NEWS

Naira in circulation hits N5.24trn

NIGERIA'S CURRENCY in circulation rose 7.3 percent from November 2024 to N5.235 trillion in January 2025. It was also up 43.6 percent from the corresponding period of January 2024. However, the credit offered by the financial system decreased...

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TOWARDS MORE EFFICIENT MARKETS

Rebased inflation rate raises concerns over true cost of living

ONOME AMUGE

NIGERIA'S INFLATION rate, which had been experiencing a sustained upward trajectory in recent months, witnessed a dip in January. The decline, revealed in the latest Consumer Price Index (CPI) report from the National Bureau of Statistics (NBS), is primarily attributed to the agency's decision to rebase the index.

The NBS rebasing initiative, a periodic recalibration of its measurement tool to account for changes in consumer spending patterns, revealed a different inflation scenario, sparking optimism among Nigerians who speculate that Nigeria's stubborn inflation may have finally been tamed.

The rebased CPI showcased a steep fall in headline inflation to 24.48 percent in January 2025 from 34.80 percent in December 2024.

A closer analysis of the newly rebased CPI basket revealed substantial changes in some of its key components. One notable shift is the drop in food inflation, which is closely monitored as a crucial indicator of living costs. Food inflation declined to 26.08 percent in January 2025, under the new methodology, compared to the old methodology's 39.84 percent recorded in December 2024

Meanwhile, urban inflation remained at 26.09 per cent, while rural Inflation registered a slightly lower rate of 22.15 per cent.

The rebased CPI not only revealed new inflation rates but also brought with it a range of specialised indices to aid in tracking inflation with greater precision.

These specialised indices include a Farm Produce Index, which captured inflation of 10.50 per cent, an Energy Index that registered 8.9 percent, a Services Index with 10.41 per cent, a Goods Index that captured inflation of 10.79 per cent, and an Imported Food Index at 11.47 per cent.

Although the downward trend might seem like a relief to Nigerians who have been groaning under the weight of a persistent inflationary pleasure, economists urge caution, pointing out that the decrease

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New ATM tariffs raise anxiety over impact on Nigeria's economic growth

ONOME AMUGE

THE CENTRAL BANK OF NIGERIA (CBN), recently announced a revision to Automated Teller Machine (ATM) withdrawal fees, effective from March 1 2025. The policy update, according to the apex bank, is part of sustained efforts to reduce the use of physical cash and promote digital transactions.

However, industry experts and customers alike are expressing concerns that this policy change might force more customers into physical bank branches, flooding the halls with queues, as customers attempt to dodge the additional charges as well as disruption in budgeting and spending habits they fear will come with the forthcoming ATM withdrawal policy.

PoS operators hint on raising service charges

On February 10, 2025, the Central Bank of Nigeria (CBN) issued a circular mandating banks and financial institutions to implement new Automated Teller Machine (ATM) withdrawal charges starting from March 1, 2025.

The new policy shift imposes a fee on customers for every withdrawal made at an ATM of a different financial institution from their own. This represents a departure from the existing provisions outlined in Section 10.7 of the CBN Guide to Charges by Banks, Other Financial, and Non-Bank Financial Institutions, issued in 2020.

The CBN's circular, signed by John Onojah, acting director of

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L-R: Gbenga Komolafe, chief commission executive, NUPRC; Osa Igiehon, chief executive officer, Heirs Energies; Heineken Lokpobiri, minister of state for petroleum resources (oil); Tony O. Elumelu, founder/chairman, Heirs Holdings and chairman, Heirs Energies; Ademola Adeyemi-Bero, OPEC board of governors chairman for Nigeria, and CEO, First E&P; Roger Brown, chief executive officer, Seplat Energy; and Udobong Ntia, executive vice president, upstream, NNPC Limited, at the Heirs Energies' Nigeria Petroleum Industry Discourse which held at the Transcorp Hilton Abuja.

TRAVELLER & HOSPITALITY

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ABDULLAHI GANDUJE, chairman, board of directors, Federal Airports Authority of Nigeria (FAAN), wants to see greater collaboration among aviation agencies, saying this is the only way to boost airports' efficiency...

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NITDA mulls cloud sovereignty

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New ATM tariffs stir...

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financial policy and regulation department at the CBN, is aimed at spurring the widespread deployment of ATMs across Nigeria, while also empowering financial institutions to institute appropriate fees for ATM services.

As specified in the CBN's new circular, the previous provision of three monthly fee-free withdrawals for Remote-On-Us (other bank's customers or Not-On-Us) ATM transactions, under Section 10.6.2 of the Guide, shall no longer apply come March 2025.

The new CBN directive mandates that withdrawals made from a customer's own bank's ATM will remain free. However, for withdrawals made at ATMs of other banks, customers will be charged N100 for every N20,000 withdrawn at on-site ATMs (ATMs located within bank premises), and N100 for every N20,000 withdrawal at off-site ATMs (ATMs located outside bank premises), along with an additional surcharge of up to N500.

The CBN circular further emphasised that the surcharge imposed on customers must be clearly communicated to the customers at the point of withdrawal.

In addition, for withdrawals made at ATMs located outside the country, the CBN stated that charges will be set at the rates specified by the international acquirer.

The apex bank attributed the revision to rising operational costs and a need to ensure efficiency in ATM operations across the country. The introduction of fees, it explained, is designed to incentivise banks to invest in maintaining and expanding their ATM networks.

"In response to rising costs and the need to improve the efficiency of Automated Teller Machine services in the banking industry, the Central Bank of Nigeria has reviewed the ATM transaction fees prescribed in Section 10.7 of the extant CBN Guide to Charges by Banks, Other Financial and Non-Bank Financial Institutions, 2020 (the Guide).

"This review is expected to accelerate the deployment of ATMs and ensure that appropriate charges are applied by financial institutions to consumers of the service. Accordingly, banks and other financial institutions are advised to apply the following fees with effect from 1 March 2025," the CBN stated.

The implications of the new policy have been closely examined by analysts, who noted that customers who frequently use ATMs belonging to banks other than their own are likely to face higher costs. The introduction of surcharges on off-site ATMs, they noted further, may also drive customers towards digital banking channels such as mobile apps and online transfers, which offer more cost-effective alternatives.

With banks set to roll out the new charges in March, analysts caution that customers may be compelled to alter their banking routines, seeking ways to avoid the additional fees. Among the strategies likely to be adopted by customers is an increased reliance on physical bank branches, resulting in a surge of customers flocking to bank halls for fee-free withdrawals.

According to analysts, this trend, if it materializes, could undermine the very purpose of the extensive ATM expansion efforts, which were meant to provide customers with greater convenience and reduce congestion in bank halls.

Moreso, the burden of accumulating bank charges continues to weigh heavily on many Nigerians, with each additional fee representing another obstacle in their pursuit of financial security and stability.

David Adonri, the managing director of Highcap Securities,expressed his concern over the implications that the new ATM withdrawal charge might have on Nigeria's drive towards a cashless economy.

According to Adonri, the introduction of the N100 charge on ATM transactions could deter many Nigerians from embracing digital transactions, potentially undermining the country's efforts to reduce the use of cash and promote electronic payments.

Adonri cautioned that traders and small business owners, wary of the potential costs of future withdrawals, might be dissuaded from depositing their earnings in banks.

With the introduction of the revised ATM

charges, concerns are mounting that Point of Sales (PoS) operators may soon hike their own fees to offset the increased costs of withdrawing cash.

David Abiodun, chairman of the Lagos Chapter of the Association of Mobile Money & Bank Agents of Nigeria (AMBANN), in a statement, warned that PoS operators would be left with no choice but to raise their charges if they are to continue providing their services.

"The new ATM fees will naturally affect the POS charges because, as we know, every provider has left the agents on their own. In the past, every terminal came with a preloaded SIM card and data, and the agent would work and receive a commission, but that is no more. Now, they have to provide everything for themselves.

"The ATM fees will affect POS operators in two ways: POS charges will go up, and customers will prefer to go to ATMs, thereby making PoS unprofitable," he noted.

Abiodun also noted that the association is taking a close look at the impact of the new ATM charges on PoS operators. He expressed concern that the CBN implemented the fees without consulting with the association, leaving PoS operators without a voice in the decision-making process.

Elvis Eromosele, a public affairs analyst,warned of the potential effects that the new ATM withdrawal charges could have on Nigerians, especially those with limited financial means. In his analysis, Eromosele anticipates an increase in the crowds in banking halls as customers flock to avoid the increased fees associated with ATM withdrawals.

The influx of customers seeking to withdraw cash over-the-counter, Eromosele argues, will undo the benefits that the expansion of ATM networks was intended to bring, such as convenience and reduced congestion in banking halls.

To address the challenge posed by the new ATM withdrawal charges, Eromosele advised: "The CBN should focus on policies that promote financial inclusion rather than discourage it. So, instead of imposing additional fees, it should encourage competition among banks by incentivizing them to expand ATM access, particularly in remote areas. This would reduce dependence on interbank withdrawals and improve overall efficiency."

Economist Olufemi Adeyemi, on his part, warned that the CBN's move to raise ATM withdrawal charges may inadvertently harm the Nigerian economy, with small businesses being particularly vulnerable to the increased costs.

Adeyemi, while pointing out that small businesses are often operating on minimal profit margins, cautioned that the added banking fees could prove devastating, potentially pushing some enterprises into insolvency.

Adeyemi suggested that the CBN consider introducing a tiered fee structure that accounts for the typical withdrawal patterns of these companies.

He explained that under this proposed model, the CBN could implement different fee tiers depending on the frequency and amount of withdrawals made by small businesses, thus providing a level of protection from the additional banking costs.

This strategy, Adeyemi believes, could potentially mitigate the negative consequences of the new fees while still supporting the CBN's cashless initiative.

Discussing Policy Challenges in Emerging Markets: Olayemi Cardoso , governor, Central Bank of Nigeria (CBN), (left) and. Wale Edun, minister of Finance and coordinating minister of the Economy (CME), , at the Inaugural Economic Policy conference for Emerging Market Economies organised by the Ministry of Finance, Saudi Arabia, and the International Monetary Fund (IMF) regional office in Riyadh, at Al Ula, Saudi Arabia, recently.

Rebased inflation...

Continued from Page 1

is primarily due to the statistical rebasing, rather than actual reduction in the country's inflation rate, including food prices.

Analysts interpret this as a warning that inflationary pressures persist. The reality, they argue, is that Nigeria's battle with inflation is far from won and likely to be an ongoing one.

Commenting on the rebased inflation indices, the Lagos Chamber of Commerce & Industry (LCCI) stated that the decline in inflation from 34.8 percent to 24.48 percent does not indicate a sharp fall in prices but a revised way of calculating inflation. According to the Chamber, despite the lower reported rate, inflation remains high, meaning prices are still rising, just at a slower pace.

Chinyere Almona, the director general of LCCI, in a statement, emphasised that lower inflation rate may seem positive, but it does not automatically improve living standards. This, she pointed out, is as prices are still rising, wages remain stagnant, and unemployment is high, keeping real incomes under pressure.

"The rebased inflation rate only reflects a different measurement, not an actual drop in prices. For most Nigerians, essential costs like food and transportation remain high, meaning living conditions will not improve unless there is a real reduction in the cost of necessities," the LCCI DG stated.

Almona, while acknowledging the importance of the rebased inflation rate in providing policymakers with more accurate data, warned that this statistical recalibration is not a panacea for the rising cost of living.

According to Almona, to tackle the issue of inflation, which remains a pressing challenge for many households, the government must adopt more hands-on approaches and implement targeted policies that address specific areas of inflationary pressure, with the ultimate goal of stabilising the economy and improving the quality of life for Nigerians.

"One key priority is tackling food inflation, which accounts for over 50% of price increases. Policies should focus on boosting agricultural productivity, reducing post-harvest losses, and improving transportation and storage infrastructure to ensure food affordability," she stated.

The Centre for the Promotion of Private Enterprise (CPPE) also shared its sentiment on the rebased inflation figures announced by the NBS.

According to the CPPE, the deceleration of the headline inflation rate from 34.8 percent in December 2024, to 24.48 percent in January 2025, as well as the sharp drop in food inflation from 39.8 percent to 26.08 percent, and the decline in core inflation from 29.28 percent to 22.59 percent, were in line with expectations, given the update of the CPI base year from 2009 to 2024.

The business advocacy organisation explained further, "There is additionally a strong base effect on the inflation figures given the high inflation regime in 2024, which had a considerable effect on the year-on-year inflation outcomes.

"Besides, transaction demand in December 2024 was typically much more intense because of the festivities while the spending momentum in January

was predictably much slower because of lower disposable incomes following intense spending in the previous month. These are some of the explanatory factors for the sharp deceleration in the inflation numbers in January 2025."

Muda Yusuf, the CEO and Founder of the Centre for the Promotion of Private Enterprise (CPPE), provided a clarification regarding the implications of the reduced inflation figures.

Yusuf emphasised that while the decline in inflation rates announced by the NBS might seem like a victory against rising prices, it is essential to understand that inflation reduction does not imply a reduction in actual prices. Rather, it indicates a deceleration in the rate at which prices are increasing, which is still an important economic development but does not necessarily lead to a decrease in the cost of living.

"The drastic deceleration in inflation should therefore be cautiously celebrated. The reality of high prices has not changed and remains a major factor in the cost of doing business, cost of living and poverty equation in the country.

"Households and firms are still concerned about high energy costs, the strength of the naira, high interest rate, cost of imports, transportation costs and insecurity. It is hoped that the government will recalibrate its strategies to address these major cost drivers," he stated.

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Naira in circulation hits N5.24trn as bank credit contracts

Onome Amuge

NIGERIA'S CURRENCY in circulation rose 7.3 percent from November 2024 to N5.235 trillion in January 2025. It was also up 43.6 percent from the corresponding period of January 2024. However, the credit offered by the financial system decreased during the period under review, as both public and private sectors saw a decline in lending, according to data released by the Central Bank of Nigeria (CBN).

The CBN data revealed that the total currency in circulation surged in January 2025, reaching N5.235 trillion, compared to N4.878 trillion in November 2024 and a relatively lower N3.65 trillion in January 2024.

The CBN also revealed an increase in currency outside banks, which increased to N4.74 trillion in January 2025, marking a 1.9 percent surge from November 2024 and a 44.5 percent rise when compared to the January 2024 figure of N3.28 trillion.

According to the CBN's money and credit statistics, cash remains the dominant form of payment in Nigeria's economy, with 90.4 percent or N4.74 trillion of the total currency in circulation being held outside the banking system.

Meanwhile, the financial system's total credit provided to the economy in January 2025 remained almost unchanged compared to January 2024, but the total credit available in January 2025 declined 14 percent from the November 2024 levels.

The CBN data showed a decline in the total credit provided by the financial sector from N115.576 trillion in November 2024 to N99.405 trillion in January 2025. The contraction was attributed to a reduction in financial sector credit to the government, which experienced a 38.1 percent dip from N39.61 trillion in November 2024 to N24.51 trillion in January 2025.

Financial sector credit to the private sector also recorded a decline, albeit at a more gradual rate than that seen in government lending.

The CBN data revealed that financial system credit extended to the private sector stood at N74.88 trillion in January 2025, representing a marginal decrease from N75.96 trillion recorded in November 2024 and N76.47 trillion in January 2024.

L-R: Oluwafemi Awotoye, partner, Audit, KPMG Professional Services West Africa; Christopher Ogirri ,associate director, Technology Platforms, KPMG ; Diya Olalade, deputy director, Clinical Services, Atlantis Pediatrics and Multi-Specialist Hospital Lekki; Goodluck Obi, partner, head of Audit, KPMG; Anthony Katchy ,president, Noble Shareholders Solidarity Association; Chineme Nwigbo ,partner, Audit, KPMG; Oludayo Adeniji, partner, Tax Deal Advisory, KPMG West Africa, and Ayodele Soyinka, partner, Audit, KPMG West Africa, at the KPMG Audit committee seminar for shareholders 2025 in Lagos recently IMAGE BY PIUS OKEOSISI

AEW 2025 mulls infrastructure investments to boost Africa's energy sector

Joy Agwunobi

AFRICA'S ENERGY SECTOR presents significant opportunities for investment and growth through targeted infrastructure development, with the upcoming Africa Energy Week (AEW): Invest in African Energy conference set to take place from September 29 to October 3 in Cape Town.

The event will focus on fostering discussions among investors, policymakers, and industry leaders on emerging opportunities in oil and gas pipelines, storage facilities, and gas-to-power projects across the continent.

Despite Africa's vast hydrocarbon resources, inadequate infrastructure has historically hampered the efficient extraction, processing, and distribution of these resources. Addressing these gaps can unlock substantial economic potential and meet the rising energy demands both within Africa and globally.

AEW 2025 aims to showcase successful infrastructure projects, highlight investment prospects, and address challenges related to financing and implementation in the energy sector.

The event will focus on the development of extensive pipeline networks, which are crucial for transporting crude oil and natural gas from production sites to refineries and export terminals. Among the key projects under discussion is the proposed Nigeria-Morocco Gas Pipeline. With an estimated cost of $25 billion, this 5,600-km project will traverse 13 African countries, transporting approximately 30 billion cubic meters of natural gas annually.

The initiative is expected to enhance energy security, foster regional economic integration, create jobs, and support industrialisation, while also strengthening Africa's role in the global energy market.

Investments in LNG facilities are also gaining traction, as these installations enable the processing and export of natural gas to meet global energy demands. Countries such as Mozambique, the Republic of Congo, Nigeria, and Tanzania are advancing large-scale LNG projects to capitalise on their abundant gas reserves. Notably, Tanzania's LNG Liquefaction Plant, valued at $30 billion, is set to position the country as a major player in the global LNG market, boosting revenue generation and energy export capabilities.

The modernisation of refining infrastructure is another critical focus. Africa's limited refining capacity often necessitates the importation of refined petroleum products, creating economic inefficiencies. Addressing this issue, several countries are investing in modernising and expanding their refining infrastructure. Angola, for instance, is constructing three new oil refineries, which will collectively increase domestic refining capacity to 400,000 barrels per day. These developments are expected to reduce reliance on imported fuels and create new export opportunities, ultimately contributing to energy self-sufficiency and economic stability.

The event will emphasise the importance of strengthening storage facilities and distribution networks to maintain a stable energy supply. Investments in this sector ensure efficient storage and transportation of oil and gas products, minimising losses and meeting market demands. South Africa's Richards Bay III project, a $6 million initiative, aims to expand the country's oil storage capacity and improve supply stability. Additionally, the country's LPG industry is experiencing notable growth, with companies such as Petredec launching the first rail-supplied LPG project to enhance energy accessibility and affordability.

Nigeria moves to digitise 75% of government services by 2027

Joy Agwunobi

NIGERIA IS MAKING RENEWED efforts to establish a functional e-governance system, with a target to digitise at least 75 per cent of government services by 2027.

The initiative, spearheaded by the National Information Technology Development Agency (NITDA), aims to streamline access to public services through a centralised digital platform.

Kashifu Inuwa, NITDA's Director-General, shared insights into the plan during a meeting with officials from the Ukrainian Embassy in Nigeria. He disclosed that the agency is developing an online portal to facilitate access to essential government services such as tax payments, licence renewals, passport applications, healthcare, and social benefits.

According to him, the objective is to eliminate the inefficiencies caused by fragmented systems and improve service delivery.

Nigeria has been studying successful e-governance models from countries like the United Kingdom and Kenya. Inuwa acknowledged that while these models cannot be directly replicated, they provide valuable lessons that can be adapted to Nigeria's unique needs.

"We have been researching how the UK, Kenya, and other countries have achieved this, so I believe we can also learn from you and develop our own approach," he said.

He further emphasised the necessity of enacting supportive legislation, highlighting that while some nations implement e-governance through Application Programming Interfaces (APIs), others rely on government-mandated digital platforms.

In a related development, Bosun Tijani, the minister of communications, innovation, and digital economy, announced plans to digitise all local government headquarters across Nigeria's 774 Local Government Areas (LGAs) by 2027. According to him, the project, in collaboration with relevant agencies, aims to integrate local governments into the digital ecosystem.

Tijani stressed that the initiative is designed to enhance inclusive development and expand digital public infrastructure, particularly in underserved and remote areas. A key component of this project is the provision of reliable internet connectivity to local government offices, enabling them to efficiently deliver services in sectors such as healthcare, education, social welfare, and infra-

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Rebased inflation...

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According to Yusuf, what businesses and households desire at this time is a reduction in the general price level from the incredibly high levels in 2024 to a substantial moderation in 2025, which is defined in technical parlance as disinflation.

In spite of the current challenges, the CPPE CEO noted that Nigerians are starting to witness signs of falling prices in critical sectors, providing a glimmer of hope for the future.

He pointed out that reduced prices have been observed in Petrol Motor Spirit (PMS), diesel, specific food items, and pharmaceutical products, signaling a possible downward trend in prices across various industries.

Paul Alaje, CEO of SPM Professionals, also shared his sentiment on the CPI recalibration issue by clarifying that the reduction in inflation rates is largely a statistical realignment rather than an improvement in affordability of essential goods and services.

According to Alaje, the seemingly positive inflation figures reported by the NBS do not necessarily translate to tangible benefits for Nigerians struggling with high prices, given that the changes are primtarily a result of a methodological adjustment rather than a substantial decrease in the actual cost of living.

Alaje cautioned Nigerians against interpreting the newly rebased inflation figures as a precursor to a sweeping drop in market prices. He added that while the inflation data has changed, the fundamental economic issues affecting the country remain unchanged.

"It's not a reduction in inflation. It will be wrong for people to say inflation dropped from 34 per cent to 24 percent. That would be a misleading narrative. If inflation truly drops, we should see the reflection in prices, but that is not what we have seen.

"What the Bureau of Statistics has done (today) is not to say that inflation dropped. The Bureau is saying: 'We are no longer going to reference 2009 as the base year; we will now start referencing 2024.' Definitely, you'll get a different (lower) figure," the economist stated.

Elumelu calls for increased oil production to boost Nigeria's economy

Joy Agwunobi

TONY ELUMELU, CHAIRMAN of Heirs Holdings, has underscored the urgent need to ramp up Nigeria's crude oil production to generate the revenue required for economic diversification and national development.

Speaking at the Nigeria Petroleum Industry Leadership Discourse in Abuja, Elumelu highlighted the significance of oil revenues in advancing industrialisation, energy security, and infrastructure development. The event, organised by Heirs Energies, a subsidiary of Heirs Holdings, gathered industry leaders and policymakers to explore strategies for increasing oil output.

While global discussions on energy transition continue, Elumelu stressed that Africa's immediate priority must be ensuring energy security. As chairman of the United Bank for Africa (UBA) and Transcorp Group, he pointed out that significant investment in the oil and gas sector is essential for powering industries, supporting businesses, and providing stable electricity access for homes and enterprises.

Reflecting on Nigeria's oil production trajectory, he acknowledged improvements under President Bola Tinubu's administration but noted that the country is still falling short of its OPEC production quota.

L-R: Akuma Nmecha Ogbonna, head, legal service unit, Nigeria Deposit Insurance Corporation (NDIC) Legal Lagos; Jane Owens, head, criminal investigation unit, NDIC Legal Lagos, Lagos; Francis Chuka Agbu, paper presenter; Henry Ejemuta Fomah, head of legal department, NDIC, Abuja; Ibrahim N. Buba, retired judge, Federal High Court/paper presenter, and Chris Umar, paper presenter, during the 2024 NDIC sensitization seminar for external solicitors, in Lagos, yesterday. IMAGE BY PIUS OKEOSISI

"Under the previous administration, production fell below one million barrels per day. We are pleased that the current administration has raised it to 1.8 million barrels daily, but that is not enough. We need to push beyond two million barrels per day because oil revenue is essential for funding Nigeria's diversification efforts and overall development," Elumelu stated.

He emphasised that boosting crude oil output would strengthen foreign exchange reserves, stabilise the naira, and enhance national security. He also highlighted the critical role of oil revenues in financing key sectors such as power generation and manufacturing.

Drawing attention to challenges in the power sector, Elumelu revealed that Transcorp Power, one of Nigeria's major electricity generation firms, has the capacity to produce 2,000 megawatts but cannot operate at full potential due to inadequate gas supply. He called for greater investment in gas production and distribution to support the nation's industrial and electricity needs.

To achieve the goal of increasing oil production to 2.5–2.7 million barrels per day, he advocated stronger collaboration between the government, industry players, and investors. He also commended recent policy reforms and executive orders signed by President Tinubu, noting their positive impact on investor confidence and the overall business environment in the oil and gas sector.

Elumelu cited Heirs Energies' progress as an example of what investment and operational efficiency can achieve. When the company acquired Oil Mining Lease (OML) 17 from Shell, production was at 21,000 barrels per day. That figure has since risen to 53,000 barrels per day, with a target of reaching 100,000 barrels per day in the near future.

Looking ahead, he expressed confidence that Nigeria can exceed the two-million-barrel production mark if stakeholders prioritise infrastructure expansion, security, and increased output. On potential investments in refining, Elumelu noted that Heirs Energies plans to integrate downstream operations in the future but is currently focused on scaling crude oil production.

Similarly, Osa Igiehon, CEO of Heirs Energies, noted a significant shift in Nigeria's oil sector, with indigenous companies now managing over 50 per cent of the nation's crude output. He stressed that sustaining production growth is now the responsibility of local operators and urged them to embrace the challenge of delivering results for Nigerians.

DBI partners SBTS in $200m initiative to train 100,000 Nigerian youths

Joy Agwunobi

THE DIGITAL BRIDGE INSTITUTE (DBI), the training division of the Nigerian Communications Commission (NCC), has formed a partnership with Small Business Training Solutions (SBTS) to provide training for 100,000 Nigerian youth in Business Processing Operations (BPOs).

This initiative is aimed at positioning Nigeria as a global leader in outsourcing jobs.

The collaboration was officially announced at the Stakeholders Engagement on Partnership for Capacity Building and Job Opportunities event held recently in Abuja. With a projected budget of $200 million, the initiative is set to create 100,000 new digital jobs in Nigeria over the next five years.

Evelyn Lewis, CEO of SBTS, spoke at the event, highlighting that the project is about more than just skill acquisition. It is focused on economic empowerment, digital inclusion, and improving Africa's competitive edge in the global economy.

He said: "Our goal is clear, to create 100,000 new digital jobs in Africa over the next five years. This partnership is not just about skills development, it is about economic empowerment, digital inclusion, and Africa's competitiveness in the global economy. With what we have at hand and what we hope to raise, our target is to raise $200 million for the training of Nigerian youth."

Lewis also pointed out the lack of structured, scalable training programs in Africa and emphasised that the partnership would address this gap by creating accessible and sustainable training models.

"We are combining our expertise to build an innovative and scalable approach that offers competitive, industry-driven programs. These are not just theoretical; they are hands-on and designed to meet the needs of employers. The programs aim to ensure graduates are job-ready and will generate real employment opportunities through internships, outsourcing roles, and entrepreneurship support," he added.

David Daser, President/CEO of DBI, reinforced that the partnership is in line with the institute's mission to bridge the digital divide in Nigeria. Stating "Over the years, we have trained thousands of professionals, students, and entrepreneurs. Our commitment to advancing digital literacy continues to be a key driver of economic growth."

Daser further noted that the partnership will provide quality training, empowering young Nigerians to build sustainable careers, start businesses, and create jobs for others.

The training programmes will cover critical areas such as entrepreneurship, digital marketing, software development, cybersecurity, and business management. Additionally, the initiative will offer mentorship, funding opportunities, and business incubation to ensure smooth transitions from training to employment or entrepreneurship.

Rewane urges policy caution amid Naira's recent rally

Onome Amuge

THE NAIRA HAS BEEN ON an upward trajectory in 2025, following a sustained rally that began in December, attributed to the introduction of new reforms by the Central Bank of Nigeria's (CBN) aimed at enhancing market efficiency and transparency.

Despite these positive developments, experts in the Nigerian financial sector have urged policymakers to exercise caution in their policy decisions to prevent the naira from succumbing to further devaluation in the coming months.

Bismarck Rewane, the managing director and chief executive officer of Financial Derivatives Company (FDC), issued the advice recently in response to the naira's recent spell of stability and increased predictability.

The economist, in a television interview, described the quick appreciation of the naira as "temporary" and should be treated with caution, advising Nigerian policymakers not to be carried away by its recent appreciation.

"We're seeing that the naira is strengthening but with caution. Let's not be too hasty because it's going to correct itself," Rewane stated.

Rewane noted that several economic factors were contributing to the naira's volatility, despite its recent stability.

He observed that Nigeria's foreign reserves had declined to approximately $40 billion, the government had borrowed $4 billion through bond issues, and that nearly $8 billion had been spent to prop up the naira's value at current levels.

Despite a steady decline in external reserves that saw the loss of over $3 billion in the first two months of 2025, the naira exhibited stability across foreign exchange (FX) markets,as it appreciated against the dollar.

The naira registered a surge in value against the dollar, edging up 0.01 percent from N1,511 per dollar to close the week at N1,501.08 per dollar in the official market.

The naira also recorded a marginal improvement against the dollar in the parallel market, advancing 0.04 percent to trade at an average of N1,495 per dollar.

According to analysts, the improvement in the currency's exchange rate was strengthened by the CBN's sales of a combined $181.25 million to Nigerian commercial banks, which helped stabilise the foreign exchange market and shore up the naira's strength against the dollar.

Rewane, while acknowledging the nine percent gain in the naira's value against the US dollar so far in 2025, urged caution in interpreting this improved stability as a sign of sustainable growth.

Analysts at Cowry Asset Management projected that the naira would likely maintain its current stability and trade within a relatively narrow range in the coming week, barring major disruptions or events impacting the forex market.

They added that market dynamics will continue to shape the supply and demand for the dollar, influencing the local currency's performance across various exchange segments.

Nigeria's free zone tax reforms puts $200bn investments, 600,00 jobs at risk – NACCIMA

Onome Amuge

NIGERIA COULD STAND to lose $200 billion in foreign direct investments (FDI) if the proposed tax reforms targeting free trade zones (FTZs) are implemented by the federal government, according to the Nigerian Association of Chambers of Commerce, Industry, Mines, and Agriculture (NACCIMA).

In addition, the chamber warned that this decision could result in the loss of more than 600,000 potential jobs in the country.

The contentious provisions contained in the Nigeria Tax Bill 2024, include the introduction of minimum tax rates and the removal of longstanding tax exemptions for companies operating within FTZs, which, according to industry stakeholders, could dampen Nigeria's appeal as a destination for foreign direct investment and undermine its goal of industrial growth.

Dele Oye, the national president of NACCIMA, voiced severe concern over the potential repercussions of the proposed amendments, particularly Sections 57, 60, 198(2), and 198(3), which Oye argued could jeopardise the very incentives that have been instrumental in sustaining FTZ investments since the Nigeria Export Processing Zones Act was introduced in 1992.

"Stripping away established tax exemptions is a drastic measure that will diminish investor confidence and jeopardise Nigeria's standing in the global investment community," Oye said.

Oye, who is also the chairman of Nigeria's Organised Private Sector (OPS),

The establishment of the Free Trade Zone (FTZ) scheme in 1992, through the Nigeria Export Processing Zones Act (NEPZA), laid the groundwork for notable contributions to the Nigerian economy by businesses operating within these zones.

Diran Olojo (right), group head of corporate affairs at First City Monument Bank (FCMB), and. Arit Tunde-Imoyo (left), chairman of the Executive Council of the Federal Nigeria Society for the Blind (FNSB), during FCMB's visit to the FNSB's Vocational Training Centre in Oshodi, Lagos. The bank's donation of cash and essential items was part of its "A Different Kind of Love" outreach programme in Lagos, recently.

These special economic zones were designed to incentivise investment, drive job creation, and facilitate industrialization in the country. To achieve these objectives, Sections 8 and 18 of the NEPZA Act explicitly exempt approved enterprises from all federal, state, and local government taxes, thereby creating an enticing investment environment that has attracted significant capital over the years.

While the Free Trade Zone scheme has proven to be a powerful tool for economic development, the proposed amendments in the Tax Bill, specifically Sections 57, 60, 198(2), and 198(3), threaten to dismantle the foundations of this framework, according to stakeholders.

"It is imperative that we understand the potential ramifications of these proposed changes. Stripping away established tax exemptions is a drastic measure that will diminish investor confidence and jeopardise Nigeria's standing in the global investment community," NACCIMA stated.

