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TOWARDS MORE EFFICIENT MARKETS

Global insurance at risk as US tariffs expand

Joy Agwunobi

EXPERTS HAVE WARNED that the sweeping tariffs introduced by the U.S President Donald Trump could drive up insurance premiums for businesses and individuals worldwide, as claims costs are expected to rise sharply across several key sectors.

Trump recently unveiled a new round of tariffs targeting a broad spectrum of imports from the United States' key trading partners. Justifying the move, he argued that such measures are necessary to reverse the country's economic decline caused by low-cost foreign goods, which he claims have undermined American industry for decades.

However, insurance experts warn that beyond trade and economics, these tariffs could have unintended consequences on the global insurance sector.

Alex Bertolotti, head of insurance at PwC UK, stated that the tariffs are likely to impact the global specialty insurance market significantly, especially in London, which remains a leading hub for underwriting high-risk and complex insurance products. These policies cover areas such as marine cargo, aviation, satellite operations, and cyber threats industries heavily dependent on global supply chains and international trade.

"Introducing these tariffs will increase claims costs for insurers. This will place upward pressure on premium rates for specialist policies, likely driving up the cost of insurance for global businesses that depend on them," Bertolotti noted.

He explained that tariffs on goods and components could make it more expensive to repair or replace damaged items—particularly in lines of insurance like marine hulls, manufacturing breakdown, and logistics and cargo coverage. This could force insurers to raise premiums to offset their rising liabilities.

In addition to claims costs, Bertolotti highlighted other areas

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Nigeria faces FX, economic risk as 14% US tariff disrupts trade ties

• Tariffs could lead to a significant reduction in export revenues- Afreximbank

Onome Amuge

A NEW CHAPTER IN THE UNFOLDING saga of US trade policy was written on April 2, 2025, as President Donald Trump unveiled a 14 per cent tariff on all goods imported from Nigeria. This move, part of a broad protectionist strategy targeting numerous nations, builds upon a 10 per cent baseline tariff imposed on virtually all imports into the U.S, with significantly higher levies applied to countries deemed to have unfavorable trade balances with Washington.

The White House frames this aggressive policy as a necessary step to rectify perceived trade imbalances and revitalise

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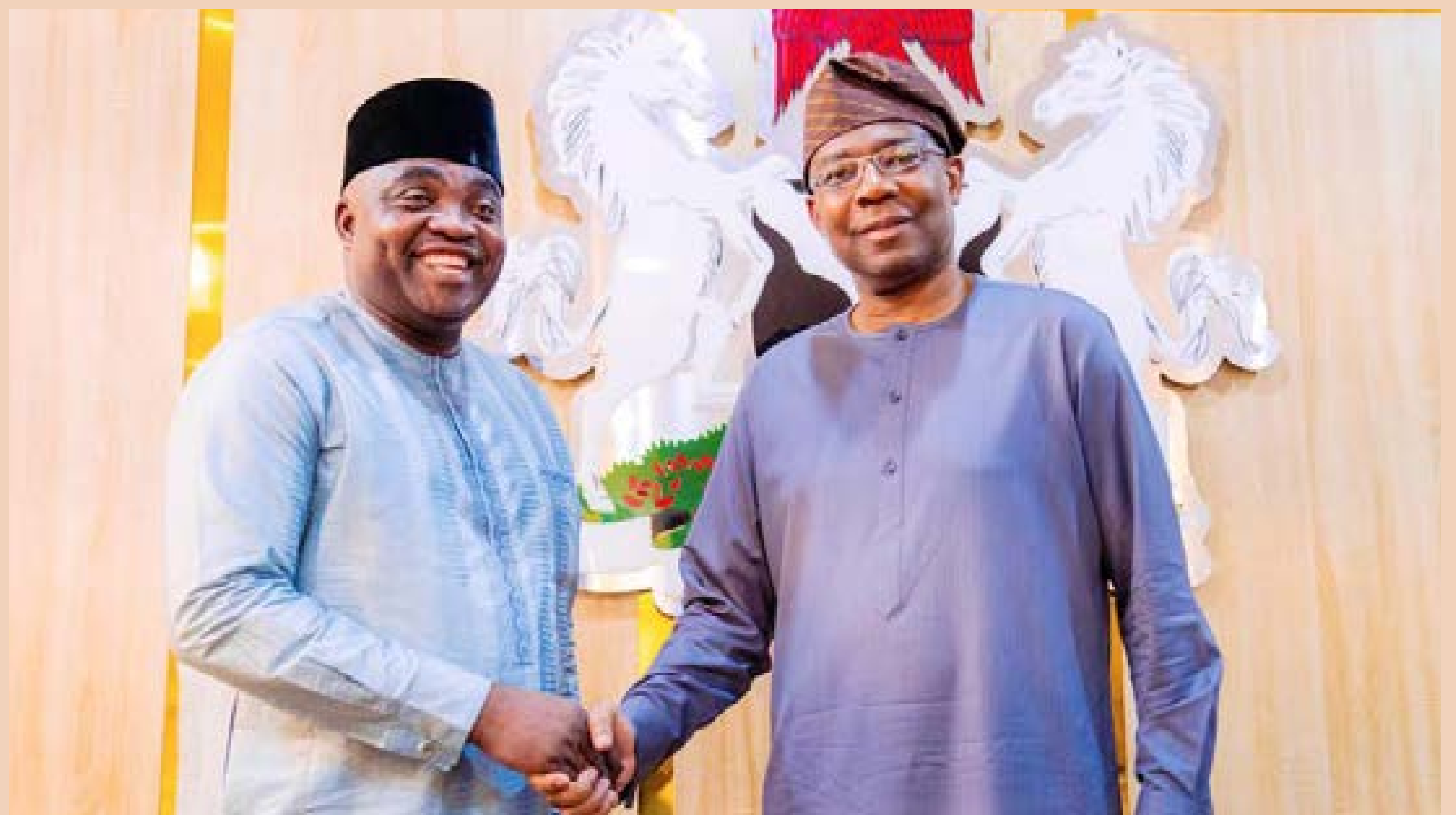

L-R Jobson Ewalefoh, director general of the Infrastructure Concession Regulatory Commission (ICRC), receiving chairman of Access Holdings, Aigboje Aig-Imoukhuede to his office to discuss areas of collaboration in the Public-Private Partnerships (PPP) space in line with the directive to deploy innovative strategies for harnessing private sector financing to develop infrastructure through PPP in Abuja recently.

TRAVELLER & HOSPITALITY

NCAA defends air passengers

PASSENGERS FLYING OUT OF Nigeria on flights offered by international carriers are being offered some comfort by the Nigeria Civil Aviation Authority (NCAA) which is promising to suspend or fine carriers...

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AI leaving African languages

ARTIFICIAL INTELLIGENCE (AI) holds the promise of revolutionising key sectors such as education, healthcare, and access to...

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Food prices under threat

CONCERNS ARE MOUNTING across Nigeria as the persistent conflict in the Middle Belt region continues to disrupt agricultural activities, posing a significant threat to...

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VISIONARY VOICES

This UN Debt Initiative Is Different

WASHINGTON, DC/ROME/JOHANNESBURG/BOSTON – Economic development requires financing that is affordable, accessible, and has maturities matched to development outcomes. Yet, for most developing countries, none of the above apply. Instead, an escalating "debt disaster" is unfolding across much of the...

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LCCI backs stable business environment to optimise $500m World Bank loan

Onome Amuge

THE LAGOS CHAMBER OF COMMERCE AND INDUSTRY (LCCI) has stressed the need for a stable and predictable operating environment to ensure the effective utilisation of the recently approved $500 million loan from the World Bank to Nigeria. The financing falls under the Community Action for Resilience and Economic Stimulus Programme (CARES).

Chinyere Almona, the director-general of the LCCI, stated that the financial development from the World Bank arrives at a particularly crucial time for Nigeria, as the nation confronts a range of escalating economic challenges. These include persistent inflationary pressures, decline in the purchasing power of citizens, and an increasingly burdensome national debt profile.

While acknowledging that the $500 million intervention is specifically targeted at supporting poor and vulnerable households and firms within Nigeria, Almona emphasised that its broader implications on businesses and the economy must pose a concern to the business community nationwide.

Almona further noted that the loan's direct impact on small businesses and vulnerable populations, primarily through the provision of grants and livelihood support initiatives, presents a potential source of short-term stimulus for the Nigerian economy. However, she cautioned that the broader macroeconomic effects must be carefully considered to ensure the long-term sustainability and overall benefit of this financial intervention.

Gerd Müller (l) director-general of the United Nation Industrial Development Organisation (UNIDO), with the minister of Budget and Economic Planning, Abubakar Bagudu (r), after the signing of the Nigeria Programme for Partnership (PCP) agreement on collaboration and partnership at the Budget office in Abuja recently.

"Nigeria's rising debt burden is a growing concern, particularly given the slow pace of disbursement and implementation of previously approved loans. With the World Bank's share of Nigeria's external debt reaching $17.32 billion, the question of debt sustainability becomes increasingly pressing.

"If not efficiently managed, additional borrowing could exacerbate fiscal vulnerabilities, weaken investor confidence, and limit the government's ability to execute long-term economic reforms," she stated.

Almona further emphasised that from a business perspective, while targeted stimulus programs can offer temporary relief, structural economic challenges such as inadequate infrastructure, multiple taxation, and forex volatility remain unaddressed.

According to the LCCI DG, businesses require a stable operating environment, and while social welfare programs are essential, they must be complemented by policies that foster productivity, investment, and job creation.

"There is also concern about the efficiency of fund allocation and utilization, given that only 16 per cent of previously approved World Bank loans under the current administration have been disbursed. This raises questions about the absorptive capacity of relevant institutions and the risk of funds being underutilised or mismanaged," she observed.

To ensure that the recently approved World Bank loan yields maximum benefit while mitigating potential risks, the LCCI highlighted the need for a robust and transparent disbursement process.

The chamber stated that there must be a transparent and efficient disbursement mechanism that ensures funds reach the intended beneficiaries, particularly small businesses and vulnerable communities.

The LCCI further asserted that while the World Bank loan is a welcome intervention, a more fundamentally impactful stimulus for sustained economic growth in Nigeria lies in the government's ability to address the long-standing and debilitating issues of poor power supply and the high cost of energy.

The chamber also emphasised that creating an enabling business environment where small businesses can thrive is paramount, as these enterprises are key drivers of job creation and revenue generation for the government.

"While the World Bank loan offers immediate relief, long-term economic resilience can only be achieved through a comprehensive strategy that fosters economic diversification, enhances productivity, and strengthens institutional frameworks for effective governance," it concluded.

Okonjo-Iweala flags global trade risks tied to Trump's tariff plans

Onome Amuge

THE WORLD TRADE ORGANISATION (WTO) has issued a warning regarding the potential fallout from recently announced tariff increases by the United States, stating that the measures would have substantial implications for global trade and economic growth prospects.

The assessment comes directly from a statement by Ngozi Okonjo-Iweala, the director-general of the WTO, in response to the latest tariffs imposed on goods originating from various countries.

The WTO Director-General further stated that the organisation is actively "closely monitoring and analysing the measures announced by the United States on April 2, 2025." This indicates a proactive approach by the global trade body to assess the specific details and potential ramifications of the US tariff hikes.

Okonjo-Iweala also noted that many members have reached out to the WTO, highlighting the widespread concern among the organisation's membership regarding these developments.

She added that the WTO is actively engaging with them in response to their questions about the potential impact on their economies and the global trading system.

"While the situation is rapidly evolving, our initial estimates suggest that these measures, coupled with those introduced since the beginning of the year, could lead to an overall contraction of around 1 per cent in global merchandise trade volumes this year, representing a downward revision of nearly four percentage points from previous projections.

"I'm deeply concerned about this decline and the potential for escalation into a tariff war with a cycle of retaliatory measures that lead to further declines in trade," the WTO DG stated.

Despite the escalating concerns surrounding the recent tariff announcements and the potential for a broader trade conflict, Okonjo-Iweala sought to provide some context, noting that the vast majority of global trade is still being conducted under the WTO's Most-Favored-Nation (MFN) terms.

Okonjo-Iweala elaborated on the prevalence of MFN-based trade, stating that current estimates now indicate that this share currently stands at 74 percent, down from around 80 percent at the beginning of the year.

In response to this trend, the WTO DG urged member nations to stand together to safeguard these gains, emphasising the collective responsibility to uphold the principles of the multilateral trading system that have underpinned global economic growth for decades.

"Trade measures of this magnitude have the potential to create significant trade diversion effects. I call on Members to manage the resulting pressures responsibly to prevent trade tensions from proliferating.

CBN forex reserves hit 3-year peak at $23.11bn in 2024

Onome Amuge

THE CENTRAL BANK OF NIGERIA (CBN) has announced an improvement in its Net Foreign Exchange Reserve (NFER) position, reflecting a positive shift in the nation's external liquidity, a reduction in short-term obligations, and an uptick in investor confidence.

This is as the apex bank disclosed that the country's Net Foreign Exchange Reserve (NFER) rose to $23.11 billion at the end of 2024, representing the highest level in over three years compared to $3.99 billion recorded at the end of 2023.

Widely viewed as a more precise representation of a country's foreign exchange cushion, the Net Foreign Exchange Reserve captures the actual reserve level available to cover short-term external commitments.

The CBN stated that the country's gross external reserves rose to $40.19 billion by the end of 2024, representing a substantial increase from $33.22 billion recorded at the close of 2023.

This upward trend in the nation's gross external reserves is considered a direct result of the CBN's efforts to boost the country's external liquidity position through various strategic interventions, notably the reduction of short-term foreign exchange liabilities, including swaps and forward contracts.

Despite the ongoing reduction of short-term foreign exchange liabilities, the CBN stated that it has managed to achieve a stronger, more transparent, and resilient reserve position, thereby boosting the country's capacity to withstand external shocks and maintain economic stability.

According to the CBN, policy interventions aimed at enhancing investor confidence in the foreign exchange market, coupled with an uptick in foreign exchange inflows from non-oil sources, have contributed significantly to the strengthening of Nigeria's gross external reserves position.

"This improvement in our net reserves is not accidental; it is the outcome of deliberate policy choices aimed at rebuilding confidence, reducing vulnerabilities, and laying the foundation for long-term stability," Governor of the Central Bank of Nigeria, Olayemi Cardoso, commented. "We remain focused on sustaining this progress through transparency, discipline, and market-driven reforms," it stated.

The improvement in Nigeria's gross external reserves has persisted in 2025, albeit with some seasonal and transitional adjustments recorded in the first quarter, primarily due to interest payments on foreign-denominated debt.

Despite these adjustments, the core economic fundamentals underpinning the strengthening reserves position remain robust, pointing to a positive outlook for continued growth over the second quarter of the year.

Looking ahead, the CBN anticipates a steady growth trajectory for the country's gross external reserves, driven by a combination of factors, including a projected increase in oil production levels and a supportive export environment that is expected to bolster non-oil foreign exchange earnings, contributing to a more diversified portfolio of external inflows.

AfDB Pledges $12.74bn to expand electricity access for 25 million Africans

Onome Amuge

THE AFRICAN DEVELOPMENT BANK GROUP (AfDB) has ramped up its efforts to tackle Africa's persistent energy deficit, channeling $12.74 billion in investments into the sector between 2016 and 2024. This strategic financial commitment is seen to have improved energy access across the continent, successfully connecting over 25 million Africans to electricity.

This impactful intervention forms the cornerstone of the AfDB's flagship "Light Up and Power Africa" initiative. The ambitious programme is strategically designed to achieve universal electricity access throughout the African continent.

The AfDB highlighted these achievements in a recent publication titled: "2025 Annual Meetings: Ten years of investments have connected over 25 million people to electricity," published recently on its official website. This announcement comes ahead of the Bank's annual meetings, underscoring the progress made under its strategic energy initiatives.

It will be recalled that Akinwumi Adesina, the AfDB president, articulated the urgency of the situation in September 2016. Speaking in New York, barely a year after assuming office, Adesina declared, "Africa is just tired of being in the dark... We need to take Africa out of the darkness, period."

The AfDB further detailed its strategic interventions, stating that its financing has facilitated the installation of 39,821 kilometres of electricity distribution lines. These investments have also boosted Africa's generating capacity, with a particular emphasis on harnessing the continent's abundant renewable energy sources.

L-R: President Bola Tinubu; Nuhu Ribadu , national security adviser; George Akume, secretary to Government of the Federation, and Nyesom Wike, minister of FCT, during the President's departure for a working visit to Paris, France at the Nnamdi Azikiwe International Airport in Abuja recently.

Key components of the bank's strategy in this regard include flagship initiatives such as Desert to Power and the Sustainable Energy Fund for Africa (SEFA). The Desert to Power initiative, a particularly ambitious undertaking, aims to leverage solar energy resources across the Sahel region to connect 250 million people to electricity by 2030.

Further amplifying its commitment to electrifying the continent, the AfDB, in collaboration with the World Bank, launched Mission 300 in January 2025. This ambitious joint initiative sets a target of connecting 300 million people to electricity by 2030, with the AfDB pledging to facilitate 50 million of these new connections. This collaborative endeavor underscores the pressing urgency of tackling Africa's significant energy deficit and highlights the potential for strategic partnerships between multilateral development institutions to accelerate sustainable development outcomes.

Between 2016 and 2024, the AfDB Group allocated 8.83 billion units of account in investments specifically aimed at connecting over 25 million Africans to electricity. "These energy investments exemplify the vision of the 2025 Annual Meetings of the AfDB, which will be held under the banner, "Making Africa's Capital Work Better for Africa's Development", underscoring the strategic mobilisations of the continent's rich resources," AfDB stated.

It also noted that "Energy is both a major asset and a catalyst for breaking the cycle of poverty.

In the words of Adesina, "I cannot accept that 600 million Africans still do not have access to electricity. We want to guarantee universal access to electricity for the people of Africa. Africa has many natural sources of energy: solar, hydraulic and wind."

With the African Development Bank Group's 2025 Annual Meetings scheduled to take place in Abidjan from May 26th to 30th, 2025, the institution underscored the critical and ongoing urgency of mobilising Africa's considerable financial, natural, and human resources. This imperative is keenly felt here in Nigeria, a nation rich in all three.

The AfDB points to its flagship programmes – Mission 300, Desert to Power, and the Sustainable Energy Fund for Africa (SEFA) – as powerful illustrations of how strategic and well-executed partnerships can effectively unlock Africa's energy potential.

FG policy shift on solar panel imports draws criticism

Onome Amuge

STAKEHOLDERS AND ECONOMIC analysts in Nigeria are expressing growing apprehension over reported plans by the federal government to impose a ban on the importation of solar panels.

These developments follow a public call from Uche Nnaji, the minister of science and technology, who advocated for a ban on solar panel imports as a key policy lever to stimulate domestic production within Nigeria.

Moreover, preceding this, the federal government had outlined its intentions to prohibit the importation of solar panels. The stated objectives behind this proposed import ban are to provide a boost to the local manufacturing sector,

Minister Nnaji articulated his belief in Nigeria's ability to domestically manufacture solar panels, underscoring the pivotal role of the National Agency for Science and Engineering Infrastructure (NASENI) in spearheading these local production initiatives. He contends that Nigeria possesses the necessary human capital and technological foundation to significantly reduce its reliance on imported solar technology.

"We have lithium in abundance here in Nigeria, so Mr President is already taking action. We are adding value to our raw materials. The lithium we have here will be processed and used as batteries for vehicles," the minister stated.

However, industry experts and renewable energy sector players are voicing concerns that the proposed import ban could pose a threat of operational disruptions to startups and existing businesses that have heavily invested in solar energy solutions.

Muda Yusuf, the Chief Executive Officer of the Centre for the Promotion of Private Enterprise (CPPE), a prominent business advocacy group in Lagos, issued a strong caution against the federal government's alleged plan to ban the importation of solar panels into Nigeria.

In a recent statement, Yusuf emphasised Nigeria's deeply entrenched energy access challenges, highlighting the country as "one of the worst energy accesses" globally, with a per capita electricity consumption of approximately 160kWh, far below the sub-Saharan average of 350Kwh.

Yusuf further elaborated on the critical role of solar energy in addressing Nigeria's energy deficit, asserting that the adoption of solar energy solutions represents one of the most impactful government initiatives to tackle this problem, and noted that it has already gained remarkable traction across the country.

He warned that imposing a ban on the importation of solar panels in the face of a glaringly inadequate domestic production capacity would worsen the country's energy crisis.

"It is a complete negation of the government policy to deepen and promote the adoption of renewable energy solutions by households, small businesses, rural communities and government institutions and other corporate organizations. This adoption of solar solutions has gained an impressive momentum in the last two years, especially in the light of the soaring energy cost in the economy.

"It would worsen the problem of energy access as it would make the cost of solar energy solutions prohibitive, putting it beyond the average Nigerian.

"The welfare cost of a ban on the importation of solar panels would be incredibly high as a result of the escalation in the cost of acquiring solar solutions. It is bad enough that the current cost of acquisition of solar energy solutions is quite exorbitant. What is desirable at this time is to seek ways to drive affordability, rather than escalate costs," the CPPE chief stated.

