 %	117	9,685,604	17,034,013
GEREGU	1000.00	1000.00	1000.00	1000.00	1000.00	0.00	0.00 %	21	559	503,100
GOLDBREW	3.15	3.15	3.15	3.15	3.15	0.00	0.00 %	3	1,271	4,314
GTCO	45.65	45.65	46.15	45.60	46.00	0.35	0.77 %	353	11,364,806	521,331,148
GUINEAINS	0.50	0.50	0.51	0.49	0.50	0.00	0.00 %	33	2,873,399	1,427,763
GUINNESS	63.50	63.50	63.50	63.50	63.50	0.00	0.00 %	42	536,005	32,096,596
HONYFLOUR	4.08	4.08	4.48	4.10	4.48	0.40	9.80 %	120	12,649,382	56,298,815
IKEJAHOTEL	7.00	7.00	7.00	7.00	7.00	0.00	0.00 %	17	134,910	963,916
IMG	35.00	35.00	35.00	35.00	35.00	0.00	0.00 %	13	16,841	530,677
INFINITY	7.00	7.00	7.00	7.00	7.00	0.00	0.00 %	1	300	1,890
INTBREW	4.45	4.45	4.67	4.60	4.67	0.22	4.94 %	34	695,920	3,193,193
INTENEGINS	1.58	1.58	1.58	1.58	1.58	0.00	0.00 %	6	20,418	29,834
JAIZBANK	2.32	2.32	2.35	2.26	2.26	-0.06	-2.59%	71	905,579	2,060,770
JAPAULGOLD	2.60	2.63	2.69	2.58	2.59	-0.01	-0.38%	300	105,650,070	274,495,361
JBERGER	140.00	140.00	140.00	140.00	140.00	0.00	0.00 %	78	71,288	9,190,247
JOHNHOLT	3.08	3.08	3.08	3.08	3.08	0.00	0.00 %	12	118,921	367,991
JULI	10.30	10.30	10.30	10.30	10.30	0.00	0.00 %	4	1,386	12,848
LEARNAFRCA	3.62	3.62	3.62	3.62	3.62	0.00	0.00 %	17	153,627	543,248
LINKASSURE	0.98	0.98	0.98	0.98	0.98	0.00	0.00 %	11	312,510	304,423
LIVESTOCK	2.45	2.45	2.60	2.55	2.60	0.15	6.12 %	48	2,114,360	5,442,845
MANSARD	5.28	5.28	5.27	5.25	5.27	-0.01	-0.19%	94	2,579,781	13,509,156
MAYBAKER	7.00	7.00	7.00	7.00	7.00	0.00	0.00 %	17	672,270	4,701,435
MCNICHOLS	1.54	1.54	1.50	1.41	1.41	-0.13	-8.44%	50	2,139,790	3,067,133
MECURE	9.35	9.35	9.35	9.35	9.35	0.00	0.00 %	4	2,300	20,040
MEYER	5.83	5.83	5.83	5.83	5.83	0.00	0.00 %	6	20,800	131,724
MRS	132.70	132.70	132.70	132.70	132.70	0.00	0.00 %	8	11,979	1,467,902
MTNN	192.50	192.50	192.20	192.20	192.20	-0.30	-0.16%	229	1,883,771	361,474,784
MULTIVERSE	11.20	11.20	11.20	11.20	11.20	0.00	0.00 %	7	8,805	88,931
NAHCO	35.75	35.75	35.75	35.75	35.75	0.00	0.00 %	62	287,075	9,937,341
NASCON	32.05	32.05	32.40	32.15	32.40	0.35	1.09 %	42	840,495	27,017,289
NB	27.00	27.00	28.00	27.90	28.00	1.00	3.70 %	92	13,348,940	373,623,293
NCR	4.32	4.32	4.32	4.32	4.32	0.00	0.00 %	1	5,000	19,500
NEIMETH	1.93	1.93	2.11	2.04	2.04	0.11	5.70 %	48	1,139,053	2,370,490
NEM	7.50	7.50	7.50	7.50	7.50	0.00	0.00 %	10	179,284	1,347,475
NESTLE	890.00	890.00	890.00	890.00	890.00	0.00	0.00 %	66	92,137	82,223,017
NGXGROUP	21.40	21.40	21.40	21.40	21.40	0.00	0.00 %	29	347,697	7,256,340
NIDF	112.80	112.80	112.80	112.80	112.80	0.00	0.00 %	14	10,464	1,151,040
NNFM	43.50	43.50	43.50	43.50	43.50	0.00	0.00 %	35	225,914	8,844,533
NSLTECH	0.70	0.70	0.70	0.63	0.65	-0.05	-7.14%	38	3,306,919	2,206,967
OANDO	90.70	90.70	90.40	89.05	89.05	-1.65	-1.82%	772	5,474,101	488,833,133
OKOMUOIL	417.70	417.70	417.70	417.70	417.70	0.00	0.00 %	43	42,391	16,086,435
OMATEK	0.72	0.72	0.71	0.65	0.69	-0.03	-4.17%	84	9,274,349	6,186,072
PRESCO	485.40	485.40	485.40	485.40	485.40	0.00	0.00 %	29	30,260	13,876,025
PRESTIGE	0.50	0.50	0.50	0.50	0.50	0.00	0.00 %	26	6,718,450	3,360,031
PZ	17.10	17.10	15.65	15.65	15.65	-1.45	-8.48%	82	766,772	12,795,392
REDSTAREX	3.85	3.85	3.85	3.85	3.85	0.00	0.00 %	21	70,502	272,894
ROYALEX	0.63	0.63	0.63	0.63	0.63	0.00	0.00 %	18	688,336	433,373
RTBRISCOE	3.32	3.32	3.65	3.39	3.65	0.33	9.94 %	132	9,603,131	34,562,923
SCOA	1.90	1.90	1.90	1.90	1.90	0.00	0.00 %	11	110,121	229,983
SEPLAT	3730.10	3730.10	3730.10	3730.10	3730.10	0.00	0.00 %	16	12,030	49,360,293
SFSREIT	163.15	163.15	163.15	163.15	163.15	0.00	0.00 %	9	10,171	1,825,186
SKYAVN	24.00	24.00	24.00	24.00	24.00	0.00	0.00 %	2	28	691
SOVRENINS	0.63	0.63	0.66	0.63	0.64	0.01	1.59 %	27	3,099,660	2,003,264
STANBIC	58.50	58.50	57.50	57.50	57.50	-1.00	-1.71%	68	285,496	16,377,643
STERLINGNG	4.00	4.05	4.05	3.98	4.05	0.05	1.25 %	69	4,648,341	18,703,577
SUNUASSUR	1.33	1.33	1.24	1.24	1.24	-0.09	-6.77%	11	325,844	414,264
TANTALIZER	0.71	0.71	0.71	0.71	0.71	0.00	0.00 %	26	467,080	341,479
THOMASWY	1.70	1.70	1.70	1.70	1.70	0.00	0.00 %	3	7,697	12,924
TIP	1.90	1.90	2.09	2.08	2.08	0.18	9.47 %	62	1,888,288	3,925,931
TOTAL	673.90	673.90	673.90	673.90	673.90	0.00	0.00 %	52	28,266	17,161,111
TRANSCOHOT	90.00	90.00	90.00	90.00	90.00	0.00	0.00 %	11	1,214	102,456
TRANSCORP	11.15	11.15	11.20	10.90	11.20	0.05	0.45 %	302	12,923,365	143,616,210
TRANSPOWER	301.70	301.70	301.70	301.70	301.70	0.00	0.00 %	143	167,796	45,690,628
TRIPPLEG	4.13	4.13	4.13	4.13	4.13	0.00	0.00 %	4	27,860	103,639
UACN	23.15	23.15	23.15	23.15	23.15	0.00	0.00 %	185	4,071,893	85,157,466
UBA	23.90	23.90	24.00	23.70	23.70	-0.20	-0.84%	398	15,538,544	371,185,369
UCAP	18.00	18.00	18.25	18.00	18.25	0.25	1.39 %	178	5,171,426	93,224,785
UNILEVER	19.00	19.00	19.00	19.00	19.00	0.00	0.00 %	42	268,007	5,097,908
UNIONDICON	7.30	7.30	7.30	7.30	7.30	0.00	0.00 %	1	2,000	14,600
UNIVINSURE	0.36	0.36	0.38	0.36	0.36	0.00	0.00 %	45	6,640,563	2,469,549
UPDC	1.62	1.78	1.78	1.78	1.78	0.16	9.88 %	34	1,257,517	2,238,380
UPDCREIT	5.00	5.00	5.00	5.00	5.00	0.00	0.00 %	51	653,198	3,417,557
UPL	2.43	2.43	2.43	2.43	2.43	0.00	0.00 %	5	6,016	14,943
VERITASKAP	1.41	1.41	1.42	1.40	1.42	0.01	0.71 %	85	7,894,764	11,115,822
VFDGROUP	45.00	45.00	45.00	45.00	45.00	0.00	0.00 %	13	6,683	273,622
VITAFOAM	18.50	18.50	18.10	18.10	18.10	-0.40	-2.16%	22	164,375	2,987,923
WAPCO	36.15	36.15	37.45	37.45	37.45	1.30	3.60 %	61	540,551	20,142,629
WAPIC	0.79	0.79	0.82	0.82	0.82	0.03	3.80 %	24	1,325,337	1,082,902
WEMABANK	6.40	6.40	6.40	6.40	6.40	0.00	0.00 %	48	564,546	3,534,221
ZENITHBANK	37.00	37.00	38.00	37.00	38.00	1.00	2.70 %	510	28,620,582	1,073,424,297
							Total	8,808	412,902,328	6,467,374,568

Food insecurity soars amid devastating Borno floods

•Tomato farmers count losses worth N1bn

Stories by Onome Amuge

NIGERIA IS REELING FROM THE catastrophic collapse of the Alau Dam in Borno State, an event that has left the region battling the worst flooding since the dam's initial failure in 1994.

The devastating flood has displaced over 414,000 people, claimed at least 30 lives, and highlighted the country's ongoing struggle with food insecurity, as the current inflationary pressures in the food market combine with the flooding's impact on agricultural production.

The recent flood in Maiduguri, Borno State's capital, is a major concern for the country, coming barely two years after the worst flooding in a decade killed over 600 Nigerians across the nation.

Following the incident, the National Commission for Refugees, Migrants and Internally Displaced Persons (NCFRMI) has warned that the recent natural disaster could worsen food insecurity in the region and the country in general, already a challenge for many affected communities in the aftermath of the devastating flood.

In a recent media briefing, Tijani Ahmed, the federal commissioner of the National Commission for Refugees, Migrants and Internally Displaced Persons,, sounded an alarm about the far-reaching consequences of the recent flooding in Maiduguri.

Ahmed noted that the disaster had submerged roughly 40 percent of Maiduguri's farmlands, which would have a severe impact on the harvest season.

The federal commissioner warned that the resulting crop destruction could lead to even greater food insecurity, already a crisis for over a million people in the region.

At the time of filing this report, Business a.m. gathered that the devastating flooding in Borno State, has had a catastrophic impact on local tomato farmers, with over 1,000 farmers incurring losses totaling over N1 billion.

The flooding, triggered by the collapse of the Alau Dam following heavy rainfall, has submerged their farms, leading to the destruction of crops, farming equipment, and other valuable property. The farmers, already struggling to make ends meet, are now faced with significant financial losses that may be difficult to recover from.

Food vendors in Maiduguri, Borno State, have been left frustrated and helpless as the effects of the severe flooding have decimated their food supplies. The local vendors lamented the lack of access to fresh produce, which has resulted in a standstill in their business operations.

The exhausted supplies, caused by the floods that submerged farmlands and damaged crops, has left the vendors with few options for restocking. As they struggled to source alternative food sources, the vendors expressed their fear of the worsening food insecurity and increasing difficulty of accessing food in the region.

As thousands of tomato farmers in Maiduguri, Borno State,

Struggle with the fallout of the devastating floods, Muhammad Nur, the chairman of the Tomato Growers Association of Nigeria's Borno State chapter, has issued a distress call to the government.

Nur expressed alarm at the extensive losses incurred by farmers, whose livelihoods have been uprooted by the flooding. He noted that the farmers, having lost their crops and farming equipment, are now facing a crisis of survival and urgently require government assistance to get back on their feet.

The extent of the damage caused by the flooding has left a high number of tomato farmers in dire straits. Chairman Nur revealed that a total of over 1,200 farmers across various local government areas have been affected, with each farmer cultivating a minimum of one hectare of tomatoes.

According to Nur's estimates, each hectare was valued at approximately N850,000, putting the total loss for the farmers at over N1 billion. The flooding, which covered 90 percent of Maiduguri, led to the displacement of thousands of residents, exacerbating the impact on the farmers who have lost their primary source of income.

The timing of the flood could not have been worse for the tomato farmers in Borno State, who were just starting to reap the rewards of their hard work as the harvest season reached its peak.