According to NACCIMA, out of Nigeria's 50 FTZs, 48 were developed through private-sector investments. The tax exemptions within these zones have been crucial in attracting investors, creating jobs, and generating over N650 billion in government revenue through customs duties and related economic activities.

One of the major areas of controversy surrounding the proposed tax reforms centers on the lack of consultation with key stakeholders, particularly those operating within the Free Trade Zones. NACCIMA contends that both the FTZs association and companies were left in the dark about the proposed changes until 20th February 2024, when Taiwo Oyedele, the chairman of the Fiscal policies and tax committee, announced the intended substantial amendments at the 3rd Nigerian Economic Zones Association conference.

The potential consequences of the proposed tax reforms on Nigeria's economy and foreign investment prospects have been brought into sharp relief by NACCIMA, which highlighted the possible exodus of capital from the country to more investment-friendly markets in the region such as Ghana and Angola.

Citing historical data from the Nigeria Export Processing Zones Authority and the Oil and Gas Export Free Zone Authority (OGFZA), NACCIMA warned that the removal of long-standing tax benefits could jeopardise more than N650 billion in government revenue generated through various channels, including customs duties. NACCIMA, therefore issued a strong call to action, appealing to the National Assembly to review and reconsider the controversial tax amendments in light of the significant opposition raised by key stakeholders.

The chamber emphasised the importance of policy measures that facilitate and support long-term investment, rather than disincentivise it, in order to maintain the country's competitiveness and promote sustainable economic growth.

The Chamber stated further: "As NACCIMA, we urge the National Assembly to reassess the implications of the proposed Nigeria Tax Bill 2024 on the Free Trade Zone Scheme. The Bill represents a potential policy shift that could undermine decades of progress in attracting FDI and cultivating a dynamic, diversified economy. Protecting Nigeria's FTZ framework is not just about retaining tax incentives, it's about ensuring sustained economic growth, job creation, and enhancing Nigeria's competitiveness on the global stage.

"We can see a major loss of investment, litigations and several Arbitrations between the Nigerian entities and their partners, banks and government agencies like the Nigerian Investment Promotion Commission, who in discharge of their duties may have granted several incentives, to induce the investment. While not asking the government to completely reverse the vehicle, the government can also delay the application of the proposed amendments, to enable the investors recoup their investments, and set a new financial and business model.

"This policy summersault through legislation is bound to shake everything Nigeria if not carefully handled, as it has already slowed down activities in the FTZs, while potential new investments are held."

Southeast electricity consumers warn of misleading tactics targeting customers

business a.m.

THE SOUTH EAST ZONE of the Association of the Electricity Consumers of Nigeria (ECAN) has warned against the ongoing attempt by a few persons to mislead electricity customers in the Aba Ring-fenced Area (ARFA) comprising nine of the 17 local government areas (LGAs) in Abia State over regular bill payment.

Joe Ubani and Chris Okpara, the ECAN zonal chairman and secretary, respectively, raised the association's concerns in a statement signed in Owerri, Imo State.

According to ECAN, a handful of individuals are advising some customers of Aba Power, which provides electricity to the nine LGAs, not to pay their outstanding bills following the recent tariff review in the area by the Nigeria Electricity Regulatory Commission (NERC).

"Though these elements have since January been encouraging debtor customers not to pay, according to the ECAN leaders, "they increased the tempo of their activity since Tuesday when they furtively obtained an ex parte motion from a state high court in a rural community in Abia State restraining Aba Power from disconnecting recalcitrant customers owing the utility," ECAN stated.

Justice Enyinnaya Okezie of the Abia State High Court sitting in Isiala Ngwa granted the protesting group led by one Opigwe an ex parte motion against disconnecting debtor customers, meaning that Aba Power was not put on notice before the order was given.

ECAN stated that though the interim motion will most likely be vacated within days, Nigerian legal experts are surprised that it was given at all.

Hinting that the order may be reported to the National Judicial Council (NJC) which disciplines erring judicial officers, the Electricity Consumers Association noted: "Both the higher courts and the National Judicial Council (NJC) have warned on occasion against liberal granting of ex parte orders and have at different times taken punitive actions against judicial officers who gave them.

"Such directives are given in extreme circumstances, but legal experts cannot see the emergency that could warrant the step by the court in Isiala Ngwa".

ECAN also queried the propriety of a State High Court entertaining a case involving a federal agency like NERC when the Federal High Court which now exists in every state is statutorily empowered to handle such matters.

It faulted those encouraging customers not to pay their bills now following the order, emphasising that they are in grave error.

The association added: "By their nature, ex parte motions do not last beyond a few days, so the customers will soon be confronted with the reality of inevitable bill payment. They may not be able to pay their bills if they delay payment now.

Nigeria moves to...

Continued from page 3

structure development.

Despite these ambitions, Nigeria's journey towards e-governance has faced several hurdles. The government had previously launched the e-Government Masterplan in 2019 and the OneGov. net initiative to unify public services. However, challenges such as inadequate infrastructure, inconsistent regulations, and technical limitations slowed progress and prevented these initiatives from achieving widespread success.

A major obstacle remains poor connectivity, particularly in rural areas. Reuben Oshomah, Regional Director at Avanti Satellite, noted that connectivity gaps could hinder e-governance implementation. He cited Estonia as an example of success, where 90 per cent connectivity has been achieved despite the country having only 30 per cent of Nigeria's population.

According to the Nigerian Communications Commission (NCC), broadband penetration in Nigeria was at 44.43 per cent as of December 2024, leaving many rural areas without reliable internet access. Oshomah pointed out that without robust connectivity, a significant portion of the population would be unable to access digitised government services.

However, there is optimism that the proposed national fibre project, which aims to deploy 90,000 kilometres of fibre optic infrastructure across the country, will help bridge this gap and provide the necessary backbone for e-governance to thrive.

Ibrahim Adepoju, managing director of Galaxy Backbone, stressed the importance of collaboration across sectors to achieve the e-government agenda. He noted ongoing efforts to raise awareness about the existing infrastructure, pointing out that many remain unaware of the government's technological capabilities.

"It's important to enhance broadband connectivity and ensure that our infrastructure remains relevant," he said, adding that capacity utilisation remains below optimal levels despite substantial investments.

Similarly, Hauwa Buba Wakili, head of digital skills and services at the NCC, outlined initiatives to strengthen e-governance through indigenous content development, research, and capacity building.

On local refining and its impact on Nigeria's economy (2)

SUNNY CHUBA NWACHUKWU

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HUMAN ENGAGEMENT in five critical areas of endeavour – food security, energy, oil and gas, economy and governance – is roundly looped in a sustainable economic value chain that would assure good living standards and security for all. Solutions that sustain quality socio-economic standards in any given system are continuously sought by management of obvious challenges that deal with each and every aspect of the above mentioned areas. Those related areas are potentially equipped with their respective strategic contents to directly promote transactional and economic interests of all stakeholders within the identified macroeconomic system. Homo sapiens, obviously, are social animals, naturally wired in life (with high intelligence) to maintain law and order in the society where conservative attitudes and behaviours generally occur under control, for the avoidance of conflicting interests or chaotic atmosphere in sustenance of life. Man's basic needs fundamentally drive the society to engage with a constant pursuit of daily economic activities that shall translate to financial benefits at the end of every given economic cycle. This singular fact, therefore, is the basis for man's conscientious daily efforts to secure means of livelihood, which otherwise makes any individual unproductive and literally poor in the society, once the person cannot afford the daily basic needs for maintenance of life, plus human capital development mostly obtained through capacity building in some cases (for sustainable human social improvement through educational training). In our contemporary society, the identifiable daily needs of man, which, of course, include food security, are generally powered through energy consumption. Among other alternatives, energy could be sourced from oil and gas utilisation to advance wealth creation in an economy. This is properly guided and adequately controlled through governance.

It is heartwarming to observe that the Nigerian economy is presently tilting towards a direction that is likely to progressively provide a clear coast, with the current mode of economic traction it appears to be gathering from the downstream subsector of the petroleum industry, through the local refining of Nigeria's crude. This is based on the changing productive landscape in the downstream petroleum sector, with the successful emergence of the Dangote Refinery and others, including the rehabilitated government owned refining facilities in the country. This is exactly what a nation, very rich in petroleum resources, is supposed to be known to be doing, through a disciplined policy, to become a refined products net exporter as well as a refined petroleum hub that needs to be globally acclaimed.

In this light, the Lagos Chamber of Commerce and Industry (LCCI) through its president has urged the federal government to "reduce inflation by improving petrol export" by boosting crude oil refining and petrol export to meet its inflation reduction target and strengthen the naira. I may say that the impact of local refining has already started being gradually felt within the economy. The pump price of petrol (by personal observation, as empirical evidence and supporting proof) has dropped below a thousand naira per liter. It is also heartwarming that the recent consumer price index (CPI) after rebasing inflation by the Nigeria Bureau of Statistics (NBS) is showing that inflation has dropped from 34.8 percent to 24.48 percent in January 2025.

Through domestic refining operations, Nigeria honestly needs to reassert her energy independence because the oil and gas industry has deliberately been kept in economic chokehold and in financial limbo for decades without the expected macroeconomic performance. This is because it has been manipulated to rely on imports of refined products; with the huge bleeding of the country's foreign reserves (thus draining the nation's wealth), its foreign exchange. With the Dangote Refinery now making waves in the industry at the global stage, all that should be expected from the hands of the regulators in the oil industry is to protect, support and encourage domestic refineries to make giant strides in the global oil market, by giving their international contemporaries (especially in Europe) unfavourable, tough and competitive marketing experiences, to strategically outwit these foreign operators; rather than adding salt to injury by frustrating the local refiners through ceaseless unrepentant import operations. Such unwholesome conduct and attitude has led to a very recent rebuttal from the NNPCL of PMS importation claims.

For Nigeria's economy to be rescued at this critical time, the federal government needs to put all machineries in motion towards relieving the unnecessary heavy load on our foreign reserves by completely discontinuing from refined products imports; and give the local currency a breathing space to be resuscitated from near total collapse at the foreign exchange market. This action alone, if successfully implemented, shall go a long way in cushioning the economic impact of inflation in the country. The federal government is thus urged to critically apply this, among other measures, towards improving the national economy.

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The Coaching Psychologist

Benin Bronzes — Leadership, justice, and cultural restoration

"History is not just about the past; it shapes our present and future."

JOSHUA AWESOME, PHD

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

IN 1897, BRITISH SOLDIERS stormed the Kingdom of Benin, looting its treasures and burning its palace to the ground. Among the artifacts stolen were the famed Benin Bronzes — masterpieces of African craftsmanship that told the story of a civilisation rich in culture, power, and artistic brilliance. These stolen works were scattered across museums and private collections in Europe and America, far from the land where they were created.

Now, 128 years later, a global movement for restitution is bringing some of these artifacts home. The Netherlands recently returned a collection of Benin Bronzes, marking a significant step toward justice. "This restitution is contributing to the restoration of a historic injustice that is still felt today," said Minister Eppo Bruins. The return is not just about art; it's about acknowledging a painful past and reclaiming cultural identity.

At 111 years old, Pa John Dada Obafemi, one of Nigeria's oldest citizens, was just 17 when the British looted the bronzes. His lifetime spans the impact of this loss — a stark reminder that stolen heritage is not just a historical issue, but one that affects national pride, identity, and continuity. The return of these artifacts presents an opportunity for reflection and action, particularly for today's leaders.

Reflection 1
Confront the past with honesty
Leadership demands the courage to acknowledge historical wrongs. The Benin Bronzes represent more than stolen art; they symbolize the erasure of a people's history. Whether in governance, business, or social leadership, ignoring the past only weakens trust and hinders progress.

Actionable advice
• Recognise and openly address historical injustices within organisations or communities.
• Foster conversations about history and its impact on present-day inequalities.
• Implement policies that acknowledge past mistakes and take corrective action.

Reflection 2
Cultural identity is a foundation for progress
A society disconnected from its history struggles to define its future. The loss of cultural heritage weakens national unity, while its restoration strengthens identity and resilience. Leaders must protect and promote cultural heritage as a tool for long-term development.

Actionable advice
• Invest in preserving cultural heritage through education, museums, and public awareness programmes.
• Integrate historical and cultural studies into leadership development.
• Support initiatives that empower local communities to protect and celebrate their heritage.

Reflection 3
Justice requires more than symbolic gestures
Returning stolen artifacts is a step toward justice, but it must be accompanied by broader structural changes. Nigeria, like many nations reclaiming its cultural heritage, must ensure it has the institutions and resources to protect and showcase these treasures.
Actionable advice
• Advocate for stronger cultural preservation policies and museum infrastructure.
• Support ethical guidelines for global museums to prevent future cultural theft.
• Encourage collaborations between nations to create frameworks for restitution.

Reflection 4
True leadership demands decisive action
The return of the Benin Bronzes happened because individuals, governments, and institutions took bold steps. Leadership is not about passive acknowledgment but about taking responsibility and driving meaningful change.

Actionable advice
• Take proactive steps to correct injustices in your sphere of influence.
• Ensure policies align with ethical values, rather than waiting for external pressure.
• Be transparent about decision-making, fostering trust and accountability.

For leadership, the Benin Bronzes represent a broader lesson: **true leadership is about acknowledging uncomfortable truths and making difficult but necessary decisions.** Restitution is not just about returning objects; it is about restoring dignity, identity, and agency to those who have been historically marginalised. Leaders in all sectors — whether political, corporate, or cultural — must recognise that confronting history is not an act of weakness but one of strength. The willingness to take responsibility and implement corrective measures fosters resilience and long-term societal progress.

Pa John Dada Obafemi's 111 years remind us that history is not an abstract concept — it is lived, remembered, and felt across generations. His life spans an era where colonial disruptions transformed entire societies, and yet, even after a century, the repercussions remain. This reality reinforces the need for leaders today to think beyond their immediate term in office or tenure in leadership. **What we fail to address today will remain a burden for future generations.**

The return of the Benin Bronzes should not mark the end of restitution efforts but rather the beginning of a larger movement toward justice and cultural restoration. Governments must invest in the institutions that preserve history, from museums to educational reforms that teach the true narrative of Africa's artistic and cultural heritage. Likewise, organisations and business leaders must recognise the importance of ethical decision-making in how they engage with historical artifacts, indigenous knowledge, and global heritage.

Leadership in the 21st century demands more than economic growth or political stability — it requires moral courage, cultural intelligence, and a commitment to justice. As we shape the future, we must ensure that history is not used as a tool for division but as a foundation for reconciliation, empowerment, and progress. Only by addressing the past with honesty and taking action in the present can we create a just and inclusive future where history serves as a guide, not a burden.

Business, Governance & Enterprise

How managers can improve their managerial effectiveness (2)

OLUFEMI ADEDAMOLA OYEDELE

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Continued from last edition

Increase efficiency: Efficiency is a measurable concept that can be determined using the ratio of useful output to total input. Increased efficiency minimizes the waste of resources such as physical materials, energy, and time while accomplishing the desired output. Management improves efficiency by minimizing the wastage of resources, that is time, materials, money and efforts. It helps in optimum utilization and deployment of all the resources in an organisation by coordinating all the activities performed by individuals in the achievement of organisations' common goal.

Quality control: Quality control (QC) is a process through which a business seeks to ensure that product quality is maintained or improved. Quality control refers to a company's methods for assessing product quality and, if possible, improving it. There are various ways to perform quality control, including benchmarking, examining manufacturing procedures, and testing products.

Optimize resources: Resource optimization involves identifying, prioritizing, and utilizing resources in the most efficient and effective manner possible. The aim is to meet project requirements and quality standards, while minimizing waste, redundancies, and costs.

Prioritise organisation: Prioritization is a valuable organisational skill. Some tasks may require immediate attention, others can wait. This skill set is closely linked to time management. We only have a limited amount of time to utilise during our workday, so place those tasks that have to be completed first at the head of activities list or checklist.

Promoting innovation: Innovation of products and production methods are constantly required in a competitive world. This implies the creation of a completely new product or service, or the improvement of features of an already existing one. This enables the creation of a more valuable product, the improvement of the quality of a product, and the increase in the effectiveness and consumer satisfaction. Innovation in management principles and processes can create long-lasting advantages and produce dramatic shifts in competitive position.

Staffing in management: Staffing is an operation of recruiting the employees by evaluating their skills and knowledge before offering them specific job roles accordingly. A staffing method involves recruiting staff based on experience and skills, while another is based on educational qualification of applicants and training them. A model of staff performance is a dataset that measures work activities, how many labour hours are needed, and how employee time is spent.

Managers who want to improve their managerial effectiveness must do the following:-

Establish clear objectives for the organisation: It is important that workers have clear organisation's objectives. When workers are aware of the objectives of an organisation, they find it easy to achieve goals.

Good communication: An effective manager must have good communication skills and be able to communicate with his workers in clear terms.

Decision-making: An effective manager is the one that is fast and robust in decision-making. He networks with managers in similar organisations to be abreast of latest developments in his sector that may affect his organisation.

Encourage teamwork: Effective managers encourage teamwork among their workers. They call meetings regularly and make sure those workers in their teams gel together.

Lead by example: Managers that want to be effective must be ready to lead by example. A manager that is disciplined, generous, punctual, time-conscious, dutiful and trustworthy will get obedient, motivated and responsible workers in his team.

Delegate: An effective manager must know how to delegate functions to workers. He must be able to identify different workers with different skills and apportion appropriate work for each worker. With time, he must have a lieutenant among the workers that can take charge for him whenever he is not around.

Give feedback: Effective managers give feedback to their workers regularly to improve the workers and not mainly to rebuke them.

Leadership: Effective managers are good leaders in all ramifications to their workers. They influence and coach.

Setting goals: Effective managers know how to set achievable goals for their workers. Setting achievable goals must involve the members of the team so that they can have buy-in of the organisation goals.

Celebrate milestones: Managers with the aim of improving their effectiveness must celebrate milestones with their workers. Milestones in organisations include team members' birthday, team members' achievement, public holidays, organisation's achievement etc.

Complete management training: Effective managers organise complete training for their workers.

Cultivate emotional intelligence: Emotional intelligence (EI) is the ability to manage both your own emotions and understand the emotions of people around you. There are five key elements to EI. These are self-awareness, self-regulation, motivation, empathy, and social skills.

Foster qualities that matter: Qualities that matter include good deeds of workers which must be emphasised, while bad deeds must only be discussed privately with the worker/s involved.

Motivate people: Motivated workers work better than unmotivated workers. Effective managers must know how to motivate their workers.

Offer balanced feedback: Balanced feedback to workers has the benefit of allowing workers' improvement.

Promote inter-workers communication: Effective managers encourage inter-workers communication in their organisations.

Coaching workers to become a good manager: Effective managers are coaches. They teach their team members how to achieve goals and how to manage. They organise sessions through which they coach their workers.

Identify talents: There are various activities in an organisation. Different workers have different skills suitable for different functions. While some workers are good in production, some are good in marketing and some are good in customer relations. An effective manager must be able to identify the different skills of their workers and how to exploit the different skills to their organisation's advantage. An effective manager must produce future managers within a short period in an organisation.

Continuous self-improvement: In a dynamic world, managers who want to remain effective must constantly seek self-improvement. They must regularly look for management training because skills necessary for management are daily evolving as resources to manage (employees, finance, machineries, process etc) are daily changing.

Economics & Markets

Rethinking Nigeria's infrastructure development financing beyond budgets

VICTOR OGIEMWONYI

Victor Ogiemwonyi, a retired investment banker, is a former Governing Council member of the Nigerian Stock Exchange (NSE), now Nigerian Exchange Group (NGX Group). He sent this contribution from Ikoyi, Lagos. He can be reached via comment@businessamlive.com

THE URGENT NEED FOR large-scale infrastructure development in Nigeria is undeniable. However, no budgetary allocation or borrowing strategy alone can adequately address this growing demand.

Nigeria is at a crossroads — our population is booming, yet our infrastructure remains woefully inadequate. We need everything: roads, railways, airports, seaports, electricity, hospitals. Unfortunately, our development planning consistently falls short of meeting our needs, stunting economic growth.

For years, Nigeria's economy has grown at an average of less than five percent (5%), while some estimates put our population growth at 6-7 percent. If this trend continues, disaster is imminent. By 2050, we are projected to be one of the three most populous countries in the world, yet our standard of living continues to decline. Overcrowded airports and public transport, unreliable electricity, and a struggling industrial sector are just some of the visible consequences of our infrastructure deficit.

Despite successive governments' promises to improve infrastructure, progress remains slow. The reality is that as our population grows, so does the demand for infrastructure, and traditional financing methods will never be sufficient to keep pace.

A market-driven approach is urgently needed — one that positions the government as a last-resort guarantor rather than the primary financier.

Government budgets should focus on social infrastructure like healthcare and education, while commercially viable projects should be left to the private sector.

We've seen this model work in Nigeria's banking and telecommunications sectors. Neither industry relied on massive government funding; instead, clear regulations were established, and private investments drove their rapid development. Today, both sectors thrive, creating jobs and enabling economic growth.

The same principle can apply to infrastructure. Nigeria's large population guarantees demand, making infrastructure projects financially viable over time. The key is creating an investment-friendly environment with clear regulations, competent regulators, and a framework that attracts long-term investors.

Under President Jonathan's administration, Nigeria developed a comprehensive national railway plan that won a PwC award for one of Africa's best infrastructure plans. However, poor follow-up and the subsequent administration's reliance on budget allocations and borrowing derailed its execution. Despite President Buhari's personal commitment to railway development, the lack of strategic financing ultimately led to failure.

Instead of relying on public funds, the plan should have been opened to investors through concessions, allowing them to fund specific routes in exchange for commercial incentives. Proper regulation would have ensured fair pricing and service quality. Had this approach been adopted a decade ago, Nigeria's rail network could already be fully operational, driving economic growth, job creation, and urban development along key corridors.

Another example of a missed opportunity is the Lagos-Calabar coastal road. This project could have been structured as a self-financing initiative requiring no government funding.

A better approach would have been:

Developing a master plan and inviting investors to bid on construction and operating rights.

Offering a concession that grants investors a designated commercial zone — such as 2 km of land on both sides of the highway — for real estate, retail, and advertising, generating additional revenue streams beyond tolls. And in cases, providing a sovereign guarantee against future expropriation, to assure investors of long-term security.

By leveraging these commercial incentives, the project could have been entirely privately funded, freeing up trillions of naira for critical sectors like education and healthcare. A well-educated and healthy population is an invaluable national asset, yielding long-term economic benefits.

Nigeria must rethink its approach to infrastructure financing. Our large population is not just a challenge — it's an economic opportunity. By adopting a commercial investment model, we can unlock the private sector's potential, accelerate development, and finally escape the infrastructure deficit holding us back.

Economics Commentary

Rising living cost, crashing quality of life of Nigerians

MARCEL OKEKE

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IT IS STATING THE OBVIOUS to say that recent economic reforms in Nigeria, particularly the removal of fuel subsidies and fully floating the local currency, have significantly negatively impacted many Nigerians. Inflation and poverty rates have been driven sky-high, leaving millions of the citizens struggling to afford basic necessities of life.

A tracking of the rate at which prices of goods and services are increasing — inflation — in the past 21 months of the Bola Ahmed Tinubu administration shows a jump by over 12 percent. This is from 22.40 percent in May 2023 to 34.80 percent at end-December 2024. A breakdown of these figures shows that the rise in food prices (measured as Food Price Index) was a key driver of the hyperinflationary trend.

At all times in the past 21 months, food inflation had outpaced the headline inflation, with the former standing at over 40 percent. Thus, while the headline inflation closed 2024 at 34.80 percent, the food inflation rate was 39.84 percent, according to the National Bureau of Statistics (NBS).

The rising cost of living in Nigeria is also attributable to high fuel prices (a direct outcome of the fuel subsidy removal), transportation fares, and vehicle maintenance costs — which have all practically gone through the roof in the past 21 months. From a modest N185 per litre in May 2023, the price of fuel (Premium Motor Spirit, PMS) has crossed N1000 per litre. Despite some local refining, PMS importation has not abated; it remains one of the imports that gulp a substantial portion of the nation's scarce foreign exchange (FX).

In point of fact, an estimated one-third of FX demand in the foreign exchange market, all this while, is attributable to the importation of PMS and other refined products. As the impacts of these importations reflect in their landing costs, they are transferred to the ultimate consumer via high pump prices.

Subsidy removal on utilities such as electricity, water, gas, among others, has also pushed up the cost of living for Nigerians. In some instances, subsidy withdrawal on these items had been accompanied by hiked tariffs. Thus, electricity tariff has been increased by more than two hundred percent, in many locations across the country in recent times.

Recently, too, the Nigeria Customs Service (NCS) imposed a four percent charge on Free-on-Board (FOB) value of all imports. This import levy is contained in Section 18(1)(a) of the Nigerian Customs Service Act (NCSA) 2023. However, the charge was vehemently opposed by the Manufacturers Association of Nigeria (MAN), the Nigeria Employers' Consultative Association (NECA) and a number of other private sector stakeholders.

This NCS' charge (though said to have been suspended) translates to hike in the cost of importation; and transfer of the same to the Nigerian consumer. Implicit in the levy is rising inflation, as reflected in high prices of goods and services.

About the same time, the Nigerian Ports Authority (NPA) also increased its tariff from seven percent to 15 percent, citing the need for competitiveness and infrastructural upgrades. Again, however, key stakeholders such as MAN and others insist that the tariff hike could have negative economic repercussions in the form of increased production costs, reduced competitiveness, and massive cargo diversion to neighbouring countries.

In a move that also substantially adds to the financial burdens of Nigerians, telecom companies in the country have raised their tariff by 50 percent. This move approved by the Nigerian Communication Commission (NCC), affects both the data and voice services of the telcos. The NCC has however justified the tariff hike as necessary "to safeguard the sustainability of the industry, balancing consumer protection and the financial realities faced by telecom operators."

However, federal lawmakers, consumer and labour groups have kicked against the telecom tariff hike, arguing that the initiative would exacerbate the economic challenges already faced by Nigerians. In fact, the Nigeria Labour Congress (NLC) and its affiliates threatened a nationwide boycott of mobile telecom services to protest the price hike.

From the financial services sector has also come an increase of charges on cash withdrawals from bank Automated Teller Machines (ATMs). According to a CBN circular issued on February 10, 2025, "withdrawal from another bank's on-site ATM attracts a charge of N100 per N20,000." For off-site ATMs, such withdrawal attracts a charge of N100 plus a surcharge of not more than N500.

The CBN says "the surcharge, which is an income of the ATM deployer/acquirer, shall be disclosed at the point of withdrawal to the consumer." All these charges or surcharges are however brand new tariffs on bank customers who, hitherto, were utilizing the services of the ATMs free of charge. They are really driving up the cost of living for the citizenry.

As these tariffs kick in, the federal government is also mooting the idea of restoring the tollgates on major roads since phased out by previous administrations. Specifically, the Tinubu administration plans to toll all trunk roads in the country, upon completion of construction and renovation. The minister of works, David Umahi says the tolling of the federal roads "is going to bring a lot of money to the federal government."

Whatever the toll fees turnout to be, they all add to the huge burden of rising cost of living in Nigeria — a situation that has kept unleashing poverty, hunger, and penury on the citizenry. Thus, from the largest economy in Africa in 2014 with a gross domestic product (GDP) of $574.18 billion, the Nigerian economy has shrunk to a GDP of $199.72 billion in 2024.

By the same pattern, Nigeria's GDP per capita stood at $3,201 in 2014, but has kept crashing, to stand at $1,621 in 2023; and now about $895 in 2025. This trend certainly translates to declining standard of living and quality of life. As income per capita decreases, people's purchasing power and ability to afford basic necessities like food, healthcare, and education are compromised.

All this validates that, with some exceptions, the quality of life for the citizenry has been consistently declining in the past one decade in Nigeria. This is reflected in the nation's Misery Index which has been worsening in recent years: reduced purchasing power of citizens, rising poverty, hunger, anger, destitution. Name it!

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Nigeria's actuarial skills gap and the need for funding

PIUS APERE, PHD

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Introduction

Nigerian Actuarial Society (NAS) is the premier Nigerian actuarial professional body established in 1986 which has not developed capacity to qualify actuaries by examinations but have criteria of admitting members into the society (having five classes of membership, namely Student, Analyst, Associate, Fellow and Honorary). The qualified actuaries got their qualifications from different professional bodies abroad and the students are not writing a common standard of examination conducted by one professional body abroad.

NAICOM has called on **"NAS to lead the way in shaping the future of the Nigerian insurance industry"** during the 2024 Annual Insurance Industry Conference held on 26th June 2024 as reported by Business Today newspaper. This is an acknowledgement of NAS' pivotal role of self-regulation of its actuaries, which is a welcome development. The above is reflected in NAICOM's recent circular on annuity underwriting effective 1st February 2025, which directed life insurers to have at least one qualified actuary responsible for Assets-Liability Matching (ALM) analysis and implementation, using NAS Standards of Actuarial Practice (NSAP) on Annuities as guide for pricing, valuation and ALM reports of annuity portfolios. NAICOM defines a qualified actuary as a Fellow of NAS, but an Associate of NAS may take up the role of an in-house Qualified Actuary only for the purpose of ALM analysis.

According to Wikipedia, an actuary is a professional with skills in advanced mathematics, probability and statistics, finance, economics, financial accounting and computer science to deal with the measurement and management of risk and uncertainty in insurance, pension, finance, investment, other industries and professions.

Shortage of actuaries in Nigeria

The shortage of actuaries in Nigeria will be exacerbated further (with only nine qualified actuaries registered in NAS out of its over 71 membership) when NAICOM's circular is implemented for the following reasons:

The circular implies that the qualified actuaries from foreign countries (e.g. South Africa, Kenya, etc.) who had been working for Nigeria financial sector (e.g. during the recent implementation of IFRS 17) will need to register with NAS before they can practice in Nigeria.

It is obvious that the foreign actuaries are working for actuarial consultancy firms abroad and they were only seconded to work for the Nigerian insurance companies on behalf of their foreign firms.

These foreign actuaries may not be readily available for the Nigeria market any longer since NAS will only register actuaries and not the consultancy firms.

Some NAS' actuaries have already retired or are near retirement.

NAS' actuaries are already engaged with companies or actuarial consultants in Nigeria; so, how many of them will accept to leave their current employment to join the insurance companies.

The circular requires companies to recruit actuaries on a permanent basis, the cost of which is too high when recruiting from abroad.

The NAS' associate members are also very limited in number.

Cost-effective actuarial training programme in Nigeria

In January 2024, University of Lagos (Unilag) in partnership with NAS, achieved the Institute and Faculty of Actuaries (IFoA) UK accreditation for its Postgraduate M.Sc. degree programme in Actuarial Science, as a pathway to IFoA qualifications. This will provide successful students with six exemptions from the IFoA qualifications. This could be the fastest and cost-effective route for NAS to develop common qualifications and increase its qualified actuaries in the medium term, like the route the Chartered Insurance Institute of Nigeria (CIIN) took in collaboration with CII London before conducting their own examinations in the early 1990s.

Conclusion

Unilag is the second university currently being accredited in Africa by IFoA which is a rare privilege and opportunity for Nigeria. Thus, this programme needs to be fully supported, not only by NAICOM and insurance industry but also by the federal and state governments including TETFUND to ensure that adequate funding and sensitisation are available for the training of Nigerian actuaries over the medium term.

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NOTES FROM ACCRA

FRANCIS KOKUTSE

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Will Africa find solutions to its fishery problems before 2030?

AGAINST THE BACKDROP of multiple issues that have affected the fishery sector in Africa, the Malabo Montpelier Panel of agrifood experts, have come out with policies urgently needed to realise the potential of Africa's fisheries and aquaculture sector to avoid shortages by 2030.

The Malabo Montpellier Panel convenes 17 leading experts in agriculture, engineering, ecology, nutrition, and food security, and aims at facilitating policy choices by African governments to accelerate progress toward food security and improved nutrition. The Panel identifies areas of progress and positive change across the continent and assesses what successful African countries have done differently. It identifies the institutional and policy innovations and programme interventions that other countries can best replicate and scale.