Rather than pursuing a ban on imports, the CPPE proposes a more supportive and growth-oriented strategy for the federal government. The organisation recommends that the government should prioritise actively supporting investors in the domestic solar panel production industry through the implementation of robust fiscal and monetary incentives. These proposed incentives include the provision of attractive tax incentives to companies engaged in local solar panel manufacturing, the granting of tariff concessions on the importation of intermediate products and raw materials essential for their production processes, and the facilitation of concessionary long-term financing options with single-digit interest rates.

Global insurance...

Continued from Page 1

of concern. He warned that Business Interruption (BI) policies could face increased claim activity as global supply chains are disrupted by tariff-induced delays. Likewise, trade credit insurance, which protects businesses against non-payment—could see heightened risks as overseas buyers grapple with the financial strain of higher import costs.

He added that retaliatory trade measures by other nations could also increase demand on political risk insurance, especially if rising trade tensions lead to policy changes or asset seizures in affected countries.

Adding to these concerns, Mohammad Khan, head of general insurance at PwC UK, pointed out that the UK's dependency on imported goods for vehicle and property repairs makes the insurance sector particularly vulnerable.

According to Khan, a large percentage of the parts used to repair damaged vehicles in the UK are sourced from international markets, including the United States, China, and the European Union. The introduction of new tariffs on imports from these regions is expected to push up the cost of replacement parts, which in turn will likely inflate the cost of vehicle repairs and ultimately drive up insurance premiums. "Higher prices for imported auto components will feed directly into repair bills," he said, noting that auto insurance premiums are expected to rise as insurers adjust to the increased expenses. But the effects will not stop there. Khan added that homeowners and commercial property owners may also see their insurance rates climb.

He explained that any delays or disruptions in sourcing parts—whether for cars or buildings—lead to longer repair timelines, which escalate the total cost of claims. "The more time it takes to carry out repairs, the more expensive the claims process becomes," Khan said. "And tariffs tend to introduce delays in supply chains, both due to administrative burdens and actual import slowdowns."

Another critical point raised by Khan is the lack of preparation time the insurance industry has had to absorb this change. With the 10 per cent blanket tariffs on most goods entering the U.S. set to begin on April 5, and more stringent levies scheduled for April 9, insurers have had very little opportunity to mitigate the impact, such as by stockpiling spare parts. "Unlike previous trade disruptions like Brexit, where businesses had time to plan, this round of tariffs has been introduced with virtually no notice," he emphasised, adding that "the absence of buffer time means insurers are going to feel the impact far more quickly."

He also drew attention to the particular vulnerability of electric vehicles (EVs). "Electric cars are especially at risk," Khan said, "because they rely on a greater number of high-value imported components, many of which are already expensive. Any additional tariff-related cost will only make them more costly to insure."

Beyond automobiles, Khan highlighted that property insurance will also feel the ripple effects. Construction materials like steel and timber, which are heavily used in rebuilding efforts following natural disasters or structural damage, are among the products facing increased import duties.

Nigeria faces FX...

Continued from Page 1

American manufacturing. However, the announcement has been met with widespread apprehension, both domestically and internationally, triggering concerns about potential disruptions to global trade flows and the delicate balance of diplomatic relations.

According to the Trump administration, Nigeria's existing 27 percent tariff on American goods has created an uneven playing field, disadvantageous to US companies and ultimately impacting American consumers.

President Trump, in his address, positioned the tariff as integral to a broader campaign aimed at safeguarding American industries and compelling foreign trading partners to adhere to what he termed "fair trade" principles.

The U.S president described the tariff the vanguard of a new era of "fair trade," pledging to "supercharge America's industrial base" and dismantle foreign market barriers that have long been accused of excluding US products.

"This is one of the most important days in American history. We will supercharge our domestic industrial base. We will pry open foreign markets and break down foreign trade barriers, and ultimately, more production at home will mean stronger competition and lower prices for consumers.

"This will be, indeed, the golden age of Americans coming back. We're going to come back very strongly," he stated.

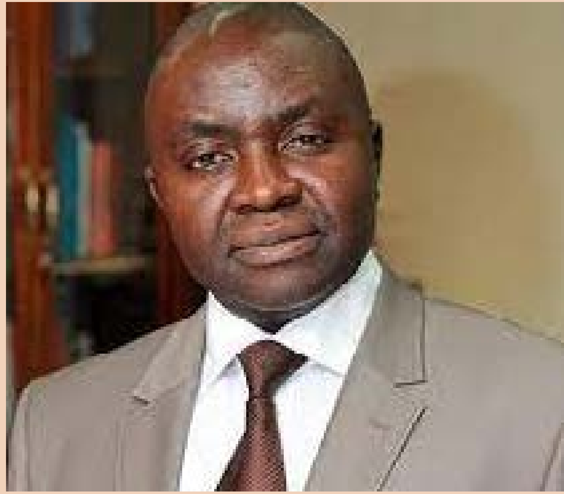
The unveiling of President Trump's aggressive tariff policy, including the 14 per cent levy on imports from Nigeria, has immediately sent ripples through global financial markets, unleashing a wave of volatility across major U.S. stock indices. Leading economists are cautioning that this escalation in trade protectionism carries a substantial risk of undermining global economic growth, leading to increased consumer prices, and inevitably triggering retaliatory measures from nations directly affected.

Already, both the European Union and China have strongly indicated their intention to implement potential countermeasures, sharply escalating fears of a broader and more damaging trade war. Nigeria, as Africa's largest economy and a well-established trade partner of the U.S, stands particularly vulnerable to the ensuing fallout. The extensive bilateral trade relationship between the two countries encompasses a wide array of goods and services, including significant volumes of crude oil, agricultural products, machinery, vehicles, and services.

Data from Nigeria's National Bureau of Statistics (NBS) reveals that in 2024, the trade volume between Nigeria and the U.S was substantial, with Nigeria's exports to the U.S. totaling N5.52 trillion. Meanwhile, imports from the U.S.—primarily consisting of crude oil (a key sector now facing tariffs), butanes, and used vehicles stood at N4.07 trillion. Historically, these figures have demonstrated sensitivity to the volatility of global oil prices, changes in U.S. energy policy, and the prevailing domestic economic climate within Nigeria. Now, as this new wave of U.S. protectionism reshapes global trade dynamics, analysts note that the resilience of Nigeria's economy will be put to a significant test. Businesses engaged in trade with the U.S. are expected to face new cost pressures and potential market access challenges.

Donald Trump

President Bola Tinubu


Dr. Muda Yusuf, CEO, CPPE

Prof. Benedict Oramah, President, Afreximbank

Providing a broader perspective on the potential repercussions for African nations, a recent research publication by the African Export and Import Bank (Afreximbank) highlights that these new U.S. tariffs could lead to a significant reduction in export revenues, an increase in production costs, and a disruption of vital investment flows, particularly for countries with a strong reliance on trade with the U.S.

Specifically regarding Nigeria, the Afreximbank analysis suggests that key exports such as crude oil, cocoa, and rubber could be negatively affected by the imposition of these tariffs. Similarly, Nigeria's imports of essential goods like wheat, refined petroleum products, and vehicles could also face increased costs.

According to Afreximbank, the repercussions of these U.S. tariffs are also expected to directly affect the cost of essential goods for Nigerian consumers. The potential for higher tariffs on wheat imports is a significant concern, as it would likely translate into Nigerians facing increased prices for staple foods, particularly bread, noodles, and pastries, which rely heavily on wheat flour. This could exacerbate existing inflationary pressures and further strain household budgets across the country.

Furthermore, the impact extends beyond food items. Imported vehicles are not exempt from these trade measures. As the cost of sourcing vehicles from the U.S. potentially increases due to the tariffs, importers will likely look to cover their profit margins by passing on these additional costs to consumers, leading to a rise in the price of buying cars in the Nigerian market.

Adding a local business perspective, Segun Sopitan, principal partner at Woodridge and Scott Consulting Limited, emphasised the direct impact of the U.S. tariffs on Nigerian businesses engaged in exports. He noted that this development signifies that Nigeria will pay more for Nigerian businesses exporting products into the US. He explained that they will pay more terms of taxes, which obviously then means that the profitability of those transactions will be negatively impacted.

Elaborating on the strategies Nigerian businesses might employ to cope with the new tariffs, Sopitan noted the likelihood of cost pass-through. "For those individual businesses, they will have to find a way to pass that on. So I would imagine that at some point in the value chain, that additional cost will be passed on to a consumer somewhere along that chain," he said.

Despite acknowledging the challenges posed by the new tariffs, Sopitan concluded that though the tariff is a lot, it's not significant enough to create a massive negative impact or outlook on Nigeria's trade balances, on the profitability of export business, on current revenues, and all of that.

In a similar viewpoint, the Center for the Promotion of Private Enterprise (CPPE), stated that Nigeria's economy may not be significantly impacted by the shocks of the current tariff war imposed by US President Donald Trump's administration.

This perspective was revealed in a statement issued by Muda Yusuf, the Chief Executive Officer of the CPPE. The CPPE explained that the Nigerian economy may not be particularly vulnerable to the shocks of the present trade war that President Trump has unleashed, primarily due to the relatively limited direct trade exposure between the two nations. The organisation further noted that Nigeria's exposure to the US in terms of external trade is typically around 10 percent.

"Nigeria exported 5.7 billion dollars, or 11.3%, of its 50.4 billion dollar total merchandise exports in 2024 to the United States. The Nigerian economy is unlikely to be significantly disrupted by a tariff effect on roughly 10% of total export," Yusuf stated.

Expanding on the likely global ramifications of the US trade policies, the CPPE highlighted that the United States would experience inflationary pressures as a result of the trade war and the retaliatory tariffs that followed. This could lead to higher prices for American imports into Nigeria.

Furthermore, the CPPE noted that the tariff war is probably going to cause some degree of disruption in global supply chains. Crude oil prices may be impacted, and the prospects for global growth may be dampened. Nigeria's foreign reserves and income would be impacted by a drop in the price of oil.

This acknowledges the potential downside risks for Nigeria, particularly given its reliance on oil exports and its sensitivity to global economic trends. A disruption in global supply chains could also have wider implications for international trade flows, potentially affecting Nigerian businesses engaged in both imports and exports beyond the US market.

However, the CPPE also pointed to potential opportunities arising from this global trade realignment, stating that there are also chances to find new trading partners around the world.

The CPPE also pointed out that numerous nations impacted by the ongoing trade conflict would look to establish new bilateral economic links, which might open doors for Nigerian investors.

Meanwhile, at the core of these mounting concerns surrounding the US trade policy shift lies the African Growth and Opportunity Act (AGOA). This landmark legislation, enacted in 2000, has provided duty-free access to the U.S. market for eligible Sub-Saharan African countries, including Nigeria, fostering trade and economic ties. However, the newly imposed tariffs directly place the future of this crucial trade framework in jeopardy.

Nigeria, as a major beneficiary of AGOA, has strategically utilised this preferential access to diversify and expand its exports to the United States, particularly in sectors such as apparel, agricultural produce, and select manufactured goods. This has facilitated economic growth and supported job creation within these industries.

As it stands, the imposition of these tariffs represents a threat to the progress achieved under AGOA, potentially eroding the competitive advantage Nigerian exporters have enjoyed in the U.S. market.

"We think that President Trump's 14% reciprocal tariff has cast a shadow over the stability of this trade partnership. While the move is framed as a strategy to safeguard American industry, it risks triggering broader friction, especially if Nigeria responds by exploring alternative trade alliances with China, the European Union, or BRICS countries," stated analysts at Cowry Asset.

Beyond the direct impact on trade flows, the analysts point out that U.S. investment in Nigeria spans several vital sectors, including oil and gas, technology, and finance. Major American corporations such as Chevron, ExxonMobil, and Microsoft maintain a significant and long-standing presence in the Nigerian market, contributing to economic activity and employment. However, the growing trade tensions stemming from the newly imposed tariffs could potentially dampen investor confidence among these and other US companies operating in Nigeria.

Analysing the development from a macroeconomic perspective, Cowry Asset stated that the imposition of the tariff threatens to exacerbate Nigeria's existing vulnerabilities. This is as reduced export earnings, particularly from non-oil sectors, could diminish foreign exchange inflows, heightening pressure on the naira.

The analysts added that this could deepen Nigeria's foreign exchange liquidity crisis, potentially forcing the Central Bank of Nigeria (CBN) to deplete its already stretched reserves or tighten currency controls. They also projected that Inflation is also likely to accelerate, as Nigeria may be compelled to source critical imports like wheat, pharmaceuticals, and industrial machinery from more expensive markets.

"This would elevate input costs, worsen food inflation, and erode purchasing power. On the geopolitical front, the tariff may prompt Nigeria to recalibrate its foreign policy—deepening ties with alternative partners such as China, the European Union, and the BRICS bloc. It may also look inward, seeking stronger regional cooperation within ECOWAS and the African Union to establish new trade corridors and collective negotiation frameworks," Cowry Asset stated.

While the U.S. administration frames the tariff as a strategic measure to safeguard American industry and jobs, Cowry Asset analysts point out that it carries a significant risk of triggering broader friction in international trade relations. This risk is particularly pronounced if Nigeria chooses to respond to the U.S. tariffs by exploring alternative trade alliances with major global players such as China, the European Union, or the BRICS countries.

"On the geopolitical front, the tariff may prompt Nigeria to recalibrate its foreign policy—deepening ties with alternative partners such as China, the European Union, and the BRICS bloc. It may also look inward, seeking stronger regional cooperation within ECOWAS and the African Union to establish new trade corridors and collective negotiation frameworks,"Cowry Asset added.

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Economics & Markets

VICTOR OGIEMWONYI

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What's wrong with concept of National Industrial Champions?

IN RECENT YEARS, THE debate, around granting tax waivers and tax holidays to industrialists has intensified. Some hold the view that these policies, promote favouritism and enrich a few individuals, to become stupendously rich, without giving them credit for what they have contributed to our national development that would otherwise not be there.

Is there a case for supporting those who will be our National Industrial champions?

In answering the question above, the following sub - questions will need to be answered first. What is the justification? How do we choose those to be champions? What will be the best way to do it without creating more problems? Are there successful global models to learn from?

The primary justification must be strategic importance .

To support the creation of a National Industrial Champion in any sector we must ask whether it brings us a comparative advantage or solves a national problem. There must be a clear national objective to be achieved. Choosing those to be championed, is the next big question, because of the implications. There must be objective analysis and the rationale must be consistently applied, whenever and in whatever sector of the economy, we make this choice.

In an environment where merit is often ignored, and favoritism is rampant, a rigorous process must be put in place to ensure we do it right.

A clear industrial policy

In order not to put the cart before the horse, we must first have a clear industrial policy that identifies areas where we have comparative advantage and strategic need. A clear industrial policy is imperative. Having a clear industrial policy means there is a vision and a clear plan.

Nigeria's decline started when we abandoned our development plans. I once read a document, where Chief Phillip Asiodu, a brilliant civil servant, who rose to the position of a permanent secretary and was one of those super permanent secretaries, credited with Nigeria's development strides before we lost our way, identified all the progress that was made at the time, and linked them to the development plans that were in place. There was co ordination, linkages and clear objectives. We must return to that framework, if we want to make progress. A clear industrial policy will let us focus on what sectors to prioritise, and then entrench the rules of engagement, giving everyone a level playing field, where merit will be clearly identified, pointing to those to be championed.

A National Industrial Council.

If we want this to be really merit based, there must be established, a National Industrial Council, created through legislation and protected from arbitrary dissolution. Its members must be chosen for their expertise and what they can contribute. Nigeria is blessed with talent in every state of the federation, so a careful and meticulous selection process, with sincerity of purpose, will ensure the best emerge. This council would develop and update industrial policy, identify strategic sectors, with longterm coordinated vision.

The aim will be to have a national institution that will meticulously plan our Industrial development and advise government. This council will be responsible for our industrial policy and will be saddled with identifying strategic sectors and putting rules in place for choosing our Industrial National champions to support. They will work with any government in power.

In the recent past, there was an attempt to do this, but in a more broad economic support group as in President Jonathan's government. This was badly done, because the process of choosing this economic support team was not rigorous and were just assemblage of successful people, who had their own agendas. The group was compromised because of their own self interest that did not necessarily align with national objectives, all the time.

On the other hand, President Obasanjo was more intentional. His targeted intervention, in the cement industry, produced tangible results. You can quarrel with what he did, but he got results. Our cement problem is now solved. There was an incentive policy to give importation licenses to companies who would import cement for a fixed period and encouraged to use the profits to build cement plants. While many in the industry did not do the right thing, those who did, like Dangote Cement, focused on creating the needed plants and solved the problem. Many will forget now, that 20 years ago, Nigeria spent billions importing cement, eating up all our FX reserves and creating even more problems, clogging our ports with cement ships, and negatively impacting other aspects of our economy.

We now export cement, saving on FX from that sector, while creating jobs and supporting the economy with taxes, and has accelerated our building industry and infrastructure development. This model proves that, deliberate, well structured support, can work, especially when tied to measurable performance goals.

When we deliberately decide to create our industrial champions, we can give them support from tax exemptions, grants, longterm loans and purchase guarantees (e.g. how Nigeria buys electricity from power producers). Power generating companies sell direct into the national grid, as a guaranteed market. The incentives are no different from global best practices.

We must change our mind set.

Let us get away from the current "crab in the barrel" mentality, and stop discouraging those who put in their sweat and resources to help solve Nigeria's problem.

Creating National Industrial champions is imperative, but must be done right. We must support only those who have the capacity to solve our national problems , bring competitive advantage , align with clearly defined national goals. The policy thrust must be nationalistic and ensure that the favouritism is positive. The results must be clearly seen when achieved. No one can deny that we have solved our cement problem, for instance.

Where we have no comparative advantage, our industrial policy must be beneficial in other ways.

What about foreign investment?

Even foreign companies can be integrated into our industrial strategy. For example, imagine inviting Toyota to build a full manufacturing plant in Nigeria, not just an assembly plant . Offer longterm loan of say $2 billion (two billion dollars) to be repaid over 10 years. Add a tax holiday, in exchange for producing affordable motor vehicles here, with clearly defined goals of what we expect in that period, to create jobs, transfer skills and technology, etc.. this is not a charity, - it is an investment in economic transformation. In fact, the $2 billion could be raised through a bond instrument, backed by a soverign guarantee. The Nigerian investing public could invest, knowing Toyota is the final obliged. It will replace the same money we are already spending importing Toyota vehicles - with zero value added to our economy.

Give them Ajeokuta Steel Mill as a production site, in doing so, we are not only building a motor vehicle industry, but will also revive Nigeria's dormant iron and steel sector. They get the incentive of our becoming a major market for them, given the large Nigeria population with only about six percent owning cars. A large market that will clearly be worthwhile in the long run, especially with what is happening in the current US administration's tariffs regime. Companies, like Toyota, with long established brands here, will be glad to find these large markets, like Nigeria. The difference, will be they manufacture here, to sell here.

No country industrialised without strategic protection of its industries. China, India, Brazil and several European nations have supported national champions . We should not pretend to know better. Nigeria must adapt to what works globally, to local realities. Creating national industrial champions is essential for Nigeria's development. It must be tied to a clear industrial policy, guided by merit and national interest, implemented transparently and sustainably.

With the right structure and accountability, supporting national champions can become a win-win strategy for longterm growth.

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If data's Africa's new oil, who's running the refinery?

AFRICA'S INTERNET USERS are growing at an unprecedented rate and in Nigeria, for instance, internet users have expressed concerns and frustration over the data price increase in recent times, with many feeling its negative impact on their budgets and mobile smartphone usage. Nigerian mobile data prices have seen close to 50 percent increase across major networks like MTN, Airtel, and Glo yet with no known alternative. This shows the significance of data and internet usage, which is a creation of the digital age and current reality of data and content creation, which has witnessed unprecedented scale in Africa. From mobile phone data and e-commerce activities to social media interactions and government services, vast amounts of information are being created daily which are accessible through internet usage. The economic and technological landscape of Africa has been undergoing significant evolution in recent years. The continent is inhabited by over 1.4 billion individuals, and a larger portion of them create, use and feed on data which is a digital transformation. The convergence of rising mobile phone usage, enhanced internet accessibility, and a youthful, technologically adept demographic has positioned Africa at the forefront of global discussions around technology, innovation and data generation.

In recent years, the phrase "data is the new oil" has gained significant traction in discussions related to technology, business, and the digital economy. But it is public knowledge that when it comes to oil, its availability is limited to certain areas of the world. However, on the other hand, tech giants like Google, Facebook, Netflix, Amazon, Microsoft, and Apple control most of the world's data. According to a study by Sandvine in 2021, these companies are responsible for about 57 percent of global data flow, and they have all commodified data. The huge amount of data controlled by these mega companies is bigger than most small businesses and corporations. But, anyway this would be another story piece for another time.

In the view of this writer, if we want to know if data is really the "new oil," we need to first look at how it builds value. Data by itself is not useful, just like in the case of oil. Without any processing or analysis, raw data is just a bunch of information that needs to be figured out. For instance, an online store might keep track of what customers do, like what links they click on, how long they stay on product pages, and what they bought in the past. But until this data is processed, analysed, and turned into ideas that can be used, it is mostly useless. Business managers in Africa should follow this path and should adhere to a mindset of 'facts superiority over opinion.'