A farmer from the Faria area of Jere Local Government Area, a region particularly affected by the flooding, spoke for his community, pleading for government assistance. He recounted the devastating losses experienced by the farmers, who not only lost their crops but also their homes and means of livelihood. The farmer highlighted the urgency of the situation, urging the government to provide immediate relief and support for the affected communities.

As the true extent of the destruction caused by the flooding in Borno State became clearer, Sani Danladi, national secretary of the National Tomato Growers, Processors and Marketers Association of Nigeria, made a fervent appeal to both federal and state governments for urgent intervention.

Danladi underscored the staggering financial losses suffered by the tomato farmers in Borno State, estimating the damage to be in the billions of naira.

The gravity of the situation was made evident by Babagana Umara Zulum, the Borno State governor,as he visited the Bukassi camp in Maiduguri to provide relief to the displaced persons affected by the devastating flood.

As he distributed cash and cooked food to those seeking refuge, Governor Zulum confirmed that the disaster had impacted over one million people across the state.

The sheer scale of the damage caused by the flooding in Maiduguri was further illustrated by Governor Zulum, who revealed that approximately one-fourth of the city had been submerged in floodwaters.

The governor emphasised that relief efforts were underway to provide much-needed food and non-food items to the affected population. Zulum identified the heavy rainfall experienced during the season, exacerbated by climate change, as the primary cause of the flooding. He further explained that the Alau Dam had become overwhelmed by the volume of water, leading to flooding in the city.

Governor Zulum's resolve to address the flooding crisis was further evidenced by his announcement of plans to reconstruct and upgrade the Alau Dam, a necessary measure to mitigate the effects of future flooding.

He also asserted that illegal structures built on waterways and in flood-prone areas would be demolished, emphasizing his commitment to removing potential hazards that could exacerbate the situation in times of heavy rainfall.

Cocoa futures heat up as Ivory Coast cocoa output drops

COCOA PRICES REBOUNDED at the close of trading activities for the week, shaking off early losses and ending the day slightly higher. The upward movement in prices was primarily driven by reports that cocoa production in Ivory Coast, the world's largest producer of cocoa, had declined significantly.

According to recent government data, farmers in Ivory Coast had shipped 1.71 MMT of cocoa to ports from October 1 to September 8, representing a 28 percent reduction from the same time period in the previous year.

The December ICE NY cocoa contract surged 1.3 percent to settle at $7,678 per metric tonne, while the December ICE London cocoa contract climbed 1.2 percent to $5,396 per metric tonne.

According to market data, the catalyst for this upward movement was the mounting evidence of tighter cocoa supplies. ICE-monitored cocoa inventories held in US ports have been declining for the past 15 months and reached a 15-year low on Thursday, standing at just 2,324,246 bags.

Cocoa prices were further boosted by carryover support from a price increase for Ghanaian cocoa farmers announced on Wednesday. The Ghanaian government increased the price that its cocoa regulator pays farmers for cocoa beans by 45 percent, setting the price at $3,063 per tonne for the 2024/25 season.

While the increase was significant, it fell short of market expectations of a 65 percent hike, prompting concerns among Ghanaian cocoa farmers that the price may still be insufficient to cover their costs.

Cocoa prices rallied to a 2-1/2 month high in late August on fears that dry conditions in West Africa could hamper cocoa production in the region. Weather specialist Maxar Technologies reported that Ivory Coast and Ghana, two of the world's largest cocoa-producing nations, had experienced significantly less rainfall over the past month. The drought-like conditions had depleted soil moisture and limited the growth of cocoa crops.

Cocoa prices received further support from the Ghana Cocoa Board (Cocobod) reducing its cocoa production forecast for the 2024/25 season. In August, Cocobod lowered its estimate from 700,000 metric tonnes (MT) to 650,000 MT, signaling that the West African nation's cocoa output is likely to remain below its historical average. The production downgrade was attributed to adverse weather conditions and crop disease, which have significantly impacted cocoa production in the country.

While concerns about cocoa production in Ghana, the world's second-largest cocoa producer, had supported cocoa prices, a potential increase in output by other African nations could exert bearish pressure on prices.

Cameroon, the world's fifth-largest cocoa producer, reported a 1.2 percent year-over-year increase in cocoa production for the 2023/24 (August/July) season, reaching a total output of 266,725 MT. In addition to this, Nigeria, the world's sixth-largest cocoa producer, reported a sharp increase in cocoa exports in July. Nigerian cocoa exports surged 31 percent year-over-year, reaching 17,456 MT in July.

Meanwhile, cocoa prices remained in positive territory as data from two major cocoa associations showed that cocoa consumption was stronger than anticipated in the second quarter of the year.

In North America, cocoa grindings increased by 2.2 percent year-over-year to 104,781 MT, outperforming forecasts of a slight decline.

Furthermore, the European Cocoa Association revealed that European cocoa grindings surprisingly climbed by 4.1 percent year-over-year to 357,502 MT, defying market expectations of a two percent year-over-year decline.

In another bullish development, the International Cocoa Association (ICCO) updated its estimate for the 2023/24 cocoa season in a report on August 30, revealing an even greater shortage than previously anticipated.

ICCO forecasted a cocoa deficit of 462,000 metric tonnes for the 2023/24 season, an increase from the May projection of 439,000 tonnes.

In addition, ICCO lowered its forecast for global cocoa production to 4.330 million metric tonnes (MMT), a substantial reduction from the May estimate of 4.461 MMT.

Stories by Onome Amuge

Gold flashes new record highs amid heightened expectations for Fed easing

GOLD PRICES JUMPED TO a new all-time high of $2,586 as the US dollar weakened in the face of mounting expectations for a more aggressive rate cut by the Federal Reserve. The precious metal's status as a safe-haven asset combined with the Fed's anticipated dovish stance on monetary policy to boost its appeal as a store of value.

In the currency markets, the US Dollar slipped as investors factored in the potential for a larger rate cut, sending gold prices soaring to uncharted territory.

The gold rally gathered pace as traders reacted to mounting expectations that the Federal Reserve will slash interest rates by a more substantial margin.

The CME FedWatch Tool showed a surge in the probability of a 50-basis-point rate cut, which jumped from 27 percent to 43 percent, following a news article by the prominent Fed watcher Nick Timiraos at The Wall Street Journal and comments from former New York Fed President William Dudley.

In parallel, the likelihood of a 25-basis-point cut decreased from 73 percent to 57 percent, as the markets factored in a more aggressive rate cut.

The dollar fell against a basket of its rivals as Treasury yields tumbled, reflecting the mounting expectations for a more substantial rate cut.

L-R: Francois Gillet, chief executive officer, Promasidor Nigeria Limited; Habibat Omolara Adubiaro, secretary to Ekiti State Government; and Eno Udoma-Eniang, corporate affairs director, Promasidor/ and chairman, Ikun Dairy Farm Limited, during a recent visit to Ekiti State Government House by the management of Promasidor Nigeria

The US Dollar Index (DXY), which tracks the US Dollar against a basket of currencies, dipped 0.15 percent to 101.09, as investors priced in the possibility of a 50-basis-point rate cut. The fall in yields undermined the US Dollar, which is traditionally seen as a haven asset in times of economic uncertainty, and strengthened the appeal of gold, a non-yielding asset that tends to benefit from dovish monetary policy.

As global Gold Exchange-Traded Funds (ETFs) witnessed a fourth straight month of inflows in August, expectations are mounting that gold prices will continue their upward trajectory.

Meanwhile, data released recently by the World Gold Council showed that investors were pouring funds into gold ETFs, highlighting the metal's enduring appeal as a hedge against uncertainty and a safe-haven asset in times of market turbulence.

According to analysts, gold's bullish momentum remains unabated, as a confluence of factors, including strong demand and robust momentum, continue to prop up prices.

The Relative Strength Index (RSI), a technical indicator used to measure the strength of a trend, shows that gold is in a solid uptrend, as the RSI is firmly in the bullish territory.

Remarkably, despite the scale of the rally, the RSI has yet to hit the "extreme" overbought threshold of 80, which usually signals that a trend may be overheated and could be approaching a correction.

With the bullish momentum in gold prices firmly in place, analysts noted that the next levels of resistance traders will be watching are the September 13 peak of $2,586 and the psychologically significant $2,600 level.

However, they suggested that if sellers want to halt the gold rally and reassert control, they will need to push the XAU/USD price below the key support level of $2,550.

A sustained break below that level is expected to open the door to a retest of the August 20 high of $2,531, with the $2,500 level providing a further level of support.

Copper hits 2-week high on weak dollar, optimism over China stimulus

COPPER RALLIED TO A TWO-WEEK PEAK on Friday, buoyed by a weaker US dollar and prospects of increased demand from China, the world's largest consumer of the red metal. The surging prices of copper, coupled with the anticipation of economic stimulus in China, positioned the metal for its strongest week in a month.

Copper advanced 0.2 percent to $9,228 a metric tonne on the London Metal Exchange (LME), climbing to the highest point since August 30 at $9,296. The red metal's price has enjoyed a significant week-long surge of 2.6 percent, driven by a combination of favourable currency fluctuations and market expectations that economic stimulus in China would spur a significant increase in demand for copper.

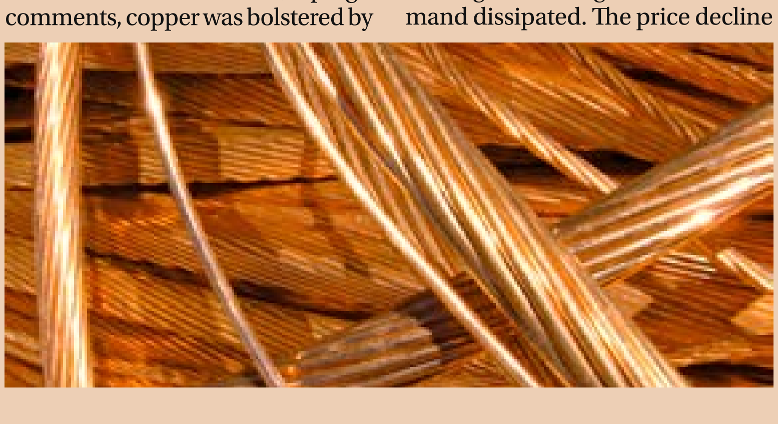
Copper prices continued to climb on Friday, as investors digested the news that Chinese President Xi Jinping had called for greater effort to achieve the country's economic targets amidst mounting pressure for additional supportive measures.

In addition to President Jinping's comments, copper was bolstered by Bloomberg News' report that China, the largest consumer of copper, is considering reducing interest rates on more than $5 trillion of outstanding mortgages as soon as this month, according to anonymous sources. This development, combined with the metal's widespread applications in the construction and power sectors, resulted in a surge of investor optimism that drove copper prices higher on the LME.

"The bullish sentiment we've seen over the past couple of days in the copper market can be largely attributed to the news of potential interest rate cuts in China," commented one metals trader, referring to the Bloomberg News report about the country's potential move to reduce mortgage rates.

The trader also noted that trading activity in copper was relatively quiet on Friday, owing to the impending closure of Chinese markets for the September 16-17 Mid Autumn Festival.

Copper prices have tumbled by 17 percent since the metal hit a record high of $11,104 in May, largely due to investors unwinding positions as concerns over potential shortages resulting from future demand dissipated. The price decline has, however, opened the door for increased buying from China, the world's top copper consumer.



According to market observers, Chinese buyers have been opportunistically scooping up copper at lower prices, buoyed by the expectation that the metal's price will bounce back after China's extended October holiday.

The copper stockpile in warehouses monitored by the Shanghai Futures Exchange has experienced a dramatic decline of 45 percent in the past three months, with the current inventory standing at 185,520 tonnes, the lowest since February.

In a further indication of the strength of China's copper appetite, the country's copper import discount has flipped to a premium two months ago, with the premium currently reaching $65 a tonne.

Macquarie analysts have projected that the global copper market will continue to experience a surplus in both 2025 and 2026, indicating that the market will be oversupplied for the foreseeable future. The analysts anticipate copper prices to hover at an average of $9,100 per ton in the current quarter, with a possible rebound in the fourth quarter contingent upon a drop in visible stocks.

The LME metals complex was a mixed bag of results, with aluminum prices edging up 0.6 percent to $2,428.50 per tonne, while lead dipped 0.1 percent to $2,024.50 per tonne. Meanwhile, tin prices gained 0.8 percent to $31,680, and zinc prices declined 0.4 percent to $2,843.50 per tonne. Nickel prices, on the other hand, took a 1.3 percent hit, settling at $15,920 per tonne.

Iron Ore climbs on growing optimism over Chinese stimulus measures

IN A BULLISH TREND THAT persisted for two consecutive sessions, iron ore futures prices soared higher to seal a weekly ascent. The bullish sentiment was fueled by growing prospects of fresh stimulus from China, the world's top consumer of steel, coupled with a resurgence in the country's steel demand, which boosted market sentiment.