As we await whether or not, governments across the continent will implement the policies that have been identified, it is also important to note that the continent has for a long time been faced with Illegal, Unreported and Unregulated fishing (IUU). Almost a year ago, The Food and Agriculture Organisation (FAO) held a meeting of senior officials and technical experts from 28 countries and three regional fishery bodies in Africa and the Middle East, representing intergovernmental organisations, last year, to deliberate on the FAO's Agreement on Port State Measures (PSMA), intended to prevent, deter, and eliminate IUU fishing.

The FAO says IUU is a broad term that captures a wide variety of fishing activity and is found in all types and dimensions of fisheries; it occurs both on the high seas and in areas within national jurisdiction. It concerns all aspects and stages of the capture and utilisation of fish, and it may sometimes be associated with organised crime

It said, Illegal fishing is conducted by national or foreign vessels in waters under the jurisdiction of a state, without their permission, or in contravention of its laws and regulations. It is also conducted by vessels flying the flag of states that are parties to a relevant regional fisheries management organisation but operate in contravention of the conservation and management measures adopted by that organisation and by which the states are bound.

Unreported fishing, on the other hand, is fishing that have not been reported, or have been misreported, to the relevant national authority, in contravention of national laws and regulations; or are undertaken in the area of competence of a relevant regional fisheries management organisation which have not been reported or have been misreported, in contravention of the reporting procedures of that organisation.

The FAO says unregulated fishing exists in the area of application of a relevant regional fisheries management organization that are conducted by vessels without nationality, or by those flying the flag of a state not party to that organization, or by a fishing entity, in a manner that is not consistent with or contravenes the conservation and management measures of that organization.

With all this problem of IUU, African countries are struggling to put in place measures to improve the fishery sector. In its report, "FISH-FRIENDLY: Policy Innovations for Sustainable Fisheries and Aquaculture in Africa", the Malabo Montpelier Panel argued that, while Africa's fisheries and aquaculture hold immense potential, unlocking this requires comprehensive policy reforms, technological advancements, and sustainable resource management, in order to avoid a projected 11 million metric tonnes (MT) shortage in fish and fish products within five years.

Some countries have started implementing policies that would help sort their fisheries problems. In Malawi, the Aquaculture Value Chain Project (AVCP) established the Aquaculture Business School, providing training in organisational, processing, and technical skills to 4,500 small-scale producers and 144 fish farmer groups nationwide. Similarly, the Inclusive Business and Entrepreneurial Models (IBEMs) for small-scale fish farmers project provided innovative training on aquaculture practices, business management, finance, and entrepreneurship to 1,046 farmers, 60 percent of whom were women. The project set up local entrepreneurs, with a focus on seed/fingerling production and fish feed.

In Morocco, there is the existence of a Halieutis Strategy, a comprehensive fisheries and aquaculture plan launched in 2009, and this has positioned the country as a top fish exporter to the European Union (EU). The Small-Scale Fisheries Project constructed and equipped landing sites and port facilities and was involved in the establishment of three marine protected areas, each extending over 40 km of coastline.

It established five wholesale fish markets, provided certificate training, and equipped nearly 1,000 mobile fish vendors and 20,000 artisan fishers. These efforts, along with promoting research, improving fish management plans, and fighting IUU fishing, have contributed to annual per capita consumption of fish and fishery products by more than 10 percent.

Away from Morocco, the Panel said Mozambique's MaisPeixe Sustentável (More Sustainable Fish) programme provides matching grants to artisanal fishers and small enterprises to improve their fishing techniques, reduce vulnerability to the impacts of climate change, and boost food security.

They said the programme has significantly impacted livelihoods in seven provinces by providing financing to over 1,000 artisanal fishing households. These matching grants have supported sustainable practices, such as using better fishing gear and improved postharvest techniques, directly contributing to better economic opportunities for marginalised coastal communities. In addition, the Small-Scale Aquaculture Development and the Artisanal Fisheries and Climate Change projects are highlighted as prime examples of how prioritising grassroots participation can drive sustainable and successful fisheries models.

The latest publication by the Panel has highlighted the rapid growth of the continent's fisheries and aquaculture sector, which, since 2022, has experienced the highest aquaculture growth rate of all regions of the world, increasing by more than five-fold to reach 2.5 million metric tonnes (MT) in 2022.

The sector provides almost 20 percent of Africa's animal protein. To counter a projected deficit of 11 million MT annually by 2030, policies and investments are needed to meet future demand and avoid potential shortages, the authors argue. Africa's supplies of aquatic foods would need to increase by 74 percent by 2050 to maintain current per capita fish consumption levels.

"Fish and other aquatic foods play an increasingly important role in African diets and economic development. To benefit more from this growing sector, governments and the private sector need to facilitate innovation and address limiting factors like feed supplies in aquaculture and illegal coastal fishing," said Joachim von Braun, a professor at Centre for Development Research (ZEF), University of Bonn, and co-chair of the Malabo Montpellier Panel.

"This report illustrates how forward-thinking policies can foster the innovations needed to transform the continent's fisheries and aquaculture sector into a powerful engine for economic growth, jobs, and food security, while protecting the related ecologies." Braun added.

With approximately 6.1 million Africans employed in the sector, the importance of ensuring long-term sustainability has never been more evident. Dr. Ousmane Badiane, executive chairperson, AKADEMIYA2063 and co-chair of the Malabo Montpellier Panel, said "the recently adopted African Union's Comprehensive African Agricultural Development Programme (CAADP) Strategy and Action Plan (2026-2035), and the Africa Blue Economy Strategy underscore the vital role of the fisheries and aquaculture sector in transforming Africa's agrifood systems, ensuring food security and improved nutrition.

"The timing of this report is particularly opportune as Africa aligns its ambitions with these frameworks to redefine its role in global aquatic food systems. The successful interventions highlighted in this report provide workable avenues to accelerate progress toward a productive and sustainable fisheries and aquaculture sector in Africa."

What can move Africa forward from the point of view of the panel is investing in infrastructure, technology, and regulations: Investment in hatcheries, preservation, and processing facilities utilising renewable energy, alongside innovative technologies that support nutritional, economic, and environmental goals – such as integrated multi-trophic aquaculture (e.g., rice-fish farming) should be prioritised. Robust monitoring and enforcement frameworks are needed to tackle IUU fishing.

This must be backed by strengthening support for smallholder aquaculture, cultivation of market-wide resilience, development of financial products and mobile apps that cater for smallholder needs, provision of technical training and skills development programmes, as well as facilitating equal market access.

Hopefully, the work of the Panel will not become another of those reports that only remain on files. If the continent must move forward, implementation must start immediately.

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PROJECT SYNDICATE

MICHAEL R. STRAIN

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How Trump Can Achieve Sustained Growth

WASHINGTON, DC – As investors, business leaders, and policymakers consider America's economic outlook, two things should be front of mind. First, the US economy is very strong. And, second, President Donald Trump's populist policies pose one of the biggest risks to its continued growth.

In January, core consumer-price-index (CPI) inflation (excluding food and energy prices) rose by 0.4% month on month – more than economists had expected, and double December's increase, pushing the year-on-year rate to 3.3%.

Financial markets took note. But it has been clear for months that the Federal Reserve is not succeeding in pushing inflation toward its 2% target. Underlying inflation has been stuck since the spring of 2024. Using the personal consumption expenditures price index (excluding food and energy prices), year-on-year inflation was either 2.7% or 2.8% in seven of the last eight months. (It was 2.6% in June.) And 12-month core CPI inflation has been either 3.2% or 3.3% in each of the last eight months.

Meanwhile, the labor market is holding steady. The headline monthly unemployment rate has remained between 4% and 4.2% since May, and has been falling for the past two months. In fact, the labor market may be tightening. A broader measure that accounts for involuntary part-time schedules and marginal labor-force attachment implies that slack in the labor market may have been falling since July.

An inflation rate stuck above the Fed's target and a strong labor market reflect robust economic fundamentals. Monthly employment gains have been strong and layoffs remain low, supporting household incomes and the consumer spending that has fueled the economy's expansion. Economic output grew above its underlying potential in the second half of 2024. At the time of writing, the Federal Reserve Bank of Atlanta estimates that the economy is on track to grow 2.3% in the current quarter, arguably above its sustainable rate.

The risk of inflation reaccelerating is greater than the risk of labor-market deterioration. As I write, market prices imply a 16% chance that the Fed will not cut rates again in 2025. While investor expectations have been moving in the right direction in recent months, the odds of a rate hike – which in my view is likely this year – are still being downplayed.

What could slow the economy? Trump's erratic policy communication and, perhaps more importantly, his populist trade and immigration policies.

To be clear, much of what Trump hopes to achieve will strengthen the US economy. As I wrote recently, the president's approach to artificial-intelligence regulation and antitrust enforcement, and his desire to expand domestic energy production, reduce corporate taxes, and roll back harmful regulations will boost growth. Investors largely agree – the S&P 500 has increased by around 6% since Trump's victory in November.

But Trump has also sowed confusion about the future path of US economic policy, particularly concerning trade. US merg-

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PROJECT SYNDICATE - BUSINESS A.M. PARTNERSHIP

VISIONARY VOICES

Climate Action Demands Global Fraternity

MIA AMOR MOTTLEY

Mia Amor Mottley is Prime Minister and Finance Minister of Barbados and a 2025 honoree of the Zayed Award for Human Fraternity.

BRIDGETOWN – The existential threat of the climate crisis casts a long shadow over our planet. Its effects are not equally distributed: vulnerable countries, particularly small island developing states (SIDS) like mine, are on the front lines. We must contend with rising sea levels, more frequent and intense extreme weather events, and the destruction of our livelihoods. To address these challenges and strengthen the resilience of our people and systems, many leaders, including me, have had to reshape policies and reconceive the relationship between government and the governed.

While sea-level rise could directly affect 250 million people by the end of this century, it is already a lived reality for tens of millions in low-lying coastal countries and SIDS. Elsewhere, people are plagued by prolonged droughts and fires. These forces are putting our territories, economies, and very existence at risk, and countering them requires not only urgent action, but also a fundamental shift in our global consciousness – a recognition of our shared humanity and intertwined fate. Simply put, this crisis demands global solidarity.

As a 2025 honoree of the Zayed Award for Human Fraternity, I believe that recognizing our responsibility to care for one another is an essential element of the climate response and as important as scientific, technological, financial, and diplomatic measures. Just as a family supports its most vulnerable members, so, too, must the global community rally around those countries bearing the brunt of a crisis they did little to create.

As it stands, the global financial architecture is ill-equipped to address the climate crisis. It was designed for a different era that did not contemplate the interconnectedness of our economies and ecosystems or the dangers of global warming. The Bretton Woods institutions, for example, were established more than 80 years ago to help European economies recover from World War II.

But the unprecedented scale and urgency of the climate crisis requires a new approach to unlock the financing that developing countries need for mitigation and adaptation. The system must be reformed to make sustainable development, climate resilience, and equitable access to finance its top priorities. This is not charity; it is an investment in our collective future. When some people are left to die, all of humanity – present and future – will eventually suffer.

The Bridgetown Initiative, which many vulnerable countries have championed, calls for multilateral development banks to expand their lending capacity and to ensure that their risk-assessment frameworks reflect the realities of climate vulnerability. It also advocates increased concessional finance, recognizing that grants and low-interest loans are essential for countries struggling to cope with the climate emergency. And the initiative proposes innovative mechanisms like debt-for-nature and debt-for-climate swaps, offering a path to debt relief while generating the financial resources vulnerable countries need to take ownership of their climate transitions and build more resilient economies and societies.

But finance alone is not enough. A paradigm shift is needed in how we understand development, moving from the narrow pursuit of GDP growth to a more holistic approach that values social justice, environmental sustainability, and human well-being. This requires a fundamental rethink of our economic models. Infinite growth on a finite planet is simply not possible. We must embrace a circular economy that improves resource efficiency, minimizes waste, and promotes sustainable consumption.

Such a shift ultimately hinges on global fraternity. We must recognize that, in an interconnected world, our actions have consequences for others, and that protecting our planet is a shared responsibility. That means equitably distributing the burden of climate change, so that those who have contributed the least to the problem do not suffer its worst effects.

Leading a small island country like Barbados has taught me valuable lessons about the power of community and resilience, as well as the importance of long-term vision. We have learned the hard way how to adapt to changing climate conditions and innovate in the face of adversity. And we have come to realize the value of empowering communities to take ownership of adaptation efforts, and of nature-based solutions in building resilience. These lessons, born of necessity, are not unique to Barbados; they can guide all countries, regardless of size or wealth, toward a more sustainable future.

I have often said that the world looks to SIDS for leadership on the climate crisis not because we are rich or powerful, but because we have no choice but to lead. The unavoidable truth is that we can no longer stand alone: everyone must join the fight to safeguard the planet for generations to come.

More than an environmental issue, the climate crisis is a global challenge that demands a collective response. We cannot afford to be divided by national borders, political ideologies, or economic interests. This is a profound test of our shared humanity, and we will need global solidarity – ordinary people taking action every day – to pass it.

PROJECT SYNDICATE

The Economic Consequences of Trump's Ukrainian Peace

GENE FRIEDA

Gene Frieda, a former global strategist at PIMCO, is a senior visiting fellow at the London School of Economics.

LONDON – At the end of World War I, John Maynard Keynes was part of the British delegation to the Paris Peace Conference, where the victorious Allies dictated the peace terms for the defeated Central Powers. He emerged from the conference distraught. As he subsequently wrote in The Economic Consequences of the Peace, delegates' focus on short-term political considerations, including the desire to "punish" Germany for its aggression, would come at the cost of long-term social and political stability in Europe. It is a warning worth remembering today.

Keynes's 1919 admonition proved prescient. None of the leaders of the three Allied powers lasted more than three years in office after signing the Treaty of Versailles. Over the following decade, Germany faced worsening instability, with hyperinflation giving way to depression, as successive governments attempted to meet the treaty's onerous terms. Sharply declining prosperity, together with collapsing faith in their government, fueled popular anger and contributed to the rise of Adolf Hitler. The result was the deadliest conflict in human history.

US President Donald Trump's administration appears poised to make a similar mistake as he negotiates a deal to end the Ukraine war – only this time, it is the victim, not the aggressor, that is to be punished. Its provision of extensive military and financial assistance to Ukraine, together with its pivotal role in NATO, which is supposed to guarantee Europe's security, gives the United States enough leverage to force Russia to the negotiating table. But rather than engage in lengthy discussions aimed at prying concessions from Russian President Vladimir Putin, Trump seems committed to the path of least resistance: giving Putin whatever he wants.

This would include, presumably, an agreement to keep Ukraine out of NATO and potentially even the rollback of security guarantees for the Baltic states. It would also include the easing of economic sanctions as a kind of carrot aimed at "guaranteeing" peace in Ukraine. But this might have the opposite effect: by facilitating Russian rearmament, a sanctions rollback could accelerate the country's return to aggression and disruption.

For Trump, that is Europe's problem. The world is being re-divided into spheres of influence, so European democracies – including a fragmented European Union – will have to compete with Russia for regional leadership. And, in fact, any post-conflict peacekeeping operation will comprise only European troops. But this logic is as deeply flawed as that of the Treaty of Versailles, and it is likely to have similarly disastrous effects, starting with the destruction of Ukraine's sovereignty and the destabilization of Europe.

For Ukraine, a US retreat behind the high walls of Trump's "America First" agenda would mean certain death. Russia might not even have to resort to military action to bring the country under its de facto control; disinformation campaigns alone could undermine the authorities' legitimacy.

As for the rest of Europe, it will confront an unenviable choice between committing ever more resources to defense and investing in solutions to other existential challenges, such as climate change and societal aging. Managing this trade-off will be the greatest challenge, both financially and politically, that European leaders have faced since the end of the Cold War.

As visions for European security diverge, EU unity will be tested like never before – not even in the 2010s, when economic fragmentation nearly destroyed the eurozone. Given Europe's lack of growth potential or visionary political leadership – deficiencies that emerged well before the Ukraine war – some EU countries might be drawn toward an Eurasian bloc, anchored by Russia and China, promising cheap energy, cheap goods, and an alternative open-source technology standard. In any case, the days of a single integrated global economy appear to be numbered.

The Ukrainian peace the Trump administration appears likely to embrace may also cause the international financial system to splinter. Security guarantees have long formed a pillar of the US dollar's dominance – and the "exorbitant privilege" this affords the US. That is why Russia's 2022 invasion of the Ukraine, which bolstered support for NATO and led to the strengthening of security guarantees for Taiwan, reinforced the dollar's primacy.

America's abandonment of Ukraine and rejection of NATO, together with its removal of sanctions on Russia, would have the opposite effect, spurring private and official investors to seek alternatives to the dollar. By undermining trust in the US and worsening America's growth prospects, Trump's embrace of trade tariffs would reinforce this trend.

Weaker demand for dollar assets would lead to higher borrowing costs for the US government and American firms. The resulting drag on growth could drive US leaders to double down on misguided protectionist policies and ramp up pressure on the US Federal Reserve to prioritize growth over price stability.

As with Britain in Keynes's time, the negative feedback loop between higher fiscal deficits, rising borrowing costs, and weaker growth will strengthen the incentive for investors to seek alternatives to the dollar. With Europe racked by instability, China is likely to be the main beneficiary of this effort.

At the Paris Peace Conference, Keynes saw what his colleagues did not: the Treaty of Versailles would set the stage for a new conflict. The "war to end all wars" would soon have a sequel. The same can be said of the Trump administration's plans for ending the war in Ukraine.

How Trump Can...

Continued from page 10

ers and acquisitions were down nearly 30% in January 2025 compared to January 2024, reflecting this unpredictability. Consumers, too, are starting to show signs of nervousness. The University of Michigan's index of consumer sentiment fell by 5% in February.

To be sure, since the pandemic, consumers have been as down on the economy as they typically are during recessions. But February's decline in consumer sentiment seems to be related to inflation concerns. The Michigan survey showed a large month-on-month jump in median 12-month inflation expectations, from 3.3% to 4.3%. Notably, consumers in the Michigan survey were particularly gloomy about buying conditions for durable goods, which suggests anxiety about tariffs.

Research by economists Olivier Coibion, Yuriy Gorodnichenko, and Michael Weber shows that Americans expect to pay nearly half of the costs of any tariffs that Trump enacts. And a different survey found that two-thirds of Americans do not think Trump is doing enough to lower consumer prices. Tariff fears and the potential for higher prices could lead consumers to cut back their spending, slowing the current expansion.

While the uncertainty caused by Trump's erratic policy communication is harmful, following through on his populist policies would be much more damaging. Trump's first-term trade war increased consumer prices and reduced business investment, manufacturing employment, and competitiveness – without meaningfully cutting economic ties with China or lowering the trade deficit.

Goldman Sachs estimates that a sustained 25% tariff on imports from Canada and Mexico – which Trump announced on February 1 but then almost immediately paused for 30 days – would reduce economic output by 0.4%. A study published by the Peterson Institute for International Economics finds that GDP will fall by 1.2% by 2028 if Trump deports 1.3 million illegal immigrants.

Trump was elected largely because voters rejected Joe Biden's approach to economic policy, which had inflationary consequences. Given the US economy's underlying strength, Trump has begun his second term with the wind at his back. He should build on this advantage by pursuing his many policy goals that would boost growth, rather than those that would impede it.

AfDB's new report shows Africa's strengthening economic growth amid global challenges

Stories by Bamidele Famoofo

AFRICA'S ECONOMIC PERFORMANCE is showing signs of improvement but remains vulnerable to global shocks, according to the 2025 Macroeconomic Performance and Outlook (MEO) report released by the African Development Bank recently.

The report unveiled on the sidelines of the 38th Ordinary Session of the African Union Assembly in Addis Ababa, projects real GDP growth to accelerate to 4.1 percent in 2025 and 4.4 percent in 2026. The forecast is attributed to economic reforms, declining inflation, and improved fiscal and debt positions.

Despite the positive trajectory, the report highlights that Africa's growth remains below the 7 percent threshold required for substantial poverty reduction. The continent also continues to grapple with geopolitical tensions, structural weaknesses, climate-related disasters, and prolonged conflicts in regions such as the Sahel and the Horn of Africa. It estimated Africa's average real GDP growth to be 3.2 percent in 2024, slightly higher than the 3.0 percent recorded in 2023.

The report notes that while inflationary pressures persist, Africa's average inflation rate is expected to decline from 18.6 percent in 2024 to 12.6 percent in 2025-2026 due to tighter monetary policies. Fiscal deficits have widened slightly from 4.4 percent of GDP in 2023 to 4.6 percent in 2024 but are projected to narrow to 4.1 percent by 2025-2026. Public debt levels have stabilized but remain above pre-pandemic levels, with nine countries in debt distress and eleven at high risk of distress.

The MEO, published by the Bank biannually in the first and fourth quarters, responds to a critical need for timely economic data amid global uncertainty. It serves policymakers, development partners, global investors, researchers, and other stakeholders.

L-R Ayham Moussa, chief operating officer, MTN Nigeria; Onyinye Ikenna-Emeka, chief marketing officer, MTN Nigeria; Ikenna Ikechumwu, mPulse winner and one day CEO and Karl Toriola, outgoing CEO for the day, MTN Nigeria at the One Day CEO Event on 19th February 2025.

The 2025 report identifies 24 African nations, including Djibouti, Niger, Rwanda, Senegal, and South Sudan, as poised to exceed 5 percent GDP growth in 2025. Additionally, Africa remains the world's second-fastest-growing region after Asia, with 12 of the 20 fastest-growing economies projected to be on the continent. Ethiopia's Finance Minister, Ato Ahmed Shide, praised the report's depth of analysis. "It underscores the fragility of Africa's economic growth, which is projected to hover around 4 percent in the near term," he said, emphasizing the need for proactive policy measures to sustain growth and stability.

He said Ethiopia has taken bold steps to restore macroeconomic stability, build resilience, and accelerate growth, with the government prioritizing economic liberalization, private sector empowerment, and fiscal discipline.

Strengthening Africa's Resilience

In her remarks at the report's launch, Nnenna Nwabufo, vice president for regional development, integration, and business delivery at the African Development Bank, highlighted the continent's potential for driving global economic expansion but said achieving this requires decisive and well-coordinated policies.

"As Africa navigates an increasingly complex economic landscape, policymakers must adopt a forward-looking approach to reinforce resilience and drive sustainable growth. Africa's economic resilience and growth prospects remain strong, but challenges persist," said Nwabufo, who represented the Bank Group's President, Dr. Akinwumi Adesina.

Presenting the report, Prof. Kevin Urama, the Bank Group's Chief Economist and Vice President for Economic Governance & Knowledge Management, underscored the need for stronger coordination between monetary and fiscal policies to manage inflation while fostering economic expansion.

He urged countries to strengthen foreign reserves to shield economies from external shocks and currency depreciations, alongside pre-emptive debt restructuring to prevent defaults and enhance financial stability.

Medium- to long-term strategies should include increasing investments in integrated infrastructure to drive economic transformation and diversification. Governments must work to enhance the business environment through regulatory reforms and long-term strategies to attract private investment, Urama said.

The 2025 MEO report outlines key policy recommendations, including implementing pre-emptive debt restructuring to enhance financial stability, investing in integrated infrastructure to support economic diversification and improving the business environment through regulatory reforms and investment strategies.

Path Forward

Panel discussions following the report's launch underscored the importance of fully implementing continental development initiatives such as the African Continental Free Trade Area agreement. Discussions also focused on accelerating new initiatives like the proposed Africa Credit Rating Agency and the African Financial Stability Mechanism.

The panel, moderated by Dr Victor Oladokun, Senior Advisor (Communications and Stakeholder Engagement) to the Bank Group President, included contributions from the African Risk Capacity Group, represented by its chair, Dr. Mothae Maruping. Gambian Finance Minister Seedy Keita highlighted the African Development Bank's support in implementing the country's fiscal reforms and domestic revenue mobilization.

African Union Trade Commissioner Albert Muchanga called on the private sector to do more to support the African Continental Free Trade Area, including through increased investments in logistics and manufacturing. "What I would expect [African businesses] to do is come up with logistics centres and warehouses across Africa; I would also expect the African private sector to start planning to develop an African shipping line... We are sitting on potential; the business sector has not responded," Muchanga said.

FDI increased to a record $41 trillion in 2023 – IMF

GLOBAL FOREIGN DIRECT INVESTMENT grew again in 2023 after declining the previous year. Inward direct investment climbed $1.75 trillion, or 4.4 percent, reaching a record $41 trillion, according to the IMF's latest Coordinated Direct Investment Survey, which provides detailed information on direct investment positions between countries.

FDI rose in most regions, with Central and South Asia, Europe, and North and Central America contributing most. Direct investment between advanced economies grew by $880 billion, or 3.6 percent, while those from advanced economies to emerging market and developing economies rose by $538 billion, or 7.6 percent.

The United States extended its lead as the top destination for direct investment. Singapore recorded the largest gain in 2023, with its position rising $307 billion, followed by $227 billion for the United States and $164 billion for Germany. Meanwhile, the Netherlands and Luxembourg posted the steepest declines but remained in the top five, alongside the United States, China, and the United Kingdom.

Strong growth was also seen in many emerging economies. Most notably, India, Mexico, and Brazil each saw their inward direct investment positions rise by around $130 billion or about 20 percent, marking the largest increase for these three economies in total since the survey began in 2009.

The IMF's annual Coordinated Direct Investment Survey is the only worldwide source of bilateral FDI positions between economies. It aims to provide a geographic distribution of inward and outward FDI worldwide, contribute to a better understanding of the extent of globalization, and support the analysis of cross-border linkages and spillovers in an increasingly interconnected world.

Foreign Direct Investment in Nigeria increased by 564.41 USD million in the third quarter of 2024. Foreign Direct Investment in Nigeria averaged 792.31 USD million from 1990 until 2024, reaching an all-time high of 3084.90 USD million in the fourth quarter of 2012 and a record low of -558.45 USD million in the fourth quarter of 2022.

Meanwhile, at an event commemorating 64 years of Nigerian independence in October 2024, President Bola Ahmed Tinubu claimed that his government's reforms have attracted over $30bn in foreign direct investments in the last year.

VFD Group boosts Nigeria's digital banking landscape with N5bn investment in V Bank

VFD Group, a leading proprietary investment company, has announced a N5 billion capital injection into V Bank or VFD Microfinance Bank, reinforcing its commitment to the growth and expansion of the digital-first financial institution.

The investment decision according Gbeminiyi Shoda, company secretary, VFD Group, was approved by the board of directors.

This strategic investment underscores VFD Group's dedication to strengthening V Bank's position as a formidable player in Nigeria's financial services ecosystem.

V Bank, a wholly digital bank, has steadily disrupted the financial landscape by offering seamless, technology-driven banking solutions tailored to the needs of individuals and businesses. This latest investment will accelerate V Bank's innovation drive, enhance its digital infrastructure, and expand its suite of services, further solidifying its standing as a leading provider of financial solutions in Nigeria.

Speaking on the investment, Nonso Okpala, Group Managing Director of VFD Group, emphasized the company's vision of fostering financial inclusion and driving digital banking transformation in Nigeria. "Our ₦5 billion investment in V Bank reflects our confidence in its potential and our unwavering commitment to seeing it flourish. V Bank is not just a microfinance institution; it is an integral part of Nigeria's financial services ecosystem, and we are committed to scaling its operations, expanding its reach, and reinforcing its position as a trusted financial partner to millions of Nigerians."

He noted that, "VFD Group's strong track record in financial services, investment management, and business growth provides the ideal foundation for V Bank's continued expansion. The Group's diversified portfolio and extensive expertise equip it with the capacity to drive sustainable growth, ensuring V Bank remains at the forefront of digital banking innovation."

V Bank's Managing Director, Mr. Rotimi Awofisibe highlighted the impact of the investment on the bank's future. "This capital infusion will allow us to deepen our technological capabilities, introduce new product offerings, and enhance customer experience. With VFD Group's support, we are poised to scale new heights, reaching more Nigerians and providing them with innovative, efficient, and accessible banking solutions."

"This investment marks a new chapter in V Bank's journey, as it transitions into a more robust financial institution capable of meeting the evolving demands of Nigeria's dynamic economy. As part of its growth strategy, the bank will continue to leverage cutting-edge technology, strategic partnerships, and customer-centric innovations to redefine banking in Nigeria," he added.

For **Feedback**, send text message to
Bamidele Famoofo on 08074509391

STOCKS MARKET

	NSE	NSE 30	FTSE 100	DOW JONES	S & P 500	FTSE/JSE	NASDAQ
	102,353.68	3,786.54	8,223.98	42,732.13	5,942.47	76,120.24	17,732.60
CURRENT	2.94	3.11	-36.11	+339.86	+73.92	+321.69	0.71%
YEAR TO DATE	0.56	0.67	0.44%	0.80%	1.26%	+0.42%	11.16%

TOP TRADERS

Company	Volume	Value
ACCESSCORP	49134629	1183408328
FIDELITYBK	20396977	358981813.5
UBA	20080228	681012094.2
OANDO	14810361	998077576.3
UNIVINSURE	13809418	8681068.2

TOP GAINERS

No	Equity	Opening	Closing	%Change
1	CAVERTON	N 2.00	N 2.20	10.00%
2	LIVESTOCK	N 5.40	N 5.94	10.00%
3	SOVRENINS	N 1.00	N 1.10	10.00%
4	NEIMETH	N 3.12	N 3.43	9.94%
5	ROYALEX	N 0.81	N 0.89	9.88%

TOP LOSSERS

No	Equity	Opening	Closing	%Change
1	ACADEMY	N 3.49	N 3.15	-9.74%
2	PZ	N 27.50	N 25.00	-9.09%
3	DAARCOMM	N 0.81	N 0.74	-8.64%
4	TRANSCORP	N 49.90	N 46.95	-5.91%
5	DANGSUGAR	N 40.50	N 38.50	-4.94%

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

Investors reap N196bn as equities market sees muted activity

Onome Amuge

THE NIGERIAN EQUITIES market recorded a modest week, with investors gaining N196 billion on the trading floor of the Nigerian Exchange (NGX). This follows a more robust performance in the previous week, where investors secured gains totaling N1.8 trillion.

The Nigerian equities market displayed a measured ascent in its latest week of trading, as market capitalisation rose to N67.614 trillion from the previous week's figure of N67.418 trillion, gaining N196 billion in the process.

In parallel with this upward movement, the All-Share Index (ASI) gained 0.41 percent, closing the week at 108,497.40 points, up from the previous week's total of 108,053.95 points.

The week's trading activity on the NGX revealed a shift from the previous week's trading volume, with investors trading a total of 2.001 billion shares worth N49.486 billion in 70,853 deals, compared to 2.414 billion shares worth N55.512 billion traded in 80,988 deals the week prior.

The Financial Services Industry emerged as the most active sector in terms of trading volume on the NGX, accounting for 59.91 percent of the total equity turnover volume with 1.199 billion shares traded across 30,527 deals.

L – R. Temi Popoola, group managing director/CEO, Nigerian Exchange Group (NGX Group); Ahmed M. Dangiwa, minister, Federal Ministry of Housing and Urban Development; Victor Alonge, president and chairman of council, Nigerian Institution of Estate Surveyors and Valuers (NIESV), and Umaru Kwairanga, group chairman, NGX Group, during the 2025 Fellows' Induction Compendium of NIESV at Eko Hotel and Suites, Victoria Island, Lagos.
IMAGE BY PIUS OKEOSISI

The sector also commanded 53.20 percent of the total equity turnover value, amounting to N26.325 billion.

The second most active sector on the NGX, in terms of volume traded, was the Agriculture Industry, contributing 234.002 million shares valued at N1.683 billion across 3,191 deals.

Meanwhile, the Consumer Goods Industry, occupied the third spot with a turnover of 173.829 million shares worth N7.150 billion traded across 8,903 deals.

The week saw a decline in the number of equities experiencing price appreciation compared to the week prior, with only 28 stocks registering gains against 65 the previous week. However, the number of equities experiencing price depreciation increased from 31 in the previous week to 58 this week. Meanwhile, 64 equities maintained their price levels, which is higher than the 54 recorded in the previous week.

Access Holdings Plc, Ellah Lakes Plc, and Fidelity Bank Plc emerged as the three most actively traded stocks on the NGX, with their combined trading volume accounting for 30.92 percent of the total equity turnover volume and 22.65 percent of the total equity turnover value.