As businesses expand, an increasing number of individuals express ideas regarding the actions to be undertaken. However, it is beneficial to employ a data insight mentality. All company metrics can be tested, measured and improved upon. It is important to note that business owners/managers must have real-time access to the most important data in their business. Understanding which Key Performance Indicators (KPIs) affect revenue and profit is significantly more crucial than the revenue and profit figures themselves.

When data is cleaned up and analysed, it becomes really useful. Just like oil needs to be refined to make petrol, diesel, and other products, data needs to be processed to get helpful results. This is where Google and Facebook shine. They have put a lot of money into technologies like machine learning and big data analytics that can turn huge amounts of raw data into personalised ads, recommendation engines, and models that can predict the future. In this way, they make money for both their users and their owners.

In Africa, the idea of "data as the new oil" is particularly appealing because it could help the continent skip ahead in the normal stages of economic growth. Mobile phones let African countries get around the need for landline infrastructure. Similarly, data technologies could help African economies get past older, resource-heavy ways of growing, leading to new ideas and long-term growth in fresh ways. In agriculture, for instance, data analytics and satellite imaging can help farmers figure out how the weather will behave, get the most out of their crops, and make harvest supply lines work better. Data-driven solutions in healthcare, like electronic health records (EHRs) and predictive analytics, can help find diseases, control outbreaks, and make healthcare better. In the same way, data-driven education platforms can give students personalised learning experiences and give teachers and managers useful information about how students are doing and what they need. More so, businesses could be data-driven by setting up special internal research units on data, where insights can be generated to improve on decision-making. Looking ahead, there are evident similarities between data and oil; much like crude oil, data is valuable. Data is not a naturally occurring resource like oil; it is a by-product of human activity. Oil is a limited resource, whereas data is plentiful and perpetually increasing. Raw data must be processed and analysed to derive significant insights and facilitate informed decision-making. This is where Artificial Intelligence (AI) is relevant. AI acts as the ultimate data refinery, enabling the conversion of extensive information into meaningful insights. In contrast to oil, which is extracted and processed by a limited number of firms, data is more extensively disseminated, including various stakeholders in its collection, analysis, and utilisation. Anticipating the future, data will probably witness ongoing advancements in many domains because it is a strategic asset for business and economic growth. With it, people, organisations and governments can make better decisions.

Global energy transition and LNG bridging the sustainability gap

SUNNY CHUBA NWACHUKWU

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LIQUEFIED NATURAL GAS (LNG) is steadily commanding a growing importance by playing a characteristic vital intermediary role in the ongoing global energy transition process, and in the energy supply chain towards the actualisation of global energy security and sustainability. In the ongoing world energy transition programme, initiated to mitigate global warming by the reduction of carbon emissions generated from fossil based energy sources like hydrocarbons or petroleum resources (which include oil and gas) and coals, is a global initiative that engages all other sources of energy that are not hydrocarbons but renewable based sources. This energy transition process involves transforming the mode of sourcing substrates from traditional dirty energy based sources (fossil) that generate the greenhouse gas or carbon dioxide that trap excessive heat over the atmosphere; in exchange for renewable sources like solar, wind, hydrogen/ammonia, geothermal, and hydro, that are scientifically recyclable, and are also cleaner sources that do not pollute the environment, nor unnecessarily heat up the ecosystem, in the course of their utilisation. In discussing energy security and the aspect of achieving net zero target towards mitigating global warming by 2030, or not beyond 2050, the critical role of natural gas and LNG (vis-a-viz the evolving opportunities and challenges) cannot be overemphasised, as a key part of the future global energy mix. Natural gas, although fossil sourced, is a relatively cleaner energy source, when compared with oil and coal.

The utilisation and consumption of natural gas in commercial quantities substantially revolves around the critical production and strategic consumption of liquefied petroleum gas (LPG) and compressed natural gas (CNG). This is within the energy mix mode of the global energy supply value chain that adequately aligns with the energy security plan for actualisation of the overall energy sustainability in terms of the global collective battle against climate change through the energy transition initiative. In balancing energy production and consumption with environmental responsibility, strategic actions are being taken in different global locations, with critical consideration of the financial health of certain world economies. This points to the need for investigation on economic performances, with a view to addressing the challenges of energy insecurity or energy poverty in such economies that could further exacerbate the economic situations or direct challenges facing (worsening) the vulnerable persons that are obviously incapacitated (with respect to insufficient power supplies) to carry on their daily economic and commercial activities. Such a scenario, with inadequate power supply to positively drive people's respective/personal economies, could end up throwing them into a deeper poverty situation, eventually resulting in low productivity. Such an energy supply gap challenge in the affected economies of the world, especially as it pertains to poorer nations, could be ameliorated through the application of an energy mix mode where CNG (particularly) could be significantly utilised to fill up the energy poverty gap, even in this era of global energy transition. This is because CNG is a cleaner energy that is environmentally friendly (although it is fossil sourced).

Responsible energy practices, however, could still be possibly applied, in the course of utilising natural gas for energy consumption in the energy mix mode, considering environmental compliance in alignment with the contemporary climate change adaptation plan. It requires exploring energy strategies that would not violate the energy transition agreements; that could be innovatively guided and controlled in the energy mix portfolio, in keeping with the United Nations energy consumption agreements that support carbon emissions reduction as part of the commitments that shape applied approach to reduction of carbon footprint or realizable carbon neutrality; while ensuring global energy sustainability. Engaging natural gas among the energy sources (in the energy mix module) as the globe transits to carbon neutrality status on global energy security supply value chain with full adherence to the climate change mitigation and adaptation programmes, demands full blown innovative strategies that apply a proactive optimal procedures on when, where and what quantities of the natural gas sourced energy (like the CNG) in order to remain focused and maintain the course for the roadmap to net zero target. This position is a step forward in the ongoing decarbonization process of the ecosystem while the world still accommodates a part of the fossil sourced energy substrate (natural gas) that is a cleaner energy source in the energy mix supply value chain.

However, for Nigeria's economy, being among the poorer nations of the world, with respect to energy generation, supply and consumption, as the world contends with moves to maintain global energy security and energy sustainability, in an era of Climate Change challenges threatening the planet earth, natural gas utilisation within the economy will not in any way, jeopardize the ongoing global initiative of actualising the net zero target. It is therefore, professionally necessary to offer developing countries (especially in Africa) informed opinion and encourage energy regulators in those countries to optimally utilise natural gas (to bridge any eventual energy poverty gap in their economies) in addition to other renewable energy based sources in those countries' respective energy mix portfolios; ... to close the energy insecurity supply gap by continued utilisation of natural gas, pending when they will fully transit and terminate all fossil based energy sources (within the timeline as signed in the multilateral agreement on Climate Change mitigation and adaptation project, through energy transition).

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The Coaching Psychologist

How collective intelligence drives modern corporations

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IN AN ERA WHERE DIGITAL transformation is redefining economies, corporations are undergoing a profound shift. Traditional business models built on ownership and control are giving way to lean, service-oriented structures. The recent agreement between telecom giants MTN Group and Airtel Africa to share network infrastructure in Nigeria and Uganda exemplifies this transition — one where collaboration and asset-light strategies define success.

John Kay's book, *The Corporation in the 21st Century*, provides a compelling framework to understand this transformation. Kay argues that old corporate paradigms are outdated in a world where globalisation and digitalisation are dissolving the boundaries of ownership. The decline of industrial hubs in the West and the emergence of new economic centers in Asia reflect a broader movement: the dematerialisation of capital and the rise of collective intelligence as the core driver of economic growth.

The rise of asset-light corporations

Modern corporations, from Amazon to Apple, no longer own most of the capital they rely on. Instead, they procure it as a service. Amazon, for example, outsources logistics to companies like FedEx and UPS. Apple partners with Foxconn and Samsung for production. By focusing on design, brand value, and customer experience while outsourcing physical operations, corporations remain agile and cost-effective.

Corporations once resembled medieval guilds or tribal knowledge systems, where collective intelligence drove decision-making. The industrial revolution saw the emergence of large-scale production, centralizing ownership of assets. Today, however, businesses thrive on specialisation, leveraging global networks of expertise rather than controlling every aspect of their supply chains.

Collective intelligence: The new corporate capital

The power of collective intelligence is evident across industries. Wikipedia, for example, enables thousands of contributors to build a knowledge base far exceeding any single expert's ability. The same principle applies to corporations, where success hinges on coordinating diverse knowledge pools.

Consider the evolution of marathon running. Advances in athletic performance, training techniques, and gear have all stemmed from decentralized expertise. Adam Smith's division of labour — highlighted in his famous pin factory example — remains as relevant today as it was in the 18th century. From software development to biotechnology, success depends on synthesizing input from various specialists into a seamless final product.

The shift from ownership to service

This transformation marks a departure from traditional capitalism, where ownership and control were synonymous. The emergence of "hollow corporations" illustrates this reality. Companies like Airbus and Amazon focus on coordination rather than physical production. Airbus sources components from specialised manufacturers across multiple countries, ensuring efficiency without centralizing asset ownership.

In today's economy, the value of a product is increasingly derived from its intellectual and design components rather than raw materials. A smartphone consists of parts manufactured across the globe, yet its true worth lies in its software, brand, and ecosystem. Tesla's competitive edge is not in its factories but in its proprietary battery technology and self-driving algorithms.

Economic growth: Quality over quantity

Economic progress in this century is less about producing "more" and more about producing "better." The idea that corporations must own everything they use is outdated. Instead, specialisation and distributed intelligence drive efficiency. John Kay's insights underscore that growth is now about leveraging knowledge networks rather than accumulating tangible assets.

This shift has profound implications. It challenges policymakers, business leaders, and investors to rethink economic indicators. Metrics like GDP, traditionally linked to material production, may need redefinition to account for intangible assets like intellectual property and human capital.

Reflections for leaders in public & private sectors

1. Rethink infrastructure and ownership models

Governments and corporations must recognise that ownership is no longer the sole determinant of economic power. Policies should encourage resource sharing, as seen in the MTN-Airtel Africa partnership. Leaders should consider cooperative infrastructure models that maximize efficiency without redundant capital expenditure.

2. Invest in knowledge and coordination, not just physical assets

The future belongs to organisations that cultivate expertise and manage global talent networks. In education and workforce development, prioritising digital skills and cross-sector collaboration will be essential. Policymakers should invest in upskilling initiatives to create agile workforces ready for a knowledge-driven economy.

3. Embrace the platform economy

Businesses should leverage digital platforms to integrate services rather than own production end-to-end. Companies that act as orchestrators — coordinating suppliers, partners, and consumers — will outperform those clinging to outdated ownership models. Governments, too, must regulate and support digital marketplaces to foster innovation and fair competition.

4. Prioritise sustainability through efficiency

The shift from ownership to service-based models can also advance sustainability. Leasing, sharing, and outsourcing often reduce waste and optimize resource utilisation. Policymakers and corporate leaders must align incentives toward sustainable growth strategies that balance economic expansion with environmental responsibility.

Conclusion

As corporations evolve in the 21st century, the emphasis is shifting from ownership to coordination, from capital accumulation to knowledge-driven value creation. Leaders who understand and adapt to this transformation — whether in the public or private sector — will be best positioned to navigate the new economic landscape. The future belongs not to those who own the most, but to those who think, collaborate, and innovate most effectively.

Economics Commentary

MARCEL OKEKE

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Nigeria's set up for another hyperinflation monster round

AT A TIME THAT THE WILD volatility in Nigeria's macroeconomic indices appears to be abetting, a trigger to (unwittingly) upset the trend has just been released. This trigger is the avoidable hike in the pump price of Premium Motor Spirit (PMS) or petrol, engendered by the federal government's prevarications over the lifespan of the 'Naira-for-Crude' deal.

Under the arrangement struck between the federal government and local refiners, crude oil is supplied to the local refineries, and they pay in naira. While the deal lasted, some local refineries, especially Dangote Refinery, have been able to experience reduction in their cost of operation, leading to cuts in PMS prices at the pump.

Specifically, on two occasions in the first quarter of this year, Dangote Refinery had announced cuts in the prices of its PMS; but by end-March, it had to revert to selling its petroleum products only in dollars. The Refinery in a statement said: "This decision is necessary to avoid a mismatch between our sales proceeds and our crude oil purchase obligations, which are currently denominated in US dollars."

While the 'Naira-for-Crude' deal lasted, Nigerians had begun to heave a sigh of relief, as the Nigerian National Petroleum Company Limited (NNPCL) was also dropping the price of its PMS in response to cuts by Dangote Refinery. This development, a seeming 'price war', had not only led to decline in PMS prices but also showed potential to dampen the rampaging high inflationary trend.

Unfortunately, to the chagrin of Nigerians, by the close of the first quarter 2025, as the 'pilot phase' of the 'Naira-for-Crude' initiative was ending, the federal government opted to keep mum on the next steps. In reaction, fuel stations across the country began another round of hiking PMS prices: from N860 per litre to N930 per litre in Lagos and its environs.

In many other parts of the country, prices have hit or surpassed N1000 per litre. And with no official statement from the NNPCL (or the government) as to whether there would be another phase of the 'Naira-for-Crude', and how soon, the petroleum products market has fallen into the capricious manipulations of the capitalist traders (mainly, importers).

This, certainly, triggers the scenario that was unleashed by the removal of fuel subsidy announced by President Bola Ahmed Tinubu on May 29, 2023 during his inauguration. The quantum jump in the prices of PMS soon fed into all goods and services — leading to runaway inflation. Now, the sudden end of the 'Naira-for-Crude' is bound to re-enact the hyperinflationary pressure.

The 'void' created by the stoppage of the payment for crude in naira is, without a doubt, a veritable disincentive to both existing and potential investors in the refining sub-sector of the oil and gas industry. The intrigues and politicking in the PMS business in Nigeria today, only shows that the sector can only harbour giants such as Dangote Refinery. And this only tends to scuttle the competition in the industry.

Coincidentally, the emerging 'New World Economic Order' embodied by Donald Trump, President of the United States of America, with its attendant tariff wars, is bound to stack some headwinds against Nigeria. Already, President Trump has slammed a 14 percent tariff on Nigerian exports; just as he has imposed much higher tariffs against many other countries.

In the ensuing trade war, Nigeria and others like it, will certainly be the grass that will suffer, as the proverbial elephants fight. The tariff war which is bound to affect global supply chains, will redound to high prices of imports for, especially, Nigeria: a largely import-dependent economy. These will include imports of intermediate and finished goods — leading to 'cost-push' inflationary trend.

Available statistics show that the US remains one of Nigeria's major trading partners. In 2024, for instance, Nigeria's exports to the US totalled $6.29 billion, mainly consisting of crude petroleum, petroleum gas, and fertilizers, while the US exported $4.2 billion in goods to Nigeria. Trump's tariffs on Nigerian goods will certainly alter these statistics — reflecting a decline in Nigeria's exports to the US, which could lead to reduced export revenue for Nigeria.

All these would be playing out at a time when Nigeria is facing a tight elbow room at the Organisation of Oil Exporting Countries (OPEC), where its export quota is being curtailed. In fact, according to a Bloomberg report, Nigeria made the biggest oil production cut among OPEC members in March, reducing output by 50,000 barrels per day.

"Nigeria made the cut to maintain an average of 1.5 million barrels per day, in line with its OPEC quota, as the cartel tightened quotas among many members," the Bloomberg report said. The report noted that the cut in Nigeria's production was due to delays in loading 'Bonny Light' crude owing to the recent explosion at the Trans-Niger Pipeline.

The pipeline, which is a critical infrastructure for Nigeria's crude exports, has frequently faced operational disruptions, affecting the country's ability to meet production targets. The current disruption is coming against the backdrop of the 2025 Federal Government budget that assumes an oil production level of 2.06 barrels per day.

The OPEC quota challenge is also compounded by dropping crude prices, resulting from global tensions triggered by Donald Trump's tariff threats. Again, this is against Nigeria's 2025 budget oil price benchmark of $75 per barrel.

As President Trump's multi-country tariff kicks off this April, Nigeria's N54.99 trillion 2025 budget faces the danger of significant revenue shortfall. Whether by volume or by price, crude oil will underperform the budget projections.

All these mean variegated economic problems for Nigeria, including huge revenue gap, heightened inflation, potential loss of foreign markets, among others. Perhaps, these could induce some paradigm shifts: leading to real economy diversification, and less dependence on imports.

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Political Economy Commentary

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Remembering the Greek sovereign debt crisis (1)

SOVEREIGN DEBT REFERS to the obligations a country owes, and there is a common assumption that government-issued debt is secure. Consequently, the interest yields from such debt are typically low. Students of finance and investment management will be familiar with the expression, "the government always pays..." This belief holds true in most cases, with few instances where a government or country fails to meet its obligations. While rare, such situations can and have indeed occurred.

We are dealing with a sovereign debt crisis when a country's government struggles to repay its debts, whether domestic or foreign, for reasons that may include poor public policies, excessive borrowing, or other economic challenges. In such circumstances, a country facing a sovereign debt crisis tends to default on its loans and may require external assistance. A sovereign debt crisis's immediate and most visible effects include loss of investor confidence, capital flight, currency depreciation, and economic and social instability.

A sad yet fitting example that most readers will easily recall is the Greek sovereign debt crisis of the 2010s. Occurring at the heart of Western European civilisation and in contemporary times, the crisis attracted the attention of Western academia, media, and political circles, sparking fierce comments and reactions. The concept of the EU and the euro was openly questioned, and the IMF was perceived and treated in the West as it is in developing countries. Joseph Stiglitz, economist and Nobel Prize winner, remarked, "The Greek crisis is not a debt crisis — it is a crisis of the Eurozone's flawed economic structure." For him, the Eurozone's rigid financial rules were to blame more than Greece's mismanagement. Fearing a contagion in Europe, The Guardian newspaper of the UK warned that "Greece has become the canary in the coal mine for the Eurozone crisis."

In Greece, this sovereign debt crisis was referred to as (I Krísi) "the crisis." Outside of Greece, most people associate the Greek debt crisis with excessive borrowing or, as some notable sections of the German and British press termed it, "living beyond their means". The German magazine Der Spiegel described it this way: "A country that lived beyond its means now faces reality," arguing that Greece was responsible for its own undoing.

However, in Greece, many quickly remember the link between the crisis and the Great Recession, which occurred from late 2007 to mid-2009 and marked a period of economic decline worldwide.

Regardless of one's position on the issue, the facts indicate that the global financial crisis, which began in late 2007, significantly harmed two of Greece's primary revenue centres, tourism and shipping, thereby weakening its economy. This loss of income resulted in lower tax revenues and rising debt, leaving Greece unable to borrow at sustainable rates.

Greece exhibited structural economic problems like other Mediterranean countries, including widespread tax evasion. The country also tended towards high government spending, compounded by waste and leakages typical of systems with inefficient public sectors dominated by politics and politicians.

With a budget deficit exceeding 15 percent of GDP by 2009, primarily to finance public social programmes like public sector wages and pensions, the country stood out for the wrong reasons. It is worth noting here that during this period, the EU limit for budget deficits was three percent (3%).

The gravity of the inefficient public sector became a manifestly debilitating element when the issues of transparency and integrity of the system emerged: it turned out that to meet the rigid Eurozone entry requirements, Greece had misreported its financial data for years. The country was underreporting its debt and deficit figures. When, in late 2009, the actual financial situation of the country was revealed, investors panicked, leading to a loss of market trust. The "Bild-Zeitung", a Germany-based newspaper that is also the best-selling newspaper in Europe, asked, "Why should Germans pay for Greece's mistakes?" to make a case against using Germany's taxpayers' money to bail out Greece. Such views, however, did not stop the bailout process.

Greece had to be bailed out to prevent it from defaulting and, very importantly, avoid Greece destabilising the euro and causing a contagion in Europe. In the words of Angela Merkel (German Chancellor, 2010-2021), "If the euro fails, then Europe fails." The EU, IMF, and European Central Bank (ECB) came to the rescue. Between 2010 and 2015, they collectively provided three massive bailout packages totalling about €326 billion and an additional €100 billion in debt restructuring.

The conditions were severe, to put it mildly, but the helpers argued that was the only way to offer help. As Angela Merkel put it "Greece must take responsibility for its finances, but Europe must stand together."

The conditions imposed on Greece included stringent austerity measures such as spending cuts, pension reductions, and tax increases. The sweeping reforms accompanying the bailout required bondholders to absorb losses, while Greece had to implement further financial reforms and privatisations. The Greek social and welfare structure suffered significantly, experiencing substantial reductions in public sector wages and pension cuts. Businesses of various sizes closed, and unemployment peaked at over 27 percent. The country's GDP contracted by more than 25 percent, leading to intense social unrest and widespread protests. Capital controls were imposed, restricting cash withdrawals and international transactions, and banks were even shut down at one point. Despite these bailouts, Greece continued to struggle with economic recovery due to the harsh conditions imposed.