Dalian Commodity Exchange (DCE) saw a bullish performance from its most traded iron ore contract for January delivery on Friday, with prices closing 0.79 percent higher at 701.5 yuan ($98.70) a metric ton during morning trade. The contract's upward trajectory has propelled it to a 2.86 percent gain over the course of the week, showcasing strong bullish momentum.

A Bloomberg News report on Thursday indicated that China, the world's largest economy, is on the verge of implementing a significant fiscal initiative, with plans to cut interest rates on outstanding mortgages worth more than $5 trillion as early as this month. This move, if implemented, would represent a substantial investment by the Chinese government to bolster its economy and shore up consumer confidence.

Adding to the bullish narrative, data released by the Chinese consultancy firm Mysteel revealed that inventories of five key finished steel products held by Chinese traders have dwindled for the ninth consecutive week, reaching an eight-month low over the period of September 6 to 12. The report indicated that the 6.3 percent drop in inventories was primarily due to a substantial uptick in spot trading and a mild increase in the inventory replenishment requirements among end-users before the Mid-Autumn Festival holiday in China.

Chinese markets, which include the DCE, will be closed in observance of the Mid-Autumn Festival holiday from September 16 to 17, with normal trading resuming on September 18. While markets were closed in China, the anticipation of robust steel demand during and after the holiday period sent prices of other steelmaking inputs on the DCE higher.

In parallel with the bullish momentum observed in the prices of iron ore and steelmaking inputs on the DCE, prices of other key steel products also strengthened. Hot-rolled coil, one of the most heavily traded steel products on the Chinese market, gained 1.25 percent, while rebar, a key component in reinforced concrete, advanced approximately 1.1 percent. The price of wire rod, which is used for a wide range of applications in construction, automotive and industrial sectors, also saw a 0.9 percent increase.

Business a.m.

Against all odds, Dangote Group pursues $30bn revenue target for 2025

THE DANGOTE GROUP has made the leap from being solely Nigerian-based to a pan-African enterprise with operations in 14 African countries. Despite navigating an array of obstacles, including complex visa processes, unpredictable government policies, inadequate technical talent, infrastructure deficits, foreign exchange crisis, inflation, high cost of capital, and numerous other conflicts, the Group has achieved impressive growth, employing over 50,000 people and anticipating revenues to surpass $30 billion by 2025.

Aliko Dangote, Dangote Group's president and CEO, made the disclosure in a keynote address at the just concluded African Renaissance Retreat held in Kigali, Rwanda, where he underscored the need for African business leaders to take the reins in driving transformation on the continent.

The leader of the pan-African conglomerate, also emphasised the critical role of African business leaders in shaping the future of the continent and highlighted the need for collaboration and innovation to overcome the challenges faced by African businesses.

Dangote also highlighted the potential of Africa's youthful population and its vast mineral wealth, noting that despite the numerous challenges the continent faces, its opportunities for significant and inclusive growth remain abundant. With reserves of 30 percent of the world's minerals, including the largest reserves of gold, cobalt, uranium, platinum, and diamonds, Dangote underscored the abundance of resources that could propel the continent forward, calling upon African business leaders to harness these opportunities for the continent's socio-economic development.

"Additionally, we have 65% of the world's arable land and 10% of the planet's internal renewable freshwater sources. Together these present a myriad of opportunities for robust, inclusive growth that harness our abundant human potential and natural resources to increase prosperity, not just in Africa but across the globe," hee said.

L-R: Adebayo Alli, managing director, Guinness Nigeria Plc; Toju Dottie, partner, IP, Aluko and Oyebode; Ubiaru Maduka, acting director, food registration and regulatory affairs, National Agency for Food & Drug Administration & Control (NAFDAC); Mark Mugisha, marketing and innovation director, Guinness Nigeria Plc, at the World Anti-Counterfeit Day event held at Guinness recently.

Dangote spoke on the critical juncture at which Africa currently stands, with its youthful population, growing cities, and rapidly expanding technological advancements, including Artificial Intelligence. He noted that the continent is at a crossroads, poised to leverage its youthful population and embrace innovation as a catalyst for economic growth. The continent's rapidly expanding cities and technological advancements, he suggested, present a unique opportunity for Africa to become a leader in digital transformation and entrepreneurship.

The Dangote Group president recounted the challenges his company had to overcome in its journey of expansion across Africa.

According to the business magnate, despite facing multiple obstacles, including complicated visa procedures, unpredictable government policies, insufficient technical talent, inadequate infrastructure, foreign exchange crisis, inflation, high cost of capital, and other conflicts, the company has managed to expand into 14 African countries, establishing a diverse range of businesses spanning cement, fertilizers, sugar, oil refineries, petrochemicals, agriculture, and more.

"The good news is that despite these challenges, we have succeeded in building a pan-African Group that employs over 50,000 people and generates revenues that should exceed $30 billion by the end of 2025," he stated.

Dangote, the initiator of the African Renaissance Retreat, revealed that his idea to gather African business leaders to discuss the challenges facing the continent and to explore potential solutions had been brewing for some time. He noted that despite the significant obstacles present in Africa, including conflicts, energy and food insecurity, supply chain disruptions, debt crises, and limited access to long-term funding for development, the continent remained a viable investment destination with tremendous potential.

He stated: "This small private and high-level gathering to discuss these issues and align on how we will own and shape our narrative for development is long overdue. With the foremost entrepreneurs on the continent, the leaders of the largest pan-African companies, those at the helm of the most important development institutions in Africa, our brothers and sisters leading global institutions, our leading investors, our pre-eminent civil society activists and a few of our most respected political leaders, this first step will be an opportunity to have a frank and honest dialogue amongst ourselves to consolidate what we see as our common ground.

"We are coming together not just as leaders in our respective institutions but as visionaries and catalysts for transforming our societies. It is our collective responsibility to play our role in transforming our continent. Nobody will do it for us but us – especially us in this room."

Addressing the African Renaissance Retreat attendees,Dangote expressed his hope that the gathering would produce initiatives with the potential to significantly influence Africa's future and improve the lives of its people.

The industrialist also appreciated the presence and contributions of dignitaries such as President Paul Kagame of Rwanda, former Presidents Olusegun Obasanjo and Ellen Johnson Sirleaf, and former Prime Minister Hailemariam Dessalegn. He urged African leaders to go beyond mere dialogue and take decisive actions that would have tangible impacts on Africa's development and progress.

As a result of the discussions at the African Renaissance Retreat, participants arrived at several key resolutions. The resolutions included encouraging regular high-level dialogue between African private sector and political leaders, supporting the ratification of protocols for free movement of people, launching the African Renaissance Companies Gender Compact, and convening prominent global business leaders of African descent.

The leaders also endorsed initiatives aimed at significantly reducing logistics costs on the continent and expanding internet access to a larger segment of Africa's population.

The African Renaissance Retreat, held between September 6 and 8, brought together a distinguished group of participants that included prominent figures such as Amina J. Mohammed, the deputy secretary-general of the United Nations; Benedict Oramah, president and chairman of the board of directors of the African Export-Import Bank; former Liberian president Ellen Johnson Sirleaf; Adebayo Ogunlesi, chairperson of Global Infrastructure Partners; former Ethiopian Prime Minister Hailemariam Dessalegn, Samaila Zubairu of the African Finance Corporation, Makhtar Diop of IFC, and Jeremy Awori, CEO of Ecobank Transnational Incorporated.

Others were Bernie Mensah of Bank of America; James Mwangi of Equity Group Holdings; Alain Ebobisse of Africa50; Aigboje Aig-Imoukhuede of Access Holdings; Genevieve Sangudi of Alterra Capital Partners; Jim Ovia of Zenith Bank; Tony Elumelu of Heirs Holdings; Naguib Sawiris of Orascom Telecom Holding; Dr. Vera Songwe; Jonathan Oppenheimer of Oppenheimer partners; James Manyika of Google; Clare Akamanzi of NBA Africa; Fred Swaniker of Africa Leadership Group; Hakeem Belo-Osagie of Harvard Business School; Myma Belo-Osagie of Harvard Africa Studies Centre; Patrice Motsepe of African Rainbow Minerals.

Also in attendance were Mohammed Dewji of METL; Moussa Faki Mahamat of Africa Union; Graca Machel of the Graca Machel Trust; Wamkele Mene of African Continental Free Trade Area Secretariat; Tope Lawani of Helios Partners; Masai Ujiri of the Toronto Raptors; Mimi Alemayehou of Three Cairns Group; Donald Kaberuka of Southbridge Group; Precious Moloi-Motsepe of Africa Fashion International; Richelieu Dennis of Sundial Group of Companies; Louise Mushikiwabo, Secretary General of Organisation Internationale de la Francophonie; Hassanein Hiridjee of Axian Group; Kate Fotso of Telcar Cocoa; Nkosana Moyo of Mandela Institute for Development Studies; and Nku Nyembezi of Standard Bank Group.

Business a.m.

Airtel Africa pumps $500,000 into fellowship scheme to boost education in Africa

AIRTEL AFRICA, THROUGH its charitable foundation, the Airtel Africa Foundation, has allocated $500,000 as the initial funding for the recently unveiled Airtel Africa Fellowship Programme.

The Airtel Africa Fellowship Programme is designed to benefit 10 undergraduate students from 14 African countries, namely Nigeria, Kenya, Malawi, Uganda, Zambia, Tanzania, Rwanda, DRC, Niger, Chad, Congo Brazzaville, Gabon, Madagascar, and Seychelles, for the entirety of their four-year course duration.

The initiative aims to provide financial support to the outstanding students enrolled in the Bachelor of Science in Data Science and Artificial Intelligence programme at the Indian Institute of Technology Madras (IITM) in Zanzibar.

According to the organisation, the recipients of the scholarship will be referred to as 'Airtel Africa Fellows'. The students will enjoy a comprehensive scholarship that covers the entirety of their 4-year programme fees, including $12,000 annually, according to the course fee structure of the Institute, and a monthly stipend of $500 for living expenses.

The Airtel Africa Fellowship programme aspires to be a transformative force, shaping the lives and careers of its fellows and nurturing future leaders who will pioneer technological innovation and drive economic progress across Africa.

Lela Mohamed Mussa, Zanzibar's minister of education and vocational training, expressed his enthusiasm for the fellowship scheme, stating that IITM Zanzibar is paving a path in technical education for the region.

"Providing access to this high quality education to students from Tanzania and the rest of the continent, who are topping the IITM Zanzibar screening and test processes, through financial assistance, is an important priority for us. We are thankful to this support from Airtel Africa Foundation, which will enhance our own efforts in this direction," he added.

Speaking on the partnership, Olusegun Ogunsanya, chairman of the Airtel Africa Foundation, expressed the Foundation's excitement to collaborate with IIT Madras Zanzibar in the shared mission to provide young Africans with the chance to receive quality education.

"This initiative aims to contribute towards creating a prosperous and sustainable continent. We look forward to creating even more opportunities not just in education, but also in financial and digital inclusion, and environmental protection," Ogunsanya remarked.

N818.3bn FMCG losses hint at economic freefall for Nigeria, says analyst

Business a.m.

NIGERIA'S FAST MOVING CONSUMER GOODS (FMCG) sector's weak performance in the first of 2024, resulting in massive losses, raises red flags for the country's overall economy. Unless swift action is taken to address this issue, analysts at advisory services firm, Kreston Pedabo fear that a major downturn could be on the horizon.

Nigeria's FMCG sector reported a pre-tax loss of N818.3 billion for the first half of 2024, a 233 percent increase from the previous year's losses. This substantial setback has sparked concerns that the Nigerian economy may be on the verge of a significant downturn.

According to market data, Nestlé Nigeria, Dangote Sugar, and Guinness Nigeria are among the major players in Nigeria's FMCG sector worst hit by the H1' 24 losses, largely attributed to soaring operational costs, compounded by recent government policies like the deregulated petroleum industry and fluctuating foreign exchange rates.

These challenges have severely squeezed profit margins, putting over 50,000 jobs at risk and adversely impacting millions of Nigerians who rely on the sector for their livelihoods.

Kehinde Folorunsho, a partner at Kreston Pedabo, expressed concern about the huge losses in Nigeria's FMCG sector, highlighting the sector's crucial role in the African economy.

Folorunsho, in a note, stressed that the FMCG sector not only provides everyday essential goods like food, beverages, personal care, and household items, but it is also a key contributor to Nigeria's overall economic health.

L-R: Ron Olajide, chief financial officer, Cavista Holdings; President Mokgweetsi Masisi of Botswana; Niyi John Olajide, chairman, Cavista Holdings; and Katlego Arnone, general manager, Cavista Botswana, during the opening of the Botswana office of Cavista Holdings in Gaborone, recently.

According to him, any decline in this sector could have a ripple effect, significantly impacting not just individuals, but also the economy as a whole.