Abbey Mortgage Bank Plc took the lead among price gainers for the week, registering a 16.13 percent rise in its share price, followed closely by Smart Products Nigeria Plc with a 15.38 percent increase.

Dangote Sugar Refinery Plc also made significant headway, adding 15.00 percent to its share price over the week.

On the other hand, Union Dicon Salt Plc suffered the heaviest loss, shedding 25.00 percent of its share price over the week, followed by Ikeja Hotel Plc, which witnessed a 21.43 percent reduction. UPDC Plc also faced downward pressure, trimming its share price by 17.99 percent.

The Nigerian Exchange started the week on a bearish note as investors experienced a sell-off that resulted in a loss of N72.51 billion by the close of trading on Monday, February 17, 2025.

The market's downward momentum continued the following day, Tuesday, February 18, 2025, with investors suffering a further loss of N166.44 billion.

The tide turned on Wednesday, February 19, 2025, with the bulls making a triumphant comeback and delivering a gain of N504.74bn for investors on the NGX.

The bears once again took hold of the market on Thursday, February 20, 2025, as investors suffered a loss of N25.55 billion at the close of trading.

The NGX concluded the week on Friday, February 21, 2025, with a loss, as investors witnessed a N44.31 billion decline in market value.

Looking ahead, analysts at Cowry Asset Management anticipate mixed market sentiment in the coming week as investors await further corporate earnings releases and dividend declarations.In addition, market participants are expected to closely analyse the recently published macroeconomic data on the rebased CPI and the rate hike pause by the CBN to assess their impact on investment portfolios.

"However, we expect a flow of funds into the equities space as investors seek better investment opportunities, particularly in the near term. Investors are advised to remain vigilant, focusing on stocks with strong fundamentals to make informed investment decisions," they added.

Liquidity squeeze deepens as NIBOR Climbs; T-Bill yields fall on inflation ease

THE OVERNIGHT NIGERIAN INTERBANK Offered Rate (NIBOR), a crucial indicator of liquidity in the country's banking sector, edged higher by 0.04 percentage points week-on-week to reach 32.92 percent, reflecting tighter liquidity conditions in the financial system.

According to analysts, the recent rise in the NIBOR was fueled by increased activity in the Central Bank of Nigeria's (CBN) Standing Lending Facility (SLF) window, which, in turn, drove the banking system into a net deficit position.

The Nigerian Interbank Offered Rate displayed a mixed pattern across tenors, with short-term rates rising while longer-term rates declined. Specifically, the 1-month, 3-month, and 6-month NIBOR rates fell to 26.89 percent, 27.72 percent, and 28.84 percent, respectively.

The Nigerian Treasury Bills Yield (NITTY) also decreased across all maturities. The downward trend in NITTY was largely attributed to the decline in inflation from 34.8% in December 2024 to 24.48 percent in January 2025, as well as a modest reduction in stop rates at the primary market auction.

The maturation of N1.29 trillion in Treasury bills (T-bills) also influenced yields across the various tenors. At the close of the week, the 1-month, 3-month, 6-month, and 12-month T-bill yields settled at 19.49 percent, 18.76 percent, 19.65 percent, and 21.83 percent, respectively

The T-bills secondary market saw intense buying interest across short, medium, and long-term tenors, causing the average market yield to drop by 189 basis points to 20.20 percent from 22.08 percent in the preceding week.

Meanwhile, the CBN held a Nigerian Treasury Bills (NTB) primary market auction (PMA) on Wednesday, offering N700 billion worth of bills across 91-day, 182-day, and 364-day maturities.

The investor appetite for these instruments was robust, with total subscriptions reaching N2.41 trillion, resulting in a bid-to-cover ratio of 3.11x.

Capitalising on the investor demand, the CBN allotted a total of N774.13 billion in sales during the auction, raising more funds than originally planned.

Oando stocks tumble, investors exit amid 40% price slump

OANDO PLC, A LEADING INDIGENOUS oil company in Nigeria, experienced a sharp decline in its share price for the week, shedding approximately 16 percent of its market value, which translated to a loss of N137 billion in market capitalisation.

The fall was chiefly driven by negative investor sentiment and profit-taking activities, which began on Monday and continued throughout the week. Investors reacted to various factors, including changing industry dynamics and overall market uncertainty, prompting a sell-off that reverberated across the Nigerian Exchange (NGX).

The downward trend in Oando Plc's share price continued on Friday, as the stock fell to N59, while nine million units valued at N566.718 million exchanged hands on the NGX.

The sharp decline in Oando Plc's share price began in earnest during the early trading sessions of the week, driven by a surge in trading volume, with more than 17 million units exchanging hands.

The stock's recent volatility marked a sharp contrast to its rally in 2024, when it was buoyed by positive investor sentiment and the company's notable acquisition-driven growth strategy.

Oando Plc's current market valuation of N733.453 billion represents a discount compared to its previous 52-week high on the Nigerian Exchange , with the stock trading at approximately 40 percent below its highest price level in the last year. At its 52-week peak, the company's total outstanding share count of 12.431 billion shares carried a market value of N1.223 trillion

The steep decline in Oando Plc's share price has resulted in an erosion of the company's market valuation, leading to a loss of approximately N490 billion in market capitalisation from its peak.

Quoted Insurers

Security	P/close	Open	High	Low	close	%change	Volume	value
AIICO	1.68	1.68	1.74	1.69	1.7	1.19%	12,630,965	21,479,667.03
CORNEST	3.7	3.7	4.06	3.7	4.06	9.73%	1,252,131	4,774,874.37
INTENEGINS	1.9	1.9	–	–	1.9	0.00%	127,078	238,149.60
LASACO	3.37	3.37	-	-	3.37	0.00%	723,724	2,361,983.24
MANSARD	9.1	9.1	9.25	9.25	9.25	1.65%	2,011,656	18,582,592.09
NEM	12	12	-	-	12	0.00%	66,534	812,914.70

Nigeria offers the most affordable third-party motor insurance policy, says NAICOM

Stories by Joy Agwunobi

NIGERIA CURRENTLY provides the most cost-effective third-party motor insurance policy in the world, the National Insurance Commission (NAICOM) has revealed.

With an annual premium set at ₦15,000 (approximately $10), vehicle owners can secure year-long coverage, ensuring compliance with the country's mandatory insurance regulations.

This development comes as Nigeria's insurance sector intensifies efforts to boost awareness and increase penetration rates, particularly through the enforcement of mandatory Third-Party Motor Insurance. Despite its affordability and legal necessity, many motorists remain unaware of its benefits, posing challenges to compliance and insurance adoption.

Olusegun Omosehin, the commissioner for insurance and chief executive officer of NAICOM, emphasised the affordability of the policy during a recent televised interview. He noted that Nigeria offers one of the lowest third-party motor insurance rates globally, yet a significant number of vehicle owners fail to recognise its importance.

"Nigeria has the least in terms of cost for third-party motor insurance at ₦15,000; that is barely $10 per annum, and you have cover for 12 months," Omosehin stated.

The Third-Party Motor Insurance policy is a statutory requirement in Nigeria, providing coverage against liabilities arising from damages or injuries caused to third parties. The insurance industry, under NAICOM's guidance, has continued to push for greater public enlightenment and compliance to ensure a broader reach and enhanced financial protection for road users.

Omosehin reaffirmed that the ongoing drive for compliance with third-party motor insurance is not primarily about revenue generation but rather about ensuring that Nigerians understand the benefits embedded in the policy, highlighting the role of key stakeholders such as the Nigerian Police Force and the Federal Road Safety Corps (FRSC) in strengthening enforcement efforts.

Omosehin clarified that third-party motor insurance is not a new regulation but one that dates back to the Motor Vehicle Third Party Insurance Act of 1945. This law was later reinforced under Section 68, Subsection 1 of the Insurance Act of 2003, making it clear that every vehicle on Nigerian roads must have at least the minimum third-party cover.

L-R: Odiaka Christiana, chief executive officer, Chrisemua and Sons Nigeria Limited (Second Runner-up); Jimoh Ogungbola, managing director, J.Ogungbola and Sons Limited (National Volume Champion); Hans Essaadi; managing director, Nigerian Breweries Plc; Dennis Okorie, chief executive officer, MACDEN Communications Limited (First Runner-up); and Emmanuel Oriakhi, marketing director, Nigerian Breweries Plc, during the 2025 Distributor Awards of Nigerian Breweries Plc held in Lagos recently

"The provisions of the law are clear—no exemptions. No person shall use, cause to use, or authorise the use of a vehicle on Nigerian roads without a valid third-party insurance policy," he said.

Beyond legal compliance, Omosehin stressed that the core objective of third-party insurance is to provide financial protection for accident victims. The policy ensures that those affected by road accidents are not abandoned without compensation.

"If you don't care about yourself, at least make provisions for the liability or risks that your vehicle poses to other road users. Essentially, it is about protection—ensuring that victims of road accidents receive compensation so that we do not have cases where accidents occur, and victims are abandoned, sometimes even in the case of death, injuries, or third party damage," he explained.

To ensure widespread compliance, NAICOM, in collaboration with law enforcement agencies, has activated mechanisms to track and enforce adherence to the policy. One of the lesser-known benefits of third-party motor insurance, Omosehin pointed out is its recognition across the Economic Community of West African States (ECOWAS).

"With a valid third-party insurance policy, motorists can drive their vehicles beyond Nigeria's borders and still be covered within the ECOWAS region," he noted.

While encouraging compliance, Omosehin also warned motorists about the risks of purchasing insurance from unlicensed providers.

"Many people think they have valid third-party insurance, only to realise later that they bought from what I call the 'black market,' making their certificates worthless. To avoid this, ensure you purchase your policy from a NAICOM-licensed insurance company," he cautioned.

To help Nigerians verify the authenticity of their insurance policies, NAICOM has provided several verification platforms, including an online database listing all registered insurers and an electronic system that allows motorists to confirm their policy status.

Omosehin reiterated that NAICOM is taking deliberate steps to ensure compliance with compulsory insurance policies. He urged motorists to embrace the system, not just as a legal obligation but as a necessary safeguard against unexpected financial burdens.

He stated "It is no longer fashionable to seek assistance when an accident occurs. The law requires that all motorists have at least a third-party insurance policy, and we are committed to ensuring full compliance."

Omosehin further stressed the critical role of insurance in safeguarding individuals, families, and businesses against risks. He noted that the commission is actively working to create a legal and regulatory framework that supports the insurance industry's growth and ensures a stronger risk protection system for Nigerians.

He highlighted NAICOM's ongoing efforts to expand microinsurance services, recognising its potential to provide affordable coverage to underserved populations. "We have seen significant opportunities in microinsurance and are licensing more microinsurance providers. In addition, given the cultural and religious diversity in Nigeria, we are also licensing takaful insurance operators to cater to those who prefer ethical and Sharia-compliant financial services," he stated.

Omosehin also emphasised NAICOM's openness to innovation in the insurance sector. "As regulators, we are now more receptive to new ideas. We have introduced a regulatory sandbox that allows us to collaborate with industry players in testing and refining new products. Furthermore, we are reviewing the guidelines for web aggregators to better regulate their operations and address key challenges affecting the sector's growth," he explained.

The insurance industry is also leveraging digital technology to improve efficiency and enhance regulatory processes. Omosehin pointed out that NAICOM has embraced digital transformation to streamline its operations. "For us, digital regulation is an ongoing process, not a one-time initiative. It involves refining our processes, training personnel, and adopting modern technologies to improve oversight. We have made significant progress in this regard, but we are continuously working towards greater efficiency," he said.

To facilitate regulatory functions, NAICOM has launched a digital portal that simplifies compliance and operational procedures. "Our NAICOM portal enables insurers and other stakeholders to submit regulatory filings electronically. This allows us to analyse data, track industry trends, and make informed policy decisions. Additionally, licensing procedures have been simplified, allowing most insurance agents to complete their registration online without needing physical interactions with the commission."

The commission has also strengthened consumer protection mechanisms, ensuring that policyholders receive the benefits they are entitled to. "Our consumer protection unit, through its complaint bureau, now has an online platform where Nigerians can lodge complaints. This initiative enhances transparency and ensures that consumers receive fair treatment in their dealings with insurers," Omosehin stated.

Addressing concerns about capital requirements for insurance operators, he reflected on past regulatory changes stating, "The issue of capital adequacy has been a subject of discussion for years. In 2019, there was a directive to increase the minimum share capital requirements for operators, but this was suspended in 2020 due to the economic disruptions caused by the COVID-19 pandemic. Implementing such a major change during a period of uncertainty could have had unintended consequences."

Providing an update on industry reforms, he assured that steps are being taken to strengthen the sector. "At present, we are reviewing minimum capital requirements to ensure that the industry remains stable and resilient, capable of supporting Nigeria's economy in the long run. While I cannot provide full details yet, significant progress has been made, and we remain committed to a more robust insurance sector," Omosehin said.

The issue of insurance education and awareness remains is also a major challenge in Nigeria, as many people remain sceptical about trusting insurance companies. Omosehin acknowledged that addressing this concern is a key project for the National Insurance Commission (NAICOM), emphasising the importance of educating Nigerians on the benefits of insurance and protecting their interests when claims arise.

"As regulators, one of our primary objectives is to enlighten Nigerians on the value of insurance and ensure their interests are safeguarded. We have embarked on a mass education and enlightenement campaign to encourage public engagement, allowing people to ask critical questions. This is important because many Nigerians doubt whether insurance companies will honour their obligations in the event of a claim. This is where NAICOM plays a crucial role," Omosehin stated.

He clarified that while NAICOM does not operate as an insurance provider, its mandate as a regulator ensures that insurance companies fulfil their commitments. "We are not operators; we are regulators. Our role is to guarantee that all promises made by insurers are honoured. We license these entities, and if they fail to adhere to the right standards, we have the authority to revoke their licenses. Our goal is to provide comfort to Nigerians and assure them that in the event of issues, they can always turn to us for resolution."

Beyond that, Omosehin stressed that Nigerians need to take full advantage of the protection that insurance offers, especially in this inflationary economy, "this is one of the key aspects we need to drive as a nation—imbibing the insurance culture," he added.

He further highlighted the advantages of insurance for businesses, stating, "Insurance relieves business owners of major financial risks, allowing them to focus on expanding their ventures. The risks of business failure, loss of profit, or property damage can be effectively managed through insurance. That is precisely what you

Continues on page 19

Akhil Bhardwaj

Akhil Bhardwaj is an Associate Professor of Strategy and Organisation at the University of Bath

Luk Van Wassenhove

Professor Van Wassenhove currently focuses on aligning business models and new technologies with the UN Sustainable Development Goals, e.g. closed-loop supply chains, circular economy, and disaster and health logistics

Henk Akkermans

Henk Akkermans is a Professor of Supply Chain Management at the Department of Information Systems and Operations Management of Tilburg University in the Netherlands.

Can We Stop Giants From Failing Us?

HARD LANDINGS BY companies from Boeing to large investment banks could have been prevented with the right policy levers.

In early 2024, the door panel blowout from a Boeing 737 MAX aircraft in mid-air shocked the world, less than five years since that model was grounded worldwide following two crashes that claimed 346 lives. The urgent question then was: How did that happen? But the more important question really is: Could these disasters have been prevented?

From the apex of the aerospace industry, the American aircraft manufacturer landed itself a troubling safety record and felony charges with a nearly US$1 billion price tag. But Boeing is certainly not the first (and probably not the last) company to experience such a rude awakening.

The 2008 financial crisis saw banks including Wells Fargo, Citigroup, Goldman Sachs and Bank of America being bailed out to prevent their failure from cascading into a global financial meltdown. More surprisingly, some bank executives whose unprecedented risk-taking led to the banks' bailouts were quick to dispense lavish bonuses after receiving government money.

Are these corporate giants too big to fail – such that neither regulators nor markets have corrective power over them?

Anatomy of a man-made disaster

In our working paper "Icarus: On Operational Safety and Organisational Downfall", we examined why and how performance – and in the case of Boeing, safety – gets eroded and what can be done to attenuate such disasters.

Our findings underscore a general tendency for organisations to drift towards failure. Disasters are, in fact, avoidable. The genesis of a disaster and its prevention lies in day-to-day operations and accountability. Where accountability is concerned, governance and the operator-regulator relationship are key. When regulators do not pay sufficient attention to their operations, organisations may be tempted to take risks with the complicity of the regulator.

In the case of Boeing, as one of the only two major players in the commercial aircraft manufacturing space and an essential supplier to the United States defence services, it will not be allowed to fail. Even after it admitted to felony, the US government made it clear that it would continue to do business with the aircraft manufacturer. In the same vein, the state did not allow the aforementioned banks to fail during the 2008 crisis for "the greater good".

Being too big to fail sparks a moral hazard. Executives tend to tolerate or gloss over transgressions, secure in the knowledge that the organisation will be bailed out or will suffer minimal consequences even if it underperforms. Clearly, being too big to fail can have a direct impact on quality and safety.

However, earlier studies show that being too big to fail does not automatically lead to adverse consequences. That said, our study shows that it can intensify the harmful effects of the confidence trap.

Confidence trap meets "too big to fail"

When previous instances of risk-taking did not lead to failure, one may erroneously believe that continuing to take risks in the future will pay off – a phenomenon known as the "confidence trap".

Our research indicates that top organisations often fall into the confidence trap, which could manifest as banks engaging in more risky lending or aircraft manufacturers cutting back on quality inspections. When issuing a riskier loan or doing away with an inspection do not lead to a disaster – and might instead reward the executive or the organisation – the propensity to take risks increases.

The situation worsens in too-big-to-fail organisations, where executives enjoy the upside of risk but are protected from the downside – in the knowledge that the organisation will not be allowed to fail. Former Boeing CEO David Calhoun continued taking risks even though his predecessor Dennis Muilenburg was fired for shoddy practices that led to two fatal crashes. Despite Boeing's poor safety records, the regulator, the US Federal Aviation Administration (FAA), hardly "tightened the screws" on Boeing. The cap it imposed on production, among other steps, was no more than a slap on the wrist. And worse, these executives were handsomely rewarded.

If a company is bailed out instead of penalised by the regulator and executives are not held accountable for making risky decisions, unwarranted risk-taking will undoubtedly increase. Being too big to fail introduces this moral hazard that "supercharges" the confidence trap. In our study, we show this relationship using system dynamics modelling, specifically, how the interaction of the confidence trap and being too big to fail results in greater frequency and magnitude of disasters.

Together, Boeing and the FAA undoubtedly fell prey to the confidence trap, such that the regulator allowed excessive self-regulation with little oversight. Take the manoeuvring characteristics augmentation system aboard the Boeing 737 MAX, which was at the centre of the 2018 and 2019 crashes. The system was not only designed and certified by Boeing itself, but "incremental modifications" was made over time without regulatory oversight. In addition, the company drifted away from safety standards. Pass a tipping point, a major disaster will occur – and it did, taking 346 lives.

Preventing man-made disasters

So, what can be done? To attenuate the consequences of these dynamics, we suggest two policy levers. First, financial clawbacks could strip executives of the "too big to fail" protection. These contractual provisions ensure that executives have skin in the game, since they would have to pay back part of their remuneration in the case of non-performance – including operational failure and man-made disasters. Making them personally liable for disasters resulting from their imprudent decisions or actions could align the objectives of the operator and regulator, making disaster avoidance a shared priority.

Second, we propose a separation of (government) authority from expertise. In practice, it is almost impossible (or impractical) for regulators to catch up with the technical details of the organisations they oversee as they may not have all the required expertise. While regulatory requirements are set by the relevant authority, regulatory oversight in the form of monitoring and checks can be outsourced to an independent specialist auditor to improve operational oversight.

In the aviation industry, the head of the FAA acknowledged that it is trying to move to an "audit plus inspection" regime. More generally, the third-party auditor should be appointed by regulators but paid by the company being audited. This is simply the cost of doing business. In fact, companies in industries such as pharmaceuticals often hire external auditors to identify problems flagged by regulators.

Our model shows that imposing clawbacks and instituting third-party oversight can boost performance, or in this case, reduce the occurrence of preventable disasters. Excessive risk-taking can be curtailed when an independent third party provides effective oversight and executives are incentivised to act more prudently instead of focusing only on short-term profit.

In addition, the operator-regulator relationship and governance structure are critical factors. Systemic consideration of these factors is needed to reduce the likelihood of man-made and preventable disasters. Importantly, the mechanisms underpinning disasters are not unique; they can be generalised to high-stakes safety contexts, be it in aviation, nuclear energy or pharmaceuticals.

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STRATEGY

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How Incumbents Can Win the EV War

RATHER THAN FOLLOWING the playbook of Chinese EV companies, incumbents should adopt a more strategic approach tailored to their unique strengths.

China's electric vehicle (EV) scene has experienced marked growth in recent years. Brands including BYD and Geely have grabbed significant global market share and put pressure on EV pioneer Tesla, alongside traditional automakers. This is largely due to their advanced battery technologies, price advantage courtesy of a competitive domestic market and willingness to invest in on-the-ground infrastructure.

In response to strong competition, most incumbents have focused on shoring up their existing internal combustion engine vehicle market share and preserving residual value. Unfortunately, this may not be enough to save them. Volkswagen plans to close several plants, while Stellantis CEO Carlos Tavares recently resigned two years before the end of his term.

What can traditional automakers in the United States, European Union, Asia and beyond do to catch up? Here are four lessons they can apply to their EV journeys.

Differentiate through premium offerings

A dangerous knee-jerk response to the entry of lower-priced Chinese EVs would be to adopt a similar low-cost strategy. If not done well, this approach can lead to eroding margins, fewer innovations and potentially deteriorating quality. Indeed, the aviation industry offers a cautionary tale of the long-term consequences of a race to the bottom – the dramatic fall of Boeing is partly due to the company chasing cost savings and higher margins.

Still, challenges for incumbent automakers abound. Their battery technologies are far behind that of Chinese EV firms. Additionally, their design and digital cockpit are generally less appealing. Prices would therefore have to be set below Chinese offerings to lure consumers, which could mean selling at a loss.

A potential solution would be to go premium and focus on value creation when it comes to the customer experience, especially in terms of mid- to high-end products. Many traditional automakers – think Mercedes-Benz and BMW – have built strong brands over their long history. By maintaining the high quality, rich customer experience and stable life-cycle value they are known for, they continue to differentiate themselves by defending their premium segments, which will take time for Chinese EV firms to build up.

This strategy has worked in other industries. To counteract competition from fast-fashion labels and contract manufacturers, long-standing haute couture and luxury brands like Louis Vuitton and Hermès have focused on quality, design and the total customer experience to add value beyond the functionality of their products. In the tech world, Apple has managed to retain its premium position amid the rise of Samsung and Xiaomi by making the brand synonymous with constant innovation.

At this critical juncture, avoiding a direct price war with Chinese EV companies may be effective, but also risky. It calls for courage, as it may require a trade-off between a short-term loss in market share and long-term success.

Some incumbents have already begun developing advanced technologies for their luxury product lines. For example, Mercedes-Benz has enriched the in-car experienceby introducing an immersive audio system from Dolby Atomos. It has also embarked on a partnership with battery maker CATL to create the EQS luxury sedan. Meanwhile, Volkswagen has worked with software company Cerence to integrate ChatGPT into its vehicles to enhance the user experience.

Forge the right partnerships

Speed is key in an era of rapid technological evolution. Although developing core technologies in-house provides full control and can yield long-term competitive advantage, progress can be slow. Collaborating with EV battery makers or even Chinese EV automakers themselves can be a viable alternative.

The right partnerships leverage the strengths of both parties. Incumbent automakers have the brand recognition, market access, distribution channels and connections with local institutions and communities, while battery makers and Chinese EV manufacturers bring advance technologies and low production costs. This combination can accelerate incumbents' time to market and potentially result in a superior product. Both sides stand to gain from teaming up.

Such a strategy has worked well in other industries. A recent example comes from the world of GenAI (generative AI), where the partnership between Microsoft and OpenAI combines the market power and corporate access of Microsoft with the rapid technological development of OpenAI. This approach requires carefully negotiated partnership contracts. Mistrust or suspicion could eliminate potential benefits.

Encouragingly, many such collaborations have sprouted in recent years. For example, Stellantis has partnered with Chinese automaker Leapmotor to produce EVs in Poland for the European market. Volkswagen has also entered into an agreement with Chinese EV maker XPENG on platform and software collaborations to "drive its e-offensive in China". The partnership between BMW and Zapata AI has boosted the former's operational efficiency by reducing idle time and optimising the achievement of production targets.

Orchestrate the mobility ecosystem

One subtle yet profound shift in the automotive industry has been the shake-up of the industry value chain. When it comes to the adoption of new technologies, channels, services and infrastructure all become critical to attract early adopters and convert consumers.

As an example, direct-to-consumer (D2C) stores by EV brands including Tesla and Xiaomi have disrupted traditional dealership networks. The D2C model allows for a direct feedback loop from the consumer back to the manufacturer. Take Tesla CEO Elon Musk, who famously hosts periodic meetings with early Tesla customers to obtain their input. This shortens the consumer feedback cycle.

As younger generations and urban dwellers reconsider the automotive ownership model, automakers old and new are experimenting with mobility solutions such as digital platforms, mobile interfaces and real-time asset management. Incumbents must try to shape the entire EV ecosystem around their core product with partners from adjacent industries. This includes everything from understanding mobility patterns and constructing charging stations to redesigning electric grids and influencing policy.

The good news is they have several advantages over newcomers. First, their deep understanding of the local context can help them build viable solutions without stepping into obvious traps. For example, strategically placing charging stations in and around the city centre in Paris requires tacit knowledge of the local context, which Chinese EV makers may not possess.

Second, incumbents are likely already embedded within their local communities. They often represent national, regional or local pride, provide employment, directly or indirectly support local economies and sponsor local activities and events. In Germany, automakers have long been the backbone of the economy and attract international conferences like the International Motor Show Germany and incubators like Startup Autobahn.

Third, incumbents can be better positioned to shape regulations and policies. For example, reconfiguring electricity grids in a country to support EV charging goes beyond laying new cables. The decision is likely to affect various political and economic parties and must be tied back to the national energy security plan. A domestic brand can be much more informed and influential on this front than foreign newcomers.

Successful examples can be found in retail. In the US, Walmart managed to leverage its scale, technology and supply chain advantage to reconfigure its systems around e-commerce and fend off Amazon's aggressive challenge. It converted many of its larger stores into warehouses, which won support from its employees and the communities it operates in. Similarly, in China, JD.com extended its original brick-and-mortar network and built new ecosystems around e-commerce logistics including last-mile deliveries. Today, the company stands strong against digital natives like Alibaba and PinDuoDuo.

Explore alternative technologies

The Chinese EV industry got a headstart on battery technologies in the domestic market. Building on its dominance in current lithium-based batteries, China has already moved on to developing solid-state batteries for EVs. It will be challenging for incumbent automakers to level the playing field in a short period of time. They should therefore explore other pathways for technological advancement. For instance, in addition to establishing itself as a pioneer in solid-state battery research and production, Toyota has gone against the grain by exploring an alternative battery technology – the hydrogen cell.

Similar lessons can be drawn from the tech industry. After Microsoft, Google and Alibaba successfully moved into cloud technologies, fencing off cloud natives such as Salesforce, they invested heavily in GenAI to strengthen their dominance. Today, they continue to bet on quantum computing– the next battleground in the coming decades.

As large incumbents attempt to catch up to Chinese EV brands, they often struggle to break with the past and overcome operational and cultural barriers to speedily roll out new inventions. Putting their energy into what they anticipate will be the next wave of disruptive technologies could be a more effective way to leapfrog the newcomers.

Making the leap

The EV war has only just begun. When facing the new challengers from China, the pressure to put up good performance figures may influence incumbents to focus on direct competition in the immediate term, which can lead to panic, fear and chaos.

In fact, incumbents have much more to offer from their brand power and market influence, as well as their knowledge of and relationships with local communities. To regain their footing and take a step forward, established automakers should explore strategic options such as premiumisation, alliances and partnerships, end-to-end ecosystem orchestration and alternative technologies. This could help them re-establish themselves as pioneers in the long run.

Can Pride Make You Look Incompetent at Work?

Research from Wharton's Rebecca Schaumberg explores the downside of expressing pride in your own work.

REBECCA SCHAUMBERG

Assistant Professor of Operations, Information and Decisions

MEETING A PROJECT DEADLINE or signing a new client is something to crow about, but being proud can backfire if colleagues think the accomplishment is no big deal. Research from Rebecca (Becky) Schaumberg, Wharton professor of operations, information and decisions, finds that expressing feelings of pride sometimes makes people seem less capable. If others don't express pride in an achievement, then conveying pride comes at the risk of being perceived as an incompetent worker.

Schaumberg said she believes this overlooked, understudied aspect of pride is one of the main reasons why people become reluctant to share their successes — especially the small things — in the workplace.

"I was trying to think in my own life about things that I felt proud of, and I realized I didn't feel comfortable sharing those pride experiences with others because they might not think they were worthy of pride. Unfortunately, this research shows a level to which I was right," Schaumberg said in an interview with Wharton Business Daily on SiriusXM

The Fear of Being Perceived as an Incompetent Worker

Her paper, published in the journal Organizational Behavior and Human Decision Processes, details nine studies she conducted to measure what people think about someone who expresses pride in an achievement. The achievements ranged from computer scientists winning a programming tournament to new hires acing a job aptitude test. In each case, her hypothesis held: When someone takes pride in an achievement that others react to without pride, the performer is believed to be less competent.

For her pilot study, Schaumberg surveyed 200 participants on reasons they might have concealed feelings of pride in the workplace. While 38% said they didn't want to brag or make coworkers feel badly, a notable 25% said they did not want to be judged as less competent or less good at their job. Another 20% said they concealed pride because they believed others wouldn't feel the achievement was worthy.

"My source of pride may not be your source of pride because of our difference in backgrounds and how we've been socialized," the professor said. "It's important for organizations to recognize that, and I think they are."

Encouraging Workers to Celebrate Success

Schaumberg said the study results are concerning because of the potential effect on "workplace capitalization," which is the sharing of positive job experiences and successes with colleagues. Workplace capitalization is how coworkers learn best practices and understand standards and norms, so it's worrisome if sharing stops out of fear of judgment. She said managers can help by setting a broad definition of success and inviting employees to give voice to them.

"This work is really useful in helping to show one of those blocks [to capitalization], because we want people to take pride in their work, to feel pride in their achievements, and to feel comfortable expressing them," she said.

Schaumberg said the research has inspired her to be more vocal about her own accomplishments, even small victories like sending an email or crossing things off her to-do list.

"One of the things that really struck me in listening to people's accounts of pride that they don't share is that they are incredibly moving. It might be someone who said, 'I've been struggling with depression, but I finally went to work today, and I feel really proud that I did that.' When you hear this, it just opens your heart," she said. "If there were a way for workplaces to encourage that expression of pride so that it could be outward and not just something people have privately, I could imagine that really having beneficial effects for the culture."

AI

MORRIS COHEN

Panasonic Professor Emeritus of Manufacturing & Logistics, Professor Emeritus of Operations, Information and Decisions

The Tariff Toolkit: Wharton Professor Shares Essential Strategies for Business Leaders

Wharton supply chain professor shares advice on how companies can prepare for potential tariffs.

MORRIS COHEN, Wharton professor of manufacturing and logistics in the Operations, Information and Decisions Department, joins the show to discuss how companies can prepare for potential tariffs under the Trump administration. (Editor's note: This interview took place on November 14, 2023.)

Dan Loney: Well, great to continue the conversation with Morris Cohen, who's a Professor of Manufacturing and Logistics in the Operations, Information and Decisions Department here at the Wharton School. Professor Cohen, great to talk to you. Thanks very much for your time today.

Morris Cohen: Thank you. It's a pleasure to be here.

Loney: You know, it's interesting. When you look at the logistics side and manufacturing side, with all the conversation going on about potential tariffs, it seems like we're seeing more and more companies taking a preemptive step to maybe make some of these changes right now.

Cohen: Oh, absolutely. In fact, that's sort of an essential requirement now for how to deal with these disruptions. You're thinking in terms of investing in a real option. Companies have to make decisions about how they'll react to these contingencies if they should occur. Like, you know, a huge trade war caused by tariffs. But the policies that they want to implement, like shifting manufacturing to another country, or changing their supplier network, require time and investment. And if you don't make those decisions up front, you won't be able to respond adequately.