Life in Greece was punctuated by anger, despair and uncertainty. Reflecting public anxiety when banks were shut down and withdrawals were restricted, Ta Nea, a prominent Greek national newspaper, noted on its pages: "Our savings are locked. Our dignity is tested. Our future is un-

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Business, Governance & Enterprise

OLUFEMI ADEDAMOLA OYEDELE

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Corporate communication and integrity of business organisation

THE IMPORTANCE OF corporate communication for most businesses and corporate organisations cannot be overemphasised. Effective corporate communication identifies an organisation and gives it integrity or otherwise. It is through effective corporate communication that customers learn about a company's products or services and what makes brands unique compared to their competitors. It is how management (directors and managers) and employees coordinate their activities to ensure that the entire organisation is marching toward the same strategic goals. It is also how executives inform investors, the media, and the general public about important organisational developments and activities. In short, corporate communication inspires many of the most significant activities that businesses must complete. Corporate communication is so important that most organisations are realising the need to invest heavily in building a corporate communication team or department responsible for corporate information and publicity.

Corporate communication is the way businesses and organisations communicate with diverse internal and external audiences. These audiences include: customers and prospective customers, stakeholders (shareholders, directors, employees, and shareholders' family), suppliers, competitors, the media and members of the public, government agencies and regulatory bodies. Corporate communication can take many forms depending on the audience that is being addressed. Basically, an organisation's communication strategy will typically consist of written materials (letters, internal and external reports, advertisements, websites copy, promotional materials, email, memos, press releases etc), spoken communication (meetings, press conferences, interviews, videos), and non-verbal communication (photographs, illustrations, charts, graphics, general branding, signs etc). The functions of corporate communications are many. Some of them are mentioned below.

Functions of corporate communication unit/dept

In most organisations, the corporate communication department is responsible for overseeing a wide range of communication activities. One of the easiest ways of understanding these different activities is to group them according to the role that they play within an organisation. These are:

1. **Media and public relations:** This refers to the way in which a company or organisation communicates with the general public, including the media and includes:

- Organising news conferences, product launches, and interviews, and creating materials (banners, flyers etc), contents for such events.

- Writing and distributing press releases to the media to garner coverage.

- Monitoring the news for mentions of the organisation, its product, and key employees, such as members of management and those in c-suites.

- Devising a plan to address unfavourable press coverage or misinformation.

2. **Customer communication and marketing:** Though most businesses still differentiate between their marketing and communication units, the lines between the two are becoming thinner and thinner in recent years. Corporate communication strategy often overlaps marketing strategy, and vice versa, which has increased cooperation and collaboration between the two functions. It is not uncommon, therefore, for members of the communication unit to help generate various marketing materials and general customer communication including: marketing emails, brochures, flyers including messages on clothing materials, newsletter, social media strategy and new innovations.

3. **Crisis communication:** Crisis communication refers to the specific messages that companies (or individual or state) put forward in the face of a crisis or unanticipated event that has the potential to damage their reputation or existence. In the event of such a crisis, it is the responsibility of the communication unit to create a strategy to address it (often done with the aid of outside experts called communication consultants). Depending on the type of crisis, it may be necessary to inform lawyers in case of legal issues (litigations) or estate surveyors and valuers in case of rent, property tax or premises issues (real estate) and accountants on corporate and personal income tax (financial issues) before ditching out communication.

This type of strategy may include:

- Organising interviews and news briefings for company representatives to discuss the issue at hand.

- Advising company representatives on what to say and how to say it when speaking with members of the media and the public. During some crises, not communicating is a good communication strategy.

- Communicating and cooperating with attorneys, government regulators, emergency responders, tax collectors, and politicians as necessary.

- Generally protecting the organisation's reputation and ability to do business with its customers.

What constitutes a "crisis" exactly depends on the type of organisation and may include anything from workplace accidents and violence to business struggles like product defects, intellectual properties, tax evasion, chemical spills, fire outbreak, litigations between customers and company or employee and company or community and company etc.

4. |**Internal communication:** In addition to being responsible for communicating the organisation's message with external audiences, most corporate communication teams play at least some roles in internal communication, including:

- Drafting emails and memos announcing company news, events and initiatives.

- Compiling employee resources (such as information about employee benefits, rewards, awards, leave period, leave bonus and events like birthday and wedding anniversary).

- Creating printed materials, such as employee handbooks, T-shirts or flyers.

- Facilitating group brainstorming sessions and training sessions among employees.

- Managing internal blogs, newsletters, or other publications including those on social media.

Internal communication is often done at the direction of or in partnership with the human resources department. It is critical because it determines how an organisation is viewed.

5. **Analysing communications of others like governments and competitors:** Corporate communication department or unit analyses the communications of governments and competitors to keep the company afloat. It takes advantage of opportunities in government's communication and crisis of the competitors and also gears up to keep abreast of the sector performance ahead of competitors.

Corporate communication is a set of activities involved in managing and coordinating all internal and external communications aimed at creating a favourable point of view among stakeholders on which a company depends. It involves packages of products, branding of vehicles, and company slogans. The way corporate communication is handled can make or mar an organisation. This is the reason corporate communications are now a critical part of organisations and are being handled by experts among businesses.

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Remembering the...

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certain." Chronicling and commenting on the painful austerity measures imposed in exchange for bailouts, Kathimerini, the widely read Athens-based Greek newspaper, commented: "Greece is being asked to bleed in order to survive."

The severity of the conditions imposed on Greece and their impact on the lives of its people and the country's economy reopened the enduring, intense and ever-fascinating debate about austerity versus stimulus among academics, analysts, and politicians. In arguing that harsh spending cuts worsened the economic downturn, Paul Krugman, economist and Nobel Prize winner, wrote: "Austerity in Greece is a complete failure. It is strangling the economy instead of helping it recover."

Join me if you can @anthonykila to continue these conversations.

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Wema Bank's stock undervalued on NGX- Analysts

Bamidele Famoofo

AN INDEPENDENT REPORT on Wema Bank PLC's equity by a Team of Analysts at Global Assets Management Nigeria Limited, has revealed that the Bank's stock, which currently stands at N10.90 per unit (as at Friday, April 4) on the Nigerian Exchange Limited (NGX), is trading below intrinsic value.

An intrinsic value of a stock is the real worth , based on fundamental factors , including cash flow, assets and quality of the company's earnings rather than market sentiment . A market price below the intrinsic value indicates that the stock is undervalued, a buying prospect and the market price above intrinsic value implies that the stock is over-valued , a selling prospect.

In a special analysis titled Equity Research Report on Wema Bank PLC, by Global Assets Management, made available to the media, Wema Bank's Price -to-Ratio (P/B) Ratio stands at 0.90. This is below 1(0.90), implying that the stock is trading below its book value, an indication of undervaluation and a buy signal .

According to the Report, the bank's Net Asset Growth of 87.3 percent year-over-year (YoY) further reinforces its intrinsic financial strength, its P/E Ratio (2.63) far below industry average and Discounted Earnings Model suggests intrinsic value of N30.40 (175% upside).

"The bank has demonstrated exceptional revenue and net interest income growth, with total revenues increasing from N41.98 billion in 2020 to N233.89 billion in 2024—a 457% total increase (CAGR of 53.6%). Net interest income, a key indicator of a bank's core lending business, surged from N30.85 billion in 2020 to N170.19 billion in 2024—a 451% total increase (CAGR of53.2%).In 2021, the bank posted increase in net interest income (NII) despite a slight dip in total revenue, possibly due to changes in funding costs or asset yields. In 2022, revenues surged 88% YoY—suggesting strong non-interest income growth (likely fees and commissions) alongside resilient net interest income)

"From 2023–2024, Wema Bank, achieved accelerated growth, with net interest income (NII) and total revenues more than doubling in two years. This suggests robust loan growth, favorable interest rate environments, or strong asset quality. Wema Bank's return on equity (ROE) of 29.10%, significantly outperformed Sterling Bank, which has the lowest ROE at 11.60%. This indicates strong profitability in relation to shareholder equity for Wema Bank. With Returns on Assets (ROA) of 1.90%, Wema Bank falls behind Stanbic IBTC. which leads with 2.40%, and Fidelity Bank at 2.20%. While Wema's ROA is decent, it suggests room for improvement in asset utilization efficiency.

"The bank also shows an attractive earnings yield, signaling a favorable valuation. However, its lower ROA suggests room for improvement in asset efficiency while its revenue generation is mid-range and dividend yield lags behind some of its competitors.

Wema Bank's rapid revenue and profit growth, coupled with consistent dividend growth, strong earnings performance and undervaluation, presents an attractive investment opportunity. With an estimated intrinsic value of 30.40 per share, Wema Bank's stock is significantly undervalued at its current market price of 10.90. Long-term investors seeking exposure to Nigeria's growing banking sector may consider this stock for capital appreciation and dividend income," says the Report.

VISIONARY VOICES

This UN Debt Initiative Is Different

MAHMOUD MOHIELDIN

PAOLO GENTILONI

TREVOR MANUEL

YAN WANG

Mahmoud Mohieldin, UN Special Envoy on Financing the 2030 Sustainable Development Agenda, is Co-Chair of the Expert Group on Debt. Paolo Gentiloni, former European Commissioner for Economy, is Co-Chair of the Expert Group on Debt. Trevor Manuel is a former minister of finance of South Africa and Co-Chair of the Expert Group on Debt. Yan Wang, a former senior economist at the World Bank, is Senior Academic Researcher at the Boston University Global Development Policy Center and Co-Chair of the Expert Group on Debt.

WASHINGTON, DC/ROME/JOHANNESBURG/BOSTON – Economic development requires financing that is affordable, accessible, and has maturities matched to development outcomes. Yet, for most developing countries, none of the above apply. Instead, an escalating "debt disaster" is unfolding across much of the developing world, exacerbated by a series of cascading global crises.

The urgency of the current crisis cannot be overstated. Over half of the 68 countries eligible for the International Monetary Fund's Poverty Reduction and Growth Trust (PRGT) are now facing debt distress – more than double the number in 2015.

But even this figure fails to capture the scale of the problem, as many countries outside the PRGT framework are also grappling with crippling debt burdens and liquidity challenges. Between 2017 and 2023, developing countries' average debt-service costs surged by nearly 12% per year – more than double the growth rate of their exports and remittance earnings. Consequently, external debt sustainability deteriorated in two-thirds of developing countries over this period, including in 37 of 45 African countries with available data.

Despite their unsustainable debt burdens, many countries are reluctant to default, owing to inefficient debt-resolution mechanisms and prohibitively high political and economic costs. As a result, indebted countries prioritize their creditor obligations over their own development, as ballooning debt-service payments crowd out vital investments in infrastructure and human capital, stifling growth and delaying climate action. Today, 3.3 billion people live in countries that spend more on debt servicing than health care and education, the vast majority of them in middle-income economies.

If left unaddressed, current liquidity constraints could quickly morph into a full-blown solvency crisis. Urgent intervention is therefore needed to avert a wave of defaults and put indebted countries on the path to economic independence.

In response to the escalating debt crisis in the Global South, United Nations Secretary-General António Guterres established the Expert Group on Debt in December 2024. Its members are tasked with identifying and advancing policy solutions to help developing economies – particularly African countries and small island developing states – break free from the vicious cycle of debt distress.

Although previous UN working groups have tackled sovereign debt issues, several factors set this initiative apart. The first is timing: successive economic shocks have forced developing countries to borrow, typically at high interest rates, severely restricting their fiscal space. With just five years left until the 2030 deadline for achieving the Sustainable Development Goals (SDGs), developing countries – impeded by a persistent $4 trillion annual financing gap – are on track to meet less than one-fifth of the SDG targets.

Second, while previous initiatives focused on developing countries' ability to repay and service their debts, the Expert Group aims to ensure that any proposed solutions support sustainable development.

Third, the Expert Group aims to identify and promote solutions that can gain political and public support at the global, regional, and national levels. While bold and ambitious measures are essential to addressing the current debt and development crisis, we cannot afford to pursue proposals that stand little chance of achieving the support required to drive meaningful change.

With this in mind, the Expert Group seeks to develop comprehensive strategies. If solutions apply only to new debt or fail to foster economic growth, stabilizing debt dynamics could take years. Trade-offs must also be carefully considered; increased reliance on guarantees, for example, might mobilize more private capital but could reduce access to concessional financing and grants for sovereigns.

Lastly, the Expert Group's composition and outreach make it uniquely positioned to address these issues. Supported by UN Trade and Development (UNCTAD) and other international bodies, the Group brings together former and current officials, policymakers, and leading academics, combining technical expertise with high-level influence. The Group's strong ties to key institutions and networks – including international financial institutions, the G20, Jubilee 2025, and various regional and national organizations and agencies – create valuable opportunities to engage policymakers, scholars, civil-society representatives, and other stakeholders. By fostering coordination among UN member states, the Group can help mobilize political will and refine emerging proposals.

Three upcoming gatherings, in particular – July's Fourth International Financing for Development Conference in Spain, the G20 Summit in South Africa, and November's UN Climate Change Conference (COP30) in Brazil – could serve as critical platforms to promote realistic and practical policy solutions. To be sure, no single reform will resolve the developing world's debt crisis overnight. But the crisis has laid bare the limitations of conventional approaches, underscoring the urgent need to rethink the structure and purpose of sovereign debt so that countries are no longer forced to choose between repaying their creditors and securing their future.

Given the stakes, any solution must be both swift and capable of uniting a broad coalition of stakeholders. But speed cannot come at the expense of long-term progress. To break the cycle of debt distress, solutions must go beyond short-term fixes and serve as a foundation for sustainable development.

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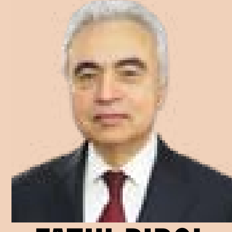
PROJECT SYNDICATE

What African Electrification Requires



FATIH BIROL

ALAIN EBOBISSÉ

Fatih Birol is Executive Director of the International Energy Agency. Alain Ebobissé is CEO of Africa50.

CASABLANCA – Too often, the conversation about Africa's energy challenge focuses only on connecting end users. With around half of the people living in Sub-Saharan Africa lacking access to electricity, and with four out of five in need of clean cooking solutions, extending electricity connections is indeed an urgent priority. But connecting households and businesses to power sources is only part of the solution. The other part is to ensure that energy supply is both dependable and affordable.

Among Africans who do have access to an electricity grid, not even half can count on a reliable supply. Yet without dependable electricity, households and businesses cannot adopt lighting, stoves, computers, irrigation, farming equipment, sewing machines, and other devices that could boost prosperity and improve living standards. This is one of the main reasons why electricity demand remains low across the continent.

One of the keys to resolving Africa's electricity reliability and affordability challenges is greater investment in grids. The right investments in transmission can help stabilize the grid, reduce outages, improve efficiency, and make better use of the lowest-cost sources of energy wherever they are on the continent. Without transmission, all other investments in electricity generation and household connections will likely end up underused.

The cost of developing transmission projects is only a small part of the total outlays needed to deliver universal electricity access. The International Energy Agency (IEA) estimates that Sub-Saharan Africa needs annual energy-access investments exceeding $30 billion per year between now and 2030 – more than eight times the $3.7 billion invested annually today.

To mobilize higher investment in grids, African governments must engage the private sector. That means establishing clear, long-term regulatory and policy frameworks that will attract investors and reduce the cost of financing for new projects. As matters stand, nearly all transmission networks on the continent are operated and financed by state-owned utilities with limited financial resources.

We know that this can work. In 2024, Africa's power sector achieved another year of double-digit growth, largely owing to rising private-sector participation. Now, the transmission buildout can follow the same recipe for success.

African countries can also look to other developing and emerging-market economies for serviceable models. In Brazil, policy and regulatory reforms initiated in the 1990s opened the country's power networks to private investment. Since then, according to the IEA, transmission and distribution capacity has more than quadrupled, allowing Brazil to achieve universal electricity access.

Similar models will soon make their debut in Africa. For example, Africa50, a multilateral infrastructure investor and asset manager created by African governments and the African Development Bank, and Power Grid Corporation of India, one of the world's largest transmission infrastructure developers and operators, have co-developed the Kenya Transmission Public-Private Partnership. In collaboration with the Kenyan government, the partnership aims to construct approximately 250 kilometers (155 miles) of new transmission lines to channel renewable energy generated in northern regions to industrial hubs and demand centers in the country's west.

Such public-private partnerships are crucial for closing the massive gaps that persist in energy infrastructure funding and implementation. Through regulatory reforms and risk-sharing mechanisms, private capital can help to advance projects that would be challenging to finance otherwise. India has benefited from such models ever since it started deregulating its power sector in 1998. The Tala Transmission project – a partnership between the state-owned Power Grid Corporation of India and Tata Power – is a prime example.

Closer regional coordination is also essential. Investing in modern grid interconnectors allows electricity to be traded from countries with excess supply to those with not enough. Such networks can play a major role under emergency conditions, such as the devastating drought crippling Zambia's hydropower output. Already, 12 African countries in the West African Power Pool have permanently synchronized their grids, and the South African Power Pool is developing several interconnector transmission lines to support greater integration.

Still, Africa will need more dispatchers and planners to make full use of existing regional grid interconnections and lay the groundwork to commission new ones. Greater regional integration also will help investors derisk their projects, by expanding their potential pool of customers.

Africa will not achieve universal access to reliable electricity without significant investment in transmission infrastructure; but such investment will not materialize without fostering greater private-sector participation. Globally, investment in the energy sector is growing, particularly in renewables, electrification, and resilient grid infrastructure. But to capitalize on this trend, governments must lead with meaningful policy and regulatory changes. Countries like South Africa, Kenya, and Morocco offer clear examples, having successfully attracted private-sector energy investment by establishing long-term energy plans and targets, encouraging public-private partnerships, and streamlining administrative processes.

Developing and emerging-market economies can learn from one another. Those that have delivered near-universal access to electricity have done so by unlocking the necessary capital flows. This should be policymakers' top priority. Once you have secured reliable power, you can pursue economic development and start to improve hundreds of millions of lives.

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NIGERIA'S PATH TO ECONOMIC RECOVERY SERIES (2)

Profitable despite FX, interest expense squeeze

•Okomu Oil •BUA Foods •Dangote Cement

This is the second part in the series: "Nigeria's Path to Economic Recovery". In the first part we presented an overview of the strain on the Nigerian economy in the years 2023 and 2024. An analysis of selected companies in the NGX 30 index, which will be continued in this series, was carried out to present key highlights of major publicly listed companies harnessing opportunities or negatively impacted by the unpleasant economic environment.

OLUWATOSIN EMMANUEL OLADETAN

Oluwatosin Oladetan, (MBA, ACCA, PMP, NIM, MICBC, FMVA, BIDA, SPY-SP, TRCN), a vice president (finance), public policy expert, corporate and business strategist, independent director, trusted advisor, is a Volunteering Contributing Analyst with Business a.m.

PRESCO PLC HAS a market capitalization of N785 billion from one billion issued shares at a closing market price of N785 per share as of the market day ended April 04, 2025, making it the firm with the highest market capitalization in the NGX 30 index agriculture sector. The other firm in the NGX 30 index agriculture sector is Okomu Oil. The major activity of Presco Plc is the plantation and processing of palm and other related agricultural produce. On 24 March 2024, the Exchange was notified of changes to her board of directors, as Titi Osuntoki resigned from the board effective 13 November 2024. Iquo Ukoh and Osayi Alile were appointed as independent non-executive directors to fill casual board vacancies until the next annual general meeting. The audited financial statement for Presco Plc has not been uploaded on the NGX portal.

OKOMU OIL

For the purpose of the sector analysis, Okomu Oil Palm Plc will be considered with a market capitalization of N520 billion from 954 million issued shares based on the listed price of N545.20 for the market day that ended on April 04, 2025. Okomu Oil Plc notified the exchange of the resignation of Osaro Idah effective 24 March 2025 and the appointment of Osaretin Edosomwan as a non-executive director with effect from 27 March 2025. On March 28, 2025, Okomu Oil also reported on the compliance with the Nigerian Code of Corporate Governance 2018 in line with the requirement of the Financial Reporting Council of Nigeria.

The 2024 financial statement analysis for Okomu Oil revealed that revenue increased by 73.36 percent, majorly driven by a 60.42 percent increase in palm oil production and 183.26 percent growth in rubber sales. The gross profit margin recorded in 2024 was 82.59 percent, but PBT margin of 41.13 percent as a result of high squeeze from realized foreign exchange loss, management fees chargeable for technical support, administrative and managerial services provided by SOCFINCO, short-term rentals on buildings, duties and other indirect taxes. The net profit margin for the period is 30.69 percent higher than the previous year's net profit margin of 27.49 percent. The basic and diluted earnings per share for the period are N41.89, 93.58 percent higher than the 2023 position of N21.64. The cash and cash equivalents increased by 105.12 percent and currently account for 14.81 percent of the total assets. The cash and cash equivalent to total asset ratio is relatively high, as Okomu Oil could optimize more benefits by investing in operations or projects to deliver more economic benefits to the firm. Trade payables increased by 50.01 percent. This does not present a risk, as the available bank balance is able to settle all the outstanding short-term payables obligations.