Folorunsho stressed the critical importance of prompt policy interventions and government support to prevent the FMCG sector's growing losses from derailing Nigeria's economy.

He noted that while some companies within the sector are attempting to streamline costs to weather the storm, inflationary pressures and high operating costs persist.

Folorunsho, an expert accountant and tax practitioner with memberships in both the Institute of Chartered Accountants of Nigeria (ICAN) and the Chartered Institute of Taxation of Nigeria (CITN), ascribed the losses in Nigeria's FMCG sector to the combination of recent government policies, which include the deregulation of the petroleum industry and foreign exchange rate harmonisation. These measures, while well-intentioned, have resulted in increased operating costs, ultimately eroding profitability within the sector.

"Recent government policies, including the full deregulation of the petroleum industry and harmonisation of foreign exchange rates, have significantly increased production costs and reduced profit margins for businesses in Nigeria, particularly in the FMCG sector. As a result, the half-year financial statements of major FMCG entities have reported a combined loss before tax of N818.3 billion, primarily due to these policies," he stated.

Folorunsho cautioned that if the FMCG sector's losses persist through the end of 2024, the fallout could be severe. The industry's job losses, which he anticipates will exceed 50,000, would not only affect the individuals directly impacted but could also drive poverty levels up, given that 200 million Nigerians rely on the sector for their livelihoods. He noted further that reduced government revenue, in turn, could hamper essential services and infrastructure development, further exacerbating the country's economic instability.

While the challenges facing Nigeria's FMCG sector are significant, Folorunsho maintains a cautious optimism for a recovery in the second half of 2024. The financial expert predicts that cost optimisation strategies, coupled with the start of operations at the Dangote refinery, could be key drivers of this potential rebound. However, to fully support the struggling sector, he urged the government to implement policies aimed at stabilising foreign exchange rates and reducing lending rates, ensuring a more conducive business environment for FMCG companies.

Despite glimpses of optimism, Folorunsho cautioned that deep-rooted challenges, such as exorbitant operating costs, volatile foreign exchange rates, and fierce competition, will continue to weigh on Nigeria's FMCG sector.

The recent 55-60 percent increase in PMS prices, he said, could further diminish consumer spending, reduce purchasing power, and subsequently depress demand for FMCG products. And, with diesel prices remaining high, profit margins will likely remain under immense strain.

To weather the brewing economic storm, Folorunsho suggested that FMCG companies could employ several strategies to stay afloat. These include embracing innovative pricing models, diversifying their product offerings, and investing in new distribution channels to ensure their products remain visible and competitive. Additionally, an uptick in collaborations and partnerships within the industry could provide a much-needed lifeline, allowing companies to pool resources, share expertise, and even mitigate risk, all in the name of navigating the choppy waters ahead.

The chartered accountant noted: "To address the challenges facing the FMCG sector in Nigeria, I would recommend a multi-faceted approach.

Firstly, the government should implement policies to stabilise foreign exchange rates, such as introducing a foreign exchange stabilisation fund, to cushion the impact of currency fluctuations on import costs. "Secondly, measures should be taken to increase access to affordable credit for FMCG businesses, such as reducing lending rates, increasing loan tenors, and providing sector-specific lending programmes.

"Furthermore, investing in critical infrastructure, including roads, ports, and logistics facilities, would enhance the sector's competitiveness and reduce costs. Tax incentives and subsidies could also be offered to encourage local manufacturing and reduce reliance on imports."

According to Folorunsho, the path to long-term recovery for Nigeria's FMCG sector requires addressing the underlying issue of regulatory inefficiency. He concluded that by streamlining regulatory processes and reducing bureaucratic hurdles, the business environment could be transformed into a more conducive space, facilitating efficient and effective operations for FMCG companies.

Nestlé backs public-private partnership to curb unemployment crisis

Business a.m.

NESTLÉ NIGERIA PLC has made a call for stronger partnership between the private sector and the Federal Government to tackle the issue of youth unemployment in the country.

Wassim ElHussein, managing director of the food and beverage specialty company stated this in his keynote address at the inaugural graduation ceremony of the new Technical Training Centre located at the Flowergate Factory in Ogun State.

ElHusseini highlighted that addressing the unemployment crisis requires more than just government intervention. He stressed that Nestlé is actively supporting government initiatives that promote economic growth by providing training to young people for high-productivity sectors, ultimately contributing to the creation of more job opportunities.

Elaborating on Nestlé's commitment, ElHusseini stressed that the company is determined to close the technical skills gap by empowering young individuals with the necessary skills and competencies to contribute to Nigeria's economic growth.

The managing director also highlighted that one of the company's key objectives is to equip young people with the required knowledge and skills to participate in the country's burgeoning economy.

ElHusseini explained that the technical training programme is aimed at preparing young people for economic opportunities, whether they seek employment or entrepreneurship. He revealed that out of the 20 beneficiaries who enrolled in the 18-month programme, 98 percent have been successfully offered employment by the Nestlé organisation. Nestlé Nigeria's 18-month programme provides training in machining, mechanical fitting operations, electrical operations, instrumentation operations, and automation. The training programme culminates in the prestigious London City and Guilds technical certification, a globally recognised standard that not only validates the participants' technical competency but also enhances their competitiveness in the job market.

Shakiru Lawal, the country human resources manager at Nestlé Nigeria Plc, commended the graduates of the Flowergate Technical Training Centre as being among the best outcomes of all the training programmes, including those in Agbara and Agbati.

Lawal emphasised that the Flowergate Technical Training Centre initiative aligns with Nestlé's commitment to developing the skills of young people and making them more employable.

The country human resources manager affirmed that the primary objectives of the programme are to cultivate young talent for the company and assist in the fight against youth unemployment in the country. The initiative, Lawal added, represents Nestlé's broader commitment to addressing the skills gap and fostering economic growth through human capital development. Babatunde Ajayi, the Akarigbo and paramount ruler of Remoland in Ogun State,recognised the potential of Nestlé's Flowergate Technical Training Centre programme to drive sustainable and inclusive economic growth.

UBA Foundation champions Africa's sustainability drive with ambitious tree planting initiative

Business a.m.

THE UNITED BANK FOR Africa Foundation has unveiled a tree-planting campaign with a pledge to plant one million trees across the African continent.

The initiative, tagged "Our Land: Grooming a Greener Future", was launched recently at a tree-planting event held at the UBA Foundation Garden in Lagos,

Oliver Alawuba, the group managing director/chief executive officer of UBA, underscored the importance of the campaign, stating, "We must work to save the planet, and we commit that UBA will plant one million trees across Africa by the end of 2024.

"Trees provide more than carbon reduction; urban trees can decrease temperature by at least 12 degrees Celsius, significantly lowering the risk of heat-related crises. Each tree we plant today contributes to the United Nations' Sustainable Development Goals, especially SDG 11."

In his remarks, Kennedy Uzoka,UBA Foundation chairman, underscored the campaign's support for global sustainability initiatives. He stressed the ease and accessibility of planting trees, highlighting the simplicity and lack of specialized skill required for this activity. Uzoka emphasised that anyone could contribute to a healthier environment by planting trees in their own homes or workplaces, thereby promoting a greener future for Africa. Also speaking, Bola Atta, chief executive officer of the UBA Foundation, highlighted the critical role of tree planting in combating climate change.

Major boost for airline business as Nigeria signs Cape Town CPD

- To lift investor confidence
- Access to lower cost of aircraft acquisition
- Enhance growth of Nigeria aviation industry

Stories by
Sade Williams/Business a.m.

A MAJOR BOOST HAS BEEN given to airline business in Nigeria as the country has made history by becoming one of the few countries in the world to pioneer the issuance of 'Practice Directions' by the Federal High Court, which is vested with the constitutional jurisdiction on aviation matters.

The signing of the Cape Town Convention (CTC) Practice Direction was presided over by Vice-President Kashim Shettima of Nigeria at the meeting of the Presidential Council of Presidential Enabling Business Environment Council (PEBEC) at the Presidential Villa, Abuja.

The new Practice Directions issued by the Chief Judge of the Federal High Court will eliminate judicial impediments in the implementation and compliance with the Cape Town Convention. This singular move promises to revolutionise airline business in Nigeria as it will boost investor confidence and open the floodgate to Nigeria air operators to have easy access to aircraft acquisition at much lower cost, analysts say.

People familiar with the industry in the country also say the signing of the Cape Town Convention will significantly enhance the growth of the aviation industry by creating more jobs and promoting the rapid economic development of the aviation industry.

By so doing the Nigerian aviation industry which has a huge global market can favourably compete and increase its contribution to the country's GDP.

People following the Nigerian aviation market recall that since taking over office, one of the key points of Festus Keyamo, minister of aviation and aerospace development's 5-Point Agenda is the support for the growth and sustenance of local airline businesses whilst holding them to highest international standards.

In pursuit of this agenda, the minister was confronted with the lingering problem of the low rate of Nigeria's compliance with the Cape Town Convention – a Convention that regulates the dry-leasing of aircraft by major aircraft manufacturers such as Boeing and Airbus and major lessors across the world who perceived Nigeria as a non-compliant country. This led to the blacklisting of Nigeria by the Aviation Working Group.

In a statement, Tunde Moshood, the minister's special assistant, media and communications, said the AWG CTC compliance index shows Nigeria's substantial non-compliance with the CTC which is largely as a result of legal impediments in the country' judicial process which have adverse impact on the implementation and compliance with terms of the Convention.

"Certain judicial cases have shown that speedy reliefs sought by the creditors were not granted within the 10 days declaration made by Nigeria under the Convention. The Minister, with the key support of Mr. President, the Vice-President and the Attorney-General of the Federation, then reached out to key institutions and offices in the judicial sector to make this possible, which resulted in the signing of the Practice Direction today. "It is important to stress that as a party to the Convention on International Mobile Equipment (Convention) and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment (the Protocol) which was adopted in Cape Town South Africa on the 16th November 2001 and has been ratified and domesticated in the Civil Aviation Act 2006, as amended in the Civil Aviation Act 2022, Nigeria has the obligation to ensure that its domestic laws and its courts and administrative bodies give full effect to the CTC and that the timelines and remedies set in the CTC are not varied at the discretion of the courts.

"It is only by so doing that the primary objective of the CTC which is to facilitate the efficient financing and acquisition of aircraft objects by the recognition of the international interests created in the objects can be beneficial to airline operators in the country," the statement reads.

Keyamo, however, appreciated all the stakeholders who have contributed immensely towards the actualisation of this landmark issuance of the new Federal High Court Practice Directions which will not only clear the image and reputation of Nigeria in the global community, but usher in a new era for the airline business in Nigeria to grow and be well positioned to compete favourably in the global aviation market.

Vice President Kashim Shettima (right) receiving the signed Cape Town Convention (CTC) Practice Directions issued by the Chief Judge of the Federal High Court, in Abuja, recently

NAHCO chiefs enthused over renewal of Emirates' ground handling services

THE NIGERIAN AVIATION HANDLING COMPANY PLC (NAHCO) has once again secured the bid to provide passenger and cargo ground handling services for Emirates Airlines at Lagos Airport, following the resumption of Emirates' flights to Nigeria.

This renewed contract underscores NAHCO's unrelenting commitment to delivering exceptional ground handling services and highlights its role as a critical partner in Nigeria's aviation industry, the company said in a statement.

It explained that the agreement with Emirates Airlines reinforces NAHCO's position as the trusted service provider to some of the world's leading airlines.

"We are honoured to welcome Emirates Airlines back to Nigeria and to continue our long standing relationship with this important airline. Securing this renewal is a testament to NAHCO's consistent quality of service and the trust our partners place in us. We look forward to further strengthening valued partnerships and continuing to set the standard for ground handling in Nigeria," said Seinde Fadeni, chairman of NAHCO PLC.

Also commenting, Prince Saheed Lasisi, group executive director, commercial & business development at NAHCO PLC, stated: "Our successful renewal of this contract with Emirates Airlines is a reflection of the hard work and dedication of the entire NAHCO team. We are proud to be the preferred ground handlers once again for Emirates as they resume their flights to Nigeria.

Our focus remains on delivering world-class services that meet and exceed the expectations of our airline partners."

Indranil Gupta, group managing director and chief executive officer, NAHCO PLC, noted that it was a privilege to have been chosen once more by Emirates Airlines for their ground handling needs at Lagos Airport, and to extend the company's successful partnership with one of world's leading Airlines.

He expressed optimism about the company's future and reaffirmed NAHCO's commitment to supporting the growth of the company's airline partners in Nigeria.

Seinde Fadeni, chairman, NAHCO Plc.

NiMet looks to tap expertise of visiting Finish Vaisala, French MFI

Sade Williams/Business a.m.