So it's like purchasing an option. But unlike a financial option, it's a real option. You have to make an investment in assets, plant equipment, relationships with suppliers, data, so on. And then you wait. So you anticipate, and then you react after the event has occurred. And then you have the resources available, and you exploit the option that you have.

Loney: We've seen so much production go overseas in the last several decades. For companies that rely on that, it has to be a massive challenge to shift this, what feels like midstream, to change the dynamics of a lot of where you're producing and how you're producing. And then, of course, the shipping component as well.

Cohen: Yeah. We did a big study based on the pattern of shipments into the U.S. by ship from everywhere in the world. This was in response to the COVID disruption. But now we're talking about a geopolitical disruption which could be caused by tariffs, could be caused by war and insurrection and so on. And we saw even in responding to COVID, companies have been responding for quite some time. There's been shifts in manufacturing out of China to Vietnam, to India. There's been near shoring, which is bringing production back to your market, like to Mexico, U.S., or Canada, or Western Europe. And then there's major investment in technology, in digital technology, to provide the flexibility to achieve resilience. So this has been going on for a while. But it's massive change, as you said.

Loney: Well, obviously China is talked about a lot as being one of the core components that the U.S. government would like to put pressure on.

Cohen: Right.

Loney: Even in the run up to the election, [Trump] mentioned at one time about John Deere potentially moving some of their production to Mexico. But there is even a concern by him and maybe even the administration about production in Mexico, which is a very vital trade partner of ours when you think about things in North America.

Cohen: There's no place in the world that's going to be exempt from this. And Mexico and Canada, the whole North American trade structure, has been a subject of discussion and policy impacts for quite some time. And you know, the free trade agreement between Canada, U.S. and Mexico was modified by the Trump administration, and it remains to be seen now how they'll respond to the current situation. So companies in Mexico, the government, they're concerned. Absolutely.

Preparing for Tariffs: Scenario Planning

Loney: For companies, then, that maybe haven't taken some of these steps yet — and there is still some unknown component as to what we're going to see play out. But what should they be thinking about? How should they be approaching the potential of making these shifts?

Cohen: Okay. Well, I would say — we actually wrote a paper on this. I can give you a reference. But our in our conclusion — we had three or four conclusions which I think respond to your question. First of all is the notion of scenario planning. You have to identify future scenarios that could be impactful. So think of the tariffs. Think of world wars, and trades, and all those disruptions. I'm not saying that we can or ever will be able to predict those events, but we certainly can imagine them. And managers have to define those scenarios by imagining them. I'm sure a lot of companies are thinking that right now. And then figure out how they're going to respond. And that becomes the next step.

In order to do that, you need to analyze your supply chain. Because the response involves changing not only the structure of the supply chain, but how you manage it. And one thing that they have to embrace is the complexity of the global supply chains. It's a reality, and it's not all bad. By having these complex networks of flows and materials in and out, that actually provides opportunities to mitigate risk, to move things around. There's buffering that occurs.

And finally, the data, the decisions and the outcomes that you're concerned with are all interconnected. And as I mentioned before, you have to adopt a real option mind framework. What should we do now in anticipation of the scenarios that we've imagined, so if they should occur, we can exercise that option and be resilient.

Loney: And the companies have to do this while at the same time trying to minimize the negative impact to their bottom line, which — obviously something that every CEO wants to minimize as much as they can.

Cohen: Well, that — yes. And that raises a very important point, that when we're dealing with geopolitical — you know, global supply chains — we're talking about assets, materials, crossing borders. And once things cross borders, then financial flows are affected, in fairly complex ways. And so that has to be considered very, very carefully and directly, I would say.

Loney: Is it your expectation then, right now, that we still are kind of in a wait and see mode in terms of what we play out? Or should companies start to plan out and act on this?

Cohen: No, I think companies are planning and acting right now. We're wait and see, because we don't know what's going to happen. But that's by definition. You know, we don't know. What will the current administration actually do? Never mind the rhetoric. What policies will they adopt? I don't think anybody knows that for certain. But companies have to and already are making the investments and making the adjustments and coming up—you know, one thing that companies often do in this environment is they come up with what they call a playbook. That, if this event should occur, then we exercise—we turn on the playbook, and we go through. So, this was— if my supply is disrupted because the suppliers plant blew up, or now, because there's a huge tariff, I exercise this playbook. And I start calling people in my company, in my extended network, and so on. And they have a plan of action that they'll implement when needed.

Quoted Insurers

Security	P/close	Open	High	Low	close	%change	Volume	value
AIICO	1.68	1.68	1.74	1.69	1.7	1.19%	12,630,965	21,479,667.03
CORNEST	3.7	3.7	4.06	3.7	4.06	9.73%	1,252,131	4,774,874.37
INTENEGINS	1.9	1.9	–	–	1.9	0.00%	127,078	238,149.60
LASACO	3.37	3.37	-	-	3.37	0.00%	723,724	2,361,983.24
MANSARD	9.1	9.1	9.25	9.25	9.25	1.65%	2,011,656	18,582,592.09
NEM	12	12	-	-	12	0.00%	66,534	812,914.70

L- R: Aminu Dabo Musa, relationship manager, First Trustees Limited; Babajide Fetuga, acting managing director, First Trustees Limited; Ummahani Amin, managing partner, Metropolitan Law Firm; Abimbola Ajinibi, head, business development, Northern Region, First Trustees Limited, Yinlaifa Edolo ,technical assistant, Metropolitan , Law Firm, and Rotimi Obende, head, private trust, First Trustees Limited, at the 7th annual Islamic Estate Planning Clinic recently organized by First Trustees Limited in Abuja.

RSA accounts hit 10.5m as more Nigerians embrace contributory pension scheme

Joy Agwunobi

THE NATIONAL PENSION COMMISSION (PenCom) has reported that as of the third quarter of 2024, the number of registered Retirement Savings Accounts (RSAs) stood at 10,536,088, reflecting the increasing adoption of the pension system in Nigeria.

This information was contained in PenCom's Industry Performance Dashboard Report. According to the commission, a total of 118,339 new RSA registrations were recorded in the year-to-date period of 2024, underscoring sustained awareness and inclusion efforts.

Over the past five years, RSA registrations have grown by 13.93 per cent, rising from 9,215,788 in the fourth quarter of 2020 to 10,499,358 in the third quarter of 2024. During this period, male account holders constituted 61 per cent, while female account holders made up 38 per cent.

Additionally, Cumulative pension contributions under the Contributory Pension Scheme (CPS) reached an unprecedented N10.97 trillion by the end of the third quarter of 2024.

The data further revealed substantial growth in pension contributions over the past five years with public sector contributions rising from ₦3.43 trillion to ₦5.71 trillion, while private sector contributions increased from ₦3.27 trillion to ₦5.25 trillion.

PenCom reiterated that the CPS is designed to ensure that individuals who have worked in either the public or private sectors, including self-employed persons, receive their retirement benefits as and when due. The scheme also aims to provide financial security by encouraging individuals to save for their livelihood in old age.

The Pension Reform Act applies to all employment in the public service at the federal, state, and local government levels, as well as in the private sector.

Nigeria offers...

Continued from page 14

pay for—professional risk management. Where issues arise, NAICOM ensures that due process is followed, and obligations are met."

Omosehin highlighted that under the current administration, NAICOM remains committed to safeguarding policyholders' interests and restoring public confidence in the insurance sector. He explained that the commission's primary objective is to ensure that all legitimate claims are honoured by operators, emphasizing that insurers are encouraged to prioritize claim payments.

According to him, as long as a claim is genuine and not fraudulent, policyholders can be assured of NAICOM's intervention to hold insurers accountable. He further noted that while many operators have performed commendably in this regard with efforts of insurance companies are not usually recognised.

"We engage directly with operators, and I must say, many of them have performed commendably. Unfortunately, positive stories about insurance companies fulfilling their responsibilities often go unnoticed."

He emphasised the need for the insurance sector to amplify its success stories, stating, "We need to do more as an industry to publicise the good work being done. Nigerians need to see and hear these positive stories so that confidence in the sector can be restored. Our responsibility as regulators is to ensure that the industry operates transparently and that policyholders receive the benefits they are entitled to."

Omosehin further expressed enthusiasm about the market growth potential of Nigeria's insurance sector, emphasizing that it remains a key focus of regulatory oversight. While his role spans supervision, regulation, and consumer protection, he noted that fostering sectoral growth gives him renewed energy, particularly given the vast opportunities presented by Nigeria's large population.

"With over 200 million Nigerians, the opportunities before us are limitless. Our priority is to get more Nigerians genuinely interested in insurance and ensure they have positive experiences with it. This is what we are committed to achieving," he stated. He stressed the need for growth across various sectors, particularly the informal sector, which remains a significant part of Nigeria's economy.

The micro, small, and medium enterprises (MSMEs) segment is particularly critical, as many young entrepreneurs and business owners require protection against unforeseen risks. "We are actively working to expand coverage in these areas while also creating an enabling environment for operators," he added. Ensuring financial stability within the sector, he said, is another crucial aspect of NAICOM's regulatory oversight. Acknowledging past instances where some insurance firms faced challenges, he assured that the commission has strengthened intervention mechanisms to protect policyholders and maintain industry stability."We have increased regulatory oversight and introduced more structured interventions. For example, we continuously monitor the solvency ratio of insurance firms and have introduced a Sovereignty Control and Intervention Framework.

The Insurance Broker

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Enhanced Motor Third Party insurance

LET ME START BY apologising for reverting so late. Please bear with me. In my last article I discussed the three main types of motor insurance policies in the Insurance Nigerian market: They are the motor (third party) insurance, which is compulsory, third party fire and theft (TPFT) and comprehensive motor insurance. I explained further that the premium for third party insurance is N15,000 for private vehicles, N20,000 for buses, N5,000 for tricycles, N2,000 for motorcycles, and N100,000 for trucks.

The limitation of third party insurance cover is that it offers the policyholder no personal relief. It only provides the policyholder relief for liabilities to third parties for bodily injuries, death and property damage. The limit for property damage is N3 million for private vehicles, N5 million for own goods vehicles, N2 million for tricycles, N1 million for motorcycles and N5 million for trucks.

The challenge some policyholders have is that they do not have the resources to do a comprehensive motor policy or TPFT. The premium for comprehensive is five percent of the insured value of the vehicle and two-third of the insured value for TPFT (subject to negotiations). But some policyholders want to have their cake and eat it; that is, they want some personal relief (claim for own damage) in addition to cover for third party liabilities. This is our focus in this article.

To satisfy such policyholders, some insurance companies have come up with a third party insurance product that offers limited relief with payment of a little extra premium. Some insurance companies call theirs enhanced third party insurance, third party insurance plus, etc. They charge an extra premium in addition to the statutory N15,000 for third party private vehicles premiums and premiums of other types of vehicles, depending on what you or your insurance broker negotiates or the extent of cover you want for your own damage.

The implication is that if the policyholder is involved in an accident, beyond covering his liabilities to third party, if he is at fault (which is what third party insurance covers), the insurance company will also pay him some compensation for own damage (damage to his vehicle), subject to the policy limit of the policy. The policyholder should, however, be aware of the risk he is carrying. In the event of an extensive damage to his vehicle, he will be his own insurer for any amount above the policy limit for own damage minus excess (excess is the portion of each and every claim, expressed in figures or percentage of the claim a policyholder bears. The clause is put in every insurance policy to encourage policy holders to take good care of the subject matter of insurance (vehicle in this case) as if it was not insured. Only in comprehensive motor insurance can a policyholder buy back the excess at a percentage of the sum insured). The implication is that in the event of an accident, the insurance will pay the full adjusted claim to the policyholder without deducting any amount for excess. These days, excess buyback is automatically granted to policyholders with comprehensive insurance by most insurance companies.

Enhanced third party is very good for people with vehicles with value under N10 million. For such vehicles, if they are involved in an accident for which they are liable, between N200,000 to N300,000 can fix their vehicles, provided the damage to the vehicle is not severe. If it is extensive, millions might be required for the repairs. The policyholder has to bear the additional cost for the repairs. This insurance is also no substitute for TPFP or comprehensive because if the vehicle is stolen, there is zero remedy for the policyholder.

This enhanced third party insurance is not suitable for all vehicle owners. For instance, if the value of your car is N150 million, it is useless and a waste of time. In the event of an accident, one headlight of a luxury car can cost as much as N5 million to replace. So of what use will N300,000 minus excess be to such a policyholder, who might spend N5 million or more on repairs at the end of the day. So for such a policyholder, he should insure the vehicle comprehensively, or take the statutory Motor (Third Party) and be his own insurer. In practice, some rich people do comprehensive insurance, but some stupendously rich people do only third party insurance to comply with the law: The Motor Vehicles (Third Party) Insurance Act of 1945, which took effect from 1st April 1950, makes it an offence for anybody to use a motor vehicle on the road without having in place the minimum Motor (Third Party) Insurance to cover the motorist against liabilities arising from third party bodily injuries or death. Also, section 68 of the Insurance Act and Section 3 of the Motor Vehicle (Third Party) Insurance Act requires that no person shall use, or cause or permit any other person to use, a motor vehicle unless such a motor vehicle is insured against damage to the property of third parties. This is in addition to the Insurance Act of 1945.

When you tell some very rich people to do comprehensive insurance, they tell you that if one vehicle is stolen or involved in an accident, they have other vehicles at their disposal. Moreover, they have the money to replace it. But can you say so, of yourself? If you can't, please take a comprehensive motor policy if you can afford it.

Not all insurance companies have an enhanced third party product as I said earlier. You can contact a registered insurance broker to guide you on insurance companies that offer it. There are also options for flexible payment in case you want to do comprehensive insurance. Contact a Registered Insurance Broker (RIB) for details. The list of RIBs is on these websites: https//naicom.gov.ng ; and https//ncrib.net.

NB: The police started the enforcement of the minimum third party insurance on Nigerian roads nationwide since February 1 this year. Please ensure that your insurance is genuine. Visit: https//askniid.org

VETIVA CAPITAL MANAGEMENT LIMITED

MARKET COMMENTARY FOR THE WEEK ENDED 20TH FEBRUARY, 2025

Focus for the week: PRESCO PLC FY'24 Earnings Release – On track for a stronger performance

PRESCO records acquisition gains

In Q4'24, PRESCO's revenue surged by 172% y/y to ₦69.5 billion, driven in part by the partial acquisition of a 52% stake in Ghana Oil Palm Development in September 2024. On the other hand, growth for the Nigerian operations was supported by rising demand and the impact of currency depreciation on local prices. We believe that the 10% increase in global CPO prices in Q4'24 also influenced the topline growth in the review period. Notably, the cost of sales increased significantly by 185% y/y to ₦26.9 billion, reflecting the integration of operations, following the partial acquisition of GOPDC. This increase was further exacerbated by the challenging inflationary and foreign exchange (FX) environment, which significantly impacted input costs. As such, gross margin declined by 2ppts to 61%. Meanwhile, operating expenses increased at a more moderate pace of 39% y/y to ₦12.9 billion. This in addition to the jump in gains from the revaluation of biological assets (+103% y/y) and FX gains (+473% y/y), pushed EBIT margin higher by 7ppts to 91% y/y, as EBIT for the period surged 196% y/y to ₦63.1 billion. Further down, the passthrough from the higher topline growth and a 113x surge in finance income culminated in a 233% y/y expansion in PBT to ₦60.9 billion. Accordingly, PAT increased by 459% y/y to ₦52.5 billion.

Indicators	WK CLS	WK OPEN	WTD (%)	YTD (%)
EQUITIES				
NGX 30	4,036.47	4,012.93	0.59	5.89
NGX All-Share Index	108,497.40	108,053.95	0.41	5.41
Market Cap (NGN bn)	67,614.34	67,418.83	0.29	15.13
FEDERAL GOVERNMENT SECURITIES (%)				
91-Day T-Bill	19.36	21.10	(8.22)	(6.44)
182-Day T-Bill	19.68	21.80	(9.73)	(5.55)
364-Day T-Bill	21.69	23.13	(6.23)	(6.51)
2-Year FGN Bonds	19.66	21.28	(7.62)	(0.46)
3-Year FGN Bonds	19.63	20.38	(3.64)	(0.48)
5-Year FGN Bonds	19.58	20.86	(6.14)	(0.56)
7-Year FGN Bonds	19.54	21.62	(9.63)	(1.65)
10-Year FGN Bonds	19.45	19.52	(0.35)	(2.57)
20-Year FGN Bonds	18.45	19.25	(4.15)	0.73
INTERBANK MARKET RATES (%)				
NIBOR OPR	32.33	32.45	(0.12)	5.03
NGN EXCHANGE RATES (₦)				
USD/NGN	1501.08	1509.70	0.57	2.42
GBP/NGN	1891.36	1902.22	0.57	1.44
EUR/NGN	1576.13	1585.19	0.57	0.19
CNY/NGN	210.15	211.36	0.57	(0.33)
ZAR/NGN	81.06	81.32	0.57	0.80
USD/NGN FORWARDS				
1M	1541.90	1554.01	0.78	2.37
3M	1614.50	1633.36	1.15	1.45
6M	1715.15	1749.31	1.95	0.64
1Y	1906.24	1948.97	2.16	(0.14)

Source: NGX, FMDQ OTC, Bloomberg, Vetiva Research

SECTOR	INDEX VALUE	WoW Δ	YTD Δ
BANKING	1,202.73	-3.22%	10.90%
CONSUMER GOODS	1,846.47	6.55%	6.63%
INDUSTRIAL GOODS	3,638.55	0.05%	1.86%
OIL & GAS	2,546.46	-2.87%	-6.11%
VETIVA 30 ETF	41.00	4.22%	9.04%
INSURANCE	750.54	1.47%	4.53%

Weekly Top 5 Gainers

Stock	Closing Price (₦)	% Change
ABBEYBDS	3.60	16.13%
DANGSUGAR	41.40	15.00%
BUAFOOD	418.00	11.91%
SOVRENINS	1.32	11.86%
CHAMPION	4.12	9.87%

Weekly Top 5 Decliners

Stock	Closing Price (₦)	% Change
UNIONDICON	6.00	-25.00%
TRANSCOHOTEL	11.00	-21.43%
UPDC	3.10	-17.99%
ACADEMY	2.78	-16.52%
OANDO	59.00	-15.71%

Source: Vetiva Research

Revaluation gains bolster earnings

For FY'24, revenue grew by 93% y/y to ₦198 billion, reflecting the strong demand and pricing in the domestic market. While the acquisition of Ghana Oil Palm Development occurred late in the year, its impact was felt in FY'24, where it contributed ₦18.9 billion to revenue. On the other hand, cost pressures were evident due to higher energy prices (diesel and fertilizer prices), reflecting the impact of inflation-induced elevation in input costs and FX issues. That said, the cost of sales increased by 69% y/y to ₦63 billion. However, the strong revenue growth was able to mask this increase, causing gross margins to increase by 5ppts to 68%. Operating expenses increased by 42% y/y to ₦35.8 billion, with most pressure coming from the selling and distribution expenses which increased by 81%. Nonetheless, EBIT margin came in higher by 12ppts to 70%, supported by other operating income (+220% y/y) and gains from revaluation of biological assets (+103% y/y). Overall, PBT and PAT increased by 156% y/y and 217% y/y to ₦128 billion and ₦104.2 billion respectively.

What shaped the past week?

Equities: This week, the Nigerian Equities market closed at 108,497.40 points (+41bps w/w), as investors gained over ₦196 billion w/w. The bullish rally was driven by renewed buying interest in the Consumer Goods space, where DANGSUGAR (+15.00% w/w), BUAFOOD (+11.91% w/w), and CHAMPION (+9.87% w/w) boosted the NGX Consumer Goods index by 6.55% w/w. Similarly, sustained demand for Insurance stocks, resulted in a 1.47% w/w gain, where SOVRENINS (+11.86% w/w), WAPIC (+9.39% w/w), and INTENEGINS (+5.83% w/w) slightly nudged the Insurance index upward. Also, the Industrial goods sector inched up by 5bps w/w, majorly driven by an uptick in BETAGLAS (+4.88% w/w). However, declines in OANDO (-15.71% w/w) and ETERNA (-9.78% w/w) weighed on the Oil and Gas sector (-2.87% w/w). Additionally, sell-offs in FIDELITY (-6.15% w/w), ACCESSCORP (-5.86% w/w), and FBNH (-5.39% w/w) drove the Banking sector down (-3.22% w/w).

Fixed Income: This week, an NT-Bills auction was held, offering ₦700 billion across the 91-Day, 182-Day and 364-Day maturities. At the close of the auction, total subscriptions amounted to over ₦2.3 trillion, with total allotment coming in at ₦774 billion. The stop rates fell to 17.00% (Previous: 18.00%) for the 91-Day bill, 18.00% (Previous: 18.50%) for the 182-Day bill and 18.43% (Previous: 20.32%) for the 364-Day bill. In the secondary market, the bulls prevailed, as strong buy-side interest rallied throughout the curve, with benchmark rate in the market down by an average of 6.19% w/w. In the OMO market on Friday, we saw average yield for the day decline by 65bps, while a marginal average yield decline was recorded throughout the curve in the NTB market. Additionally, System liquidity tightened further to close at ₦723 billion negative. Despite this, we saw rates ease up at the interbank window, with OPR closing at 32.33% (+8bps d/d). This, however, is a decline from the previous week's close of 32.45% (-12bps d/d).

Currency: At the NAFEM, the Naira appreciated by ₦8.62 w/w to close at ₦1501.08/USD. According to market observers, the Central Bank's decision to continue selling dollars to BDCs operators until May 30, 2025, is seen as a key factor in Naira's recent strengthening. Hence, this policy has increased market liquidity and lessened panic among traders.

Domestic Economy: In January 2025, the National Bureau of Statistics (NBS) conducted a rebasing exercise for Nigeria's Consumer Price Index (CPI), updating the reference year to 2024 and expanding the basket of goods and services to 934 items. This methodological change significantly impacted inflation metrics, leading to a notable decline in the reported figures. Following the rebasing, Nigeria's CPI for the first month of the year fell to 24.48% y/y, a 10.32% decrease from the prior month (Dec'24: 34.80% y/y). This decline, the lowest in 17 months (since Jul'23:24.08% y/y), primarily reflects the statistical effect of the rebasing rather than an actual deceleration in consumer prices. Meanwhile, food inflation declined by 13.76% to 26.08% y/y (Dec'24: 39.84% y/y) in January, its lowest in 18 months (since Jun'23: 25.25% y/y). This can be attributed to the review of the weightings for food components. Core inflation followed a similar pattern, declining to 22.59% y/y (down from 29.28% in December) but rising 10.87% month-on-month (Dec'24: 2.24% m/m).

Following this, the Monetary Policy Committee held its meeting on Thursday and resolved to retain MPR at 27.50%. We see this decision by the committee as a 'wait and watch' approach employed by them to best monitor the impact of the new January inflation result on the economy, before any rate adjustments are made.

Global: For the past week, the Dow was down by 2.5%, while the S&P 500 and tech-heavy Nasdaq Composite dropped 1.6% and 2.4%, respectively, as losses accelerated from earlier in the session. A series of soft U.S. economic data triggered a stock market sell-off, as investors grew concerned about a potential economic slowdown coupled with persistent inflation. The University of Michigan's consumer sentiment index plummeted by 10% to 64.7 in January, far below expectations, with concerns stemming from anticipated tariff-driven inflation. The survey's 5-year inflation outlook hit a 1995 high of 3.5%. Further contributing to investor anxiety, existing home sales fell more than anticipated to 4.08 million units, and the S&P Global services purchasing managers index indicated contraction in February.

The Nikkei 225 Index shed 0.95% this week to close at 38,777 ppts. Meanwhile, Japan's headline inflation surged to 4% in January, a two-year high, up from 3.6% in December, which strengthen expectations that the Bank of Japan will continue its interest rate hikes throughout the year. Meanwhile, FTSE 100 and FTSE 250 fell by 84bps and 140bps this week to settle at 8659.37 and 20,613.89 points, respectively. A mixed wave of sentiments hit the market as the British pound surged to a two-month high (£1.26/USD) on unexpectedly strong January retail sales, indicating a surprising uptick in consumer spending amidst economic uncertainty. However, this positive news was countered by a survey revealing British businesses are rapidly cutting staff in anticipation of upcoming tax increases, which are already driving up supplier prices. These conflicting signals highlight the Bank of England's cautious approach to future rate cuts, as they proceed slowly after a recent reduction.

What will shape markets in the coming week?

Equity market: Looking ahead, the market is expected to trade sideways next week as investors digest corporate earnings. Banking stocks may see bargain hunting interest on the back of this, while consumer goods could maintain positive momentum.

Fixed Income: In next week's trading session, we expect constraints in system liquidity to shape the market. Additionally, in the bonds space, we expect investors to trade cautiously in anticipation of the FGN Bonds auction happening on Monday.

MONEY Nuggets

TUNDE OYEDOYIN

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Are you still getting out of bed in pursuit of your financial goals?

BELIEVE IT OR NOT, a question my dad asked me over 50 years ago came to mind while thinking of this piece on Friday. Let's keep rolling for now.

London-born supermodel, Ms Naomi Campbell, once famously said that it takes a particular amount of money to get her out of bed and head for the runaway. Now, we know. So, if you see her in Lagos again doing the walk for ThisDay Fashion Week, know that it took a certain amount of bucks to move her needle. That's just the way it goes.

Let's face it, setting financial goals is as easy as ABC. Anyone could have done that when the adrenaline was flowing all over everyone's body on the first day of this year. But six weeks later, are you still up for the challenge? When push comes to shove, are you still jumping out of bed in order to ensure you're putting food on the family table? Are you still showing up at work so as to earn money towards enrolling on that course that will improve your skills? Whatever the financial goals you've set to achieve this year, are you actually serious about them ?

Let's assume I am a driver or a primary school teacher and that spending Christmas at the Eko Hotel or Lagos Airport Hotel - or anywhere for that matter - is part of my financial goals for this year. Let's also assume I've budgeted putting twenty thousand naira away towards it each and every month so as to make booking the amazing Christmas happen, whether I like my job or not, yours truly will be showing up at work every morning in order to achieve this particular goal. If that goal isn't important, I'll probably have reasons to not fancy the job and perhaps even turn in my resignation. However, if that goal is important, I'll be getting out of bed five days a week.

Back to the question my father asked me over fifty years ago. It was the opening day of starting primary school and for whatever reason, yours truly wasn't excited to get out of bed when my parents tapped me. I remember till tomorrow that my dad then asked if I was still interested in starting primary school. I remember shaking away the sleep and was soon having my bath.

Why my father asked that question I wouldn't know, but it got me out of bed in order to put myself in line to achieve my goal of starting primary school.