BUA FOODS

Bua Foods Plc has a market capitalization of N7.524 trillion from 18 billion issued shares at a closing market price of N418 per share for the market day ended April 04, 2025, making it the most capitalized firm in the consumer goods sector. Bua Foods business model is to manufacture, process and distribute food products within and beyond Nigeria. On March 20, 2025, Bua Foods Plc also reported on the firm compliance with the Nigerian Code of Corporate Governance 2018 in line with the requirement of the Financial Reporting Council of Nigeria. A final dividend of N13.00 per ordinary share of 50 kobo each, subject to appropriate withholding tax and approval, was approved and will be paid to shareholders whose names appear in the Register of Members as at the close of business on August 21, 2025. The register of shareholders will be closed from August 22, 2025, to August 29, 2025. The dividend payment date has been slated for September 25, 2025, as the dividend will be paid electronically to qualifying shareholders who have completed their e-dividend registration and mandated the Registrar to pay their dividends directly into their bank accounts. Bua Foods recorded N1.528 trillion as revenue from contracts with customers, a 109.5 percent year-on-year increase from the previous year. 95.5 percent of the group revenue is earned from sales in Nigeria, as sugar (non-fortified), pasta, bakery flour, bran and rice recorded above 100 percent increase in revenue. New product lines such as semolina and maize were also recognized in the period. A gross profit margin of 35.40 percent was recorded in 2024 compared to the corresponding 35.71 percent recorded in 2023. The operating profit of 30.90 percent was squeezed by a net finance cost of N187.780 billion, of which foreign exchange loss accounts for N173.293 billion, this resulted in a PBT margin of 18.61 percent. The PAT margin for the period is 17.51 percent due to a high net off value of N65.837 billion arising from the effect of a permanent difference applicable to the statutory tax charge that should have been at N85.297 billion. The PAT margin of 17.51 percent recorded in 2024 is 2.04 percent higher than the 15.37 percent recorded in 2023. The basic and diluted EPS for 2024 is N14.78, a slight increase of 1.09 percent from N14.62 in 2023. There was a 254.32 percent increase in the right-of-use assets driven by a 220.14 percent rise in lease liabilities. There was a 78.49 percent increase in advance payments liabilities related to contracts with customers due to advance customer deposits for goods not yet supplied, arising majorly from two additional production lines commissioned during the year. There was an 87.86 percent decrease in trade receivables and other assets driven by the decline in large cash deposits with banks for foreign currency bids. The financial risk on total borrowings reduced year-on-year by 39.81 percent from N651.077 billion in 2023 to N391.857 billion in 2024. The trade and other payables increased by 91.77 percent from N49.476 billion in 2023 to N94.878 billion in 2024, majorly due to unsettled value-added tax payable, which increased by 110.86 percent from N38.346 billion in 2023 to N80.857 billion in 2024. The outstanding balances with related parties increased by 56.91 percent to N547.387 billion due to liabilities settled by Bua International Limited on behalf of Bua Foods Plc.

Graham D. Hefer, managing director, Okomu Oil Plc

Ayodele Musibau Abioye, managing director, BUA Foods Plc

Arvind Pathak, group managing director, Dangote Cement Plc

DANGOTE CEMENT

Dangote Cement Plc has a market capitalization of N8.099 trillion from 16.874 billion issued shares at a closing market price of N480 per unit share for the market day ended April 4, 2025, making her the most capitalized firm in the industrial goods sector. Dangote Cement Plc core business is the production and sale of cement within and beyond Nigeria. Her component auditor is KPMG. Dangote Cement Plc notified the exchange of director/insider dealings on March 08, 2025, when Adenike Fajemirokun, the group chief risk officer, purchased 350,000 units; Aliyu Suleiman, the group chief strategy officer, purchased 150,000 units; and Alake Marcus Olakunle, a director, purchased 2,000,000 units of Dangote Cement Plc shares at a unit price of N618.10 each on March 7, 2024. Dangote Cement Plc notified the exchange of a $400 million expansion to upscale a second production line at its Mugher cement plant in Ethiopia to double the facility's annual production capacity to five million tonnes, due to be operational within 30 months with a future plan of establishing a new greenfield cement grinding unit with an annual capacity of three million tonnes. A final dividend of N30 per share, subject to the appropriate withholding tax and approval, will be paid to shareholders whose names appear in the Register of Members as at close of business on Monday, June 9, 2025. The register of members will be closed on Tuesday, June 10, 2025, and the dividends will be paid electronically to qualifying shareholders who have completed the e-dividend registration and mandated the Registrar to pay their dividends directly into their bank accounts. Dangote Cement Plc has proposed to hold her AGM on Monday, June 23, 2025. Dangote Plc notified the exchange on March 19, 2025, of the appointment of Gbenga Fapohunda as the substantive group financial officer of Dangote Cement Plc effective January 1, 2025. On March 28, 2025, Dangote Cement Plc also reported on the compliance with the Nigerian Code of Corporate Governance 2018 in line with the requirement of the Financial Reporting Council of Nigeria.

Dangote Cement Plc recorded revenue of N3.581 trillion in 2024, an increase of 62.16 percent from N2.208 trillion in 2023. The gross profit margin for 2024 was 54.04 percent, slightly lower than the 54.43 percent recorded in 2023. Haulage expenses were a significant operating expense for the period at a value of N535.695 billion with a year-on-year growth of 73.14 percent, or 10.99 percent higher than the corresponding increase in gross revenue. The operating profit margin of 32.18 percent was squeezed by finance costs of N700.299 billion made up of interest cost and net foreign exchange loss to deliver a PBT margin of 20.46 percent. N448.081 billion was recorded for interest expense in 2024 compared to N144.530 billion in 2023, an increase of 210.03 percent, majorly driven by an adjustment to the effective interest rate on funds at 25.8 percent in 2024 compared to 17.3 percent in 2023 on financial instruments measured at amortized costs. The net foreign exchange loss increased by 51.95 percent from N164.077 billion in 2023 to N249.322 billion in 2024, resulting from the 41.42 percent devaluation of the Nigerian naira against the United States dollar. The net profit margin for 2024 was 14.06 percent, a decline from 20.63 percent recorded in 2023. The basic and diluted EPS for 2024 is N29.74, a 51.50 percent reduction from N61.32 in 2023.

Dangote Cement Plc property, plant and equipment for the group increased year-on-year by 36.50 percent from N3.937 trillion to N5.375 trillion as a result of N413.777 billion attributable to asset additions and N1.048 trillion attributable to the effect of foreign currency exchange rate differences. The 69.96 percent increase in inventories is in line with the business operations, as only N1.09 billion worth of inventory was written off during the period. The 59.45 percent increase in trade and other receivables is majorly driven by a 71.51 percent increase in other receivables, which consist of a N17.1 billion promissory note from export expansion grants and N2.5 billion in outstanding withholding tax credit receivables. There was also an increase of N757 million in impairment on receivables loss allowance from N2.226 billion to N2.983 billion. There was a 36.10 percent increase in prepayments, majorly driven by the increase in advances paid to contractors for the construction of plants, purchase of AGO, coal and other materials, dues from the parent company and dues from entities controlled by the payment company. The foreign currency translation reserve presents the results and net investments of the group's foreign operations from other functional currencies to the group presentation currency. The foreign currency translation reserve is recognised in other comprehensive income and reclassified to profit or loss on the disposal of the foreign operations, recorded an increase of 73.22 percent to N1.083 trillion. The 60.04 percent increase in trade and other variables is majorly driven by the 121.85 percent increase in trade payables, resulting in an increase in trade payable days on hand from 67 days in 2023 to 90 days in 2024. The group increased her exposure to loans from Dangote Industries Limited, bank loans, and overdraft balances. The financial liabilities consist of a new facility of $675 million obtained from Afrexim, a grace period of 24 months, of which equal instalments will be paid quarterly from the end of the grace period up to the maturity period of 60 months priced at SOFR + 6.5 percent, and a 120.5 billion facility from Dangote Industries Limited to finance working capital priced at 19.5 percent to be repaid in 2025. Dangote Cement Plc advanced the $675 million Afrexim loan to Dangote Industries Limited, a related party, for expenditures on projects in African countries. There are other related party transactions such as sales of goods, purchases of goods, interest on loans granted to subsidiaries, administrative services on which a management fee is charged, materials and services used in subsidiaries manufacturing processes, financial support for capital development and operation and funds assistance. Interest of between 10 percent and 12.5 percent was charged on receivables due from subsidiaries; however, no impairment loss was provided on these receivables.

... to be continued

OPEC Fund approves over US$600 million in new financing for seven countries

Bamidele Famoofo

THE OPEC FUND FOR INTERNATIONAL DEVELOPMENT (OPEC Fund) has approved over US$600 million in new development financing to support sustainable infrastructure, private sector development, food security and human capital in partner countries across Africa, Asia, Latin America and the Caribbean. The new projects were approved during the institution's 191st Governing Board meeting in Vienna today and during the first quarter of 2025. The new commitments reflect the OPEC Fund's efforts to promote inclusive and resilient growth in line with its strategic priorities.

OPEC Fund President Abdulhamid Alkhalifa said: "These engagements are a significant demonstration of our commitment to building resilience and enabling inclusive development. From transport corridors to vocational training and financing small businesses the OPEC Fund is supporting practical solutions that align with our partners' priorities and deliver tangible results. We remain focused on driving sustainable development across regions and sectors."

The latest approved projects include a €180 million loan for Costa Rica. It will help co-finance the "Expansion and Improvement of the San Jose – San Ramon Road Corridor Project" with the Central American Bank for Economic Integration (CABEI). The project will improve traffic flow and road safety along Route 1 of the Inter-American Highway, supporting trade, connectivity and inclusive economic growth.

L-R: Femi Fagbohun, Manager, South-Zone, Stanbic IBTC Pension Managers; Pastor Eyo Effiong, Permanent Secretary, Secondary Education Board, Cross River State; and His Royal Highness, Paul Okon Ntufam, Ntui, Clan Head, Ekerebe North, Cross River State during the ceremony where Stanbic IBTC Pension Managers handed over three newly renovated blocks comprising 13 classrooms; over 300 classroom furniture; and a water supply system to Government Day Secondary School, Akamkpa, Cross River.

Nepal got a US$100 million loan to co-finance the "South-Asia Subregional Economic Cooperation (SASEC) Electricity Transmission and Distribution Strengthening Project" with the Asian Development Bank (ADB). The project will enhance the reliability and efficiency of the electricity supply in Nepal and promote cross-border power trade in the region.

In Africa, Rwanda received US$27.95 million loan to co-finance the "Center of Excellence in Aviation Skills Project" with the African Development Bank (AfDB). The initiative will raise Rwanda's national aviation training capacity to international standards, contribute to human capital development and support the country's ambition to become a regional aviation hub.

For Senegal, a €25 million loan will help finance the "Water Valorization for Value Chains Development Project- Phase 2 (PROVALE – CV2)" together with AfDB and other partners to promote the sustainable increase of agricultural production, jobs and incomes. The project is also helping to combat the impact of climate change on agricultural and livestock production. It will directly benefit 57,000 households.

East African country, Tanzania, got a US$75 million loan - as the first tranche of a US$150 million facility - will support the "Regional Standard Gauge Railway Project (Uvinza–Malagarasi Section)", co-financed with AfDB and other partners. The project will enhance regional connectivity and stimulate trade between Tanzania, Burundi and the Democratic Republic of the Congo.

For private sector operations, Côte d'Ivoire received a €30 million loan that will expand access to finance for small and medium-sized enterprises (SMEs), helping to strengthen entrepreneurship, promote job creation and stimulate economic growth.

Democratic Republic of the Congo got a US$20 million loan, as part of a larger financing package with development partners, which will support on-lending to critical sectors of the economy while Nicaragua's US$20 million loan will promote financial inclusion by facilitating access to credit for businesses in agriculture sector.

On the regional front, Africa got a US$40 million participation in a US$240 million trade finance facility that will finance the import and export of agricultural commodities across multiple African countries.

The OPEC Fund for International Development (the OPEC Fund) is the only globally mandated development institution that provides financing from member countries to non-member countries exclusively. The organization works in cooperation with developing country partners and the international development community to stimulate economic growth and social progress in low- and middle-income countries around the world.

Afreximbank shines at 2025 International Financial Law Review Awards

Bamidele Famoofo

AFRICAN EXPORT-IMPORT BANK (Afreximbank) has been recognised in three award categories by the International Financial Law Review (IFLR), a globally recognized authority on financial law and transactions. The 2025 IFLR awards, held annually, spotlight the most innovative cross-border deals in Africa and the legal teams and firms driving these transformative transactions.

A highlight of the recognitions was the award that recognized Afreximbank's In-House Legal Team as the '2025 In-house Team of the Year – Financial Institutions.' Afreximbank also received the '2025 IFLR Domestic Impact Deal Award,' which spotlighted the $650 million Oando/ Agip Oil Company acquisition finance transaction, in addition to the '2025 IFLR In House Market Maker Award' awarded to the Bank's Director of Banking Legal Services, Joy Albright.

The awards highlight Afreximbank's pivotal role in delivering innovative financing solutions on the African Continent. Afreximbank, retained as mandated lead arranger for the transaction, also served as bookrunner, coordinator, underwriter, escrow agent, facility agent and security trustee. The Multilateral Bank also participated and underwrote US$350 Million of the facility. Also participating in the transaction were Indorama Eleme Petrochemicals Limited, with US$150 million, and Mercuria Energy Group, with US$150 million.

Afreximbank's in-house legal team was supported by a range of external legal expertise across six (6) jurisdictions, including the United Kingdom, Canada, Bermuda, the Netherlands, and Nigeria. This included advice from Herbert Smith Freehills LLP (UK), Odunjirin & Adefulu (advising Senior Lenders), Blake, Cassels & Graydon LLP (Canadian Lawyers), Conyers Dill & Pearman Limited (Bermuda Lawyers), and Stibbe Law Firm (Dutch Lawyers). The Junior Lenders were advised by A&O Shearman (English Lawyers) and Templars (Nigerian Counsel).

Commenting on the awards, Joy Albright, Director Banking Legal Services at Afreximbank, said: "We are deeply honoured to accept these 2025 IFLR awards. We are also proud to have our in-house legal team named the 2025 In-house Team of the Year – Financial Institutions. This recognition is a direct reflection of Afreximbank's commitment towards advancing intra-African Trade on the Continent, through innovative financing structures. This recognition also serves as a testament to the dedication and contribution of Afreximbank's In-House legal team, a group of experienced lawyers with a track record of advising on complex cross-border legal structures."

Receiving the awards in Cape Town, South Africa were Joy Albright, Afreximbank's Director – Banking Legal Services, accompanied by Alex Bebe Epale, Senior Manager – Legal Services, Dognima Silue Head – Legal Services, Derin Fajuyitan, Head, Project and Asset Based Finance and Alvin Lema Manager – Syndications.

CBN's strategic policy moves strengthen Nigeria's reserves in 2024

Bamidele Famoofo

RECENTLY, THE CENTRAL BANK OF NIGERIA (CBN) reported that Nigeria's net foreign exchange reserves surged to US$23.11bn by the end of 2024—the highest in over three years. This marks a dramatic rebound from US$3.99bn in 2023, US$8.19bn in 2022, and US$14.59bn in 2021, showcasing the CBN's deliberate strategy to improve FX liquidity by improving investor confidence through growing the FX reserves.

At the same time, the gross external reserves rose to US$40.19bn in the same period, from US$33.22bn at the end of 2023. This growth highlights Nigeria's improved ability to meet external obligations and stabilise the foreign exchange market through the introduction of policies in the FX market which improved transparency and confidence.

The CBN Governor, Olayemi Cardoso highlighted the key factors behind the improved net foreign reserve position which include:

- Cutting Short-Term FX Liabilities: Significant reduction in the reliance on FX swaps and forward contracts, easing liquidity risks.
- Foreign Exchange from Non-Oil Sectors: Increased FX inflows from sectors outside oil and gas such as financial services, telecommunications and agriculture (Crop production) have provided much-needed diversification.
- Market-Driven Reforms: A push for transparency and confidence-building policies such as the new FX code and the Electronic Foreign Exchange Matching System (EFEMS). Also to deliberate shift back to orthodox monetary policy signalled by the significant hike in MPR in 2024 attracted FPI inflows..

The positive shift in Nigeria's reserves has led to stabilisation in the exchange rate over the last few months of 2024 leading into 2025 with the Naira strengthening by N5.57 to close at N1,531.25/$ from N1531.25/$ it traded on Friday in the official market immediately after the announcement, as there had been speculation about the state of the net reserves which CBN had not reported on in a while. Gross reserves had been continuously dropping in 2025 week on week which was beginning to worry analysts but this report on the significant increase in net reserves from 2023 to 2024 brought much-needed support to the market before the start of the long holiday period. It remains to be seen if going forward CBN will start reporting the Net Reserves position on a more regular basis especially as it is in a more positive position now.

There had been many reports by local and international analysts in H2 2023 about the Net Reserves positions given the number of swaps and other derivatives entered into by the Emefiele-led CBN to try and shore up USD liquidity. The lack of response to these reports and speculation further undermined the FX market at the time and contributed to the significant depreciation of the Naira. It was felt that the CBN had a reduced ability to intervene in the market given the rumoured Netreserves position at the time which undermined confidence in the market. The improved 2024 Net reserves number also suggests that a number of the swaps and other derivatives that the CBN had entered had been settled or unwound, funded by the significant increase in FPI inflows witnessed in 2024 on the back of the carry trade, increased FX inflow from improved oil production and proceeds from the Eurobond issued in November 2024 as well as other issues like the BOI US$1bn syndicated loan in October 2024 and the US$900m domestic US Dollar bond issued in September 2024.

Q1 2025: Decline in Reserves and Implications for Outlook

As published by the CBN, the gross reserves dipped by US$2.55bn, a 6.23 percent decline over the first quarter of 2025, to US$38.33bn (27th March 2025). This marks the most significant first-quarter decline in five years, attributed to the settlement of foreign debt obligations, continued intervention in the foreign exchange market to ensure stability, lower dollar-denominated oil earnings due to lower production and the falling oil price in the global economy (US$65–US$70/bbl) weighing on export revenues.

Also, Foreign Portfolio Investments (FPI) inflows fell by 30.3 percent between January and February 2025, probably affected by a drop in yields from short-term sovereign fixed-income instruments which undermined the carry trade. We are monitoring FPI inflows as if the carry trade is unwound by investors in 2025 then this will put pressure on the exchange rate and the FX reserves.

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
	105,511.89	3,919,31	8,809.74	43,840.91	5,954.50	76,120.24	17,732.60
CURRENT	0.14	0.08	+53.53	+601.41	+92.93	+321.69	0.71%
YEAR TO DATE	2.51	2.82	0.61%	1.39%	1.59%	+0.42%	11.16%

TOP TRADERS

Company	Volume	Value
UBA	26319395	972338531
UCAP	25608246	391509769
FCMB	24154888	211160678.7
ZENITHBANK	22864438	1086128397
FIDELITYBK	22585795	441648252.7

TOP GAINERS

No	Equity	Opening	Closing	%Change
1	LIVESTOCK	N 7.20	N 7.92	10.00%
2	LEARNAFRCA	N 3.00	N 3.30	10.00%
3	VFDGROUP	N 51.90	N 57.00	9.83%
4	UNIONDICON	N 5.30	N 5.80	9.43%
5	NGXGROUP	N 30.00	N 32.45	8.17%

TOP LOSSERS

No	Equity	Opening	Closing	%Change
1	MANSARD	N 9.60	N 8.64	-10.00%
2	LASACO	N 2.60	N 2.34	-10.00%
3	MAYBAKER	N 8.60	N 7.85	-8.72%
4	GUINEAINS	N 0.69	N 0.63	-8.70%
5	FTNCOCOA	N 1.71	N 1.60	-6.43%

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

Stories by Bamidele Famoofo

FCMB Group aims to retain International Banking License, boosts CAR to 18%

FCMB GROUP PLC, ONE of Nigeria's fastest-growing financial holding companies has assured its shareholders and other stakeholders in the financial market of its plan to retain its International Banking License for N500 billion.

In March 2024, the Central Bank of Nigeria (CBN) mandated a recapitalization program for banks, requiring them to increase their minimum paid-in capital by March 2026, aiming to strengthen the banking sector and support economic growth.

According to the CBN, commercial banks with international outlook must recapitalize to the tune of N500 billion while those willing to play as national banks must raise a capital of N200 billion. Regional commercial banks are expected to have a capital base of N50 billion.

FCMB Group noted that it completed the first phase of its capital raising programme, raising N144.6 billion through a public offer, which led to an increase in issued shares from 19.8 billion in 2023 to 39.6 billion in 2024, with an attendant impact on EPS.

"Subsequent phases of FCMB Group's capital program, which are currently underway, are aimed at ensuring First City Monument Bank Limited meets the minimum capital requirement to retain its International Banking License. The capital injection above into the banking subsidiary has enabled First City Monument Bank Limited to not only secure its National Banking License but also raise its capital adequacy ratio to 18%, creating necessary buffers to support asset creation in select segments," it hinted in a document released to the NGX Ltd.

L-R: Haruna Jalo-Waziri, MD/CEO CSCS Plc and Babajide Sanwo-Olu, Governor, Lagos State during a courtesy visit at Governors Office, Lagos House, Alausa recently.