AS PART OF THE ONGOING EFFORT BY the management of Nigerian Meteorological Agency (NiMet), under the leadership of Charles Anosike, a professor, director general and chief executive officer, and permanent representative of Nigeria with World Meteorological Organisation (WMO), to reposition the agency, improve operational efficiency and end–to–end service delivery, a team from Vaisala of Finland comprising James Gadiner, Kimmo Ristolainen and Vesa Koivula, and Alexandre Bonnes from Meteo France International (MFI) of France recently undertook a three–day working visit to the Nigerian Meteorological Agency (NiMet).

The visit followed earlier meetings in June 2024 held in Geneva, Switzerland, with senior officials of the two firms on the sideline of the 78th Session of the World Meteorological Organisation (WMO) Executive Council (EC). This was subsequently followed by the visit of a ministerial team led by Festus Keyamo, minister of aviation and aerospace development.

Speaking during the visit, Anosike said that the visit is aimed at understanding the observation infrastructure gaps and the integrated solutions for service delivery of the Agency.

"NiMet aims to leverage the experience and expertise of both Vaisala and MFI to close observation gaps in Nigeria focusing on integrated radar solutions, aviation AWOS, and many more. Also ensuring not only that weather and climate are observed but that the agency also has an integrated solution for seamless operation, information sharing, and last-mile dissemination of meteorological information for socio-economic impact. The outcome of the visit will inform a 'Design, Build and Operate' project proposal for the agency with integrated capacity development and sustainable plan," Anosike said.

He commended the staff of NiMet for their ingenuity and hard work and assured of management's readiness and commitment towards improving workplace infrastructure, systems, and environment to improve job satisfaction and efficient service delivery. As part of the visit, the Vaisala and MFI team toured the existing infrastructure of NiMet within Abuja and used the opportunity to interact with operational officers across NiMet's technical directorates.

Charles Anosike (right) a professor and the director general/CEO, and the permanent representative of Nigeria with World Meteorological Organisation (WMO), with the visiting Vaisala and MFI team in his office in Abuja, recently

Warri Osubi Airport records 124,000 passenger traffic in H1'24

•2,051 aircraft movements also booked

A TOTAL OF 124,000 PASSENGERS were processed by the management of Osubi Airport located in Warri, Delta State, Nigeria between January and June 2024, with 2,051 aircraft movements also recorded during the same period.

Winston Egwuatu, Osubi airport manager who disclosed this at the just concluded Aviation Business Summit and Expo 2024 in Lagos said passenger traffic has drastically improved since they took over the running of the airport in March 2021.

Revenue generation at the airport between January and June 2024 was N831,374,521.74 comprising aeronautic and non-aeronautic sources.

Egwuatu said revenue collection performance stood at N731,397,265.05 between January and June this year, while total expenditure for the same period stood at N676, 643,455.27

Egwuatu noted that Osubi airport, as a public private partnership venture (PPP), has provided a model as the number one in the nation's aviation industry, stressing that the airport was not originally built for commercial operations and now carries out commercial activities.

He stressed that there was the need for more infrastructural development and upgrade of the existing ones, assuring that the management of Osubi Airport was ever-ready to facilitate symbiotic relationship. Egwuatu said in line with FAAN core values, which are safety, security and comfort, the Osubi airport management has

provided an enabling environment for businesses to thrive such as the provision of 250 KVA static ups inverter which provides regular power supply when no primary and secondary power sources.

"A fuel dump for reserve, in case of scarcity in the market. And a solar powered street light for night business, construction of a police station to boost investor confidence on the area of security and provision of additional perimeter fencing to guarantee a secure business environment," he explained.

On investment in Osubi airport, Egwuatu revealed that a large expanse of land of about 10,764,900 square metres is available for establishment of various businesses with availability of operating space for more airlines.

According to him, Air Peace and Arik Air operate daily flights to Lagos and Abuja, while Green Africa, Overland and United Nigeria airlines have all indicated to resume operations soon.

"There is room to accommodate more airlines that wish to operate and do business from Osubi (aeronautical aspect)," he said further.

On-going extension of terminal one, the airport manager said, will provide space for a VIP lounge, a retail shop and space for restaurant, adding that planned upgrade by the federal government will involve runway extension, apron expansion, construction of new terminal building, fire station and a general upgrade of the airport facilities.

According to Egwuatu, the cordial relationship between the airport management and the host community has led to the development and progress in the airport community, making the airport as one of the best maintained airports in Nigeria with massive turnaround since FAAN took over the operatorship of the airport in 2021.

The airport manager won the last Nigeria aviation awards as the best airport manager in Nigeria for 2023.

Delta Airlines appoints Gbobaniyi to lead sales charge in West Africa

Mary Gbobaniyi, new manager, sales-West Africa, Delta Airlines

DELTA AIRLINES SAYS IT HAS appointed Mary Gbobaniyi as its new manager sales, West Africa, effective immediately.

According to the airline, following Gbobaniyi's appointment, she will be based in Lagos, Nigeria in her new role, from where she is expected to oversee Delta's sales and commercial operations across the West African region, including the airline's key online stations in Nigeria, Ghana and Senegal.

In addition, she is expected to support the airline's joint venture partners, including Air France KLM and Virgin Atlantic.

She joins Delta with a wealth of experience in the aviation industry, having previously served as a sales manager for Nigeria at Emirates for nine years.

Before her tenure at Emirates, she worked with Lufthansa German Airlines for six years, culminating in the position of regional manager for key accounts.

Her extensive background in sales and management, coupled with her strong understanding of the aviation market, makes her an invaluable addition to Delta's leadership team in West Africa, the company said in a statement.

Manoj Kuraikose, Delta's general manager sales, Middle East, Africa, and India (MEAI), remarked on Gbobaniyi's appointment, stating, "I am excited to have her on board and look forward to the experience and knowledge she will bring to our already amazing team."

She holds a Bachelor of Science (Hons) degree in Business Information Technology and Marketing from London Metropolitan University, as well as a GNVQ Advanced in Business Studies from Westminster Kingsway College in London, UK.

Reflecting on her appointment, Gbobaniyi said: "One of the reasons I chose to work with Delta is because its core values — integrity, resilience, honesty, and servant leadership — resonate deeply with me. I am grateful to Delta's leadership team for entrusting me with the opportunity to steward the brand within the West African region.

I am excited to leverage my commercial expertise and collaborate with the team across my markets to further strengthen Delta's footprint in this dynamic region."

Delta Airlines says it remains committed to expanding its presence in West Africa and enhancing its service offerings in the region, noting that with the addition of Mary Gbobaniyi to the team, it anticipates further growth and success in its West African operations.

The Airport Customer Experience

Managing disruption in aviation

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).

FLIGHTS TO AND FROM GATWICK and Heathrow airports were disrupted recently amid air traffic control staff shortages and bad weather. Dozens of flights had already been cancelled due to staffing challenges at the air traffic controller NATS. There were also pointers to bad weather that had swept the UK and other parts of Europe as being also responsible.

The low cost carrier Easyjet was reported to be the worst-affected airline, with flights from Gatwick to Naples, Montpellier, Jersey, and Edinburgh among those cancelled. A spokesperson for BA was reported to have said: "We operate hundreds of flights every day without disruption, successfully getting tens of thousands of our customers to where they need to be.

"Along with other airlines, we've had to make some small adjustments to our schedule because of air traffic control restrictions caused by adverse weather.

"Whilst the vast majority of our customers will be unaffected, we apologise for any inconvenience caused and our teams are working hard to help get journeys back on track."

Disruption and flight cancellation is not limited to Europe. It is part of the airport experience that needs to be professionally handled. In the above response by an affected airline, it was not just enough to make an apology but there was an indication that the passengers were not left alone to their fate.

While strikes are a regular occurrence in Europe, with employees withholding their labour to fight for better pay and conditions; also, walkouts are sometimes planned months ahead but others are announced last minute, as such it always pays to check before one travels. Disruptions are not limited to weather and strikes, but also this year there have been IT outages, resulting in many delayed and cancelled flights.

While border force staff at Heathrow Airport were planning a walk out, workers at Kenya's main international airport ended a day-long strike during the week, a union official said, after they were assured by the government that a plan to lease the airport to an Indian Company would only proceed with the union's approval.

Travel Anxiety Report 2024 by World Nomads has found that 40 percent of Brits have said delays to flights and cancellations are a major concern and cause them to worry when travelling internationally.

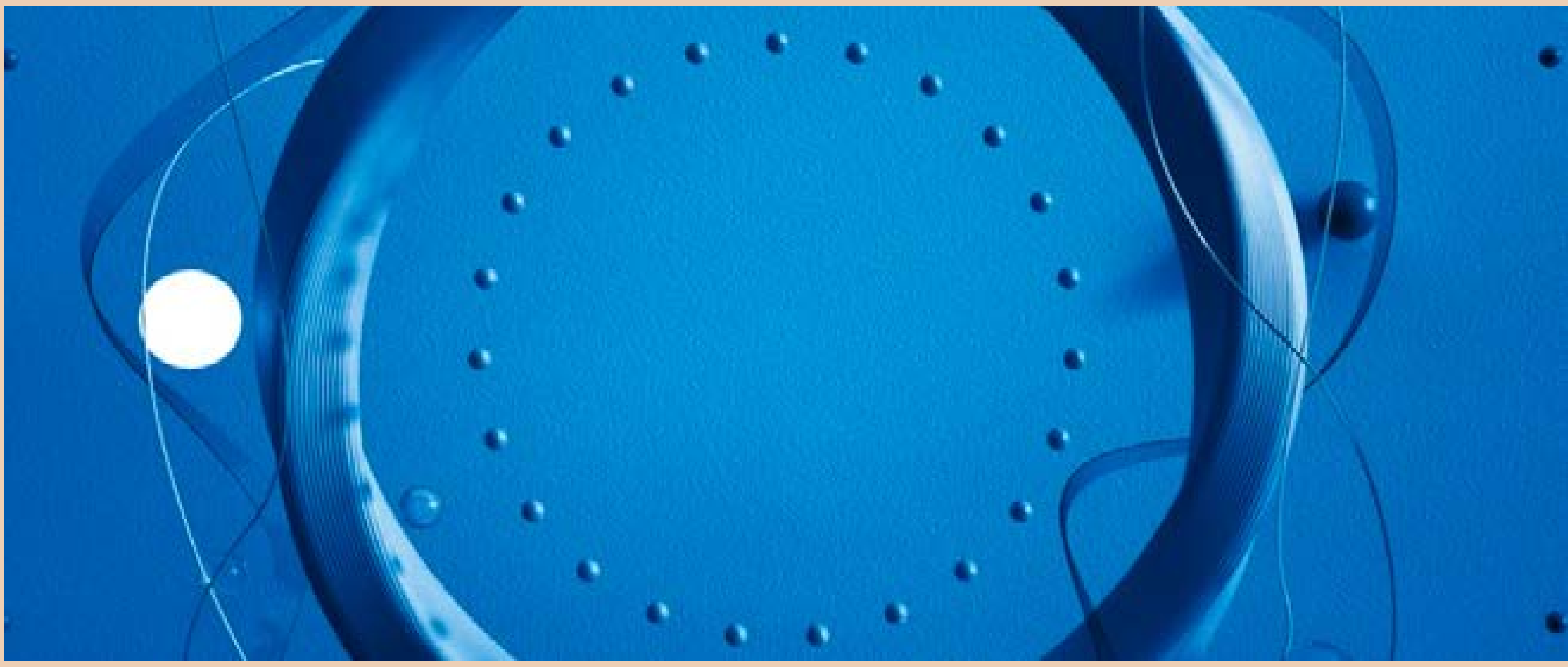
It said that over two-fifths (43 percent) of travelling Brits have already faced some sort of disruption to their flight plan in the past year. It concluded thus: "Our Travel Anxiety Report highlights that during delays, many travellers experience significant stress or might go as far as giving up a holiday altogether."

Dealing with disruption will require aviation managers to continually update their knowledge and skills in dealing with people. Whether in uniform or not, anyone working in an airport should see the traveller as king. Empathy is very important. Dealing with passengers affected by flight delays and cancellations goes beyond sympathising with them. Employees should not wait for formal organisational training only to build and develop skills that would make them prepared at all times for disruptions.

Quick and informed decision making is important in times of disruption. This is where collaboration and partnership within the airport community is important. Mock exercises carried out envisaging various scenarios will be invaluable when the real disruption occurs.

The World Nomads report also found that when a flight has been disrupted, 25 percent of Brits admit they just stay at the gate and start to worry, whereas 22 percent say they will go and seek a place to sleep. The report further stated that 14 percent say that they feel lost and don't know what to do with themselves, a small number of Brits (10 percent) use the time to be productive and try and catch up with all their work emails. And around 16 percent say they feel so frustrated that they consider abandoning their trip altogether.

This gives an insight into how to get into the shoes of the traveller in time of disruption and ensure that the travel experience stays positive. The airport community should work collaboratively to manage challenges arising from disruption by giving priority to proactive communication, transparency, flexible rebooking options, assistance for vulnerable passengers, empowerment of frontline staff, and post-disruption follow-up so that the passenger is not left with feelings that are unpalatable as part of the airport experience.