Share Price List as @ Friday 20 February, 2025: The Nigerian Stock Exchange

Company	Previous Close	Open	High	Low	Close	Change	% Change	Volume	Value (N)
ABBEYBDS	3.41	3.41	3.60	3.60	3.60	0.19	5.57%	381,143	1,404,102.30
ABCTRANS	1.29	1.29	1.23	1.23	1.23	-0.06	-4.65%	178,161	220,383.23
ACADEMY	3.00	3.00	3.00	2.78	2.78	-0.22	-7.33%	3,756,130	10,946,590.59
ACCESSCORP	26.90	26.90	26.80	26.10	26.50	-0.40	-1.49%	16,773,243	443,117,005.20
AFRIPRUD	32.50	32.50	33.85	32.90	33.55	1.05	3.23%	3,728,717	124,615,224.90
AIICO	1.75	1.75	1.75	1.71	1.72	-0.03	-1.71%	10,751,654	18,479,571.68
AIRTELAFRI	2,156.90	2,156.90	-	-	2,156.90	0.00	0.00%	417	989,332.50
ARADEL	515.60	515.60	-	-	515.60	0.00	0.00%	2,354,022	1,198,770,493.30
AUSTINLAZ	1.90	1.90	1.90	1.90	1.90	0.00	0.00%	199,339	378,744.10
BERGER	21.00	21.00	-	-	21.00	0.00	0.00%	79,929	1,671,907.45
BETAGLAS	99.85	99.85	-	-	99.85	0.00	0.00%	141,598	13,299,913.40
BUACEMENT	93.00	93.00	-	-	93.00	0.00	0.00%	541,229	45,395,658.00
BUAFOODS	418.00	418.00	-	-	418.00	0.00	0.00%	325,384	122,413,580.80
CADBURY	29.10	29.10	-	-	29.10	0.00	0.00%	564,875	15,902,679.35
CAP	47.00	47.00	-	-	47.00	0.00	0.00%	4,234	189,533.00
CAVERTON	2.48	2.48	2.48	2.40	2.40	-0.08	-3.23%	812,445	1,987,871.86
CHAMPION	3.75	3.75	4.12	3.90	4.12	0.37	9.87%	1,865,999	7,623,385.88
CHAMS	2.21	2.21	2.36	2.27	2.35	0.14	6.33%	10,903,693	25,169,532.40
CHELLARAM	7.89	7.89	-	-	7.89	0.00	0.00%	4,897	37,811.71
CILEASING	3.96	3.96	3.90	3.90	3.90	-0.06	-1.52%	448,124	1,744,210.27
CONOIL	378.00	378.00	-	-	378.00	0.00	0.00%	235,955	80,294,136.00
CORNERST	3.40	3.40	3.46	3.46	3.46	0.06	1.76%	1,239,903	4,257,075.74
CUSTODIAN	19.00	19.00	-	-	19.00	0.00	0.00%	35,899	691,088.95
CUTIX	2.60	2.60	2.59	2.40	2.50	-0.10	-3.85%	8,937,542	22,221,845.65
CWG	8.20	8.20	8.55	7.75	8.50	0.30	3.66%	3,307,807	26,767,062.20
DAARCOMM	0.63	0.63	0.68	0.64	0.68	0.05	7.94%	2,379,368	1,579,873.04
DANGCEM	480.00	480.00	-	-	480.00	0.00	0.00%	359,327	158,701,908.00
DANGSUGAR	38.00	38.00	41.40	39.00	41.40	3.40	8.95%	9,780,835	390,578,922.25
DEAPCAP	0.92	0.92	1.00	0.99	0.99	0.07	7.61%	503,231	499,499.30
ELLAHLAKES	3.21	3.21	3.30	3.21	3.21	0.00	0.00%	40,469,322	130,505,213.03
ETERNA	42.50	42.50	40.60	40.30	40.60	-1.90	-4.47%	1,246,518	50,225,655.30
ETI	34.70	34.70	-	-	34.70	0.00	0.00%	35,053	1,125,662.25
ETRANZACT	6.50	6.50	-	-	6.50	0.00	0.00%	17,134	114,085.95
FBNH	30.95	30.95	30.70	30.05	30.70	-0.25	-0.81%	4,231,741	129,072,019.20
FCMB	10.85	10.85	10.90	10.55	10.65	-0.20	-1.84%	6,706,413	71,653,052.00
FIDELITYBK	18.50	18.50	18.50	17.95	18.30	-0.20	-1.08%	21,019,495	381,526,074.65
FIDSON	19.80	19.80	-	-	19.80	0.00	0.00%	300,074	5,655,882.00
FTNCOCOA	1.69	1.69	1.74	1.73	1.74	0.05	2.96%	1,104,722	1,906,280.95
GEREGU	1,150.00	1,150.00	-	-	1,150.00	0.00	0.00%	1,569	1,623,915.00
GTCO	62.40	62.40	63.05	62.30	63.05	0.65	1.04%	4,189,398	262,507,773.75
GUINEAINS	0.79	0.79	0.80	0.76	0.76	-0.03	-3.80%	1,730,095	1,361,581.35
GUINNESS	74.00	74.00	-	-	74.00	0.00	0.00%	389,571	28,902,873.25
HMCALL	5.87	5.87	-	-	5.87	0.00	0.00%	75,488	399,331.52
HONYFLOUR	13.50	13.50	13.11	13.11	13.11	-0.39	-2.89%	2,739,667	36,150,063.56
IKEJAHOTEL	11.90	11.90	11.50	11.00	11.00	-0.90	-7.56%	1,193,811	13,548,233.40
IMG	38.00	38.00	-	-	38.00	0.00	0.00%	3,407	118,812.00
INTBREW	5.70	5.70	5.70	5.70	5.70	0.00	0.00%	1,073,613	6,099,382.98
INTENEGINS	2.36	2.36	-	-	2.36	0.00	0.00%	460,052	1,010,387.60
JAIZBANK	3.40	3.40	3.39	3.10	3.39	-0.01	-0.29%	3,748,793	12,147,914.33
JAPAULGOLD	2.15	2.15	2.13	2.09	2.09	-0.06	-2.79%	5,959,600	12,566,680.41
JBERGER	128.00	128.00	-	-	128.00	0.00	0.00%	42,788	5,102,387.20
JOHNHOLT	7.00	7.00	-	-	7.00	0.00	0.00%	37,765	270,432.90
LASACO	3.15	3.15	3.10	3.00	3.10	-0.05	-1.59%	462,320	1,394,644.06
LEARNAFRCA	3.95	3.95	-	-	3.95	0.00	0.00%	76,817	302,291.30
LINKASSURE	1.45	1.45	1.40	1.39	1.40	-0.05	-3.45%	340,965	479,253.27
LIVESTOCK	6.00	6.00	6.30	6.05	6.05	0.05	0.83%	4,494,113	27,517,595.86
MANSARD	9.10	9.10	9.15	9.15	9.15	0.05	0.55%	913,944	8,431,573.11
MAYBAKER	8.90	8.90	-	-	8.90	0.00	0.00%	528,753	4,568,432.15
MRS	185.00	185.00	-	-	185.00	0.00	0.00%	111,205	20,546,725.80
MTNN	264.20	264.20	-	-	264.20	0.00	0.00%	405,977	104,261,807.40
MULTIVERSE	10.80	10.80	-	-	10.80	0.00	0.00%	23,449	228,627.75
NAHCO	64.95	64.95	-	-	64.95	0.00	0.00%	358,415	22,899,624.90
NASCON	43.80	43.80	44.50	43.80	44.50	0.70	1.60%	10,113,398	443,821,929.00
NB	34.00	34.00	-	-	34.00	0.00	0.00%	1,549,810	51,907,954.65
NEIMETH	3.34	3.34	3.16	3.16	3.16	-0.18	-5.39%	386,499	1,227,562.73
NEM	13.00	13.00	13.10	13.10	13.10	0.10	0.77%	379,416	4,955,567.10
NESTLE	975.00	975.00	-	-	975.00	0.00	0.00%	228,560	222,965,995.80
NGXGROUP	29.10	29.10	-	-	29.10	0.00	0.00%	6,411	183,929.10
NNFM	80.60	80.60	-	-	80.60	0.00	0.00%	106,414	7,795,052.75
NPFMCRFBK	1.80	1.80	1.84	1.77	1.77	-0.03	-1.67%	538,834	977,945.17
NSLTECH	0.69	0.69	0.67	0.67	0.67	-0.02	-2.90%	711,476	473,951.22
OANDO	62.05	62.05	59.00	58.95	59.00	-3.05	-4.92%	9,654,201	566,718,776.20
OKOMUOIL	536.00	536.00	-	-	536.00	0.00	0.00%	65,338	36,364,396.20
OMATEK	0.75	0.75	0.81	0.77	0.81	0.06	8.00%	1,288,175	1,030,440.69
PRESCO	785.00	785.00	-	-	785.00	0.00	0.00%	42,579	32,435,389.30
PRESTIGE	1.20	1.20	1.24	1.24	1.24	0.04	3.33%	254,987	312,611.97
PZ	25.50	25.50	27.00	26.80	27.00	1.50	5.88%	642,677	17,194,012.40
REDSTAREX	6.00	6.00	6.40	6.40	6.40	0.40	6.67%	469,350	2,895,919.25
REGALINS	0.71	0.71	-	-	0.71	0.00	0.00%	253,353	178,760.48
ROYALEX	0.89	0.89	0.97	0.84	0.84	-0.05	-5.62%	1,302,550	1,191,270.53
RTBRISCOE	2.69	2.69	-	-	2.69	0.00	0.00%	35,505	91,987.90
SEPLAT	5,700.00	5,700.00	-	-	5,700.00	0.00	0.00%	6,782	34,791,660.00
SKYAVN	46.50	46.50	-	-	46.50	0.00	0.00%	33,002	1,450,908.20
SOVRENINS	1.26	1.26	1.35	1.20	1.32	0.06	4.76%	2,097,487	2,709,781.16
STANBIC	64.00	64.00	-	-	64.00	0.00	0.00%	83,296	5,347,049.35
STERLINGNG	5.95	5.95	5.99	5.93	5.95	0.00	0.00%	2,729,702	16,233,913.62
SUNUASSUR	6.74	6.74	6.60	6.37	6.60	-0.14	-2.08%	1,172,529	7,609,749.91
TANTALIZER	1.95	1.95	2.00	2.00	2.00	0.05	2.56%	788,693	1,563,754.90
TOTAL	670.00	670.00	-	-	670.00	0.00	0.00%	16,245	10,837,381.80
TRANSCOHOT	126.10	126.10	-	-	126.10	0.00	0.00%	7,320	858,712.60
TRANSCORP	59.00	59.00	58.95	58.10	58.95	-0.05	-0.08%	2,137,011	124,269,737.00
TRANSPOWER	364.90	364.90	-	-	364.90	0.00	0.00%	24,098	7,916,193.00
UACN	37.00	37.00	-	-	37.00	0.00	0.00%	381,347	13,844,519.40
UBA	37.95	37.95	37.80	37.00	37.50	-0.45	-1.19%	19,893,056	741,562,660.55
UCAP	22.60	22.60	23.00	22.50	22.55	-0.05	-0.22%	10,385,414	234,674,806.75
UNILEVER	39.45	39.45	-	-	39.45	0.00	0.00%	708,835	28,281,252.65
UNIVINSURE	0.66	0.66	0.70	0.66	0.69	0.03	4.55%	13,390,448	9,225,590.64
UPDC	3.20	3.20	3.28	3.08	3.10	-0.10	-3.13%	3,963,287	12,539,211.10
UPDCREIT	6.75	6.75	-	-	6.75	0.00	0.00%	564,117	3,630,854.80
UPL	5.05	5.05	-	-	5.05	0.00	0.00%	203,840	1,028,297.44
VERITASKAP	1.26	1.26	1.22	1.19	1.20	-0.06	-4.76%	1,429,931	1,727,128.55
VFDGROUP	52.40	52.40	-	-	52.40	0.00	0.00%	271,362	13,523,679.60
VITAFOAM	38.90	38.90	39.35	39.00	39.35	0.45	1.16%	1,764,655	68,945,289.30
WAPCO	77.40	77.40	78.00	77.35	78.00	0.60	0.78%	6,193,922	482,443,173.05
WAPIC	2.74	2.74	2.68	2.53	2.68	-0.06	-2.19%	7,150,265	18,508,625.40
WEMABANK	12.05	12.05	12.10	12.10	12.10	0.05	0.41%	2,542,232	30,342,958.95
ZENITHBANK	49.95	49.95	50.00	49.05	49.40	-0.55	-1.10%	20,035,303	990,320,500.65

Experts promote insect farming as Nigeria's next big agribusiness

Stories by Onome Amuge

INSECTS, WHILE often overlooked as an essential food commodity, provide a variety of benefits to humans across various sectors. From farming to healthcare, manufacturing to research, these tiny creatures offer a range of functions that are critical to human existence, including direct consumption, feed, silk production, and dye making, amongst other uses significant to human existence.

Scientific research has identified diverse insect species that can be farmed and utilised in various industries in Nigeria. These include Maggots from houseflies and black soldier flies which offer potential as animal feed, while insects such as palm weevil, termites, crickets, grasshoppers, and pallid emperor moths can be cultivated for human consumption. In addition, silkworms are noted to provide raw materials for textile manufacturing.

Beyond their suitability as food and feed, edible insects are considered to offer a range of environmental advantages compared to traditional livestock. Requiring less feed and water, they generate fewer greenhouse gases and can be reared in smaller spaces, making them an ecologically sustainable option for food production.

As the world searches for more sustainable protein sources, edible insects have emerged as a rapidly growing market, expected to reach $1.35 billion in 2024 and grow at a compound annual growth rate (CAGR) of 25.1 percent from 2025 to 2030, according to Grand View Research.

This remarkable growth has been attributed to the increasing consumer awareness and demand for high-protein, low-fat foods, making insects an appealing alternative to traditional protein sources.

Despite their growing popularity in other parts of the world, the insect farming industry remains underutilised in Nigeria, according to reports.

Although numerous species of insects offer high nutritional value and are environmentally sustainable, analysts observe that only a handful of entrepreneurs are engaging in insect farming. Moreover, the cultural acceptance of insects as a food source has yet to be fully embraced by Nigerians, leading to a limited market for insect-based products. Similarly, the integration of insects into livestock feed is seen to be in its early stages, lagging behind the developments seen in more advanced economies.

Lawrence Afere, founder of Springboard, a social enterprise that empowers rural people and their communities through farmers' cooperative movement, highlighted the potential of insect farming as a profitable investment. According to him, the sector not only generates income but also provides a range of economic, social, and environmental benefits, including improved local food security, rural job creation, and youth entrepreneurship.

Afere argued that the sector offers an attractive avenue for investment, particularly for those looking to support sustainable development initiatives and bolster the Nigerian economy.

The social entrepreneur and organic farmer, in a webinar titled "Edible Insect Production: A Source of Food & Income," spoke on the nutritional and sustainability benefits of edible insects as an alternative protein source. According to Afere, insects offer high protein content and are less prone to spoilage compared to traditional protein sources like chicken, beef, and fish. In addition, he noted that the production of edible insects presents a promising opportunity for entrepreneurs and job creation in Nigeria.

Afere shared Springboard's innovative approach to incorporating edible insects into staple foods, such as bread. According to Afere, the company is actively developing bread recipes that incorporate cricket flour as an ingredient.

Afere also revealed that in 2021, Springboard embarked on a groundbreaking initiative, the Edible Farming Initiative, in collaboration with New Generation Nutrition (NGN) Netherlands and with the support of the United States Agency for International Development (USAID).

The objective of the initiative, he explained, was to introduce cricket farming as a sustainable solution to ensure a steady supply of high-protein food for vulnerable groups, while fostering local entrepreneurship and economic growth in rural areas.

"With support from the USAID, my organisation (Springboard) in partnership with NGN started a new project in the edible insect sector. It is a market-based model that will train and support small-scale farmers in Nigeria to set up edible cricket farms and then buy 100 percent quality crickets from these farmers to be converted into nutritious products such as cricket powder, cookies, bread and cricket snacks at Springboard," he said.

Despite the promising market potential for edible insects in Nigeria, industry experts have noted that the current production levels fall short of the existing demand. This gap is largely attributed to the fact that most insects consumed in Nigeria are harvested from the wild, resulting in seasonal availability and insufficient production.

In Nigeria, edible insects are primarily gathered in the wild, predominantly for personal consumption or subsistence purposes. The seasonal boom in insect populations leads to increased activity in the local markets, where insects are sold raw to individuals for immediate consumption.

However, this seasonal and subsistence-focused gathering of edible insects poses challenges to the growth and development of the industry, as the inconsistent supply and informal nature of insect harvesting limit its potential to become a robust and reliable source of alternative protein in the country.

According to industry experts, the scarcity of insect farming in Nigeria has resulted in a low supply of edible insects, leading to unmet market demand. Factors that have hindered the development of insect farming in the country include: Inadequate Credit Facilities- It has been noted that many of the entrepreneurs in Nigeria are not developing due to a lack of credit from commercial banks and other financial institutions. These institutions have been seen to provide loan opportunities to bigger and more established companies than smaller businesses and startups, hence edible insect enterprises which are not pronounced in the country, find it difficult to get funds to finance such business and may need more persuasion than regular businesses.

Poor education, Knowledge and Skills of people in edible insect farming: Many entrepreneurs lack basic information and a good understanding of the requisite skills needed for the insect farming business.

Lack of exposure to modern technology: Though Nigeria has achieved a rise in technological advancements, the same cannot be said for insect farming which is largely dominated by traditional methods.

Poor extension service: The shortage of extension services in insect farming has resulted in a gap between research outcomes and farmers or edible insect businesses. This gap, according to researchers, can be reduced only through training and employing more competent and effective extension agents who then train the farmers on the adoption of best practices to enhance the growth of the business.

Scaling production: To benefit from economies of scale, maximize returns, and compete with other sources of livestock feed inputs, startups have been found to face difficulties in finding reliable, consistent ways to scale production. Currently, the scale of the existing feedstock industry is way above the production capacity of insect-for-feed startups which is a challenge to entrepreneurs. Related challenges include securing sufficient breeding stock, raising capital to support infrastructure investments, and managing risk in an industry without a spot market or secondary procurement source.

A research project, titled "Edible Insects for Food and Feed in Nigeria: Exploring the Roles of Extension Services," identified the need for effective extension services to promote the adoption of new techniques for insect farming in rural communities. While innovations in insect farming methods are emerging, the researchers (Ibitoye Oluwatosin, Cordelia Ebenebe, Maduabachi Amobi, and Tolulope Oyediji) observed that rural people, who traditionally consume a majority of the edible insects in the country, often lack access to information on these new techniques.

In light of the importance of insect farming to local food security and economic development, the researchers recommended that insect farming be incorporated into Nigeria's extension services. They noted that by doing so, communication channels along the entire edible insect value chain—from experts and innovators to rural farmers and individuals using insects as food sources—would be facilitated.

The research, published in the International Journal of Tropical Insect Science (2021), also noted that all the necessary information about the agricultural sub-sector can be harmonised by trained extension agents to develop a market for edible insect species in Nigeria for both local and foreign use. It added that the use of extension services to address edible insect-related problems would do a lot in the promotion of edible insect consumption in Nigeria.

The research paper underscored the crucial role of a robust extension system in promoting the growth of edible insect farming. By strengthening the system, the researchers asserted that valuable information on the nutritional profile and health benefits of insects could be disseminated efficiently among farmers, processors, and consumers alike.

To support the growth of the edible insect market in Nigeria, the researchers urged aspiring entrepreneurs to conduct thorough research and seek advice before embarking on their ventures. Moreover, they recommended that insect scientists, nutritionists, and policymakers utilise available extension services to promote the consumption and production of edible insects. By leveraging these resources, they emphasised the potential of insects to enhance food security, diversify the economy, and position Nigeria as a leader in innovative, sustainable agriculture.

Gold retreats from record levels on profit-taking

Stories by Onome Amuge

GOLD PRICES EASED BACK from the record high levels reached in the previous session, as investors took profits from the precious metal's recent bull run. Despite this intraday retreat, gold prices were poised to finish the week on a positive note, posting an eighth consecutive weekly gain boosted by robust safe-haven demand amid mounting investor fears over Donald Trump's proposed tariff plans.

The global gold market exhibited a marginal pullback in Friday's trading, with spot gold shedding 0.1 percent to trade at $2,939.63 an ounce, shedding some of the gains it made in the preceding session when it touched a record high of $2,954.69.

Despite the minor retreat in gold prices, the precious metal still managed to maintain its upward trajectory, posting a 1.9 percent gain for the week, with U.S. gold futures also edging lower by 0.1 percent to settle at $2,953.20.

With gold prices surpassing the psychologically $2,950 an ounce level and recording a new all-time high earlier in the week, market participants appear to have booked profits, causing a temporary retreat in the metal's price.

L-R: Ernest Ndukwe , chairman, MTN Nigeria; Vice President of Nigeria, Kashim Shettima and member, House of Representatives, Muktar Tolani Shagaya, during MTN's donation of 4,600 educational tabs to the Federal Government's education initiative held at the Government Science Secondary School, Maitama, Abuja recently.

However, Alex Ebkarian, chief operating officer at Allegiance Gold, commented that the fundamentals for gold remain solid,"suggesting that the uptrend in gold prices is likely to persist in the longer term.

The year 2025 has seen gold prices gain momentum, climbing 11.5 percent amid mounting geopolitical uncertainties, economic instability, and investor appetite for safe-haven assets.

Investors in the precious metals market are dealing with the potential repercussions of President Trump's latest round of tariff proposals, which target a broad array of imported goods, including lumber, forest products, cars, semiconductors, and pharmaceuticals.

The announcement of these proposed tariffs comes on the heels of the Trump administration's earlier implementation of 10 percent duties on Chinese imports and 25 percent levies on imported steel and aluminum

While gold's role as a safe-haven asset has been reaffirmed amidst growing global instability and political tensions,

Alex Ebkarian from Allegiance Gold noted that the full extent of this safe-haven appeal has yet to be realized, as investors have not fully divested from riskier assets to shift their capital into gold.

In addition to geopolitical uncertainties, investors are also closely scrutinising the Federal Reserve's interest rate trajectory in the wake of President Trump's tariff proposals, which are expected to have inflationary implications.

Precious metals saw mixed movement across the board, as silver and palladium retreated from earlier gains but remained on track for weekly increases, while platinum shed 1.1 percent, poised to close the week in negative territory.

Meanwhile, spot silver dipped 0.9 percent to $32.64 an ounce, still up for the week, while palladium eased 0.7 percent to $970.45 per ounce, also maintaining its bullish trend.

Wheat heads for seventh consecutive weekly gain amid tight supply

CHICAGO BOARD OF TRADE (CBOT) wheat futures were on track for their seventh week of gains, fueled by concerns over tightening global supply, despite a recent easing of momentum driven by receding fears of crop damage from cold weather in the U.S.

Corn and soybean prices also advanced, underpinned by persistent concerns over adverse weather conditions in South America threatening crop yields in the region, and subsequently tightening global supply.

The benchmark CBOT wheat contract gained 0.3 percent to trade at $6.02-1/4 a bushel, hovering around 0.4 percent higher than its closing level in the previous session on Friday.

Chicago Board of Trade (CBOT) corn and soybean futures extended their gains in Friday's session, with May corn futures inching up 0.2 percent to trade at $5.13-1/2 a bushel. The contract was on track to close the week with a 0.8 percent gain, marking its third consecutive weekly rise. The CBOT May soybean contract also climbed 0.3 percent to $10.65-1/2 a bushel, set to wrap up the week with a 1.2 percent gain from the prior Friday's closing price.

The International Grains Council (IGC) adjusted its forecast for global wheat production in the 2024/25 season, increasing its outlook by one million metric tonnes to a total of 797 million tonnes, citing robust production prospects in Kazakhstan as a key factor contributing to the upward revision.

The ongoing geopolitical conflict between Russia and Ukraine has also contributed to the volatility in wheat prices, as exports from both nations have been impacted by the war.

According to Dennis Voznesenski, an analyst at Commonwealth Bank, the uncertainty surrounding the ability of Russia and Ukraine to export wheat has become a major determinant of price direction in the global wheat market.

Turning to other crops, the IGC revised its estimates for global production in the 2024/25 season downward, trimming its forecast for corn output by three million tonnes and soybean production by two million tonnes.

The Council's revised outlook was driven by the ongoing concerns over deteriorating crop prospects in South America.

Despite the downward revision to the global soybean production forecast, analysts anticipate that soybean supplies will remain robust, sustaining the global balance.

Copper dips as market eyes weak China demand, tariffs

COPPER PRICES EXPERIENCED a downturn in trading as investors fretted over potential risks to demand from China, the world's largest consumer of the red metal. Concerns were stoked by a report indicating that Chinese inventories of the commodity had increased, raising fears of a slowdown in consumption.

Adding to the bearish sentiment was the specter of potential U.S. tariffs on Chinese goods, with the uncertainty surrounding this issue casting a shadow of doubt over future demand.

London Metal Exchange (LME) copper futures retreated by 0.5 percent to settle at $9,515 per metric tonne in three-month trading, shedding ground after hitting a three-month peak a week ago.

Data released by the Shanghai Futures Exchange (SHFE) on Friday revealed an increase in copper inventories over the past week, with stockpiles rising 13 percent as compared to the previous week. This inventory buildup has been a consistent trend in recent months, with the SHFE-monitored copper stocks experiencing a 162 percent surge since late January.

Chinese stocks exhibited a typical seasonal uptick around the recent lunar new year festivities, but concerns about Chinese demand for copper persisted due to data indicating a slowdown in new home prices during the month of January.

The Chinese property market, a primary driver of industrial metals demand, has been under close scrutiny for signs of weakness, and the recent data has added to investor anxiety about the country's future appetite for copper.

SHFE copper was down 0.5 percent to 77,000 yuan a tonne.

According to Dan Smith, Head of Research at Amalgamated Metal Trading, the lackluster performance of the Chinese housing market and muted demand for copper after the lunar new year celebrations have been weighing on investors' sentiment. Smith further stated that a potential resolution to the conflict in Ukraine would provide a welcome boost to the metal's value, but that this potential positive development could be offset by the ongoing uncertainty surrounding U.S. trade policies under Trump.

In response to the various headwinds buffeting the global markets, the London Metal Exchange saw a decline in prices for a range of key base metals.

Iron ore rises on optimism over China demand, economic support

IRON ORE FUTURES PRICES surged to a four-month high and were poised for a weekly rally, driven by encouraging signals of a rebound in steel consumption in China, the world's largest consumer of the metal. The positive shift in sentiment was fueled by growing optimism over the prospect of further fiscal and monetary stimulus measures in China, which could buoy steel demand and, consequently, boost iron ore prices.

The iron ore market saw prices rally on China's Dalian Commodity Exchange (DCE) and the Singapore Exchange (SGX), reflecting a bullish trend driven by improved prospects for steel demand and iron ore consumption.

The most-traded May iron ore contract on the DCE rose by 1.69 percent, reaching a four-month high of 840 yuan ($116.00) per metric tonne, while the SGX benchmark March iron ore contract edged up 0.34 percent to $109.05 per tonne, also marking a new four-month peak.

Both benchmarks posted rises of around 3 percent for the week.

Analysts have attributed the surge in iron ore prices to the strengthening fundamentals of the Chinese steel market. According to data from Mysteel, construction steel product transactions volumes jumped by a significant 44 percent from the previous week, hitting 112,600 tonnes on Thursday, suggesting a notable uptick in downstream steel consumption.

While the uptrend in iron ore prices was strengthened by the increased steel demand outlook and supportive policies from the Chinese government, the bullish momentum was tempered somewhat by weak domestic steel production levels.

According to Mysteel's latest survey, China's daily hot metal production declined by 0.2 percent week-on-week to 2.28 million tonnes as of February 20

Riding the wave of positive sentiment in the Chinese steel market, prices for key steelmaking ingredients on the DCE trended upwards.

Coking coal and coke gained 2.3 percent and 1.63 percent, respectively, buoyed by the improving prospects for steel consumption.

On the Shanghai Futures Exchange (SHFE), prices for several key steel benchmarks exhibited positive movement, buoyed by the strengthening demand outlook in the Chinese steel market.

Rebar rose by 1.05 percent, reinforcing the prevailing bullish sentiment in the market. Similarly, hot-rolled coil, edged up 0.96 percent, supported by improving fundamentals. Stainless steel and wire rod also ticked higher, increasing by 0.95 percent and 0.23 percent respectively.

UBA Group supports African peace with $500,000 contribution to AU Peace Fund

Business a.m.

AFRICA'S GLOBAL BANK, UNITED BANK FOR AFRICA (UBA) Plc recently demonstrated its commitment to fostering peace and stability across Africa with a landmark donation of $500,000 to the African Union (AU) Peace Fund.

The donation by the UBA Group supports the AU's efforts towards promoting security, conflict resolution, sustainable development, and a unified Africa, as envisioned in the AU's Africa Agenda 2063.

The AU Peace Fund plays a crucial role in financing mediation and preventive diplomacy efforts across Africa, strengthening institutional capacity and ensuring rapid responses to emerging conflicts. UBA's support underscores its dedication to the collective progress of African nations, reinforcing the UBA Group's long-standing belief that economic growth and regional stability go hand in hand.

Moussa Faki Mahamat, chairman of the executive management committee AU Peace Fund; stated: "peace is synonymous with resources, if we want development and stability, we must achieve peace, the United Bank for Africa has demonstrated their commitment to the development of our continent by this commitment, through sustainable resources. Together, we will continue to build a continent for the future.

Tony Elumelu, UBA's Group Chairman, who announced the donation in Addis Ababa, Ethiopia, highlighted the reasons behind the UBA Group's support to the AU.

Elumelu explained the requirement that corporate institutions shape Africa's future cannot be over-emphasised, and by investing in peace and security, UBA is contributing to an environment where businesses, communities, and nations can thrive, driving sustainable development and economic prosperity for all.

"UBA is committed to advancing sustainable development, uplifting the quality of life across Africa and the vital connection between economic growth for Africans and African businesses and the stability provided by peace and security," Elumelu said.

With presence in over 20 countries in Africa, UBA strongly believes in the continent's potential, as he added that "Development will come with peace, and every individual, organisation and business should be committed towards achieving this."

The UBA Chairman took time to commend the African Union for its steadfast dedication to promoting peace and security across Africa, saying that UBA Group is honoured to partner with the AU in this noble endeavour, while seeking deeper collaboration between the two institutions.

Over the years, UBA Group's commitment to the growth and stability of the continent has been unwavering, including the UBA Foundation's contribution of $14m to catalyse a comprehensive Pan-African response to the fight against the coronavirus (COVID-19) global pandemic.

The donation provided significant and much needed support to Nigeria and 19 other African countries by supplying relief materials, critical care facilities, and financial support to governments.

The African Union Peace Fund (AUPF) is a financial mechanism established by the African Union to support peace and security initiatives across the continent, primarily focused on conflict prevention, mediation, and peacebuilding operations through funding allocated to various peace support activities across Africa, including institutional capacity building and peace support operations; it is considered a key pillar of the African Peace and Security Architecture (APSA).

Operating in twenty African countries and the United Kingdom, the United States of America, France and the United Arab Emirates, UBA provides retail, commercial and institutional banking services, leading financial inclusion and implementing cutting edge technology. United Bank for Africa is one of the largest employers in the financial sector on the African continent, with 25,000 employees group wide and serving over 45 million customers globally.


L-R: Bola Ajomale, executive commissioner, operations, Securities Exchange Commission (SEC); Adesuwa Ladoja , managing director/CEO, Lagos Free Zone (LFZ); Emomotimi Agama, director general, Securities Exchange Commission, and Ashish Khemka, director, finance and operations, Lagos Free Zone, during the tour of Lagos Free Zone by Agama and his team in Lagos, recently.

DBI partners SBTS in $200m initiative to train 100,000 Nigerian youths

Joy Agwunobi

THE DIGITAL BRIDGE INSTITUTE (DBI), the training division of the Nigerian Communications Commission (NCC), has formed a partnership with Small Business Training Solutions (SBTS) to provide training for 100,000 Nigerian youth in Business Processing Operations (BPOs).

This initiative is aimed at positioning Nigeria as a global leader in outsourcing jobs. The collaboration was officially announced at the Stakeholders Engagement on Partnership for Capacity Building and Job Opportunities event held recently in Abuja. With a projected budget of $200 million, the initiative is set to create 100,000 new digital jobs in Nigeria over the next five years.

Evelyn Lewis, CEO of SBTS, spoke at the event, highlighting that the project is about more than just skill acquisition. It is focused on economic empowerment, digital inclusion, and improving Africa's competitive edge in the global economy.

He said: "Our goal is clear, to create 100,000 new digital jobs in Africa over the next five years. This partnership is not just about skills development, it is about economic empowerment, digital inclusion, and Africa's competitiveness in the global economy. With what we have at hand and what we hope to raise, our target is to raise $200 million for the training of Nigerian youth."

Lewis also pointed out the lack of structured, scalable training programs in Africa and emphasised that the partnership would address this gap by creating accessible and sustainable training models.

"We are combining our expertise to build an innovative and scalable approach that offers competitive, industry-driven programs. These are not just theoretical; they are hands-on and designed to meet the needs of employers. The programs aim to ensure graduates are job-ready and will generate real employment opportunities through internships, outsourcing roles, and entrepreneurship support," he added.

David Daser, President/CEO of DBI, reinforced that the partnership is in line with the institute's mission to bridge the digital divide in Nigeria. Stating "Over the years, we have trained thousands of professionals, students, and entrepreneurs. Our commitment to advancing digital literacy continues to be a key driver of economic growth."

Daser further noted that the partnership will provide quality training, empowering young Nigerians to build sustainable careers, start businesses, and create jobs for others.

The training programs will cover critical areas such as entrepreneurship, digital marketing, software development, cybersecurity, and business management. Additionally, the initiative will offer mentorship, funding opportunities, and business incubation to ensure smooth transitions from training to employment or entrepreneurship.

In his welcome address, Akin Ogunlade, Head of Public Affairs at DBI, praised the partnership as a clear demonstration of a shared vision for sustainable development through education and skills acquisition.

Ogunlade also called on stakeholders, including government agencies, private sector leaders, and the media, to support and promote digital skills training as a fundamental driver of national development.

Julius Berger earns PCC's endorsement over zero complaint record

Onome Amuge

MUSADIKKO, the commissioner of the Public Complaints Commission (PCC), FCT, has commended leading construction company, Julius Berger Nigeria Plc for its strict compliance with regulations, stating that the company deserves an award for maintaining a record free of public complaints.

Speaking during the Commission's courtesy visit to the company's headquarters Wednesday, Dikko emphasised the long-standing relationship between the PCC and Julius Berger, praising the company's excellence in construction and labour relations. "Our joy is that every construction done by Julius Berger Nigeria Plc is nearly perfect. I say 'nearly' because they say no one is perfect," he remarked.

On the company's handling of compensation matters at project sites, the Commissioner noted that Julius Berger has consistently ensured prompt and fair compensation to affected individuals, including those in the FCT.

"Each time compensation is required, my parents and our people always feel at ease because Julius Berger's approach is different from other construction companies. This long-standing commitment has ensured that no complaints have been brought to the Public Complaints Commission regarding the company's conduct. Where there is no peace there can be no development, and for this, Julius Berger deserves an award", he added.

Irene Chuka Ogbogu, the commission's state director of Investigation, echoed Dikko's sentiments, appreciating the company's Corporate Social Responsibility (CSR) efforts and its commitment to due diligence.

Responding to the commendation, Abdulaziz Kaita, the director of administration at Julius Berger Nigeria Plc, acknowledged the fruitful collaboration between the company and the PCC. He assured that the company remains dedicated to upholding workers' and communities' rights whilst adhering to all regulatory frameworks.

"As a company, we have always strived to operate within legal and ethical guidelines. Our cooperation with the PCC has been beneficial to both parties, and we will continue to support the Commission's mandate of protecting the rights of the people and ensuring compliance," he stated.

Kaita further emphasised that as one of Nigeria's largest employers of labour in the construction industry today, Julius Berger recognizes the responsibilities that come with its status. "Being a major employer of labour requires us to be diligent in the protection of our workers and the citizens. We have internal policies which we abide with, and I can assure you that Julius Berger Nigeria Plc will ensure everything is done through the due process, he assured.

Both parties reaffirmed their commitment to maintaining a strong relationship that ensures public trust, compliance, and the continuous development of Nigeria's infrastructure sector.

The PCC delegation on the courtesy visit included Chairman Musa Dikko, the Chairman, Irene Chuka Ogbogu, State director of investigation; Jideri Agbese, deputy director of investigation; Emmanuel Ugboaja, head of public relations; Alex Akinyele, deputy head of public relations, and Gladys Iduku, information officer,PCC.

OnePipe launches PaywithAccount solution to ease cash flow challenges for Nigerian MSMEs

Onome Amuge

ONEPIPE, AN INDIGENOUS TECHNOLOGY firm specialised in embedded financial services within various business sectors, has launched PaywithAccount, a direct-from-account payment solution, designed to help businesses automate and simplify collections, aimed at reducing delays and improving cash flow predictability.

With PaywithAccount, businesses are now enabled to collect payments directly from customer bank accounts—securely and automatically—without the need for cards, manual reminders, or complex reconciliations.

The latest innovation is set to address financial transaction challenges that have for a long time, affected operations of many businesses across Africa's most populous country.

For many Nigerian small business owners, cash flow isn't just a challenge. It is considered a constant battle with issues including; schools struggling with delayed tuition payments, logistics firms dealing with inconsistent driver remittances, cooperatives managing member contributions, and the unpredictable and time-consuming processes of collecting payments across many business sectors.

Kazeem Raji (l) newly appointed director-general, National Board for Technology Incubation (NBTI), receiving the handover note from his predecessor, Uchenna Chukwu, during the handing-over ceremony at the NBTI headquarters in Abuja recently.