The Group posted gross revenue of N794.4 billion for the period ended December 2024, a 53.9 percent growth from N516.4 billion for the same period the prior year. This was driven by a 75.2 percent growth in interest income and an 8.7 percent growth in non-interest income. The rate of growth in non-interest income was impacted by a 55.7 percent year-on-year decline in other gains from N89.3 billion to 39.6 billion.

Net interest income grew by 27.6 percent from N176.6 billion in the prior year, to N225.3 billion at the end of December 2024. The yield on earning assets improved to 16.2 percent, however, Net Interest Margin declined by 1.9 percent year-on-year largely driven by a 122 percent growth in funding cost.

Operating expenses grew by 45.7 percent year-on-year to 229.1 billion for the period ended December 2024, due to increased personnel costs, regulatory costs, foreign currency-linked expenses (eg technology and foreign subsidiary expenses) and general inflationary pressures. Cost-to-income ratio closed at 59.9 percent for the period ended December 2024.

Net impairment loss on financial assets declined by 30.7 percent year-on-year to N41.2 billion, for the period ended December 2024, from N59.5 billion, which resulted in a decline in cost of risk to 1.8 percent from 3 percent in the previous year.

PBT grew by 7.1 percent year-on-year to N111.9 billion, largely impacted by a 56.6 percent decline in revaluation income and the 1.9 percent decline in Net Interest Margin.

The divisions of the Group reported Year-on-Year growth as follows; Consumer Finance: 83.5 percent, Investment Management: 27.9 percent, Banking Group: -7.7 percent (NIM & other gains decline), and Investment Banking: -35 percent (one off exceptional gain on divestment in FY 2023).

Group earnings continue to be diversified with non-bank subsidiaries accounting for over 30 percent of profits. The contributions by our divisions were as follows; Banking Group: 69.5 percent, Consumer Finance: 11.0 percent, Investment Management: 5.8 percent, and Investment Banking: 1.6 percent.

Loans and advances grew by 28 percent year-on-year from 1.84 trillion to 2.36 trillion at the end of December 2024 while total assets increased by 59.5 percent year-on-year from N4.42 trillion to N7.05 trillion at the end of December 2024.

Customer deposits grew by 39.4 percent year-on-year from N3.08 trillion to N4.30 trillion at the end of December 2024. Assets Under Management grew by 35% Year-on-Year from N1.02 trillion to N1.37 trillion at the end of December 2024. Investment Banking (advisory and primary debt and equity capital markets) transaction value consummated by the Group grew by 47.1 percent to N1.4 trillion for the period ended December 2024, compared to N945.3 billion in the same period the prior year.

United Capital Plc grows assets to N1.7trn, to pay N14.4bn dividend

FINANCIAL AND INVESTMENT services firm, United Capital Plc increased its total assets to N1.7 trillion during the financial year ended December 31, 2024.

The company whose shares are listed on the floor of the Nigerian Exchange Limited grew its profit before tax to N30.10 billion in the review financial year.

The shareholders will share about 48 percent of the profit before tax as a reward for investing in the company in the financial year with N14.4 billion earmarked as dividend by the board of directors.

The dividend was approved by shareholders at the annual general meeting held in Abuja, recently.

The dividend figure represents a 33 percent increase from the previous year. It suggests the company's commitment to delivering exceptional value to its investors. The declaration of a final dividend of N0.50 per share, complementing the interim dividend of N0.90 per share distributed within the financial year, received unanimous shareholder endorsement. Investors commended the company's consistent delivery of strong returns, spotlighting the previously declared 2-for-1 bonus share issuance that significantly enhanced their equity positions. This robust shareholder value creation is reflected in the 47 percent growth of Shareholders' Funds to N133.50 billion.

In his opening remarks, Prof. Chika Mordi, Chairman, United Capital Plc, highlighted the company's outstanding financial performance despite macroeconomic challenges. "In 2024, our Profit before Tax (PBT) accelerated by 74.0% year-on-year to N30.10 billion in 2024, indicating impressive growth in the overall profitability of the Group. In terms of our financial position, the Total Assets of the Group appreciated by 82.6% year-on-year to N1.7 trillion.

Prof. Mordi reassured investors of the company's commitment to sustaining this momentum, stating that United Capital remains well-positioned to deliver even greater returns in the coming years."

Also commenting on the performance, Peter Ashade, Group CEO, United Capital Plc, attributed the company's continued success to strategic execution, operational excellence, and the dedication of its leadership team and employees. "We remained committed to our mission to create sustainable value for our stakeholders despite a volatile operating environment. Our market capitalization surged by 200% to N396 billion, while our Return on Average Equity (RoAE) stood at 21.5%, underscoring the wealth creation and business stability we have achieved," he said.

Looking ahead, Ashade reaffirmed United Capital's commitment to sustaining its growth trajectory and delivering superior performance in 2025. "Our focus remains on expanding our market leadership, enhancing innovation, and driving long-term value creation."

"Following a profitable year with the firm leading key transactions, expanding into digital banking, consumer finance and recording impressive growth in funds under management, the Group is determined to solidify its position as a high-performing, sustainable financial services group, with key strategic expansion into new markets and sectors, setting new standards of excellence in Africa's financial landscape, Ashade noted.

Quoted Insurers

Security	P/close	Open	High	Low	close	%change	Volume	value
AIICO	1.57	1.57	1.58	1.45	1.52	-3.18%	5,009,707	7,689,071.35
CORNERST	3.3	3.3	3.3	3.3	3.3	0.00%	1,678,062	5,550,027.79
INTENEGINS	1.5	1.5	-	-	1.5	0.00%	65,400	104,857.00
LASACO	2.6	2.41	2.41	2.34	2.34	-10.00%	7,288,717	17,368,037.99
MANSARD	9.6	9.6	9.47	8.64	8.64	-10.00%	20,071,762	178,603,757.56
NEM	13.95	13.95	13.8	13.5	13.5	-3.23%	1,165,711	15,904,813.65

NIA urges Nigerians to embrace insurance as a vital tool for financial security

Stories by Joy Agwunobi

IN A COUNTRY WHERE spirituality often overshadows financial planning, the Nigerian Insurers Association (NIA) has reaffirmed the urgent need for Nigerians to embrace insurance as a practical tool for resilience, risk mitigation, and financial stability.

This renewed call comes amid ongoing efforts by industry regulators, insurance firms, and other stakeholders to demystify insurance and correct deeply ingrained beliefs that faith and prayer alone are enough to shield against life's uncertainties.

Speaking during a recent televised interview on the theme "Ensuring Financial Stability," Bola Odukale, the director-general of the NIA, emphasised the critical importance of sustained public education and awareness about insurance. She lamented that, despite efforts, many Nigerians still fail to appreciate the value and benefits of insurance due to lack of understanding and cultural biases.

"We are very religious people in Nigeria, and while that's not a bad thing, it does not negate the reality that life must go on even after unfortunate incidents like the death of a breadwinner," Odukale stated, adding that "what insurance does is provide a buffer — a means to cushion the effects of unforeseen events. But a lot of people simply don't understand this, and that's why we continue to prioritise awareness and education."

L-R: Omowumi Isaac, Ondo State commissioner for finance; Bayo Rojugbokan, State chairman, Internal Revenue Service, ODIRS; Maryam Abisola, director of BBA Consultant Limited; Lucky Aiyedatiwa, governor; Taiwo Fasoranti, secretary to the State Government; Alfred Akin-Davidson, project manager, BBA Consultant Limited; and Kayode Ajulo, commissioner for justice and attorney general, during a visit by the Consultant firm to the governor in his office in Akure.

Odukale pointed out that financial security is no longer a luxury in today's dynamic and often unpredictable world, especially with the changing nature of work, business, and family structures. According to her, insurance remains one of the most effective tools for managing risks and ensuring stability—be it in individual lives, businesses, or the national economy.

"Financial stability promotes growth, progress, and empowerment. It creates room for advancement—whether you're an individual, a company, or even a country. Insurance serves as a foundation for that stability by helping us manage risks effectively, whether it's death, disaster, accidents, or business disruptions," she said.

She noted that insurance not only offers peace of mind but also serves as a reliable safety net when tragedy strikes."When you have insurance, you can rest easy knowing that should the unexpected occur, you are covered. You can focus on moving forward, not scrambling for survival," Odukale added.

In her advocacy, Odukale also shed light on the diverse array of insurance products available in the market, stressing that insurance can be tailored to fit virtually every aspect of human life. These include life insurance, property insurance, education insurance, motor insurance, business continuity policies, general disability cover, and Goods in Transit (GIT) insurance, among others.

"For instance, Goods in Transit insurance protects goods being moved from one location to another, providing security for business owners. For vehicle owners, the law requires at least a Third Party insurance policy. As a parent, your children's future education should be insured. So wherever you are in life, there's an insurance product that speaks to our needs," she stated.

Highlighting the need for strategic protection in a world of uncertainties, Odukale called on individuals, businesses, and institutions to embrace a more deliberate and structured approach to insurance.

She emphasised that effective insurance coverage begins with understanding and managing risks, stating that risk identification, assessment, and mitigation must form the core of any proactive financial protection plan.

"In risk management, the first thing is identifying what could go wrong in your personal life, business, or operations. Then you assess how severe the impact could be. Once you have done that, you think of how to mitigate that impact, and insurance is one of the strongest tools in doing that," she said.

Odukale pointed out that insurance policies should not follow a one-size-fits-all model, but rather be tailored to the unique circumstances and life stages of individuals. She urged Nigerians to consider where they are in life when selecting policies. "The best insurance policy depends on your circumstances. Are you a young parent? You might need an education policy. Are you a business owner? Then business continuity insurance is crucial. Everyone should at least have life insurance, it's foundational," she added.

The director general further stressed the importance of making informed choices and embedding risk-conscious thinking into all aspects of planning. She stated that it is not enough to simply understand the risks one faces—there must also be deliberate efforts to reduce or share those risks. This, Odukale said, could be achieved through a combination of insurance coverage, risk pooling mechanisms, or collaborations with third parties.

She also appealed to insurance providers to respond to the evolving needs of the public by designing more accessible and relevant products. "We will continue to provide awareness and education and try to put products together that would meet the needs of the people outside there," the DG said, noting the critical role of insurers in closing protection gaps across different segments of society.

Nigeria's pension industry begins 2025 with N349bn growth, asset value hits N22.86tn

NIGERIA'S PENSION fund industry kicked off 2025 on a strong note, recording a significant asset growth of N349.25 billion in January alone.

This increase pushed the total Net Asset Value (NAV) of pension assets to N22.86 trillion, up from N22.51 trillion in December 2024, representing a 1.54 per cent month-on-month growth.

The data, published in an unaudited report by the National Pension Commission (PenCom), reflects consistent momentum in the industry. On a year-on-year basis, total pension assets rose by N3.33 trillion—an impressive 17.05 per cent jump from N19.53 trillion reported in January 2024.

The report, which aggregates data from approved existing schemes, Closed Pension Fund Administrators (CPFAs), Retirement Savings Accounts (RSAs), unremitted contributions with the Central Bank of Nigeria (CBN), and legacy funds, shows the industry's performance across board.

As of the end of January 2025, the number of RSA holders had also grown marginally to 10,615,028—an increase of 0.31 per cent from the 10,582,299 recorded in December 2024, this uptick reflects continued interest and trust in the formal pension system by Nigerian workers.

Under the multi-fund structure introduced to better align risk exposure with contributors' age and profile, Fund II continues to hold the largest share of pension assets. In January, it accounted for N9.431 trillion or 41.26 per cent of the industry's total NAV. Other notable allocations include Fund III with N6.014 trillion—up 1.62 per cent from the previous month—and Fund IV with N1.674 trillion, representing a 3.64 per cent rise.

Investment allocation within the industry remained broadly diversified. Domestic ordinary shares continue to play a central role in portfolio decisions, with a total value of N2.41 trillion as of January 2025, indicating ongoing confidence in the local equities market.

Federal Government of Nigeria (FGN) securities made up the lion's share of asset classes, totaling N14.31 trillion and representing 62.7 per cent of all pension fund investments. Other key components of the pension fund portfolio include: corporate debt securities – N2.25 trillion (9.98%), equities (general) – N2.51 trillion (9.96%), money market instruments – N2.22 trillion (9.27%), ordinary shares in local companies – N2.406 trillion (10.53%) and state government securities – N248.80 billion

This diversified asset allocation is aimed at balancing risk and maximising returns for contributors across different stages of their retirement planning.

Despite overall growth, certain asset classes experienced marginal shifts during the reporting period. Money market instruments declined slightly by 1.50 per cent, dropping from N2.215 trillion in December 2024 to N2.182 trillion in January 2025.

Within this category: Fixed deposits and bank acceptance gained 1.13 per cent, Commercial papers declined by 13.33 per cent and Foreign money market instruments saw a sharp 26.07 per cent drop.

Meanwhile, state government securities also dipped by 0.82 per cent to N248.80 billion, even as allocations to supranational bonds surged 34.09 per cent, rising to N27.851 billion.

Amid these gains, PenCom continues to urge wider adoption of the Contributory Pension Scheme (CPS) by state governments. As of December 2024, only 11 states and the Federal Capital Territory had fully implemented the CPS. These include Lagos, Kaduna, Ekiti, Edo, Ondo, Delta, Benue, Anambra, and Jigawa.

According to PenCom, states yet to implement the scheme—such as Akwa Ibom, Borno, Kwara, Plateau, Cross River, and Yobe—are being encouraged to pass the necessary laws and begin full implementation to ensure a secure and efficient pension system for their workforce.

The current structure of Nigeria's pension system is rooted in the Pension Reform Act of 2004, which revolutionized pension administration by mandating joint contributions by employers and employees into a managed retirement savings account. The Act's objective was to ensure long-term sustainability, transparency, and prompt payment of retirement benefits.

With the January 2025 figures pointing to a promising start, the resilience and growth of Nigeria's pension industry stand as a testament to the system's capacity to adapt, evolve, and deliver long-term value to contributors nationwide.

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LEADERSHIP & ORGANISATIONS

How to Inject Fun into the Workplace

Manfred F. R. Kets de Vries

Distinguished Clinical Professor of Leadership Development and Organizational Change

FUN DOESN'T GET in the way of great work. It helps create it.

Xavier couldn't remember the last time he had fun. His marriage was strained, his children distant and work had become a drag. He had spent so much of his time and energy being serious that he'd forgotten what it was like to feel joy.

But a conversation with an old friend jolted him into action. As he listened to his friend recount moments spent with his grandchildren, friends and enjoying various hobbies, Xavier realised he was jealous of how full his friend's life was. He vowed to find a way to bring fun back into his personal and professional life.

With the help of an executive coach, Xavier acknowledged that he had long suppressed his playful side. Parental expectations and a fixation on productivity had pushed him into workaholism. His upbringing had instilled a belief that fun was unproductive and indulgent, leading to years of neglect of his emotional needs.

By experimenting with simple activities that brought him joy and reframing his outlook, Xavier reawakened his sense of curiosity and playfulness. He proved to himself that fun and productivity could go hand in hand.

Unfortunately, in the serious world of business, many people think like Xavier once did. Fun is often dismissed as trivial or even counterproductive. In fact, in too many workplaces, fun is treated as a "dirty," three letter word. These same workplaces may seem productive, but in reality, they are truly uninspiring.

A fun-filled workplace benefits both employees and organisations. When people have fun at work, they're more engaged, creative and collaborative. From a physiological perspective, fun triggers the release of neurotransmitters like dopamine and oxytocin (also called the "love hormone"), which boost mood, reduce stress and strengthen social bonds.

So how can leaders incorporate fun into organisational life? The answer isn't showering staff with superficial perks. The real focus should be on building an attractive environment where employees feel empowered to get their work done and have fun.

1. Make work a safe space for fun

To bring out the best in their teams, leaders need to make the workplace a space for authentic self-expression. This involves creating a culture of trust where employees feel safe, and mistakes are normalised as a natural part of the learning process. When people feel safe to express themselves, they are more likely to take creative risks and collaborate effectively. A healthy dose of humour can help reduce tension and keep stress levels in check.

2. Bring joy into the everyday

Encouraging employees to personalise their workspaces and share uplifting content, such as memes, cartoons or inspiring stories, can contribute to a positive work environment. Team chats should be a space where people connect on a human level, not just talk shop. And instead of just acknowledging birthdays, leaders should really make an effort to celebrate them.

3. Pause to celebrate the small wins

Milestones, no matter how small, deserve recognition. Team lunches or virtual gatherings can be meaningful ways to celebrate successful projects or personal achievements. These moments help build a workplace where people genuinely support each other. When work becomes engaging and enjoyable, the days feel shorter and more rewarding.

4. Break routine with play

Providing opportunities for "play time" can help build a true learning culture. For example, leaders can encourage teams to experiment with new ways of working or find ways to make routine tasks more enjoyable. By blending playfulness into the workday, people can transform even mundane tasks into enjoyable and rewarding experiences. Fun breaks between tasks improve attention spans and productivity, and make the entire work experience more fulfilling.

5. Turn learning into an adventure

Inject fun into learning through friendly competitions during brainstorming sessions or problem-solving games. Lunch-and-learn sessions with entertaining speakers are a great way to motivate employees and make information easier to retain. Regular off-site workshops can also break the routine and encourage creative problem-solving. Fun enhances cognitive functions by encouraging divergent thinking, helping individuals and teams approach challenges with fresh perspectives. These activities promote out-of-the-box thinking, which is essential for generating fresh ideas.

6. Set the tone for fun

For many leaders, however, embracing fun requires a mindset shift. It means recognising that fun drives productivity and doesn't distract from it. It also means modelling the behaviour they want to see. Leaders who are approachable, light-hearted and willing to celebrate success – even playfully – will set the tone for their teams. By injecting fun into the work that needs to be done, they create workplaces that are more effective.

Fun, when embedded thoughtfully, can transform the workplace for everyone. Leaders and organisations that embrace fun will be rewarded with happier employees and stronger results.

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Income Insurance: From Unmet Needs to Thriving Ecosystem

CHIARA SPINA

Assistant Professor of Entrepreneurship and Family Enterprise

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Pre-doctoral Researcher

THE SINGAPORE INSURER'S transformation into a digital ecosystem pioneer is built on collaborative partnerships and catering to overlooked customers.

Business headlines are often dominated by technology, e-commerce and other trending sectors of the day. But away from the limelight, insurance – traditionally seen as stable and predictable – has quietly undergone its own radical transformation, as digitisation erases traditional industry boundaries.

Insurers no longer compete solely on products but on their ability to integrate prevention, assistance and hyper-personalised services. The key is creating "ecosystems"— interconnected networks of services that fulfill diverse consumer needs. Ecosystems are estimated to drive 30 percent, or US$60 trillion, of global revenues this year, reshaping industries from healthcare to mobility.

Among the insurance players at the forefront of this shift is Income Insurance, a leading composite insurer in Singapore. As we outline in a newly-published case, more than 50 years after it was established, Income Insurance is using two intertwined strategies to stay on top of its game: identifying underserved markets and building collaborative ecosystems.

Sniffing out underserved markets

Income Insurance's growth story began in 2017 with a counterintuitive insight: the most promising opportunities often lie in markets others ignore. While competitors prioritised standardised products for mass audiences, Income focused on three overlooked groups.

The most prominent are gig workers in Southeast Asia. Millions of drivers, delivery personnel and domestic helpers lack protection because they can't afford traditional insurance coverage's rigid premiums and policies with their irregular incomes. Ditto low-income populations in markets like Vietnam.

Another underserved demographic is digital-first consumers. Accustomed to instant, app-driven services, they prefer bite-sized, lifestyle-aligned insurance coverage, such as policies rewarding healthy habits or integrated into ride-hailing apps.

To explore these opportunities, Income Insurance embraced experimentation. For example, it used "fake door" – a method that presents a product as available before it is fully ready – to gauge customer interest in Droplet, a novel insurance against price surges by private-hire vehicles on rainy days.

The company also launched minimum viable products (MVPs) such as SNACK, a lifestyle micro-insurance and investment app.

By grounding decisions in data rather than intuition, Income Insurance transformed underserved segments into its growth engines. Credit must go to regulatory sandboxing in Singapore, which supports financial institutions and fintech players to experiment with innovative financial products or services in a live environment but within a well-defined space and duration.

This enabled Income Insurance to rapidly iterate new products before scaling them globally. SNACK, for one, has partnered with nearly 100 lifestyle brands and introduced flexible subscription models.

Strength in numbers

For any challenge in life, there is strength in numbers – even when you're a big insurance company. So it is that Income Insurance's ecosystem strategy rested on two pillars: alliances with tech giants and open infrastructure for global insurers.

For example, it teamed up with Grab, Southeast Asia's leading superapp, to offer Grab's ride-hailing drivers critical illness coverage for as low as S$0.30 per trip. The insurer has issued over 20 million micro-policies, filling a protection gap for self-employed drivers while acquiring customers at scale.

In fact, Income Insurance has gone global in its collaborative approach. Its HIVE platform offers Insurance-as-a-Service (IaaS) via APIs (application programming interfaces, i.e. software that allow apps to communicate with each other) to insurers worldwide. HIVE enables insurers to integrate pre-built digital products – such as SNACK's stackable coverage – into their systems. This has reduced partners' R&D timelines by 12 to 18 months. It also positions Income as an enabler rather than a competitor.