CEO Insights: The CEO's distinctive storytelling capability

CEOs have a unique ability to tell their company's story and powerfully connect with stakeholders.

Chief executives must be their companies' chief storytellers, according to McKinsey partner Julia McClatchy. In this first episode of the CEO Insights series, Julia sits down with Laurel Moglen, McKinsey's managing producer, to share how CEOs effectively engage stakeholders and communicate with impact.

Chief executives must be their companies' chief storytellers

Laurel Moglen: Julia, why is a good story so important?

Julia McClatchy: It's mission critical. Having a great story creates a virtuous cycle that enables CEOs to build a track record of consistency. It allows CEOs to take action, accelerate the idea, and make change in the organisation. Second, it facilitates a mutual exchange between the CEO and his or her stakeholders to come up with new ideas and improve the business. It also creates an opportunity to pressure-test ideas, collect feedback, and improve strategy based on insights. Third, it gives something for teams to rally behind in a strong, consistent message. Our research shows that high-performing organisations are almost three times more likely than others to say that their organisations express narratives well.

Laurel Moglen: I'm so curious about that data point. Do you think it has a cascading effect where people just understand what their purpose is?

Julia McClatchy: I think it does. It creates this flywheel because if you're a high-performing organisation, odds are people from the very top to the front line know exactly what their role is and how they fit into the broader purpose of the organisation. They understand their narrative, and they think their company expresses it well because it's fueling them to do what they do every single day to drive value for the company.

Laurel Moglen: How should CEOs think about shaping their organisations' story?

Julia McClatchy: The ability to tell a great story is grounded in a singular narrative that encompasses the CEO's vision and their strategy for the future. CEOs should think about telling their story in two lenses. The first lens is being holistic in nature because their story must transcend multiple stakeholder groups, whether they're talking to their board, the media, or their employees.

Beyond a great narrative for CEOs, we know that adult learning principles tell us that things must be communicated in different mediums again and again. Repetition and consistency are critically important; they do not come naturally to most people, but great CEOs master them.

Laurel Moglen: What are the key factors to consider when CEOs tell their story?

Julia McClatchy: In managing stakeholder relationships, the first step for a CEO to consider is their audience. The way that the narrative is delivered [cadence, depth of candour] should be customised based on the audience. For example, imagine the way a CEO might communicate with the media. It would differ greatly from the radical transparency that he or she might use when communicating with his or her board.

Second, given the pace of change and what is expected of a CEO as they evolve in a role, that narrative has to be renewed across various stages of the CEO life cycle. While a new CEO might be most focused on setting a bold direction, a more tenured CEO might need to focus on combating complacency or articulating a vision for the company's next S-curve. This enables CEOs to multiply the value of their story over time as they grow in their role.

The third point is that CEOs need to inject a strong sense of the "why" into their narratives. This means linking whatever it is that they're saying back to the company's purpose so that it feels grounded. Ideally, CEOs should include some of their own personal purpose in that narrative, too. They can share their personal hope and passion for the company. This enables the best CEOs to move beyond that first step of influence, to inhabit the mindsets of their audience by injecting a lot of personality into their stories, which ties back to having a firm grasp on their "why."

Laurel Moglen: Leaders have to pay attention to a variety of competing stakeholder issues. What do you find the best CEOs do well as they think about this balancing act?

Julia McClatchy: We see a few different archetypes of how this materialises and how they then balance opposing views.

I'll share three examples. The first is sharing versus staging. You see this mostly on investor calls where CEOs have the unique ability to share what stakeholders need to know now while laying what we would call "breadcrumbs" to keep them coming back for more in the future. These breadcrumbs might be an allusion to growth or an allusion to future focus on productivity.

The second is business versus society. Stakeholders, whether that's customers or employees, care just as much about what you

CEO Insights: Engaging employees and buil

The best CEOs harness the full potential of their teams, enabling them to express and amplify a common purpose and singular narrative.

In this third episode of the CEO Insights series, senior partner Joydeep Sengupta speaks with Laurel Moglen, McKinsey's managing producer, to discuss the art and science of storytelling, fostering an inclusive, collaborative culture through communication, and leading with humility.

Your company's best storytellers are your employees

Laurel Moglen: What do the best CEOs do to make sure their team understands the company's story really well?

Joydeep Sengupta: What I've observed is good leadership likes to rally the organisation around one big idea or audacious goal. And once you have that idea in place, I think the question is around, how do you translate that into a simple story? What are the values? What is the strategy? And importantly, what are you not going to do? And lastly, when you do something like this, you do it together, right? You don't do it on your own. Many organisations who have created cohesion successfully, take the top team, sometimes even the entire organisation together, to try and build this story.

Laurel Moglen: How do CEOs prepare their employees to share the story both internally and externally?

Joydeep Sengupta: Storytelling is really an art. CEOs pay a lot of attention to how they tell the story. People use different approaches. I remember when [the] State Bank of India was going through a massive transformation, and the CEO used a movie to communicate the story. It was called The Legend of Bagger Vance, in which a golfer had lost his swing and was essentially trying to gain it back, and he used the movie as a metaphor for the organisation and what they would have to do. And that movie went viral among the employees because he used that single movie over two-day workshops, communicating to employees, et cetera.

The other thing I found is that many CEOs use storytelling as a way to create a collaborative environment and build inclusiveness in the organisation. Storytelling is such an important aspect of how you build energy and excitement. I think most CEOs think about this as a real science in terms of how they design and plan for it. And I would use what I would call the "four-five-six" of storytelling.

High-performing organisations are four times more likely to dedicate resources to communication. Five times more successful if you get your employees to participate in that process of providing input, and six times more successful if you're really able to cascade this all the way through the employees, not by yourself. Those companies where lots of employees are engaged in talking about their strategy and their story, both internally and externally.

Laurel Moglen: How important is it for CEOs to role model the behaviour that they are asking their employees to emulate?

Joydeep Sengupta: It's really important. Our research shows that 86 percent of CEOs believe they're acting as role models for such inclusive behaviour. But we found only 50 percent of their direct reports say they're watching the CEO do that, so there is a real disconnect. And I think the disconnect stems largely from self-awareness, and what it takes to give up, quote, unquote,

CEO Insights: How CEOs develop a communications strategy and narrative

The best CEOs serve as an organisational catalyst. As the organisation's face and often its primary voice, these CEOs develop a proprietary narrative as well as a strong communications strategy.

In the second episode of the CEO Insights series, senior partner Kurt Strovink speaks with Laurel Moglen, McKinsey's managing producer, to share how the best CEOs create a communications strategy and platform with which they can authentically extend their reach to multiple constituencies. Kurt and Laurel discuss approaches CEOs use to connect meaningfully with their stakeholders and the importance of proprietary narratives around the "who" and the "why" inside their organisations.

Why CEOs must connect with stakeholders

Laurel Moglen: Stakeholders, like investors, customers, the media, and employees, all want to hear from CEOs on a wide range of issues. Kurt, through your conversations with CEOs, how important is it for CEOs to engage with the public?

Kurt Strovink: It's very important, and it's becoming more important as time goes on. Communications and stakeholder engagement is one aspect that many CEOs are less prepared for, relative to what it takes. It's not something they've necessarily encountered in previous roles before becoming CEO. And the enormity of the number of stakeholders, the balance between them, and how to manage and negotiate this is something that I think dawns on new CEOs quite quickly.

Our own research suggests that 58 percent of CEOs think that external affairs is a top priority for them. But only 12 percent feel that they're handling it really well. I would also say some of the leading CEOs, those who have become skilled at being a CEO over time and some of whom we've profiled in our book CEO Excellence, have also drawn attention to this priority.

Satya Nadella, the CEO of Microsoft, has talked about how important it is to be able to manage multiple constituents in the world—team members, employees, customers, governments. As a CEO, you need to create that sort of continuous balance between multiple constituents.

Laurel Moglen: What's the best way for leadership to adapt to this priority?

Kurt Strovink: In terms of how to adjust to this priority, we've tried to synthesise our perspectives into an approach called EDGE. It's an acronym that encompasses four ideas for CEOs to understand what's important.

The first idea is expanded. CEOs must think about themselves as a bridge to the outside world. They must recognize that they're kind of public in all their comments at all moments. That's a different mentality than thinking about yourself as a personal leader inside of a company, where your words won't travel as far.

The second idea is distinctive, by which we mean do only what the CEO can do or try to think about those things that can't be delegated. There are many things that you can have other people do on your behalf, but some of the communication needs to be from the CEO seat itself.

The third idea is growth oriented. Some of the best communicators and stakeholder balancers think a lot about growth in their communications. It's something that's ever present in the way that they interact with the outside world. It's part of how they emphasise the upside of their companies, their contribution to the world.

The fourth and final idea is engagement. This means going beyond influencing stakeholders to try to truly inhabit the mindsets that they have, meet them on their own terms, and work from there.

This is one way to think about four important best practices that we think of in the context of communications with different constituent groups and to adapt to them.

Laurel Moglen: As leaders incorporate all that EDGE means into their communications platforms, what strategies have you seen work for them?

Kurt Strovink: I have seen a few strategies that work for CEOs and a few markers for progress as CEOs, who become more excellent in this dimension. I often will observe a CEO's narrative itself—the way they talk about what they're doing, what they're here to do, what their company's purpose is, how they engage their own employees—and I will listen for how proprietary that vocabulary is and how authentic it is to them. And we often find that CEOs who become skilled at this will have certain terms that they put more weight into, certain things that become meaningful. So this idea of the singular narrative with proprietary language is hard to encourage anybody to do, but we notice it as a distinctive strength.

I also find that CEOs need creative ways to enrich this narrative over time, to have it take in additional elements of what happens around them. They must repeat this narrative, sometimes more than they'd like to in different settings. They should find energy and enthusiasm and vitality in doing that authentically. It's very important to see yourself as a real communicator of this message in broadcast and in narrowcast forms. The former CEO of US Bancorp, Richard Davis, said the holy grail for him was to have 12 people on a management team who were equal voices and equal storytellers.

What that means is that there are people who can speak for the team, for the company, not just for themselves. Sometimes, you see CEOs who develop enough of a narrative that they get another dozen people on their management team to really make it theirs and sound similar themes.

These CEOs create propagation that's much greater inside the company and outside the company because they have other people and their management team who are fully resonant with those messages.

One last thing that I'll share from our work with CEOs is what we call the four Ws: "who" "why," "what," and "when."

You have to think about "Who you are?" or "Who do you want to be?" You're really thinking about the identity of the organisation separate from the initiatives and activities that are under way.

You also have to think about the why. "Why is it there?"

This gets us to the what. "What is the purpose?" or "What's a larger mission that motivates?" This leads you to think about the series of things you're doing. And that ladders down into many aspects of strategy, initiatives, and the like.

Lastly, you think about the timing, the execution of the plans, which is summarised by the when.

But I do see a failure mode in CEOs. They're very good about the what and the when, though maybe not as thoughtful as they could be about the who and the why.

And in self-propelled organisations, especially organisations of high talent, there's tremendous latent potential in deeper dialogues about the "who" and the "why."

I would encourage all CEOs to think about all four Ws evenly as they think about building some of these messages, these narratives of meaning, and as they chart the course to figure out what they're solving for with so many different constituencies.

Note: Carolyn Dewar, Scott Keller, and Vikram Malhotra, CEO Excellence: The Six Mindsets That Distinguish the Best Leaders from the Rest, New York: NY, Scribner 2022.

ding an organisation of storytellers

"your power." For example, CEOs often invest a lot of time in developing the strategy, the approach, the story, and they want to be in the limelight telling the story.

But the fact is the CEO may have incorporated inputs from the rest of the organisation, and in doing so, they might have compromised their own personal point of view. Giving up that sense of control is not easy. But the best CEOs often do that, right? They're quite comfortable with others telling the story and supporting the notion that the story is something the whole organisation owns. In fact, many of them would be happy if someone were to say, "Oh, we didn't know it was your story. We thought it was the story of the organisation." And I think that is something truly powerful and something that we have seen work consistently time and time again.

Laurel Moglen: So, there's a degree of humility that comes with a CEO who is able to do that. How do we encourage this quality if it's so important?

Joydeep Sengupta: I would say that CEOs increasingly realise that there are many forms of leadership: being authentic, inclusive, collaborative, and having the humility to sometimes admit that there may be others in the organisation who might do things better than them or may have something interesting to say, and in fact, compliment their strengths. This attitude makes them even more effective and more powerful than if they needed the credit as the one person driving change. And I think our research increasingly continues to see that more and more CEOs are embracing this notion.

Experts See Nigeria's economic future brightened by enhanced blockchain technology adoption

Stories by Joy Agwunobi

BLOCKCHAIN TECHNOLOGY IS POISED to bring significant change to Nigeria and the African continent, transcending its trendy status to become an indispensable component of the global financial landscape, according to industry experts.