In fact, a study by PwC revealed that 48 percent of Nigerian Micro, Small, and Medium Enterprises (MSMEs) have experienced delayed payments due to different reasons, with 33 percent of affected businesses reporting severe consequences. The report also observed that traditional systems often involve manual invoicing, repeated follow-ups, and high transaction fees, leaving business owners with less time to focus on growing their operations.

For entrepreneurs across Nigeria, the ability to receive payments on time means the difference between survival and growth, creating the need for the PaywithAccount innovation introduced by OnePipe.

With PaywithAccount, small businesses across Nigeria can now eliminate the stress of late payments, automate their collections, and take full control of their financial future.

Commenting on the initiative, Olumide Ashade, founder of King's Court School in Lagos, stated: "As a school owner, I want to focus on my students, not spend hours tracking unpaid fees.

"Many of our parents pay in installments, but managing these payments manually has been stressful. A solution like PaywithAccount means we can offer flexibility to parents while keeping our finances in order."

Adedeji Olowe, founder, Lendsqr, a fintech company specialising in Lending-as-a-Service (LaaS) solutions, remarked: "Reliable repayment is the backbone of growth for lenders. At Lendsqr, we understand that payment delays are a significant problem for lenders.

We have helped many of our lenders transition from debit cards to PaywithAccount which reliably ensures loan repayments are on schedule."

Ngover Ihyembe-Nwankwo, Executive Director of Nigeria Inter-Bank Settlement Systems PLC (NIBSS), also lauded the PaywithAccount innovation.

According to Ihyembe-Nwankwo, "At NIBSS, our core vision is to empower the financial ecosystem to innovate within the framework of interoperability, ease of connectivity, collaboration, and cost-optimisation.

"PaywithAccount is another heartening example of what happens when industry players leverage these guardrails to enhance the overall quality of our nation's digital payment system."

Ope Adeoye, CEO of OnePipe, described the initiative as a commitment to empowering Nigerian businesses. He acknowledged that small businesses are the backbone of the Nigerian economy, but pointed out that too many of these businesses struggle simply because getting paid is a challenge.

"We believe financial technology should remove obstacles, not create them. PaywithAccount helps businesses worry less about collections so they can focus on what truly matters—growth, innovation, and serving their customers," he added.

Johnvents secures $40.5m UK investment to boost cocoa production,market expansion

Onome Amuge

JOHNVENTS GROUP, a Nigerian agribusiness player and manufacturing firm, has sealed an investment deal worth $40.5 million with British International Investment (BII), the United Kingdom's development finance institution, to enhance the company's cocoa production as it sets to boost its cocoa processing capacity to 30,000 metric tonnes annually.

The infusion of capital into Johnvents Group is intended to support the growth of Nigeria's cocoa sector, enhance its international competitiveness, and create economic opportunities for the nation's farmers, who rely heavily on cocoa production for their livelihoods.

Through this partnership, Premium Cocoa Products Ile-Oluji (PCPI), a subsidiary of Johnvents Group, will be able to substantially increase its cocoa processing capacity, from 13,000 to 30,000 metric tonnes per year, solidifying its position as a key player in the international cocoa market.

Moreover, the partnership's sustainability goals aim to ensure that Johnvents Group sources 100 percent of its cocoa from traceable sources by 2027, with at least 90 percent of the cocoa being certified in alignment with international standards.

The funding, according to BII, will facilitate technological upgrades and operational improvements within Johnvents Group, ensuring that the company's operations are not only more efficient but also fully compliant with international sustainability standards.

Jonny Baxter, British deputy high commissioner to Nigeria,spoke on the importance of the partnership between BII and Johnvents Group during a signing ceremony in Abuja on Tuesday

"Through this landmark agreement between the UK's development finance institution, British International Investment, and Johnvents Group, we look forward to further growth of Nigeria's cocoa industry and increased export markets," Baxter said. Benson Adenuga, the head of BII's Nigeria office, emphasised the economic benefits of the investment, stating they are delighted to collaborate with Johnvents Group in tackling the challenges that hinder the growth of Nigeria's cocoa industry.

This partnership, Adenuga stated, will not only bring positive changes to the lives of local farmers, but will also improve Nigeria's trade balance and global competitiveness by increasing exports of cocoa and cocoa products.

John Alamu, the group managing director of Johnvents Group, expressed his delight at the partnership with BII, noting that it is a significant show of trust in the company's ability to drive transformation in Nigeria's cocoa industry.

"We are dedicated to building a sustainable and globally competitive agribusiness industry in Nigeria. The investment into the Premium Cocoa Products Ile-Oluji facility, one of our cocoa processing subsidiaries, coupled with our partnership with BII, represents a significant step forward in achieving this goal," Alamu stated.

PZ Cussons boosts research at UniJos with equipment donation

Onome Amuge

CONSUMER GOODS GIANT PZ Cussons Nigeria Plc has reaffirmed its dedication to supporting scientific research and education in Nigeria through a donation of modern chemistry equipment to the University of Jos (UNIJOS).

The initiative, executed in collaboration with the National Office for Technology Acquisition and Promotion (NOTAP), is considered a component of the company's Corporate Social Responsibility (CSR) programme aimed at enhancing research capabilities and fostering innovation in Nigerian tertiary institutions.

The unveiling of the upgraded chemistry laboratory at the University of Jos was marked by a high-level commissioning ceremony. It was officiated by Uche Nnaji, minister of innovation, science, and technology, who was represented by Obiageli Amadiobi, the director-general of NOTAP. Other attendees included senior representatives from PZ Cussons Nigeria PLC, NOTAP, and the University of Jos, as well as members of the academic and corporate communities.

Addressing the gathering, Dimitris Kostianis, chief executive officer of PZ Cussons Nigeria Plc, reiterated

the company's unwavering dedication to investing in education and innovation in Nigeria.

"At PZ Cussons, we believe that investing in education and scientific research is key to shaping the future of our nation. This donation, the 8th under our partnership with NOTAP, underscores our commitment to providing world-class research infrastructure that empowers students and researchers," he stated.

Obiageli Amadiobi, the director-general of NOTAP, also spoke at the ceremony, commending PZ Cussons Nigeria PLC for its consistent and dedicated efforts towards advancing the country's research and education sector.

Amadiobi remarked: "The donation of this state-of-the-art laboratory highlights the importance of public-private collaboration in advancing scientific and technological capacity in Nigeria. Through our partnership with PZ Cussons, we are ensuring that universities have access to the tools and resources they need to drive innovation and research excellence.

"This initiative is a demonstration of how corporate social responsibility (CSR) can be aligned with national development goals, particularly in the areas of science, technology, and innovation. We hope this serves as a call to action for other private-sector players to invest in Nigeria's knowledge economy."

The upgraded chemistry laboratory is designed to enhance research and learning opportunities for both undergraduate and postgraduate students, equipping them with the necessary skills to advance scientific discovery.

Faculty members at UNIJOS as well as student leadership commended the initiative, noting its potential to improve hands-on learning, experimentation, and capacity-building within the institution.

EBRD, EU foster energy efficiency in Egypt's cement industry, invest €25 million

Bamidele Famoofo

THE EUROPEAN BANK FOR RECONSTRUCTION and Development (EBRD) and the European Union (EU) are joining forces to support energy efficiency in Egypt's manufacturing sector. The EBRD is providing a financing package of up to €25 million to Arabian Cement Company (ACC), a leading cement producer in Egypt. This is being supplemented by the first loss risk cover provided through the EU's European Fund for Sustainable Development Plus (EFSD+) to accelerate the green transition for industrial processes in the Egyptian market.

This financing package aims to help reduce carbon-intensive production processes and support ACC's decarbonisation initiatives, promoting environmentally responsible industrial practices. The resulting reductions in CO_2 emissions are expected to total 130,000 tonnes a year.

Specifically, this funding will finance the expansion of ACC's alternative fuel injection capacity, as well as support automation and the development of other industrial facilities, in order to improve the company's efficiency and product mix. One such project will involve the acquisition and installation of a new energy-efficient hydrogen injection system – a first for Egypt's cement sector. This innovative new system will allow substantial reductions in CO_2 emissions by acting as a catalyst and improving combustion efficiency, as well as reducing the consumption of fossil fuels.

L-R: Friday Akhere, manager, special duties, Julius Berger Nigeria Plc; Musa Dikko commissioner Public Complaints Commission, PCC FCT; Abdulaziz Kaita, director, administration, Julius Berger Nigeria Plc; Irene Chuka Ogbogu, state director investigation, PCC; Jideri Agbese, deputy director investigation, PCC, and Emmanuel Ugboaja, head public relations, PCC, when officials of the Commission paid a courtesy visit to Julius Berger Nigeria Plc, recently

The financing agreement was signed by the EBRD's Chief Operating Officer for Client Services and Managing Director of Industry, Commerce and Agribusiness, Jean-Marc Peterschmitt, and the CEO of ACC, Sergio Alcantarilla, in the presence of the EBRD's Managing Director for the Southern and Eastern Mediterranean, Mark Davis.

Mark Davis said: "We are delighted to be signing this agreement, which showcases our continued support for the decarbonisation of the Egyptian cement industry. We are particularly proud of our continued relationship with and support for ACC, financing their promising low-carbon pathway – including the first low-carbon hydrogen injection system in Egypt's cement industry. With the support of our EU partners, this investment will not only assist ACC in adopting innovative technology but also promote environmentally responsible industrial practices and complement the country's decarbonisation efforts, contributing to a greener economy."

Sergio Alcantarilla said: "This agreement with the EBRD is a key milestone in ACC's sustainability journey, supporting our transition to cleaner technologies. The integration of hydrogen injection technology at our Ain Sokhna plant will enhance operational efficiency and significantly reduce our carbon footprint. By adopting innovative solutions, we are reinforcing our commitment to responsible cement production and strengthening our position as a leader in Egypt's green industrial transformation."

EFSD+ was established in June 2021 and offers EU partner countries assistance with key investment through grants or financial guarantees. In this way, the EU mobilises additional financial resources for sustainable development from the public and private sectors. EFSD+ has a total global guarantee capacity of €39.8 billion for the period from 2021 to 2027, of which €22.5 billion will be used in the EU's enlargement and neighbourhood regions.

ACC is a leading cement producer in Egypt. Its factory is located in Suez Governorate and produces 5 million tonnes of high-quality cement annually, accounting for approximately 8 per cent of Egypt's total production. Its certifications include ISO 9001 for quality assurance, ISO 14001 for environmental compliance, OSHAS 18001 for health and safety measures, and ISO 50001 for energy management.

The company has been listed on Egypt's EGX stock exchange since May 2014.

Egypt is a founding member of the EBRD. The Bank has invested more than €13.8 billion in the country through 198 projects since it began investing there in 2012. The Bank has also provided technical assistance to more than 750 small and medium-sized enterprises in Egypt.

Brazil-Africa energy ties strengthen as G20 drives regional development

Bamidele Famoofo

AS A PROMINENT member of the G20, Brazil has been actively fostering energy cooperation with African nations, aiming to bolster regional energy development and address shared challenges. Last month, the African Energy Chamber (AEC) hosted the "Invest in African Energies" reception in Rio de Janeiro to highlight investment opportunities in Africa's energy sector and underscore the pivotal role of Brazilian entities, including Petrobras, the Brazilian Petroleum Association and independent oil producers, in advancing cross-continental collaboration.

Petrobras, Brazil's state-owned oil company, is actively pursuing opportunities in African nations, including a planned 40 per cent stake acquisition in Namibia's Mopane oil and gas exploration block. The company's deepwater expertise, honed in Brazil's Campos and Santos Basins, positions it to significantly contribute to Africa's offshore developments, particularly in the Orange Basin. Additionally, Brazil's independent oil producers, such as PRIO, 3R Petroleum, Enauta and PetroRecôncavo, have demonstrated proficiency in revitalizing mature fields and employing advanced extraction technologies. Their experience offers valuable insights for Africa's onshore and offshore energy projects, with discussions at the event highlighting lucrative oil and gas opportunities in Namibia, Angola and the Republic of Congo. Meanwhile, the Namibia Energy Corporation (NEC), an integrated energy firm, is focused on increasing Brazil's investments in upstream exploration and infrastructure in Namibia and across Africa. On February 4, collaboration was announced between Petrobras, NEC, the AEC and the Brazilian Institute of Petroleum to strengthen oil and gas investments between Brazil and Africa.

Aligning with this agenda, last year's Brazil Africa Forum in São Paulo focused on renewable energy, climate and sustainable prosperity, emphasizing infrastructure investment as key to sustainable development in both Brazil and Africa. Discussions highlighted Brazil's diverse energy mix, which includes hydropower, wind, solar and biomass, and explored how Brazil's experience in renewable energy can inform Africa's energy transition efforts.

Brazil's technical expertise, particularly in deep water exploration and renewable energy, aligns with Africa's energy development goals. Collaborations in oil and gas exploration are expected to enhance Africa's energy production capabilities, contributing to economic growth and increased energy access. Furthermore, Brazil's experience with renewable energy integration offers a model for African countries aiming to diversify their energy sources and promote sustainability. Knowledge exchange in clean energy sectors can support Africa's efforts to build resilient, sustainable energy systems. Brazil's active engagement with African nations, facilitated through G20 frameworks and bilateral initiatives, is fostering meaningful partnerships in the energy sector. These collaborations are not only advancing Africa's energy development but also contributing to global efforts toward sustainable and inclusive growth. As these partnerships continue to evolve, they hold the promise of delivering substantial benefits to both Brazil and African countries, reinforcing the importance of South-South cooperation in addressing shared energy challenges.

Afreximbank to set up $1bn oil service financing facility in Guyana

Bamidele Famoofo

IN A SIGNIFICANT announcement at the Guyana Energy Conference and Supply Chain Expo being held from, February 18 - 21, Prof. Benedict Oramah, President and Chairman of the Board of Directors of African Export-Import Bank (Afreximbank), declared the multilateral Bank's intention to establish a $1 billion oil service financing facility in Guyana.

This initiative aims to enhance local participation in the country's fast growing oil industry, in alignment with the government's local content policies. The Bank will deploy the $1 billion facility directly to qualifying corporate clients or through a factoring line via local banks, enabling them to finance invoices from local contractors. President Oramah highlighted the transformative potential of Guyana's estimated 12 billion barrels of crude oil reserves. Emphasising the transformative power in proactive resource management, he advised Guyana to aggressively harness and build capital from its oil resources.

He said, "Given the level of oil production in Guyana and its offshore location, I estimate that the oil service sector would amount to 5 to 8 billion US dollars annually. But where will it go? Most of it would be paid to oil service companies abroad, if Guyana does nothing to avoid that. A 50% retention in Guyana would increase Guyana's GDP by 29% to 47%." As such, he called for robust local content policies that would enable Guyanese entrepreneurs to become significant players in the oil value chain.

Based on Afreximbank's rich history of supporting commodity-dependent economies, President Oramah shared insights to complement the ongoing efforts of the Guyanese government. He acknowledged the inherent risks associated with dependency on a single commodity and laid stress on the importance of diversification. He cautioned, "The commodity market is prone to volatility and cyclicality; hence, the reliance on crude revenues as a primary source of government funding could expose the national economy to volatile commodity markets." As such, he advised the government to secure long-term off-take contracts with oil service companies, which will enhance market access and price stability.

In the spirit of deepening Afri-Caribbean partnership, President Oramah remarked that skilled oil service companies from Ghana, Egypt, and South Africa, are "ready and willing to support Guyanese... And of course, Afreximbank is there to underwrite the marriage."

He added that: "These measures are necessary if Guyana and other new entrants in the Caribbean and Africa are to avoid the painful "Dutch Disease. We make these suggestions based on the three long decades of financing oil and gas activities across Africa. We have witnessed oil-dependent economies transform for better or worse through these periods. In all these, the difference reflected the policy choices the leaders made."

FAAN chair calls for agencies collab on tour of Lagos airport

Sade Williams/Business a.m.

ABDULLAHI GANDUJE, chairman, board of directors, Federal Airports Authority of Nigeria (FAAN), wants to see greater collaboration among aviation agencies, saying this is the only way to boost airports' efficiency.

On a tour of Lagos airport's facilities recently, Ganduje said rivalry among agencies will only lead to setbacks for the sector.

"My request here is for collaboration. I hope there is no institutional rivalry. Wherever you have a function to be executed by different institutions, sometimes if care is not taken, there will be rivalry and the end of it, whatever you do if the other institution or agency has not done its homework, then you find out that the overall objective is defective. I urge the MD and his counterparts at other agencies to work together so that you all can achieve the overall objective of Mr. President.

"Organisational structure is also vital, we expect cooperation among directorates, no directorate itself will succeed without the cooperation of other directorates. So there should be a seamless understanding of synergies. I also call for more coordination. Personal attitude to work contributes a lot in the overall goal attainment of the agency, therefore, I believe we should improve on our personal disposition toward achieving the goals of FAAN. The difference between success and failure is motive. What is your individual motive toward the growth of the organisation? Aside remuneration, motivation by the organisation, motivating yourself to improve the lot of the organisation is very important. You must respect the hierarchy of the organisation," he said.

Abdullahi Ganduje (right), chairman, Federal Airports Authority of Nigeria (FAAN) and Olubunmi Kuku (left), managing director/CEO, FAAN

Ganduje, who tasked FAAN on budget implementation, called for a timeline for project implementation in order to avoid delay that may give room for inflation and other vices that could hinder completion of projects.

On FAAN's challenges, Ganduje said the Board has opened discussions into them adding that there will be improvement in facilities.

"Of course, there are some challenges and we have started discussing the challenges and how they will be resolved. So what matters is that we are all conversant with international airports especially in developed countries. Whatever we saw here is a product of visionary management of the organisation. That is what we're expecting here and they have laid a very good foundation and appeal to them so we can improve on what we have done.

"Challenges are natural, some are man made but overall challenges are part of life and any system because of changes of circumstances but what is important is that those challenges should be reducing rather than increasing because more challenges will be coming anyway. So if you have not taken measures to resolve those challenges, then you will be accumulating them because more and more will surely come," Ganduje added.

Also speaking, Olubunmi Kuku, managing director and chief executive of FAAN, said the Authority has begun implementing its safety policy in collaboration with the Nigeria Civil Aviation Authority (NCAA).

She disclosed further that in 2025, the Authority will also focus resources on recertification of Port Harcourt and Kano airports.

"For this year 2025, we started last year with safety and security on the runway in the air side. We have now started to implement; so we have an enhanced safety policy that we recently rolled out last year, and we're making sure that in line and in close collaboration with the NCAA, we're deploying that very closely. We're also embarking on the Kano and Port Harcourt recertification. We recertified two airports last year. That's also key for us.

"We also mentioned a couple of runway renovation projects or rehabilitation projects. Those are also coming on stream, as well as terminal rehabilitation as well. And of course, to help us make sure that from a cost recovery and a passenger experience perspective, we're starting to do that, and of course, you're seeing that in our secondary airports and our primary airports. I'm sure the feedback from all of our passengers is starting to look promising, but we do agree that we're not where we need to be yet. But of course, we are starting to see a lot of those changes.

Connectivity, trade in view as Air Peace's B737-400 lands in Ekiti

Carrier targets flight operations partnership

A BOEING 737-400 AIRCRAFT with a passenger capacity of 120 owned by Air Peace touched down at Ekiti Agro-Allied International Cargo Airport, Ado-Ekiti, recently, helping the state's aviation and economic landscape to a historical achievement in its quest to establish its position in the country's aviation landscape.

The touchdown of the airline's aircraft appears to open a window for potential connectivity, trade and economic growth opportunities, it emerged during the past week.

The aircraft is one of the largest in the carrier's fleet, and the flight, a non-scheduled one, brought in Allen Onyema, the chairman of the airline, on a visit to Ekiti State.

Onyema arrived at the airport, alongside his delegation, to explore site viewing, partnership, and business commencement opportunities.

The delegation was warmly received by top Ekiti State officials, including Dayo Apata, commissioner for justice and attorney general; Taiwo Olatunbosun, commissioner for information; and Sunday Makinde, a retired air vice marshall, who is the technical adviser to the Ekiti State governor on the state airport project.

The visit marks a crucial step towards fostering collaboration between Air Peace and the Ekiti State government, potentially unlocking new economic opportunities and boosting the state's aviation sector. With the airport's strategic location and Air Peace's expertise, this partnership could pave the way for increased connectivity, trade, and growth in the region.

Aviation stakeholders prep up for magazine's 4th industry awards

FESTUS KEYAMO, MINISTER of aviation and aerospace development, will lead a lineup of personalities to the 4th annual Air Transport Quarterly Magazine industry awards taking place on March 6, 2025 at Lagos Country Club, Ikeja, Lagos.

The magazine, which organises the awards, in a statement, said it was thrilled to have the minister as special guest of honour, to "join us to celebrate excellence in the aviation industry."

According to Supo Atobatele, publisher of the magazine, the annual awards have become a benchmark for excellence in the aviation industry.

The awards ceremony will recognize outstanding achievements and contributions to the sector, including: Aviation Man of the Year: An award for an outstanding industry personality with deliberate and planned efforts of sustaining growth, safety and industrial harmony.

CEO of the Year: An award for bold initiatives in leadership transformation.

Airline of the Year: Awarded to the airline that has demonstrated exceptional service, safety, and innovation.

Cargo Airline of the Year: Recognising the cargo airline that has shown remarkable efficiency, reliability, and customer satisfaction.

Airport of the Year: Honouring the airport that has demonstrated excellence in infrastructure development, passenger experience, and operational efficiency.

Most Innovative Agency in Weather Forecast Delivery: Awarded to the agency that has leveraged technology and innovation to improve weather forecasting and warning systems.

The event will bring together key stakeholders in the aviation industry, including airlines, airports, cargo operators, and government agencies, to celebrate excellence and innovation in the sector.

SAHCO fights illicit drug activities in aviation by donating to NDLEA

Boma Ukwunna (right), executive director, cargo services, representing Adenike Aboderin, managing director/CEO, SAHCO PLC, and Usman Wadar, commander, NDLEA Murtala Muhammed International Airport Command

MEDICAL EQUIPMENT HAS BEEN DONATED by Skyway Aviation Handling Company (SAHCO) Plc to the National Drug Law Enforcement Agency (NDLEA) in order to boost healthcare facilities at the agency's clinic at Murtala Muhammed International Airport strategic command.

The donation forms part of SAHCO's corporate social responsibility, with the presentation of the equipment made by Boma Ukwunna, executive director, cargo services, who represented Adenike Aboderin, the managing director/chief executive officer.

Aboderin praised the wonderful role being played by NDLEA in tackling drug-related trafficking especially within SAHCO's cargo handling facilities.

Aboderin assured the NDLEA management of SAHCO's collaboration with them in its determination to rid Nigeria's aviation sector of illicit drug activities.

According to her, "We recognise the devastating impact of drug trafficking and abuse on society, particularly on our youth. The NDLEA has been proactive in ensuring our cargo warehouses remain drug-free, deploying additional personnel to strengthen surveillance.

This donation is a token of our unwavering support for the agency's operations."

She said as a concerned citizen, that she has engaged with the NDLEA to identify areas where SAHCO could provide further assistance.

"This contribution is just a small way of demonstrating our support for the critical work you do. We stand firmly behind you in this fight against drug trafficking," she added.

Responding, Usman Ali Wadar, commander of the NDLEA, MMIA Strategic Command, expressed profound gratitude to SAHCO for its generosity, emphasising the significant role the donated equipment will play in enhancing the command's medical facilities.

Wadar said the donated items will not help NDLEA alone, but the entire Hajj camp community, stressing that the only available healthcare facility was the Airforce hospital which was far away from them.

"We have received remarkable support from various organisations, and SAHCO has been particularly outstanding.

"The establishment of our clinic was as a result of the necessity to provide medical care for drug suspects under observation, as some arrive in critical condition after ingesting illicit substances. This facility is not only for our officers and detainees but is also accessible to personnel from other agencies within the airport," he added.

Addressing the growing challenge of drug abuse in Nigeria, he recalled alarming statistics, stating:

"In 2018, over 14 million Nigerians tested positive for drug use. Since I assumed office, we have taken decisive steps to curb this menace. In 2022, we successfully reduced drug seizures at Lagos airport from 23 tonnes to seven tonnes, a significant achievement in our fight against drug trafficking."

He further underscored the importance of the clinic, citing a case where a suspect arrested under his command required immediate medical intervention due to dangerously high blood sugar levels.

"Without prompt medical attention, that suspect's life could have been at risk. The availability of medical facilities ensures that suspects receive necessary care while in custody," he noted.

Wadar assured that the donated equipment would be judiciously used and extended heartfelt appreciation to SAHCO's management and staff for their continued support.

The medical equipment donated by SAHCO includes: automated haematology analyser, incubator, centrifuge machine, weighing scale, poison box, sphygmomanometer, lipid profile meter, and Ambu bags.

Keyamo, Algerian ambassador talk on Algiers-Abuja-Douala flight link

FESTUS KEYAMO, NIGERIA'S minister of aviation and aerospace development, met over the weekend with Mezoued Hosine, the Algerian ambassador to discuss the commencement of Bilateral Air Service Agreement (BASA) arrangements between Nigeria and Algeria.

During a courtesy visit, Hosine expressed his country's keen interest in launching air services connecting Algeria, Abuja, and Douala.

He specifically requested the minister's intervention in ensuring that the necessary paperwork is expedited by the Nigerian Civil Aviation Authority (NCAA) to facilitate the commencement of this route, slated to begin operations on April 6, 2024.

In response, Minister Keyamo welcomed the initiative and commended Algeria's efforts in strengthening aviation ties with Nigeria.

Tunde Moshood, special adviser on media and communications to the minister, said Keyamo promised to expedite all necessary processes to ensure a smooth implementation of the agreement, reaffirming the ministry's commitment to fostering bilateral cooperation in the aviation sector.

"This development aligns with our broader vision to enhance Nigeria's aviation connectivity with key international destinations. We will work closely with relevant agencies, particularly the NCAA, to ensure all required formalities are completed as swiftly as possible. This is an opportunity we've been waiting for, if we have to go to Cameroon, a neighbouring country that's less than an hour flight, we have to fly to Togo first, possibly sleep over before coming to our neighbouring Cameroon. This is a welcome development," Keyamo said.

The meeting signifies a positive step toward bolstering diplomatic and economic relations between Nigeria and Algeria through enhanced air transport connectivity. The proposed Algeria-Abuja-Douala route is expected to facilitate trade, tourism, and economic cooperation between the two nations and beyond.

Keyamo further assured the ambassador of Nigeria's readiness to support this initiative, underscoring the government's commitment to improving air travel accessibility and reinforcing Nigeria's position as a key aviation hub in Africa.

NiMet DG says leadership quality shapes team culture

Charles Anosike, director general, NiMet

CHARLES ANOSIKE, a professor and current director general and chief executive officer of the Nigerian Meteorological Agency (NiMet), has said that good leaders bring the weather and set the climate within the team by serving as role models for how team members interact with others.

Speaking at the African Leadership Persons of the Year 2025 event in Casablanca, Morocco, at the weekend, Anosike said that leaders who understand this principle demonstrate a higher level of self-awareness.

"They understand that the team's climate is unlike the weather – The weather changes tomorrow. The climate is experienced every day. Great leaders lead by doing!"

Continuing, he said: "While I stand here today, I recognise that this achievement is not entirely mine; Indeed, it is a reflection of the unwavering support of my honourable minister of aviation and aerospace development, Festus Keyamo, and the incredible team I have the privilege of working with".

He expressed gratitude to President Bola Ahmed Tinubu for entrusting him with the responsibility of transforming the Nigerian Meteorological Agency – NiMet.

"I am privileged to lead the Nigerian Meteorological Agency, an agency enriched with over 130 years of history, – Since 1887 at Akassa, present-day Bayelsa State. The Nigerian Meteorological Agency plays a crucial role in advancing sustainable agricultural productivity by providing early warnings to farmers and empowering and enabling farmers to implement climate-smart practices for better planning and decision-making. Because climate change is a threat multiplier, it intensifies existing structural barriers and socio-economic conditions that expose vulnerable communities. Communities that are already disadvantaged due to poverty, limited access to resources, or poor infrastructure are likely to experience more severe impacts from extreme weather events," said Anosike.

According to him, NiMet provides multi-hazard monitoring, alerting, decision support, and climate risk intelligence for disaster risk management.

"By so doing, we provide the basis for climate change mitigation and adaptation strategy. Our success is rooted in collaboration and managing relationships, leveraging on our network of stations across the country and stakeholder channels to deliver impact-based forecasts and early warnings to foster safe operations, build resilience, and strengthen food security," Anosike continued.

"We are engaging funding partners and the private sector to fill the gap of government-limited funding for country-specific interventions, upgrading our weather observation networks to strengthen early warning systems and community-based preparedness. A climate-proof economic growth is a resilient endgame as communities become weather-ready and entrench climate-smart practices for sustainability. Our success signifies the power of facilitating teamwork, enduring stakeholder engagement, encouraging collaboration, and listening to diverse perspectives to foster organizational performance. It is a testament to the belief that leadership is not an Individual property, but an emergent property of the system," the NiMet director general concluded.

Anosike is one of the recipients of this year's African Leadership Persons Of The Year 2025 awards. He was honoured and presented with the African Public Sector Leadership Impact Award at the awards ceremony held on Saturday, 22nd February 2025.

Sade Williams/Business a.m.

SAHCO talks up progress made under CEO Aboderin

SKYWAY AVIATION HANDLING COMPANY (SAHCO) has been talking up progressive strides made under Adenike Aboderin, its managing director and chief executive officer, including what the company described as a remarkable financial turnaround that saw a 74.8 percent increase in revenue for the period ending December 2024.

The company said the unprecedented growth is a reflection of SAHCO's ommitment to operational excellence, enhanced service delivery, and solidified partnerships with key industry players.

It noted that it is celebrating a year of exceptional growth and accomplishments under the leadership of Adenike Aboderin, managing director and chief executive officer.

Her tenure has been marked by strategic excellence, a significant boost in operational performance, and impressive milestones that have strengthened SAHCO's position as a leading force in Africa's aviation ground handling sector.

Under Aboderin's leadership, SAHCO has secured key contracts and renewals, further cementing its reputation in the aviation industry. The company successfully renewed its ground handling contract with British Airways for five years, underscoring its reputation for quality service.

Adenike Aboderin, managing director/CEO, SAHCO

Furthermore, SAHCO signed a 5-year ground handling agreement with South African Airways and strengthened partnerships with other major carriers, including Bristow Airlines, ValueJet, Ibom Air, Green Africa, and Air Côte D'Ivoire.

Additionally, SAHCO expanded its footprint by securing the Air Peace London route, Ibom Air's regional operations to Accra, and Uganda Airlines' extended services to Abuja.

SAHCO further expanded its portfolio by entering the religious tourism sector, securing Hajj handling contracts with Flynas and Umza Air. The company also secured the full handling contract for Neos Air, reviving the Nigerian-Italian route after nearly two decades.

SAHCO's growth continued with new domestic handling agreements with Umza Aviation, LTT Cargo, and ASTRA Aviation, solidifying its dominance in Nigeria's aviation industry.

Its commitment to safety and efficiency was widely recognised, with the company receiving multiple awards from British Airways, including the Bronze, Silver, Gold, and Platinum Awards for Safety & Punctuality at the Lagos station, along with a Bronze Award for its Abuja operations. These accolades affirm SAHCO's dedication to top-tier aviation handling services.

SAHCO also set a new standard in operational efficiency, achieving an impressive 37-minutes turnaround for an Ethiopian Airlines cargo flight—a record for offloading 37 pallets from a Boeing 777 in under 40 minutes.

Aboderin's leadership has prioritised safety and environmental sustainability. SAHCO successfully renewed its IATA Safety Audit for Ground Operations (ISAGO) and RA3 certifications, demonstrating its unwavering commitment to industry-leading safety standards.

Also, SAHCO strengthened its corporate affiliation with the Institute of Safety Professionals of Nigeria (ISPON), reinforcing its position as a safety-driven organization.

Additionally, the company has made significant investments in eco-friendly aviation ground support equipment to support its expanding operations and contributing to environmental sustainability in the aviation sector.