Meanwhile, third-party accelerators including SG Innovate connect Income with deep-tech start-ups that boost the company's insurtech capabilities. But instead of seeking ownership stakes, Income Insurance funds ventures that align with its mission of providing coverage for underserved populations. In this way, it is growing its insurtech capabilities even as it broadens its social impact.

All these complementary collaborations have fostered a thriving ecosystem. For example, Grab provides scale, while Income Insurance contributes regulatory expertise; Vietnam's TPBank adapt Income Insurance's software to create revenue-generating products, such as accident coverage for QR code payments, while the Singapore firm expands its reach without heavy upfront costs.

Positive feedback loop

Income Insurance isn't the only insurer building ecosystems. China's Ping An Insurance has developed a comprehensive digital ecosystem spanning healthcare, auto services, real estate and banking through its platforms like Good Doctor and OneConnect.

French insurer AXA integrates health services, telemedicine and wellness programmes with traditional insurance offerings on its AXA Health Keeper platform. It has also partnered with companies like Uber to provide flexible coverage for gig workers in Europe, mirroring Income's approach of serving underrepresented markets while building collaborative networks that transcend traditional insurance boundaries.

As our case shows, Income Insurance's strategy of marrying niche discovery with ecosystem development works. Each success in one domain strengthens progress in the other.

Identifying gig workers' needs led to partnerships with Grab, which later revealed opportunities in other delivery platforms such as foodpanda. Likewise, SNACK's traction with millennials attracted insurers outside Singapore to the HIVE platform.

Much like the symbiotic relationships in a thriving ecosystem, HIVE's global network turned up underserved segments in new regions, such as Vietnam's domestic workers via JupViec Care. Partner feedback refines Income Insurance's MVP approach, accelerating product validation.

Thriving in disruption

Faced with digitisation, evolving consumer preferences and the growing climate crisis, no industry – least of all insurance – can afford to keep doing what they've always done. To thrive, businesses need a feedback-driven strategy that enables them to identify novel markets and build collaborative ecosystems. They should also leverage real-time data to deliver agile, hyper-personalised solutions.

Income Insurance's journey shows that companies that convert overlooked opportunities into scalable growth will not only adapt to disruption – they will define it.

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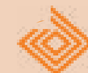


RETAIL

What Joann's Closing Says About the State of Retail

Wharton's Cait Lamberton breaks down the demise of fabric and crafts chain Joann and why it's so challenging for legacy brands to stay solvent.

CAIT LAMBERTON

Alberto I. Duran President's Distinguished Professor, Professor of Marketing, Co-Editor, Journal of Marketing, Author, "Marketplace Dignity," published by Penn Press (2024)

PLAGUED BY WEAK sales and eroding market share, Joann fabric and crafts is the latest legacy brand to go out of business. All 800 stores are closing after the company was unable to emerge from a second bankruptcy filing in less than a year.

Joann joins Foot Locker, Party City, Big Lots, Family Dollar, Express, CVS Health, Macy's, and many others that have shuttered or shrunken their footprint in the last year amid what Wharton marketing professor Cait Lamberton describes as an extremely challenging time for retail.

"Retail is tough, but what Joann does is even tougher," she said during an interview with Wharton Business Daily. (Listen to the podcast.) "They had a lot of things working against them that made it particularly tough for them to stay alive."

Why Are Joann Stores Closing?

For 80 years, the Ohio-based chain served a loyal customer base of sewers, quilters, crafters, and DIY enthusiasts. But in recent years, it struggled with competition from other brick-and-mortar stores, including Hobby Lobby and Michaels, and online sales. In March 2024, the publicly traded company filed for bankruptcy to reduce debt and return to private ownership. It declared bankruptcy again in January, and in February announced it would close 500 stores.

Lamberton said Joann's troubles are somewhat by design. The stores are forced to carry massive inventory because crafty customers want variety — and providing that is expensive.

"It matters if they get rid of a velvet or a lace or a tie dye, because for somebody, that's the thing they wanted," she said. "They need enormous amounts of space, enormous amounts of inventory, and they're often located in areas that have been seeing declines in foot traffic."

The liquidation sales in stores and online will help the company squeeze as much money out of the remaining inventory as possible. Lamberton noted a bit of irony in the going-out-of-business sale, which was announced Feb. 15. Shopify reported that demand skyrocketed, with sales of quilting thread up 200%, craft cutters up 88%, and straight pins up 87%.

"It's not that the demand isn't there. I think it's just their cost structure and the nature of the business itself made it very hard to survive right now," the professor said.

Retailers Hit with Headwinds

Shoppers will be able to buy online until liquidation sales are concluded, but it's unclear whether Joann will transition permanently to digital. It's a tricky proposition, Lamberton said, with few retailers able to get it right. She pointed to Bed Bath & Beyond, which closed in 2023 and was resurrected online after being acquired by Overstock.com.

"They took the brand equity of Bed Bath & Beyond and the online expertise of Overstock, and they were able to successfully emerge from a bankruptcy," she said.

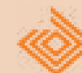
Retail has always been tough, Lamberton said, but there are new pressures that threaten legacy brands and older companies. The biggest threat comes from online sellers, and not just the well-known competitors that established brands are used to dealing with. There are fakes, dupes, and a plethora of what she calls ephemeral brands that sell through social media.

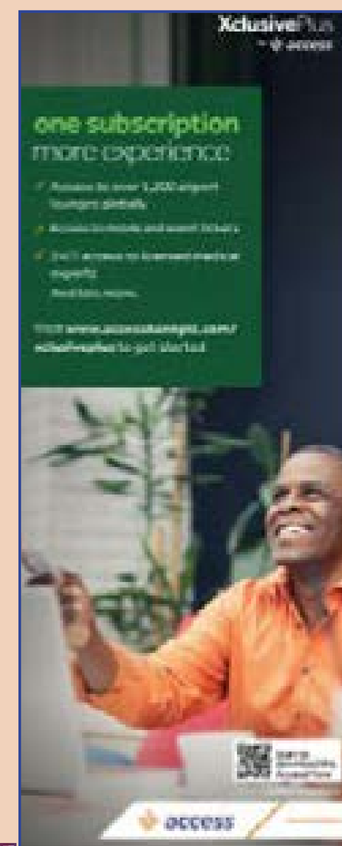
"At one point, there was an idea that you would want to buy an established brand and that was the signature of quality. Now, there's more of a cache for a brand that's going to be gone in a minute," she said. "You have that thing that is of the moment, no one expects it to last, and I can buy it. I can click a button on my phone, and it's coming to my house."

Frictionless purchasing also poses a problem for physical stores that are now expected to offer a rich, immersive shopping experience to get customers off the couch.

"That's a tough tightrope to walk," Lamberton said.

Retail woes are only likely to continue. She said the latest consumer surveys show that worries over new tariffs have accelerated purchases, which means they have stocked up on items they may have intended to purchase later. Any shift in consumer behavior alters the bottom line for retailers.

"The other question, of course, is how people are going to respond to those price increases that are likely to come," she said. 



FINANCE & ACCOUNTING

Does Financial Literacy Decline with Age?

A new study reveals an alarming drop in financial and health literacy levels for older men and women over the span of 12 years.

OLIVIA S. MITCHELL

International Foundation of Employee Benefit Plans Professor, Professor of Business Economics and Public Policy, Professor of Insurance and Risk Management, Executive Director, Pension Research Council

OLDER ADULTS WITH declining financial and health literacy are at risk of making mistakes that could significantly impact their well-being. They could, for instance, make wrong decisions on when to claim Social Security payments, become vulnerable to financial scams, or choose the wrong health care insurance.

New research by experts at Wharton and elsewhere takes a close look at where those literacy guardrails give way. Their study breaks fresh ground by tracking age-related declines in financial and health literacy over 12 years among 1,075 older men and women without dementia. The findings of the research were published by the Journal of the Economics of Ageing in a recent article titled "Declining Financial and Health Literacy Among Older Men and Women."

"For the first time, we have been able to follow the same people over time, and we discovered that both older men and women exhibit declining financial and health literacy as they age," said Olivia S. Mitchell, Wharton professor of business economics and public policy, who is also executive director of Wharton's Pension Research Council. "This is important since previous work has only been able to measure financial literacy at a specific point in time, but did not follow the same people over time."

Mitchell co-authored the paper with Rush University professors Patricia Boyle and Lei Yu of the Rush Alzheimer's Disease Center, and Gary R. Mottola, research director at the FINRA Investor Education Foundation.

Scope of the Study

The study was part of the Rush Memory and Aging Project, which tracks common chronic conditions of aging, focusing on cognitive and motor decline and risk factors for Alzheimer's disease and related dementias. Beginning in 1997, the project has recruited older adults throughout the Chicago metropolitan area.

Financial and health literacy scores were based on a 32-item measure, which included questions on numeracy, financial terms and concepts, Medicare, and prescription instructions. The study found that the average baseline score of 69.5% declined with advancing age by about one percentage point annually.

Alarming Drop in Financial and Health Literacy

"The fact that people's financial and health literacy falls by a percentage point per year of age is alarming, since our sample was age 81 on average, and we followed them for about 12 years," Mitchell said. "A 12% drop in performance in terms of financial and health literacy scores would take the baseline score from about 70% to below 60%."

"That decline in financial and health literacy scores would have negative consequences for these individuals' ability to make important decisions about spending, insurance, medical care, and potentially to avoid financial as well as health care scams," Mitchell said. "Older individuals make a host of critical financial decisions, including when to claim Social Security and pension benefits, how to pay off credit cards on time, not understanding long-term care insurance, withdrawing too much from their retirement accounts, and more."

At the beginning of the study, men had higher scores than women in financial and health literacy. Older age, lower education, and lower income were associated with lower baseline literacy levels. However, only age was significantly associated with declining literacy. Some 13% of participants maintained their literacy levels. Older adults and those with lower initial literacy levels were more likely to experience declines.

Women at Greater Risk Than Men

As the study's participants advanced in age, both men and women experienced parallel declines in literacy, with no significant difference in the rate of decline between genders. But the outcomes of declining literacy levels could be far worse for women than for men. With their longer lifespans, women are at greater risk of financial fragility and poor health-related decisions, the paper noted.

"Women generally are significantly less financially literate than men, thwarting their ability to accumulate, manage, and draw down retirement assets, and hence threatening their retirement well-being," the paper stated, citing previous studies. Furthermore, since women typically live longer than men, low financial literacy coupled with age-related declines in financial literacy can be particularly problematic for them, it added. For instance, widows tend to experience a greater reduction in income and wealth than do widowers, it pointed out, referencing prior research.

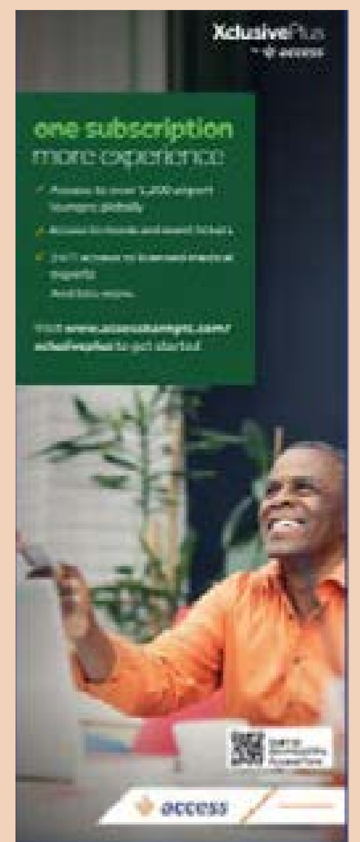
Benefits of Financial and Health Literacy Interventions

Clearly, the study's findings could help inform policy interventions to improve those literacy levels among older adults, especially women, "to improve their well-being and quality of life," the paper stated. Mitchell pointed to programs offered by many organizations, including the AARP, National Council on Aging, Federal Deposit Insurance Corporation (FDIC), National Elder Fraud Hotline, FINRA, and Consumer Financial Protection Bureau. These programs provide financial training and guidance for older persons along with tax preparation help for low-income individuals, she said. Another option she listed is the National Adult Protective Services Association, which helps protect vulnerable adults from abuse, neglect, and exploitation.

To be sure, the study's findings have evergreen relevance. "Our nation's rapidly aging population will surely require additional help and advice with managing health care and financial decisions through ever-lengthening lifetimes," Mitchell said. "Moreover, older adults hold a large fraction of the nation's wealth, yet their financial and health literacy tends to fall with age, so they are especially vulnerable."

In that setting, it is increasingly critical that families implement protective mechanisms to help their relatives and friends maintain financial resilience in their later years, Mitchell said. She offered a couple of illustrations for how those mechanisms would work: For instance, security technology like bank account and credit score notifications can alert people's next of kin or trusted advisors, in the event of attempted cash transfers to unknown destinations. Financial institutions could also offer monitoring of unusual movements in elderly persons' accounts.

The paper's authors recommended further research to identify strategies to help both men and women maintain or even enhance their financial and health literacy at older ages. It noted that women may benefit relatively more from such interventions because of their initially lower literacy levels and longer lifespans.



Quoted Insurers

Security	P/close	Open	High	Low	close	%change	Volume	value
AIICO	1.57	1.57	1.58	1.45	1.52	-3.18%	5,009,707	7,689,071.35
CORNERST	3.3	3.3	3.3	3.3	3.3	0.00%	1,678,062	5,550,027.79
INTENEGINS	1.5	1.5	-	-	1.5	0.00%	65,400	104,857.00
LASACO	2.6	2.41	2.41	2.34	2.34	-10.00%	7,288,717	17,368,037.99
MANSARD	9.6	9.6	9.47	8.64	8.64	-10.00%	20,071,762	178,603,757.56
NEM	13.95	13.95	13.8	13.5	13.5	-3.23%	1,165,711	15,904,813.65

NAICOM urges insurers to tailor products to the needs of younger generations

Stories by Joy Agwunobi

THE NATIONAL INSURANCE COMMISSION (NAICOM) has urged insurance providers across the country to tailor their products and services to meet the evolving needs of Nigeria's younger population.

The move, according to the Commission, is part of a broader strategy to build trust, drive innovation, and create a more inclusive and sustainable financial system.

Olusegun Omosehin, the commissioner for insurance, made this known at a recent event theme "Banking on the Future: Youths, Pension, and Insurance Penetration," The event brought together a wide array of stakeholders, including policymakers, financial institutions, pension experts, insurers, and youth advocates, all committed to expanding the frontiers of financial inclusion through collaborative innovation.

Represented by Julius Odidi, deputy director and head of NAICOM's Lagos control office, Omosehin underscored the critical need for the insurance industry to rethink how it engages younger Nigerians.

L-R Felix Ike, co-founder and chief technology officer, Moniepoint Inc; Hugh de Lusignan, head, financial services, Department for Business and Trade, DBT; Tosin Eniolorunda, co-founder and group CEO, Moniepoint Inc, and Jonny Baxter, British deputy high commissioner in Lagos, during the British envoy's visit to Moniepoint Inc office in the UK recently.

"As the future depends on how we engage and equip our youth, it is essential to prioritise their exposure and relevance in the financial sector," he said, noting to achieve this, the Commission is focusing on building trust and driving innovation to cater to the evolving needs of our growing young population.

He explained that NAICOM is pushing for a transformation of the insurance landscape by encouraging companies to adopt youth-centric strategies. These include offering digital insurance products, flexible premium plans, and targeted financial literacy programmes aimed at helping young people understand the value and long-term benefits of insurance.

"We encourage the insurance industry to ensure that insurance products and services are tailored to meet the unique requirements of younger generations, promoting financial inclusion, stability and greater adoption of digital insurance solutions," Omosehin added.

Highlighting the broader economic implications, he stated that increasing youth participation in insurance not only strengthens financial resilience among the population but also contributes to national development. A thriving insurance sector, he noted, plays a key role in mobilising long-term savings, supporting infrastructure financing, and enhancing overall risk management. He further stressed that high-level engagements such as the conference serve as important platforms for policy reflection and innovation. "Through such engagements, we can empower the next generation with the tools and knowledge necessary for long-term financial security," he said.

According to him, aligning insurance offerings with the aspirations of young people will play a pivotal role in expanding the reach of financial services and ultimately contribute to Nigeria's journey towards a more inclusive economy.

The event provided a collaborative space for industry leaders and youth-focused stakeholders to brainstorm actionable solutions for deepening financial literacy and designing responsive financial products.

Sovereign Trust advocates for a stronger insurance culture amid economic uncertainty

SOVEREIGN TRUST INSURANCE PLC has called for Nigerians to prioritise insurance as a crucial aspect of financial security, especially given the current economic challenges facing the country.

Olaotan Soyinka, the managing director and chief executive officer of the company made the call during a press briefing at the firm's first-quarter review held at its corporate head office in Lagos.

Soyinka emphasised the importance of insurance in the daily lives of all Nigerians, regardless of their tribe, religion, or social class. He highlighted that insurance should no longer be seen as optional but as an essential element of the nation's socio-economic framework. "Insurance is an integral part of our socio-economic life that should not be taken for granted," he stated.

Acknowledging the financial struggles many Nigerians are facing, Soyinka pointed out that securing insurance coverage can provide an essential safety net for individuals and families. He urged citizens to recognise that having insurance can help mitigate the impact of unforeseen events.

"Many Nigerians are working hard to make ends meet, and it is crucial they have an ally in the form of insurance to fall back on when the unexpected happens," he explained. Soyinka further drew a parallel between the role of insurance and the biblical story of Noah's Ark, which offered shelter to those seeking refuge from the flood. "Just as the Ark restored life without the need for a new creation, insurance restores individuals and businesses to their former state after a loss," he said, emphasising the protective and restorative role of insurance.

He stressed the importance of educating Nigerians about the wide array of insurance products available, which can safeguard their lives and properties. However, Soyinka noted that the challenge lies in overcoming the widespread skepticism towards insurance. "It's essential for the public to open their minds and accept that insurance is an important aspect of life," he urged.

Soyinka further underscored the urgency of changing the perception around insurance. "Nigerians have waited too long in willingly accepting and recognising the fact that without insurance, one is like building a house without a foundation. Eventually, it may collapse, and when that happens, you have to rebuild, likely at an even higher cost," he warned.

He urged Nigerians to cultivate a more proactive and accepting approach to insurance. "Insurance gives you the promise of a secure and comfortable future. The sooner we change our views on insurance, the better it will be for all of us," Soyinka added.

NCRIB-LAC advocate adoption of standard operating manuals for insurance brokers

INSURANCE BROKERS IN NIGERIA have been advised to prioritise the adoption of Standard Operating Manuals (SOM) as a strategic framework to boost efficiency, improve regulatory compliance, and reduce operational risks across their practices.

The call was made by Leonard Akah, former Director of the Inspectorate Department at the National Insurance Commission (NAICOM), during the Nigerian Council of Registered Insurance Brokers, Lagos Area Committee (NCRIB-LAC) general meeting held in March 2025.

While delivering a presentation titled "Code of Ethics and Operational Standard in Insurance Broking Firms: The Regulators' Expectations," Akah underscored the significance of the SOM as a guiding document designed to standardise processes, clarify the roles and responsibilities of personnel, and enhance the overall quality of services provided by broking firms.

According to Akah, the manual plays a central role in promoting structured operations by covering key areas such as client management, client account policies, Know Your Customer (KYC) protocols, sales and policy management, and regulatory compliance procedures.

"SOM ensures alignment with the Insurance Act, strengthens operational consistency, enhances service efficiency, safeguards consumer interests, minimises disputes, and supports business continuity," Akah explained. He added that beyond compliance, the SOM is equally valuable for onboarding and training, helping firms build capacity internally.

Oluremi Oduwole, chairman of NCRIB-LAC, reaffirmed the committee's dedication to fostering ethical conduct within the insurance broking space. He stated that members remain committed to operating within defined regulatory frameworks while maintaining high professional standards.

As part of the event's activities, top performers from the Insurance Teachers' Training Programme organised in partnership with reinsurance expert Kehinde Adeyemi—were honoured. Each recipient received a cash award of N100,000, along with complimentary enrolment for the Chartered Insurance Institute of Nigeria (CIIN)'s professional examinations.

The initiative aims to elevate the knowledge base of insurance educators, reinforce teaching standards, and contribute to broader awareness and understanding of insurance practices across academic and business sectors.

MARKET COMMENTARY FOR THE WEEK ENDED 4TH APRIL, 2025

Focus for the week: Zenith Bank FY'24 Earnings Release – Strong earnings growth amid elevated cost pressures

ZENITH BANK PLC DELIVERED a stellar financial performance in FY'24, with gross earnings surging by 86.0% y/y to N3.97 trillion (Vetiva estimate: N4.2 trillion) from N2.7 trillion in FY'23. This impressive growth was driven by a 138.0% y/y increase in interest income, which reached N2.7 trillion (Vetiva estimate: N2.9 trillion), benefiting from elevated benchmark interest rates, as the bank recorded a 126.0% y/y rise in loan and advances of N1.5 trillion and an uptick in T-bills and investment securities income to N1.0 trillion.