The decentralised, transparent, and secure nature of blockchain technology has already sparked innovation in finance, supply chain management, healthcare, and governance.

As a revolutionary technology with vast potential, blockchain is projected to add $1.76 trillion to global GDP by 2030, driven by its ability to make financial transactions more secure, transparent, and efficient, according to a PwC report.

Recognising this enormous potential, Nigeria launched its National Blockchain Policy in 2023 with the aim of leveraging the rapid growth of blockchain and cryptocurrencies within the country to ignite economic growth, revolutionise industries, and create a more inclusive digital economy.

This far-reaching potential was the main focus of industry experts who gathered at the recent "Building Africa's Future: Harnessing Blockchain for Economic and Social Transformation" conference in Lagos.

At the blockchain conference, industry insiders, policymakers, and tech experts discussed the revolutionary capabilities of blockchain in driving innovation, improving transparency, and boosting financial inclusion in Nigeria.

The event's keynote speakers emphasised the far-reaching potential of blockchain technology across various industries, such as finance, agriculture, and logistics, stressing the vital importance of supportive regulatory frameworks and government collaboration in nurturing a fertile ground for blockchain startups to thrive.

L-R: Alexander T. Ajayi, chargé d'Affaires, Nigeria High Commission, South Africa; Mathatha Tsedu; Diana Games, chief executive officer, Africa @ Work/director, South Africa-Nigeria Business Chamber; Juliet Tontoye Pere-Ere, former editor-in-chief, Sunday Times and City Press; MTN MIP Fellow; Thami Mseleku, South Africa's high commissioner to Nigeria; and Omasan Ogisi, general manager, external communication, MTN Group, during the MTN MIP 3 Fellows' visit and engagements at the MTN Innovation Centre in Sandton, South Africa, recently.

In his keynote address, Emomotimi Agama, the director general of the Securities and Exchange Commission (SEC), underscored the critical importance of regulatory frameworks in guiding the growth of blockchain technology in Africa.

Agama observed that in regions like Africa, where financial exclusion, lack of transparency, and inefficiencies in both the public and private sectors are pervasive issues, blockchain presents a unique opportunity to overcome these challenges.

"In Africa, where we have t issues such as financial exclusion, lack of transparency, and inefficiencies in public and private sectors, blockchain presents an opportunity to build a future where these challenges are addressed,"he said.

Agama underscored the transformative potential of blockchain in fueling economic and social development, calling on stakeholders to embrace and harness the technology to drive sustainable growth. Providing a basic understanding of blockchain, Agama described it as a distributed ledger technology that securely records and verifies transactions across a network of computers, ensuring transparency, security, and traceability.

The SEC DG further explained that cryptocurrencies, which emerged as digital assets, have enabled fast, secure, and low-cost cross-border transactions, highlighting the potential of blockchain technology to address significant economic and social challenges in Africa.

Agama emphasised that the SEC has always seen the potential of blockchain and digital assets, noting that their regulatory stance is clear, especially in determining whether these assets are securities or commodities.

"It is the responsibility of those involved to tell us what it is not," Agama stated, adding that if it qualifies as a security, it must be registered with the SEC and traded on a registered exchange.

Addressing misconceptions about government cooperation with the blockchain sector, Agama refuted claims that the government is not supportive.

"The idea around the government not cooperating is totally false. We have taken time to understand this new entity and often, regulators play catch-up with innovators, which is not unusual," he explained.

On the issue of market entry costs, Agama acknowledged feedback from industry players regarding high entry barriers for digital asset regulation.

He noted, "We are trying to encourage innovation and bring young people on board, but there are costs associated with compliance and market entry that need to be managed."

He further emphasised the importance of collaboration among young entrepreneurs, saying, "The challenge the youth face is a lack of collaboration, governance, and accountability. Everyone wants to be a CEO, but without cooperation, we cannot build a strong and viable industry." Agama concluded by calling for a change in mindset, urging stakeholders, and the public to look beyond the negative headlines and focus on the potential of blockchain and digital currencies technology to drive positive change in Africa. He stressed the need for balanced education on the benefits of blockchain, noting, "The reason why the negative side is taking the day is because you and I have been quiet about it."

Speaking on a panel session on "blockchain for financial inclusion economic growth and governance," industry experts explored how blockchain technology can drive financial inclusion and simplify cross-border trade within Africa.

Chimezie Chuta, founder of Blockchain Nigeria User Group (BNUG), stressed the importance of education in promoting blockchain adoption, especially in Nigeria's rural communities.

According to Chuta, "There needs to be sufficient education first for people to understand blockchain technology, its application, and how to interact with it."

Chuta noted that many people rush into earning without understanding the basics, which often leads to financial losses.

He also pointed out the crucial role of infrastructure, such as rural telephony, in supporting financial inclusion, stating, "Without people having access to telephone, even if it's basic 2G or 3G, it's almost impossible for them to participate in the financial future, talk less of blockchain."

Chuta further highlighted that blockchain technology offers unique advantages to Africa, allowing the continent to bypass traditional barriers. "The crypto industry is something that is designed to favour Africans more than the rest of the world because here we have a whole lot of infrastructure issues that have not been dealt with for us to compete with the rest of the world," he said, suggesting that blockchain's potential lies in helping Africa "leapfrog" over these challenges.

On his part, Edward Ibekwe, sales manager at Bitbarter, representing Etienne Okeke, MD/CEO of Bitbarter, provided insights into how blockchain could simplify cross-border trade within Africa. He emphasised blockchain's ability to reduce transaction fees, speed up processes, and enhance security.

AI-driven revolution to lift global banking revenue $301bn by 2030- Report

Joy Agwunobi

ARTIFICIAL INTELLIGENCE (AI) is emerging as the game-changer in the banking industry, poised to revolutionise customer interactions, backend processes, and ultimately the bottom line. In a recent report by Stocklytics.com, AI is projected to add $301 billion to global banking revenues by 2030, spotlighting its critical role in shaping the financial services sector.

The Stocklytics.com report underscores the banking sector's shift toward a more customer-centric, tech-driven approach, with AI taking center stage as a key enabler.

Banks across the globe are turning to AI to deliver personalised client services, detect fraud, and boost operational efficiency, signalling a departure from conventional banking practices. The report also touched on other benefits that AI has brought to the sector, including productivity gains and enhanced customer experiences.

AI's transformative impact on banking revenues is already apparent, with the sector set to generate an additional $143 billion in 2023, a figure expected to climb to $164 billion by the end of 2024.

The Stocklytics.com report reveals that the banking sector in North America and Asia Pacific are leading the charge in AI adoption, with these regions forecasted to add an impressive $49 billion in revenue in 2024 through the use of AI.

Europe is also poised to benefit significantly from the AI revolution in banking, contributing an extra $47 billion in revenue in 2024.

By 2027, the Asia Pacific region is set to lead in AI-driven banking revenue, with earnings projected to reach $71 billion; a 45 per cent increase from 2024. North America and Europe will also see significant gains, each contributing around $63 billion, as AI continues to revolutionise financial services in these markets.

The report projected that by 2030, the global banking sector will generate over $300 billion from AI, with Asia Pacific leading at $99 billion, followed by Europe at $86 billion, and North America at $76 billion. Other regions, including the Middle East and Africa, are expected to contribute $20 billion, while South America is projected to add $18 billion.

As artificial intelligence (AI) continues to redefine global banking, Nigerian banks are increasingly harnessing this technology to enhance their operations and deliver personalised customer experiences. While AI adoption is still gaining momentum in Nigeria, its impact is already evident in key areas such as fraud detection, personalised banking services, and operational efficiency, aligning with global trends.

Many financial institutions in the country are exploring AI-driven predictive analytics to better anticipate market trends and customise products to meet specific customer needs. AI-powered chatbots have also been integrated across several banks, providing 24/7 support, and handling customer queries.

Globally, leading banks are demonstrating the transformative potential of AI, setting benchmarks that Nigerian banks can aspire to.

According to the Stocklytics report, AI's influence extends far beyond boosting revenues; it is fundamentally changing how banks operate and engage with customers. For instance, Bank of America's AI-driven chatbot, Erica, has become an essential tool for customer engagement, offering round-the-clock support and handling over 1.5 billion interactions since its launch in 2018. Similarly, Barclays Bank's use of AI for real-time fraud detection highlights the critical role of technology in securing financial transactions.

The report also highlighted Bank of America's AI platform, Glass, which analyses market trends and anticipates customer needs, enabling the bank to offer personalised investment advice and stay ahead of market shifts.

In Nigeria, similar technological advancements are beginning to take root, according to reports, AI-driven fraud detection systems are being employed to monitor transactions in real time, preventing unauthorised activities and enhancing security for customers.

Field takes action on Africa's maternal mortality crisis with $11m-backed service

Business a.m.

FIELD, AN AFRICAN HEALTH-TECH LEADER, has announced the launch of a route-to-market service that will bring emerging therapies to address pressing issues such as maternal mortality, newborn and child health, and nutrition, to the fore.

The new initiative will combine Field's proprietary technology, distribution, and financing services, which currently support a network of over 40,000 public and private healthcare providers across Kenya and Nigeria, in both rural and urban areas, with the aim of providing timely access to these therapies and improving healthcare outcomes for communities in need.

The initiative launches with an initial $11m in support from the Bill & Melinda Gates Foundation, in recognition of Field's commitment to introduce emerging therapies and supply chain transformation in combating Africa's most urgent health priorities.

Since its inception in 2015, Field's streamlined infrastructure has facilitated over 800 million health interventions across more than 60 therapeutic areas, such as family planning, HIV and Tuberculosis. Starting in Kenya and Nigeria, with scope to expand to other regions.

Field has also stated its commitment to advance on its unique capabilities within complex distribution channels to create an accelerated route to market for emerging therapies and technologies. This is to include an extensive digitisation overhaul for private healthcare providers, hospitals and healthcare bodies at State and Federal level, with financing options to strengthen operations and purchasing capabilities. Additionally, healthcare providers stand to benefit from last-mile delivery to improve day-to-day health services and the installation of pharma-grade refrigerators. In its entirety, the service will be reinforced by the establishment of a coalition to include governments, manufacturers and other key stakeholders for one of the continent's most ambitious maternal health programs to-date.

Citing data, Field noted that the likelihood of a woman dying in childbirth in Africa is 45 times higher than in Europe. This is further supported by the World Health Organization (WHO) data, which shows that Africa accounted for 69 percent of global maternal deaths, with Nigeria alone representing 29 percent of all maternal deaths worldwide in 2020.

Field announced that its new service will offer expectant mothers in Africa access to emerging therapies, such as heat-stable carbetocin and calibrated drapes, which have the potential to effectively diagnose and treat postpartum haemorrhage, the leading cause of maternal mortality in Africa.

The company also noted that its platform will facilitate the rapid introduction of these new interventions, support established therapies, and tackle related complications like preeclampsia, with the aim of reducing maternal mortality rates and improving health outcomes for African women.

Michael Moreland, CEO & founder of Field, emphasised the devastating impact of inadequate maternal health services on vulnerable populations across Africa.

Commenting on the initiative, Moreland stated, "This is public health powered by technology and today's news recognises the products and services that Field has built over the past eight years scaled and integrated into large-scale public health programmes; this is what we believe health technology companies should be doing; joining innovative, impactful coalitions between private and public entities.

NCAIR, Google's N100m AI fund to boost innovation in Nigerian startups

Joy Agwunobi

NIGERIA'S NATIONAL CENTRE FOR ARTIFICIAL INTELLIGENCE AND ROBOTICS (NCAIR), with the support of Google, has announced the launch of the AI Fund, a N100 million initiative aimed at supporting Nigerian startups that are utilising Artificial Intelligence (AI) in their development of innovative solutions.

The initiative follows a series of strategic programmes by the Ministry of Communications, Innovation & Digital Economy, aimed at harnessing the potential of AI to drive development, innovation, and well-being in Nigeria.

Building on the momentum of the Artificial Intelligence Strategy Workshop, held in April this year, and the release of the National AI Intelligence Strategy in August, the Ministry has taken a major step forward in the implementation of its vision for AI-driven growth and societal well-being in Nigeria.

With the launch of the N100 million AI initiative, Nigerian startups now have access to critical resources to enhance their AI-based innovations and scale their AI solutions.

The AI Fund is open to Nigerian-based startups that are focused on AI-driven technology solutions with the potential for significant impact. Selected startups will receive up to N10 million in funding, along with access to Google's extensive resources, including AI tools, mentorship, and a global network designed to help them scale their innovations.

Bosun Tijani, minister of communications, innovation and digital economy, emphasised the importance of the initiative, stating: "The AI Fund is a critical step in nurturing homegrown innovation that addresses local challenges and contributes to economic growth. By supporting our startups, we are not only investing in their success but also in the future of Nigeria's digital economy."