"The first year of Adenike Aboderin's leadership has been transformative for SAHCO. Through her visionary approach, SAHCO has not only achieved impressive financial success but has also set new industry benchmarks in safety, efficiency, and customer satisfaction. With a continued focus on innovation and growth, SAHCO is well-positioned for even greater achievements in the years to come.

"As the company continues to push the boundaries of excellence, Mrs. Aboderin's strategic leadership ensures that SAHCO remains a trusted and valuable partner to airlines, passengers, and stakeholders in the global aviation ground handling sector," the company said through her spokesperson, Adetola Uansohia.

NCAT welcomes Adamu home to lead college as substantive rector

THE NIGERIAN COLLEGE OF AVIATION TECHNOLOGY (NCAT) under Joseph Imalighwe as acting rector, has welcomed the appointment of Ismaila Danjuma Adamu as substantive rector and chief executive of the college.

In a statement by Jude Amadi, its director of information, NCAT said the very rich profile and pedigree of the new rector lends eloquent credence to President Bola Ahmed Tinubu's inclination to having square pegs in square holes.

Ismaila Danjuma Adamu is a consummate academician and an administrator of repute. He holds a B.Sc and MBA degrees from the prestigious Ahmadu Bello University and a PhD thesis on "The impact of International Air Transport Liberalisation: The case for Nigeria" from the University of Huddersfield, United Kingdom.

Ismaila Danjuma Adamu

His quest for greater knowledge in civil aviation management and operations led him to attend many aviation conferences, seminars and courses, including: Air transport marketing, Westminster; ICAO Trainair plus competency course, EASA Kenya; ICAO Basic AVSEC course, Bahrain, etc.

Prior to this appointment, Adamu has till date, been an aviation management resource person in NCAT.

According to the NCAT statement, Adamu has no doubt spent time and resources to prepare and equip himself for this national assignment, noting that he, no doubt, combines deep knowledge and expertise in both the air transport (aviation) and land transport sectors, adding that he is gladly welcomed back home to NCAT.

Passenger caught stealing in-flight aboard Air Peace

AIR PEACE CONFIRMED recently an incident of in-flight theft onboard Flight P47190, saying the suspect has been handed over to the airport police for further investigation and necessary action.

While expressing concern over the increasing rate of onboard theft, the airline promised to heighten surveillance on all its flights henceforth.

The airline also reiterates its unwavering commitment to passenger safety and security and has taken decisive action in response to the situation.

Ejike Ndiulo, spokesperson for the airline, said during the flight, a passenger was found in possession of a missing item following a thorough search conducted upon landing at Port Harcourt International Airport (PHC).

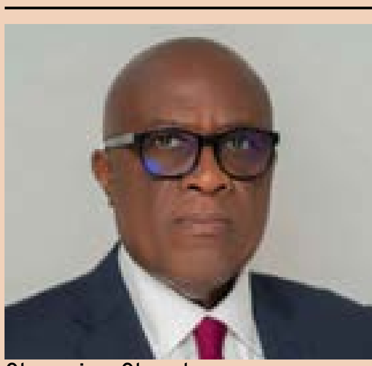
"Air Peace is deeply concerned by the rising trend of in-flight thefts observed in recent weeks. To curb this menace, the airline is implementing enhanced surveillance measures on board its flights. Cabin crew members have been advised to heighten their vigilance throughout the journey, and in-flight announcements will be intensified to sensitize passengers on the importance of securing their belongings and reporting any suspicious activities immediately," he said.

Furthermore, the airline said it is taking a firm stance against such criminal acts by recommending the blacklisting of the identified suspect, reinforcing its zero-tolerance policy for any misconduct that compromises the safety and comfort of passengers.

"Air Peace remains committed to delivering a safe, secure, and world-class travel experience for all passengers.

The airline urges the public to cooperate with its security protocols and report any suspicious behaviour to ensure a seamless and enjoyable journey for everyone," Ndiulo added.

NAHCO wins award as NCAA's aviation industry champion



Olumuyiwa Olumekun, group managing director/CEO, NAHCO Plc

THE NIGERIAN AVIATION HANDLING COMPANY Plc (NAHCO Plc) has been awarded the prestigious Aviation Industry Champion award by the Nigeria Civil Aviation Authority (NCAA).

At the 25th anniversary and gala night held in Abuja on Saturday, the company received accolades for being a bright shining light of Nigerian aviation.

Olumuyiwa Olumekun, group managing director and chief executive officer of NAHCO Plc, received the award on behalf of the company.

The award, presented as part of the NCAA's landmark 25th-anniversary celebrations, recognises the company as a service provider in the aviation value chain who has consistently provided innovative support services in the sector.

The NCAA acknowledged that NAHCO has played a crucial role in facilitating the growth of the Nigerian aviation industry through its dedication to providing world-class aviation, passenger and cargo handling services and consistently setting the benchmark for operations excellence.

The company's recent multi-billion-naira investment in state-of-the-art ground support equipment and continuous training for its personnel has ensured seamless and reliable services for airlines operating in Nigeria.

This investment underscores NAHCO's commitment to safety and efficiency in ground handling operations, which has been a cornerstone of its success.

Demonstrating resilience and adaptability in navigating industry challenges, particularly in recent times, NAHCO has solidified its position as a true champion of the Nigerian aviation sector.

Receiving the award, Olumekun reaffirmed the company's commitment to excellence.

"This recognition is a testament to the hard work and dedication of our entire team. We remain committed to providing world-class aviation handling services and contributing to the continued growth and development of the Nigerian aviation sector." he said.

NAHCO Plc is a diversified multi-billion-naira conglomerate with interests in aviation ground handling, airport management, aviation training, free trade zone, commodities export, and energy solutions.

Stories by Joy Agwunobi

NITDA unveils cloud sovereignty initiative

L-R Mohammed Saleh,minister of Innovation, Science and Technology, Uche Nnaji; director-general, National Productivity Order of Merit Award Committee (NPOMAC), Baffa Dan'Agundi and others during the inauguration of Raw Materials Research and Development Council's (RMRDC), Nigeria Raw Materials Information Management System (NRMIMS) and Raw Materials e-registration Portal (RMe-regP), at the RMRDC's Event Centre in Abuja recently.

THE NATIONAL INFORMATION TECHNOLOGY DEVELOPMENT AGENCY (NITDA) has inaugurated the National Cloud Sovereign Technical Working Group (TWG) to enhance Nigeria's digital infrastructure and establish greater control over its data sovereignty.

The initiative is designed to promote local data hosting, reduce reliance on foreign cloud services, and attract hyperscale investments.

During the inauguration, Kashifu Inuwa, director-general of NITDA, stressed the importance of strengthening Nigeria's digital ecosystem by fostering collaboration among stakeholders. He noted that achieving digital sovereignty requires strategic investments in local data centres, clear regulatory frameworks, and accurate data to guide decision-making.

The TWG will develop policies that align with global best practices, ensuring Nigeria builds a resilient digital infrastructure while maintaining regulatory compliance and fostering innovation. Key industry players, including Google, AWS, IBM, Oracle, Microsoft, Huawei Cloud, Equinix, Medallion Data Centre, and the Nigeria Data Protection Commission, have pledged support for the initiative, committing resources to its success.

Inuwa identified the lack of accurate data on Nigeria's IT infrastructure as a major obstacle to attracting investment. He pointed out that while Africa accounts for nearly 19 per cent of the global population, it hosts less than 1 per cent of the world's data centres. This disparity, he said, limits Nigeria's ability to position itself as a prime destination for digital investments.

To address this challenge, NITDA has commissioned comprehensive research to assess Nigeria's digital landscape, revealing the need for improved regulatory frameworks, clearer investment incentives, and stronger collaboration between the public and private sectors. The agency has also engaged global consultants to refine strategies for cloud development and digital expansion.

As the TWG begins its work, NITDA has called on industry experts, policymakers, and stakeholders to contribute their expertise and resources. "With collective effort, Nigeria can establish itself as the leading digital hub for West and Central Africa," Inuwa stated.

Similarly, Emmanuel Edet, acting director of regulation and compliance at NITDA, emphasised the need for regulatory interventions to drive cloud development. "Our goal is to implement policies and legal frameworks that enable Nigeria to securely host and manage its data, which is critical for the growth of our digital economy," he said.

Edet also underscored the importance of capacity building, stating that equipping industry professionals with advanced training is essential for fully leveraging digital technologies.

He urged stakeholders to actively engage in shaping Nigeria's digital future, adding, "We must collaboratively develop a framework that reflects national interests and is widely accepted."

AU names Nigeria Africa's digital trade champion

THE AFRICAN UNION (AU) has endorsed Nigeria as the Digital Trade Champion for the continent under the Africa Continental Free Trade Area (AfCFTA) Digital Trade Protocol. This recognition highlights Nigeria's commitment to advancing digital enterprise and innovation across Africa.

The endorsement was announced during the 38th Ordinary Session of the AU Assembly of Heads of State and Government in Addis Ababa, Ethiopia. At the session, Nigeria was commended for its active role in driving the implementation of the AfCFTA Digital Trade Protocol, which was adopted in February 2024.

The protocol outlines a framework covering eight key areas, including rules of origin, digital identities, cross-border data transfers, disclosure of source codes for legal and legitimate public interest reasons, online safety and security, financial technology, and emerging digital technologies.

Presenting his annual report on the AfCFTA Digital Trade Protocol, Mahamadou Issoufou, former Nigerien president and AU AfCFTA champion praised Nigeria's leadership in advancing digital trade. He highlighted the Digital Economy Roundtable, hosted by Nigeria in January, as a significant step in shaping Africa's digital future.

"No region or continent has negotiated or adopted such an extensive legal instrument on digital trade. This positions Africa to maximise the benefits of the digital economy for innovation and job creation," Issoufou said.

He emphasised that young Africans are already leading innovation in mobile banking and other technology-driven services, and the digital trade protocol will create an enabling environment for them to thrive.

Issoufou also acknowledged President Bola Tinubu and his administration for organising the Abuja Roundtable, which brought together key players from the fintech and digital sectors. He noted that the enthusiasm displayed by young entrepreneurs at the event reflected their readiness to seize the opportunities offered by the AfCFTA Digital Trade Protocol.

Speaking on the AU's endorsement of Nigeria, Jumoke Oduwole, minister of industry, trade, and investment, described the recognition as a turning point for Africa's digital economy.

"Africa has set a global precedent by pioneering the AfCFTA Protocol on Digital Trade, which establishes a comprehensive regulatory framework," Oduwole stated.

She added that Nigeria's role as Digital Trade Champion would significantly boost the continent's digital economy by creating millions of jobs for young tech professionals, contributing billions to Africa's GDP, and attracting substantial investments in digital infrastructure.

NCC, USPF unveil emerging technologies center at OGITECH

THE UNIVERSAL SERVICE PROVISION FUND (USPF) of the Nigerian Communications Commission (NCC) has commissioned a modern Emerging Technologies Centre (ETC) at the Ogun State Institute of Technology (OGITECH).

The facility, equipped with 100 desktop computers, high-speed internet, and digital learning tools, is designed to improve technology-driven education, research, and skill development.

The project, facilitated by NCC and USPF, aligns with the government's efforts to close the digital gap and expand access to technological resources across Nigeria. Located within the institution's campus, the ETC is expected to enhance academic learning and technological innovation while providing a platform for students and faculty to explore new digital solutions.

As part of the commissioning, a Memorandum of Understanding (MoU) was signed between OGITECH and USPF to guarantee the efficient use and long-term maintenance of the facility. The agreement establishes a framework for effective management so that the centre continues to serve students and the broader community well into the future.

During the handover ceremony, Yomi Arowosafe, Secretary of the USPF, emphasised that the ETC represents more than just infrastructure. He described it as an investment in human capital, contributing to the growth of Ogun State and the country at large.

He noted that under the leadership of Bosun Tijani, minister of communications, innovation, and digital economy, and Aminu Maida, executive vice chairman of the NCC, the USPF remains committed to expanding digital access across underserved areas.

Arowosafe highlighted that the ETC will support students in developing proficiency in modern technology and broaden their exposure to data processing, software development, and cybersecurity. Faculty members will also have access to advanced digital tools to improve teaching methods and collaborate on research initiatives with other institutions and industry experts.

"With a student population of 9,300, OGITECH is one of Nigeria's top institutions of technology. This centre will provide a structured environment for learning and practical training, enabling students to refine their technical skills and creativity," he stated.

Beyond education, he stressed that the ETC will function as a hub for innovation and entrepreneurship, where start-ups and small businesses can leverage digital tools to develop their projects.

"This initiative is set to contribute to economic growth, and we look forward to witnessing its impact on students, faculty, and the surrounding community," Arowosafe added.

Abiodun Oluseye, the rector of OGITECH, commended NCC and USPF for the initiative, assuring that the facility would be used to its fullest potential. He reaffirmed the institution's commitment to integrating the ETC into academic activities and ensuring its sustainability, as outlined in the MoU.

"We will ensure the sustainability of the project and work towards putting it into effective use for the benefits of the entire community," he said.

IoT West Africa & Data Centre Cloud Expo 2025 to power Africa's $180bn digital economy

THE IOT WEST AFRICA & DATA Centre Cloud Expo 2025, co-located with Power and Water Nigeria, is poised to play a crucial role in boosting Africa's digital economy, projected to reach $180 billion by 2025 and contribute 5.2% to the continent's GDP.

Organized by Vertex Next, the three-day event will take place from May 13th to 15th, 2025, at the Balmoral Convention Centre, Federal Palace Hotel, Lagos. It will convene government leaders, industry experts, investors, and innovators to explore the latest advancements in IoT, AI, cloud computing, digital infrastructure, and energy solutions.

In a statement made available to journalists in Lagos, Vertex Next Managing Director, Shitij Taneja, stated that this influential event will significantly contribute to the continent's digital economic growth. He assured that the expo will feature a comprehensive conference program focused on the transformative power of IoT, AI, and digital technologies across various African industries.

According to Taneja, discussions will center on how these technologies drive economic expansion, improve connectivity, and increase efficiency in key sectors like telecom, energy, finance, and e-commerce.

Government officials and business leaders are also expected to collaborate on strategies for scaling digital infrastructure and leverag-

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How Microsoft invests $1m to boost AI skills in Nigeria

Joy Agwunobi

IN AN AMBITIOUS move dedicated to developing future-ready skills and powering Nigeria's growing digital economy, Microsoft has made a $1 million investment in the Microsoft AI Skilling Initiative, aiming to train 1 million Nigerians in AI skills over the next two years.

The announcement was made at the Microsoft AI Tour, a free event bringing together business leaders, IT professionals, and developers to explore the latest advancements in AI.

This investment comes as Nigeria's AI market is projected to expand by 27.08% annually from 2025 to 2030, with AI potentially adding $15 billion to the nation's GDP by 2030. The initiative supports Nigeria's draft National AI Strategy, which aims to equip 70% of young workers with AI-related skills.

Microsoft's Managing Director for Nigeria and Ghana, Ola Williams, emphasized the company's belief in AI's transformative potential and its commitment to empowering individuals and organizations

"At Microsoft, we believe that AI has the potential to transform economies and societies. Our commitment to enhancing AI skills in Nigeria is a testament to our dedication to empowering individuals and organisations to achieve more. By investing in digital skills training and collaborating with the Nigerian government, we aim to create a future-ready workforce that can drive innovation and economic growth in the country," she said.

This comprehensive strategic initiative to enhance AI skills in Nigeria is a significant investment that showcases Microsoft's commitment to advancing digital skills and AI capabilities in Nigeria. The investment will support various skilling programmes, including digital, AI, and cybersecurity skills training for youth and women.

One million Nigerians will receive sought-after skills for employability

The AI Skilling Initiative investment will expand Microsoft's skilling programmes to reach one million Nigerians by 2026, including business leaders and senior executives in the public sector. The investment aligns with the Nigerian government's national priorities to boost economic growth, promote social development and inclusion, drive industrialisation, foster technological advancement, and invest in digital and creative enterprises. This investment will further leverage increased access to Microsoft's skilling resources for Nigerian citizens, developers and business leaders, to expand AI and cloud adoption in the country.

"The launch of this AI skilling initiative for Nigeria is not just about individual advancement, but more importantly about uplifting entire communities. We believe that by democratising access to AI education, we are creating a more equitable digital future for all," Williams added.

Microsoft began its investment in skills development in Nigeria in 2021 in partnership with the Government of Nigeria to upskill Nigerians via the 3MTT platform. By the start of 2024, four million Nigerians had interacted with the platform. Collaboration between Microsoft and Wootlab Foundation has successfully implemented programmes with a keen focus on AI, preparing participants for success in the digital economy and setting the foundation for future expansions.

In partnership with Tech4Dev, Microsoft piloted the Nigeria Women Techsters programme, while Microsoft has continued its partnership with MTN Foundation, a nonprofit arm of the leading telecom company in Nigeria, to train SMEs on digital, productivity and cloud skills using the Microsoft Community Training platform and LinkedIn Learning pathways. Microsoft has also supported the MTN ICT and Business Skills training programme, which impacted over 4 million Nigerians with free tech skilling content.

The AI Tour provides a hands-on experience

During the AI Tour, attendees learn about the latest advancements in AI technology and how they can be applied to drive innovation and growth in various industries.

The event features presentations and panel discussions with AI experts and industry leaders including senior Microsoft leadership who provide insights into the future of AI and its impact on business and society. Each stop on the tour also highlights local customer and partner success stories that demonstrate how AI is being used to solve real-world problems and drive business approaches.

For senior business leaders, this is an incredible opportunity to understand how AI can drive growth and innovation within their organisations, while technical practitioners can gain hands-on experience and learn from experts to stay ahead of rapidly evolving AI trends. AI enthusiasts with an interest in the latest AI technologies and their applications are also welcome at the event.

"Harnessing the transformative power of artificial intelligence is no longer a futuristic vision, but a tangible reality for organisations seeking to achieve exponential growth and optimisation. Microsoft believes that understanding the impact of AI on business goes beyond mere business acumen. Leaders need to be adept at launching, supporting, and evaluating AI initiatives in alignment with strategic business objectives. The Microsoft AI Tour is an exciting opportunity for business leaders, technical practitioners, and AI enthusiasts to come together and explore the phenomenal potential of this transformative technology," says Lillian Barnard, President, Microsoft Africa.

Through hosting the AI Tour in Nigeria, and announcing its commitment to ongoing skills development, Microsoft reaffirms its unwavering commitment to empowering Nigeria's digital future.

By fostering innovation, driving economic growth, and enhancing digital skills, Microsoft continues to be a trusted partner in Nigeria's journey towards a technologically advanced and inclusive society. Together, Microsoft and its partners, including the Nigerian Government, are shaping the future of AI in Nigeria, unlocking limitless possibilities and creating a brighter tomorrow for all.

Data & Information Governance Insight

Have we left human ethics behind?

MICHAEL IRENE, PhD

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IF I HAD TOLD YOU TEN years ago that companies would adopt artificial intelligence in massive tranches, you'd likely have dismissed the idea. Yet, here we are, existing where machine learning and automation underpins nearly every aspect of modern life.

The truth is, AI didn't appear overnight. Machine learning has been shaping our daily lives for decades. Long before we had sophisticated algorithms, the first machine was man — the human brain, processing data, identifying patterns, and making decisions based on experience.

Take, for example, a school setting. When a child is enrolled, teachers and administrators collect data — name, gender, age, learning abilities, and even medical conditions. This information helps shape their educational experience, ensuring they receive the right support. In essence, this is a rudimentary form of machine learning — gathering inputs to create a predictive model that informs future actions.

However, what separates human decision-making from AI-driven processes is the ethical lens through which data is used. In education, the welfare of the child is at the heart of every decision. There are checks and balances, ensuring that information is used responsibly, with safeguarding measures in place.

Fast forward to today, and we have outsourced vast quantities of data processing to machines. AI systems now sort, analyse, and make decisions at a scale humans could never achieve. Businesses have embraced AI for efficiency, cost-cutting, and automation — often without fully understanding the implications of entrusting machines with data-driven decision-making.

This shift has introduced a critical dilemma. Have we left behind the ethical responsibility that once guided data usage? Have we become too detached from the consequences of machine-driven decisions?

For decades, data belonged to humans. People collected it, interpreted it, and made judgements based on context, emotion, and moral responsibility. Now, algorithms decide who gets a loan, which job candidates make the shortlist, or even how criminal sentences are determined. These models operate with cold precision, often lacking the ability to factor in nuance, fairness, or human dignity.

The problem isn't AI itself — it's how we integrate it into society. We treat AI as an all-knowing, unbiased decision-maker, yet we fail to acknowledge that it is only as good as the data we feed it. And that data? It reflects the biases, prejudices, and systemic flaws ingrained in society.

Where humans once questioned, debated, and refined decisions, we now often accept algorithmic outputs as absolute truths. The assumption that AI is infallible is not only flawed but dangerous.

The challenge ahead is not to stop AI from evolving, but to ensure we embed ethical principles into its foundations. Human oversight must remain a priority, ensuring that AI enhances decision-making rather than replacing human judgement. Transparency is non-negotiable. Companies using AI must be clear about how models function, what data they use, and where biases may exist. Regulation must also catch up, with stronger AI governance to enforce fairness, accountability, and ethical integrity.

Technology should serve humanity, not the other way around. The real question is whether we are designing AI to reflect human values, or allowing machines to redefine them. The answer to that will shape our future more than any algorithm ever could.

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IoT West Africa...

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ing data for innovation and sustainable development.

As demand for secure, efficient, and scalable digital infrastructure surges, Africa's data center market is expected to grow at a CAGR of 12% through 2030, reaching a valuation of over $5 billion. The expo will feature high-level discussions on critical infrastructure development, investment opportunities, cybersecurity, and AI-driven data center expansion. Thought leaders from global cloud and data center giants will share insights into building future-ready facilities that power industries and drive economic progress.

With Africa's power sector undergoing transformation, discussions will focus on smart grids, energy storage, and sustainable power solutions to support the continent's growing digital economy. The African Development Bank estimates that investment in energy and utilities must increase to $70 billion annually to meet rising demand. Industry leaders will explore the role of IoT and AI in optimizing utilities, managing resources efficiently, and developing smart, connected cities.

The rise of digital banking, fintech, and e-commerce is reshaping consumer experiences and financial transactions across Africa. The fintech sector alone attracted over $3 billion in investments in 2023, and e-commerce is projected to exceed $75 billion in value by 2028. This expo will highlight how automation, AI, and IoT are creating secure, seamless, and scalable financial solutions, ensuring that businesses stay ahead in the fast-paced digital landscape.

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TOWARDS MORE EFFICIENT MARKETS

Africa needs operating system update for successful integration

Amadou Hott, a Senegalese economist and former minister of economy and planning, is Senegal's official nominee for the position of President of the African Development Bank. Visit www.AmadouHott.com

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ASK ANY TRAVELLER ABOUT their experience moving across parts of Africa, and you will likely hear about familiar challenges: high costs, indirect routes, and unpredictable schedules that can make even the simplest journeys more complicated and costly. These travel hurdles highlight the immense opportunity to further strengthen Africa's integration and unlock seamless connectivity across the continent.

The potential is undeniable. According to the World Bank, the African Continental Free Trade Area (AfCFTA) stands to be the world's largest free trade zone, encompassing 1.4 billion people and a combined GDP of 3.4 trillion USD. The African Development Bank projects that eliminating existing barriers could double intra-African trade within a decade from its current 15 percent; a figure that pales in comparison to Asia's 60 percent and Europe's 65 percent. Despite meaningful progress through the AfCFTA implementation led by regional economic communities, fulfilling this promise will require more efforts. Namely, Africa requires robust physical infrastructure and an operating system update to modernize institutional frameworks and encourage a new ecosystem of African-made goods and services.

Africa's integration challenge can be likened to building a cutting-edge computer system. Success first requires powerful hardware: the physical infrastructure forming the backbone. Currently, the continent faces an annual infrastructure financing gap of between 130 and 170 billion USD to meet essential hardware requirements across transportation corridors, energy networks, and digital highways. While our international partners have historically played a crucial role In bridging this financing gap, the current geopolitical landscape demands a paradigm shift. Africa must take the lead in investing in its own hardware. The key lies in mobilising African public and private capital first to build confidence among international partners and investors. Substantial capital can be generated within the continent through sovereign wealth funds, pension funds, high-net-worth individuals, and other sources. Development finance institutions like the African Development Bank must also play a transformative role by leveraging their expertise and credit ratings to channel this locally sourced capital into Africa's development. The Alliance for Green Infrastructure in Africa (AGIA), launched by the African Development Bank in partnership with Africa50 and the African Union, exemplifies this approach, mobilising project preparation and project development blended capital to build a 10 billion USD portfolio of green infrastructure projects with private sector participation from Africa and around the world. Regional energy integration, as highlighted by Mission 300 launched recently in Tanzania, is equally important.

Beyond physical infrastructure, Africa's integration requires modern software upgrades: the systems, policies, and institutional frameworks that power trade across borders. Digital solutions are key to enhancing business operations across borders and reducing trade barriers. While discussions often focus on physical infrastructure gaps, outdated manual processes frequently limit the effectiveness of existing assets. The Pan-African Payment and Settlement System (PAPSS) exemplifies this transformation, promising to save 5 billion USD annually by making cross-border payments simpler and more transparent. Moreover, pilot programmes in East Africa have shown that applying blockchain technology to existing value chains could help reduce trade costs by 20 percent, enhance protection against fraud, and expand access to new markets for businesses across the continent.

As African leaders [recently] convene[d] at the AU Summit in Addis, we are at a pivotal time that requires action: the finalization of the Protocol on Digital Trade under the AfCFTA is a first step towards the bold transformation that we must operate. We must pursue economic transformation through infrastructure development and technology integration in our trade operations to evolve from a raw material exporter into an industrial and agricultural powerhouse. Beyond manufacturing value-added goods and value creation, our ability to integrate essential services - financial services, transport and logistics, education, and healthcare - will facilitate seamless business operations across borders. By positioning economic transformation at the heart of our integration agenda, Africa can advance up the value chain to generate wealth and create quality economic opportunities for all Africans, particularly our youth and women.

With Africa's youth population set to double by 2050, the urgency of this transformation cannot be overstated. By effectively mobilizing our own resources first, driving economic transformation, and building both the required software and hardware, we can successfully integrate Africa. This is Africa's moment to move beyond being the world's largest free trade area by membership to becoming its most dynamic and innovative economic powerhouse.

PROJECT SYNDICATE

Trump Can't Stop De-Dollarization

HIPPOLYTE FOFACK

Hippolyte Fofack, a former chief economist at the African Export-Import Bank, is a fellow with the Sustainable Development Solutions Network at Columbia University, a research associate at Harvard University's Center for African Studies, a distinguished fellow at the Global Federation of Competitiveness Councils, and a fellow at the African Academy of Sciences.

BELFAST – During the US presidential campaign, Donald Trump pledged to make de-dollarization – efforts to reduce global reliance on the greenback – too costly to contemplate, vowing to impose 100% tariffs on countries that shun the currency. But such a move, part of a broader tariff agenda that the president-elect seems determined to enact, would do little to stop the dollar's demise.

The greenback remains the most important means of exchange and effective store of value, making it the preferred currency for international trade and finance, as well as for foreign-exchange reserves held by central banks to ensure a steady supply of imports and insure against currency crises and macroeconomic instability. But as the world's economic center of gravity shifts east, de-dollarization is accelerating.

The dollar's share of foreign-exchange reserves fell from a peak of 72% in 2002 to 59% in 2023, driven by increased demand for non-traditional reserve currencies – especially the Chinese renminbi. Moreover, the global oil trade was almost exclusively settled in dollars until last year, when one-fifth of these transactions were denominated in other currencies.Several factors have contributed to this shift. Global South countries have become the drivers of global economic growth, changing the dynamics of global trade and energy markets. An increasingly multipolar world has ushered in a new age of currency competition, while technological and financial innovations have made it less expensive and more efficient to use local-currency settlement (LCS) for bilateral trade.

Trump, seemingly aware of the enormous economic and geopolitical benefits conferred by the dollar's status as the world's main reserve currency, would like to halt this process. After all, the United States is one of the few countries in the highly integrated world economy that still has effective monetary sovereignty – namely, the ability to set and achieve its economic and monetary-policy objectives without regard for other countries.

By contrast, as the eurodollar market became the backbone of the privatized international monetary system, more countries issued dollar-denominated sovereign debt, increasing their reliance on the greenback. In 2011, then-Chinese President Hu Jintao put it plainly: "The monetary policy of the United States has a major impact on global liquidity and capital flows, and therefore, the liquidity of the US dollar should be kept at a reasonable and stable level." Although a recent study by the Federal Reserve Bank of New York singles out geopolitical distance from the US and financial sanctions as the main drivers of decreasing demand for the US dollar, de-dollarization is not driven exclusively or even largely by America's overreliance on the dollar as a foreign-policy tool. Rather, many governments are encouraging the use of instruments denominated in their national unit of account to capture the welfare gains associated with having an international currency.

Perhaps the most successful example of this was Europe's monetary integration, which gave rise to the euro, now a strong second to the dollar, accounting for around 20% of global reserves and over half the EU's exports worldwide. In 2022, roughly 52% of goods that the European Union imported from non-EU countries, and around 59% of goods that the bloc exported to these countries, were invoiced in euros.

Following in the EU's footsteps, Global South countries are leveraging new technologies to promote the use of LCS for bilateral trade, which can ease balance-of-payments constraints and sustain economic growth. China, for example, has developed its own Cross-Border Interbank Payment System, established bilateral swap lines with nearly 40 foreign central banks, and successfully pushed to denominate oil contracts in renminbi. Total Energies and China National Offshore Oil Corporation concluded China's first purchase of liquefied natural gas in renminbi through the Shanghai Petroleum and Natural Gas Exchange last year.

In 2022, the Reserve Bank of India established a mechanism to enable international trade settlement in rupees, which could save around $30 billion in dollar outflows if used for Russian oil imports. Among the BRICS+ countries (Brazil, Russia, India, China, South Africa, Egypt, Ethiopia, Iran, and the United Arab Emirates), trade settled in national currencies has reportedly surpassed that in dollars. Cross-border investment in local currency is also set to rise, with the BRICS' New Development Bank raising its local-currency lending from about 22% to 30% by 2026 to mitigate the impact of foreign-exchange fluctuations and remove cash-flow bottlenecks in financing projects.

For emerging and developing economies, de-dollarization can also mitigate the adverse spillover effects of the US Federal Reserve's policymaking. The Fed's most recent aggressive tightening cycle has exacerbated macroeconomic instability and dampened growth, ensnaring more and more countries in the middle-income trap and preventing global income convergence. As research by the International Monetary Fund shows, a sudden stop in capital flows to an emerging-market economy leads to an average 4.5% decline in GDP growth that year, and a 2.2% decline the following year.

De-dollarization may also reduce the need to hoard reserves, a form of insurance against external shocks and financial volatility that implies massive opportunity costs for emerging and developing economies. These countries' monetary authorities could instead invest in higher-yielding assets, thereby generating more resources to meet development challenges, including investments that strengthen resilience to climate change.

Precautionary reserves are especially damaging for low-income countries with higher credit risks and larger interest-rate spreads, as they often involve reverse carry trades. Bangladesh currently holds a record $46.4 billion in low-yielding currency reserves to stabilize the taka while paying more than 8% interest on its sovereign bonds.

The Nobel laureate economist Joseph E. Stiglitz estimated the annual cost of reserve hoarding for developing countries at more than $300 billion – 2% of their combined GDP – in the mid-2000s. That figure is undoubtedly higher today, given the increase in excess reserves and the growing number of countries with sub-investment-grade credit ratings accessing international capital markets.

To be sure, de-dollarization also serves as a hedge against US financial sanctions, which are expected to proliferate under Trump. But the myriad other benefits of pursuing such a policy, especially in terms of macroeconomic management and growth, are huge, and will likely outweigh the costs of the retaliatory tariffs that Trump has promised to impose on currency competitors.

The process may be slow-moving. Powerful network externalities, coupled with the depth and liquidity of the US capital markets, have made it difficult to dislodge the dollar, even though America lost its status as the world's largest trading economy more than a decade ago. But the shift to non-traditional reserve currencies in an increasingly multipolar economic system, and the growing importance of the cross-border use of national currencies in fueling growth and achieving global income convergence, suggests de-dollarization will continue. And a tsunami of tariffs and sanctions under the next US administration will surely help it along.

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