Bunmi Ajala, national coordinator of NCAIR, highlighted the collaborative effort. "Our partnership with Google is a reflection of our shared vision for Nigeria's technological advancement. The AI Fund is designed to empower our entrepreneurs with the resources they need to create impactful AI solutions.

Data & Information Governance Insight

Cybersecurity, privacy, and revenue growth

MICHAEL IRENE, PhD

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CORPORATE STRATEGY TODAY IS INCREASINGLY shaped by the intersection of IT security, data privacy, and their direct impact on revenue generation. Businesses once viewed cybersecurity as a back-office function, essential but disconnected from revenue streams. This perception is rapidly evolving. Companies that integrate robust IT security and data privacy protocols into their core strategy not only mitigate risks but also build trust, which is critical for sustaining revenue growth in a digital economy.

In an era where data breaches can derail even the most successful enterprises, IT security has transcended from being a regulatory compliance requirement to a cornerstone of corporate resilience. Cybersecurity threats are no longer confined to phishing emails or ransomware attacks; they encompass a wide range of vulnerabilities that can disrupt operations, damage reputations, and erode customer trust. When a company suffers a data breach, the financial implications are immediate and often long-lasting. Lost revenue, decreased customer retention, and potential legal liabilities are only the beginning. This makes IT security not just an operational concern but a fundamental business issue with direct ties to revenue and long-term growth.

Cybersecurity failures can result in significant revenue loss, especially in industries like finance and e-commerce, where trust and confidentiality are critical to customer relationships. For instance, when customer data is compromised, clients are likely to migrate to competitors who demonstrate better security protocols. Sales teams, therefore, must be closely aligned with IT security efforts. The ability to assure potential customers that their data will be secure could be the determining factor in closing a sale.

Additionally, in industries governed by strict regulations such as healthcare or finance, a company's approach to data privacy and compliance can often be a competitive advantage. Businesses that excel in these areas not only avoid fines but also attract customers who prioritise data security.

Data privacy, in particular, has become a key differentiator. Regulations like GDPR and CCPA have made consumers more aware of their rights and the value of their personal information. Organisations that demonstrate a commitment to safeguarding this information can build stronger relationships with their customers, leading to increased loyalty and, consequently, higher revenues. This connection between data privacy and revenue has become especially pronounced in sectors where consumer trust is paramount. Companies that mismanage personal data risk alienating their customer base, as well as incurring financial penalties from regulators. Conversely, those that excel in managing data privacy not only avoid these pitfalls but also use their reputation for strong data governance as a selling point.

Furthermore, integrating data privacy into corporate strategy is not a one-off exercise but a continuous effort. It requires ongoing investment in technology, processes, and training to ensure that the company stays ahead of both regulatory requirements and emerging threats. This ongoing investment should be seen not as a cost centre but as a strategic investment in future-proofing the business. By staying compliant and secure, businesses can create an environment of trust that encourages consumers to engage more deeply, whether that be through spending more or sharing valuable data that can be used to refine products and services.

The linkage between data privacy, cybersecurity, and revenue generation extends to internal operations as well. Efficient data management allows companies to better understand their customers and offer more personalised experiences. However, the same data that drives business insights must be protected to ensure its continued availability and reliability. A breach not only impacts external perceptions but also hinders internal business processes, limiting the ability of sales and marketing teams to leverage data for growth.

Thus, aligning IT security, data privacy, and corporate strategy requires a cultural shift within organisations. Instead of seeing cybersecurity as the responsibility of the IT department alone, forward-thinking companies are embedding security and privacy into the very fabric of their business models. Sales teams are increasingly knowledgeable about these topics, leveraging them in pitches, while leadership teams are making strategic decisions with security and privacy considerations in mind.

As companies navigate this evolving landscape, those that integrate cybersecurity and data privacy into their broader corporate strategies will not only protect themselves from the myriad risks associated with data breaches but also unlock new revenue opportunities. They will position themselves as trusted players in their industries, able to offer both security and value to their customers in a way that drives sustainable growth.

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Africa & Global Observatory

OLUKAYODE OYELEYE

Is Africa back from FOCAC with new focus? (2)

Dr. Olukayode Oyeleye, Business a.m.'s Editorial Advisor, who graduated in veterinary medicine from the University of Ibadan, Nigeria, before establishing himself in science and public policy journalism and communication, also has a postgraduate diploma in public administration, and is a former special adviser to two former Nigerian ministers of agriculture. He specialises in development and policy issues in the areas of food, trade and competition, security, governance, environment and innovation, politics and emerging economies.

THE FLAMBOYANT JAMBOREE of visits to China by all African countries except one has ended and all the visiting presidents and heads of governments on such visits are presumably back in their home countries where they hold sway. What types of bargains those attendees made with China will be of great interest for their anticipated tremendous impacts back home. Whether or not they went with their thinking caps on or simply left them behind will be of interest as the outcomes of the deals they struck in China become obvious. The glamorous and elitist Forum on China-Africa Cooperation (FOCAC), it is hoped, was not another platform for trading away Africa to China on its home run.

Three intertwining issues the leaders of some African countries were expected to have brought to the attention of China, with resolute decision and firm position are regional insecurity, illegal activities of Chinese actors and the negative environmental impacts of loggers who ship tonnes and tonnes of non-food forest resources away to China from Africa. It is obvious that many of the visiting heads of governments and their entourages may have sat, slept or dined on beautifully crafted furniture in Beijing without thinking or caring about their origin. It was a likelihood that President Felix Tshisekedi, while meeting China's President Xi Jinping in the morning of September 2, 2024, may have sat on chairs made of woods from his native DR Congo pristine forest. Two days later, President Filipe Jacinto Nyusi, while meeting with the Chinese strongman on September 4, 2024, may have sat on a sofa made of rosewood from Cabo Delgado region of Mozambique.

But these are the issues that should not have escaped their attention while in China. The supply chain integrity of timber logs leaving Africa and heading towards China remains questionable for a number of reasons. The same China that claims to be leading in environmental action within its own territories is actively – though surreptitiously – degrading the environment of some countries in Africa in the course of the transactions involving the extraction of the latter's natural resources. More worrisome is the fact that these transactions defy global best practices and are deemed exploitative, considering the manner in which they are carried out. They hurt the environment, sustain insecurity and are characterised by corruption. This write-up will draw insights extensively and make quotes copiously and verbatim from two recently published reports in Africa Defense Forum magazine, for its relevance to the China-Africa timber product exports.

The forest covers of countries where China has its footprints are significantly diminishing. The challenge of flash floods and soil degradation in the affected countries is real. In its own patriotic zeal, China banned the harvesting of its own native rosewood in 1998 in the aftermath of overwhelming local supplies arising from uncontrolled logging, which negatively impacted its environment. Thereafter, Africa became Chinese logging companies' next focus, beginning with The Gambia in 2001. The tiny country lost almost all its rosewood within a decade, turning to its neighbouring Senegal from where The Gambia continued to export the mostly illegally harvested rosewood. To underscore China's skewed interest in Africa, it did not waste time on the declining resource base of The Gambia or Senegal when the DR Congo and Mozambique were there to exploit.

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It is doubtful if China is bothered at all by any international rules, treaties or conventions guiding logging activities and the export of timber products, particularly from Africa. And it seems like the governments of the countries affected are lacking in the political will to call China to order in these activities that tend to endanger their lives now and in the future. According to a new study, a Chinese logging company is illegally demolishing rainforests in the Democratic Republic of Congo (DR Congo), stripping the country of millions of dollars' worth of irreplaceable natural resources and fuelling corruption. A particular Chinese company, Congo King Baisheng Forestry Development (CKBFD), though reportedly controlled nine logging concessions in the DR Congo, was still accused of often logging illegally outside its boundaries, circumventing the suspension from the DR Congo's Ministry of the Environment in April 2022. In the second half of 2022, an investigation by Global Witness, a nongovernmental organisation, revealed that the company shipped more than $5 million worth of illegal timber from its bases in the DR Congo to a port near Shanghai.

Such a continued transaction, according to the report, highlights the governance flaws that allow illicit logging activities in the logging industry in the country, particularly involving corruption and conflict with forest communities. In that report, it was observed that, "as one of [the] biggest consumers of timber globally, China can be a key part of the solution to global deforestation, and the Chinese authorities must crack down on companies exploiting the DRC's precious forests for profit."

Something must have emboldened the Chinese-owned CKBFD to continue to embark on destructive activities in the DR Congo, by cutting down old-growth rainforest and exporting millions of dollars' worth of illegal timber to China." What matters to the environmental conservationists does not seem to matter at all to the Chinese loggers despite the harmful effects of their operations on the environment. The environmental services derivable from the Congo rainforest include the dense tree canopy and abundance of plant life capturing carbon dioxide and pumping oxygen into the atmosphere. Another place where similarly dense forest is found is the Amazon rainforest in South America.

Although Mozambique has less expanse of forest coverage, it has obscured other African countries as China's primary supplier of rosewood – a material highly desirable for its use in expensive furniture. Mozambique reportedly shipped 20,000 metric tonnes of the internationally protected timber to China in 2023 alone, despite a long-standing ban on exporting logs. In doing so, Mozambique dwarfed Madagascar, Nigeria and Senegal as China's major rosewood source, leading to near depletion of rosewood. More worrisome was the involvement of Mozambique's loggers, both legal and illicit, harvest in Cabo Delgado province, where Islamic State terrorist group benefits financially from illicit logging, according to a recent report by the Environmental Investigation Agency (EIA).

The loss of rosewood forest lands has stretched to more than four million hectares of forest cover in Mozambique over the last 20 years, according to Global Forest Watch. The log export ban promulgated since 2017 did not seem effective as more than 90 percent of Mozambique's wood has continued to go to China which massively imports logs. The tracking and tracing done by the EIA investigators traced nearly 300 containers of a type of rosewood known as pau preto from the port of Beira to China between October 2023 and March 2024. Transactions involving rosewood worth more than $18 million have been done, with shipments amounting to 10,000 metric tonnes.

Rosewood smuggling between Mozambique and China, according to the EIA's investigation, was driven by three factors: poor management of forest concessions, illegal logging and corruption among port officials, which have been allowing illicit logging to grow unchecked in insurgent-controlled areas. The rosewood trees are protected under the United Nations' Convention on International Trade of Endangered Species (CITES), which limits the amount of logs a country can harvest and export while guaranteeing the survival of the species. Detection of CITES violation is a task with the burden placed on receiving countries.

The losses to illegal logging activities are enormous. Mozambique's Environment Minister Celso Correia, in 2017, reportedly said illegal logging cost his country half a billion dollars a year in lost revenue. Efforts of Mozambique to end unsustainable and illicit logging by imposing multiple bans on cutting and exporting logs have taken more than 20 years, still going on.Yet the forest plunder continues, as timber traders traffic the wood by exploiting the chronic instability and corruption in Cabo Delgado," according to the EIA investigators, in their report titled "Shipping the Forest."

China's smart moves enable Chinese traders to get around export bans in part by mixing rosewood bought in Cabo Delgado with other legal logs in shipping containers, according to the EIA. They also mislabel the contents of shipping containers to hide rosewood shipments. One of the ways of forest preservation is the proper enforcement. It will also contribute to sustainable livelihoods. The advice now is that "Mozambique must strengthen its forest protections by enforcing its own regulations, and China and the global shipping lines must respect Mozambican laws and investigate the bad actors systematically violating them."

Over the past two decades, the DR Congo has reportedly lost more than 18.4 million hectares of tree cover, partly due to deforestation driven by companies such as CKBFD. It has also been reported that CKBFD is not alone in its illegal logging. A visit by DR Congo ministers to 52 logging concessions this year recently revealed that fewer than a quarter of them were operating legally, according to Global Witness. Another finding from the Chatham House found, in a 2014 study, that nearly 90 percent of the logging done in the DR Congo was illegal.

An audit released in 2022 revealed that corruption is a major driver of the destruction of the DRC's rainforest. It revealed that a succession of government ministers awarded logging concessions despite a 2002 moratorium on new logging contracts. In some cases, concessions were reclaimed by the government then turned over to other companies, also in violation of the moratorium. In essence, "the forest administration did not respect the moratorium that it itself established," the auditors reported, adding that "this is nothing less than the outright sale of forest concessions."

Notwithstanding the DRC programmes to reforest areas of deforestation, according to Chinese companies some entities such as CKBFD are logging at a rate that is five times the volume of timber their permits allow. Concerns are increasingly being expressed. For instance, one commentator intoned that "the Chinese government must take measures to stop this flow of illegal timber from the DR Congo and other Congo Basin countries and must also provide financial and technical assistance to the DR Cong to help it effectively curb this flow and sustainably manage its forests … as the future of the Congo Basin rainforest depends on it." It is hoped that the leaders of those countries concerned directly and indirectly will step up actions in the right direction and will engage the Chinese authorities in bold efforts to correct the undesirable situations in Africa's ecosystem. This should be on the front burner in any China-Africa diplomatic discussions.

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