While interest income exhibited strong growth, interest expenses surged 143.0% y/y to N992.5 billion (FY'23: N408.5 billion), driving the cost of funds (CoF) higher to 4.6% (FY'23: 3.1%). This increase reflects the impact of rising deposit costs and higher wholesale funding rates in a tighter monetary environment. Nevertheless, despite the elevated funding costs, Zenith Bank effectively repriced its loan portfolio and optimized asset yields, supporting an expansion in net interest margin (NIM) to 8.8% (FY'23: 7.6%).

Indicators	WK CLS	WK OPEN	WTD (%)	YTD (%)
EQUITIES				
NGX 30	3,919.32	3,922.34	(0.08)	2.82
NGX All-Share Index	105,511.89	105,660.64	(0.14)	2.51
Market Cap (NGN bn)	66,163.73	66,263.10	(0.15)	5.42
FEDERAL GOVERNMENT SECURITIES (%)				
91-Day T-Bill	18.36	18.44	(0.41)	(7.44)
182-Day T-Bill	19.49	19.28	1.09	(5.74)
364-Day T-Bill	23.61	20.71	14.00	(4.59)
2-Year FGN Bonds	18.92	18.91	0.08	(1.19)
3-Year FGN Bonds	19.06	19.03	0.16	(1.05)
5-Year FGN Bonds	19.63	19.70	(0.36)	(0.51)
7-Year FGN Bonds	19.02	19.01	0.05	(2.17)
10-Year FGN Bonds	19.04	19.03	0.05	(2.93)
20-Year FGN Bonds	17.65	17.65	0.00	(0.07)
INTERBANK MARKET RATES (%)				
NIBOR OPR	26.50	26.50	0.00	(0.80)
NGN EXCHANGE RATES (₦)				
USD/NGN	1567.02	1536.82	(1.97)	(1.87)
GBP/NGN	2021.46	1982.50	(1.97)	(5.34)
EUR/NGN	1723.72	1659.77	(3.85)	(9.16)
CNY/NGN	219.38	215.15	(1.97)	(4.74)
ZAR/NGN	81.49	82.99	1.81	0.28
USD/NGN FORWARDS				
1M	1619.49	1570.45	(3.12)	(2.55)
3M	1689.27	1628.16	(3.75)	(3.12)
6M	1772.91	1713.06	(3.49)	(2.70)
1Y	1930.55	1868.82	(3.30)	(1.42)

SECTOR	INDEX VALUE	WoW Δ	YTD Δ
BANKING	1,162.49	0.22%	7.19%
CONSUMER GOODS	1,799.20	-0.91%	3.90%
INDUSTRIAL GOODS	3,482.27	-0.22%	-2.52%
OIL & GAS	2,429.70	-1.10%	-10.41%
VETIVA 30 ETF	42.00	6.33%	11.70%
INSURANCE	909.92	-4.13%	-0.73%

Weekly Top 5 Gainers

Stock	Closing Price (₦)	% Change
VFDGROUP	57.00	20.76%
UNIONDICON	5.80	19.59%
AFRIPRUD	15.10	15.71%
NGXGROUP	32.45	11.90%
DAARCOMM	0.66	10.00%

Weekly Top 5 Decliners

Stock	Closing Price (₦)	% Change
UACN	29.00	-18.31%
SUNUASSUR	5.76	-13.38%
UNIVINSURE	0.52	-13.33%
OANDO	42.00	-13.13%
CONHALLPLC	3.12	-12.85%

Source: Vetiva Research

Credit Quality: Higher provisions, but improved NPL ratio

Loan loss provisions increased by 61.0% y/y to N658.8 billion (FY'23: N409.6 billion) as the bank adopted a more conservative provisioning strategy amid macroeconomic uncertainties. However, the non-performing loan (NPL) ratio improved to 6.8% from 7.6% y/y, indicating progress in managing delinquent loans through recoveries and risk-adjusted lending practices.

Non-interest revenue moderates on FX revaluation losses

Total non-interest revenue (NIR) grew by 20.0% y/y to N1.1 trillion (FY'23: +141.2% y/y), tempered by a substantial N206 billion foreign exchange revaluation loss, which had previously bolstered earnings in FY'23. Nevertheless, trading income nearly doubled, rising 94.0% y/y to N1.1 trillion (FY'23: N566.9 billion), while fee and commission income expanded by 29.3% y/y to N375.2 billion (FY'23: N290.1 billion), supported by increased transaction volumes and greater adoption of digital banking services.

Rising operating expense weigh on cost efficiency

Operating expense surged 88.0% y/y to N843.4 billion (FY'23: N449.0 billion), outpacing operating income growth and weakening cost efficiency. The rise was driven by personnel expenses (N204.2 billion), higher regulatory costs, and fuel expenses (100.0 billion), reflecting inflationary pressures and rising operational costs. Consequently, the cost-to-income ratio (CIR) increased to 39.0% (FY'23: 36.0%).

What shaped the past week?

Equities: This week, the local equity market traded in the red, posting a 0.14% w/w loss, closing at 105,511.89 points. The Insurance sector led the decline, falling 4.13% w/w, as losses in SUNUASSUR (-13.38% w/w), UNIVINSURE (-13.33% w/w), and INTENEGINS (-7.41% w/w) weighed heavily on the sector. The Oil and gas sector also saw a drop of 1.18% w/w, primarily driven by a decline in OANDO (-13.13% w/w). The Consumer Goods sector declined by 0.91% w/w, with sell-offs in UACN (-18.31% w/w) and NASCON (-8.60% w/w). On a positive note, the Banking sector edged up by 0.22% w/w, buoyed by gains in FIDELITYBK (+5.00% w/w) and WEMABANK (+2.80% w/w).

Fixed Income: System liquidity opened the week at N1.5 trillion and ended at N970 billion positive, resulting in flat funding rates at 26.50%. In the secondary market, trading in NTBs and OMOs was subdued, with investors taking a cautious stance ahead of the Q2 NTBs calendar. Similarly, the bond market saw muted activity as investors remained on the sidelines, awaiting higher yields. However, slight bullish sentiments were seen on the short end of the benchmark curve, with buying interest in the 5-Year bond.

Currency: At the NAFEM, the Naira depreciated by N30.02 w/w to close at N1,567.02 per dollar.

Domestic Economy:

Nigeria's foreign exchange inflows rose by 20.62% in Q4 2024, reaching $27.81 billion, up from $23.06 billion in the previous quarter, according to the Central Bank of Nigeria's latest report. Autonomous sources played a major role in this increase, with inflows jumping 47.55% to $16.27 billion. However, inflows through the CBN declined by 4.05% to $11.54 billion. Despite higher foreign exchange outflows, which rose by 31.37% to $10.42 billion, Nigeria still saw a net positive inflow, growing 14.99% to $17.39 billion. The Nigerian Foreign Exchange Market also saw a 75.17% increase in turnover, reflecting more trading activity, though the naira depreciated by 2.13% to N1,623.26/$ due to rising demand. Looking forward, the CBN expects Nigeria's economy to grow faster, driven by naira stability, improved oil production, and ongoing reforms. Inflation is also projected to moderate starting Q1 2025, aided by tighter monetary policies and food security improvements. However, risks remain from potential exchange market pressures, rising money supply, and inflationary shocks.

Global: U.S. stock market index futures dropped sharply on Friday, signaling another wave of selling on Wall Street, after China announced additional tariffs on all U.S. goods in retaliation to the Trump administration's sweeping trade levies, escalating the global trade war. China's finance ministry stated that it would impose a 34% tariff on all U.S. goods starting April 10, following President Trump's decision to raise tariffs to their highest levels in over a century this week, triggering a sharp decline in global financial markets. As at the time of this report, the benchmark S&P 500 dropped 4.8%, its largest one-day percentage decline since June 2020, after Trump imposed a 10% tariff on most imports into the United States and much higher levies on dozens of other countries. The Dow Jones Industrial Average declined by 4.3%, while the tech-heavy Nasdaq Composite dropped around 5%, on pace to close in bear market territory. In the bond market, the U.S. 10-year Treasury yield was down 13bps to 3.93%.

In the Eurozone, the pan-European Stoxx 600 shed 5.12% to 496.3ppts, marking an 8% weekly loss, the worst since March 2022, amid fresh US tariffs and growing recession fears. Finally, in Asian markets, China's Shanghai Composite Index was closed on Friday for a holiday in the country, while Japan's Nikkei 225 was down by 2.75%.

What will shape markets in the coming week?

Equity market: Given the limited shift in key buy-side market drivers, we expect market sentiment to remain mixed in the coming week. However, the possibility of bargain hunting in large-cap names cannot be ruled out, which could provide some upward momentum for the index. Also, as some stocks approach their dividend qualification dates, we may see more buying interest that supports a positive tone.

Fixed Income: Next week, we anticipate a continuation of cautious trading activity across the market, as investors position ahead of the NTB auction scheduled for Wednesday.

MONEY Nuggets

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Do you know what has happened to your first quarter's results?

FOLKS, IT MAY SEEM that 2025 is crawling, but make no mistake about it, we're already in the second quarter. In view of that, do you know what's happening to your financial goals? Follow the drift.

When yours truly popped over to the doctor's surgery on the very last day of March, it was to know the outcome of how my internal organs have been performing. Sitting in front of the young doctor of about thirty something, the first question she asked was if there was anything I came for apart from the scheduled review. Told her "nope" and that I was only booked in for a review of my test results.

About two weeks prior to then, a nurse at the surgery had slipped that dreaded sharp thing - needle - into my arm to draw out blood. He did mention the accompanying sharp pain which I felt and thankfully, it didn't last long. Thereafter, the nurse asked me to get on the scale. Aside from measuring my weight, he also took my blood pressure. Before leaving, one was handed a stool kit and asked to get a sample at home.

Long story short, the reason for going to see the doctor was to hear what's been happening inside the engine and to know if one's systems are doing the needful. Though a query I raised made her say she'll email a particular team, but no surprises, thankfully. She said all the results were good, including another urine sample she asked me to go produce in the restroom.

Here's the thing, there's a parallel between the medical and money matters. Sometimes we don't know what's happening inside our bodies just as many don't give a hoot about the state of their financial goals. In the same way I subjected myself to the doctor's request for routine checks is how we should beam the searchlight on our financial affairs, especially our financial goals. There's even a compelling case for it because the first quarter of the year is already over.

By now, you should take a glance at the financial goals you set at the beginning of the year and see what's been happening to them. This review is necessary as it's to actually give you the needed feedback so that you know whether you're doing the right things with your money or driving yourself downhill. Please review your financial goals and if you haven't achieved any, it's not late in the day to start putting that ten or five thousand Naira away in savings every single month.

Perhaps, reducing your level of dependence on salary advance was second on your list and you still haven't made any progress, doing the review could make you figure out why. Moreover, it may provide a wake up call. So, it's necessary to set time apart to review your first quarter results.

Do you recognise a good deal when you see one?

Guess what? Not all deals are made in the boardroom. Some may actually land on you on the street.

While at the local butcher to pick stuff on the third day of last month, in response to my asking for the price of a pack of chicken thighs, the young woman at the counter said "£4, but three for £10." I left the store with three packs as it was a saving of two quid. Got home and dumped the thing in the freezer.

A couple of days later, it was their turn to enter the grill, and from there to the pot of stew.That was a delicious deal. It pays to recognise a deal when one lands on the table.

Share Price List as @ Friday 4 April, 2025: The Nigerian Stock Exchange

Company	Previous Close	Open	High	Low	Close	Change	% Change	Volume	Value (N)
ABBEYBDS	4.73	4.73	-	-	4.73	0.00	0.00%	66,000	340,918.75
ABCTRANS	1.40	1.40	-	-	1.40	0.00	0.00%	128,830	189,491.00
ACADEMY	2.65	2.65	-	-	2.65	0.00	0.00%	25,686	67,275.11
ACCESSCORP	22.55	22.50	22.65	22.40	22.65	0.10	0.44%	16,364,163	368,585,781.85
AFRIPRUD	15.75	15.75	16.00	15.10	15.10	-0.65	-4.13%	2,635,468	41,848,637.30
AIICO	1.57	1.57	1.58	1.45	1.52	-0.05	-3.18%	5,009,707	7,689,071.35
AIRTELAFRI	2,156.90	2,156.90	-	-	2,156.90	0.00	0.00%	321	761,572.50
ALEX	7.15	7.15	-	-	7.15	0.00	0.00%	1,410	9,304.50
ARADEL	500.00	500.00	-	-	500.00	0.00	0.00%	530,806	261,405,242.70
AUSTINLAZ	2.09	2.09	-	-	2.09	0.00	0.00%	100	206.00
BERGER	18.85	18.85	-	-	18.85	0.00	0.00%	42,585	800,502.85
BETAGLAS	99.85	99.85	-	-	99.85	0.00	0.00%	42,890	3,856,177.00
BUACEMENT	83.70	83.70	-	-	83.70	0.00	0.00%	1,541,413	116,368,028.50
BUAFOODS	418.00	418.00	-	-	418.00	0.00	0.00%	29,421	11,068,180.20
CADBURY	23.00	23.00	-	-	23.00	0.00	0.00%	98,728	2,288,681.35
CAP	47.00	47.00	-	-	47.00	0.00	0.00%	12,106	515,285.60
CAVERTON	2.31	2.31	2.48	2.48	2.48	0.17	7.36%	1,207,328	2,968,945.24
CHAMPION	3.77	3.77	3.76	3.75	3.75	-0.02	-0.53%	784,329	2,954,607.48
CHAMS	2.10	2.10	2.20	2.05	2.05	-0.05	-2.38%	8,301,643	17,077,164.03
CHELLARAM	7.89	7.89	-	-	7.89	0.00	0.00%	68,620	548,241.00
CILEASING	3.73	3.73	3.90	3.73	3.90	0.17	4.56%	537,876	2,061,317.25
CONOIL	331.20	331.20	-	-	331.20	0.00	0.00%	1,402	417,936.20
CORNERST	3.30	3.30	3.30	3.30	3.30	0.00	0.00%	1,678,062	5,550,027.79
CUSTODIAN	18.45	18.45	-	-	18.45	0.00	0.00%	339,128	6,197,155.85
CUTIX	2.30	2.30	2.46	2.30	2.46	0.16	6.96%	4,371,417	10,227,249.51
CWG	8.20	8.20	8.40	8.20	8.40	0.20	2.44%	776,875	6,463,630.00
DAARCOMM	0.65	0.65	0.70	0.66	0.66	0.01	1.54%	704,714	459,357.60
DANGCEM	480.00	480.00	-	-	480.00	0.00	0.00%	31,922	13,790,304.00
DANGSUGAR	33.50	33.50	32.00	32.00	32.00	-1.50	-4.48%	1,440,836	46,819,915.25
DEAPCAP	0.95	0.95	0.96	0.96	0.96	0.01	1.05%	323,940	310,956.60
ELLAHLAKES	3.06	3.06	3.10	3.01	3.02	-0.04	-1.31%	4,031,150	12,283,322.54
ENAMELWA	25.30	25.30	-	-	25.30	0.00	0.00%	3,168	72,230.40
ETERNA	35.85	35.85	-	-	35.85	0.00	0.00%	374,742	12,248,800.55
ETI	29.40	29.40	-	-	29.40	0.00	0.00%	372,402	11,294,570.35
ETRANZACT	5.75	5.75	-	-	5.75	0.00	0.00%	136,053	729,362.00
FCMB	9.10	9.00	9.05	8.55	9.05	-0.05	-0.55%	24,154,888	211,160,678.70
FIDELITYBK	19.50	19.50	19.95	19.20	19.95	0.45	2.31%	22,585,795	441,648,252.70
FIDSON	19.45	19.45	-	-	19.45	0.00	0.00%	196,078	3,752,295.15
FIRSTHOLDCO	26.05	26.05	27.00	26.00	26.00	-0.05	-0.19%	4,743,421	125,134,065.30
FTNCOCOA	1.71	1.71	1.75	1.60	1.60	-0.11	-6.43%	1,615,005	2,729,678.64
GEREGU	1,141.50	1,141.50	-	-	1,141.50	0.00	0.00%	2,215	2,275,691.00
GTCO	69.50	69.50	69.80	69.40	69.40	-0.10	-0.14%	20,862,363	1,451,067,189.45
GUINEAINS	0.69	0.69	0.74	0.63	0.63	-0.06	-8.70%	5,495,880	3,713,004.70
GUINNESS	80.00	80.00	-	-	80.00	0.00	0.00%	287,546	23,391,487.00
HMCALL	5.80	5.80	-	-	5.80	0.00	0.00%	11,892	62,076.24
HONYFLOUR	11.36	11.36	11.50	11.32	11.32	-0.04	-0.35%	2,159,743	24,691,728.33
IKEJAHOTEL	10.30	10.30	-	-	10.30	0.00	0.00%	140,009	1,510,907.00
IMG	38.00	38.00	-	-	38.00	0.00	0.00%	34,448	1,247,849.80
INFINITY	7.00	7.00	-	-	7.00	0.00	0.00%	693	4,845.75
INTBREW	5.00	5.00	5.04	5.00	5.00	0.00	0.00%	1,466,998	7,343,295.70
INTENEGINS	1.50	1.50	-	-	1.50	0.00	0.00%	65,400	104,857.00
JAIZBANK	3.30	3.30	3.22	3.17	3.22	-0.08	-2.42%	4,436,402	14,194,420.87
JAPAULGOLD	1.93	1.93	1.92	1.90	1.90	-0.03	-1.55%	2,708,669	5,192,448.77
JBERGER	137.00	137.00	-	-	137.00	0.00	0.00%	4,986	631,431.80
JOHNHOLT	7.74	7.74	-	-	7.74	0.00	0.00%	11,422	80,842.00
LASACO	2.60	2.41	2.41	2.34	2.34	-0.26	-10.00%	7,288,717	17,368,037.99
LEARNAFRCA	3.00	3.00	3.30	3.30	3.30	0.30	10.00%	2,617,795	8,031,357.69
LINKASSURE	1.33	1.33	1.33	1.33	1.33	0.00	0.00%	433,947	579,599.51
LIVESTOCK	7.20	7.20	7.92	7.21	7.92	0.72	10.00%	5,143,265	39,498,343.74
MANSARD	9.60	9.60	9.47	8.64	8.64	-0.96	-10.00%	20,071,762	178,603,757.56
MAYBAKER	8.60	8.60	7.85	7.85	7.85	-0.75	-8.72%	481,820	3,890,785.15
MBENEFIT	0.97	0.97	0.97	0.91	0.97	0.00	0.00%	6,978,715	6,464,146.79
MECURE	11.25	11.25	-	-	11.25	0.00	0.00%	11,000	111,650.00
MEYER	9.25	9.25	-	-	9.25	0.00	0.00%	328	2,738.80
MRS	174.90	174.90	-	-	174.90	0.00	0.00%	110,800	17,454,930.00
MTNN	245.00	245.00	-	-	245.00	0.00	0.00%	1,480,966	348,555,423.10
MULTIVERSE	8.65	8.65	-	-	8.65	0.00	0.00%	45,802	364,946.35
NAHCO	69.90	69.90	-	-	69.90	0.00	0.00%	835,635	54,161,488.25
NASCON	42.00	42.00	-	-	42.00	0.00	0.00%	890,602	36,434,346.35
NB	34.00	34.00	-	-	34.00	0.00	0.00%	543,406	18,231,405.60
NEIMETH	2.80	2.80	-	-	2.80	0.00	0.00%	619,715	1,674,193.13
NEM	13.95	13.95	13.80	13.50	13.50	-0.45	-3.23%	1,165,711	15,904,813.65
NESTLE	1,020.00	1,020.00	-	-	1,020.00	0.00	0.00%	50,025	50,919,284.10
NGXGROUP	30.00	30.00	32.45	29.95	32.45	2.45	8.17%	5,635,586	174,126,943.00
NNFM	87.75	87.75	-	-	87.75	0.00	0.00%	52,350	4,191,922.20
NPFMCRFBK	1.83	1.83	1.83	1.71	1.76	-0.07	-3.83%	749,657	1,318,873.66
NSLTECH	0.50	0.50	0.50	0.50	0.50	0.00	0.00%	1,070,914	543,631.36
OANDO	44.70	45.00	45.00	40.40	42.00	-2.70	-6.04%	10,677,497	445,438,270.90
OKOMUOIL	545.20	545.20	-	-	545.20	0.00	0.00%	47,208	25,607,326.60
OMATEK	0.65	0.65	0.71	0.59	0.64	-0.01	-1.54%	2,555,120	1,599,737.20
PRESCO	785.00	785.00	-	-	785.00	0.00	0.00%	234,464	184,012,897.40
PRESTIGE	1.00	1.00	0.99	0.97	0.97	-0.03	-3.00%	3,351,140	3,332,614.02
PZ	33.40	33.40	-	-	33.40	0.00	0.00%	41,761	1,273,851.20
REDSTAREX	4.80	4.80	-	-	4.80	0.00	0.00%	75,803	362,316.95
REGALINS	0.60	0.60	0.60	0.60	0.60	0.00	0.00%	5,316,360	3,189,435.76
ROYALEX	1.01	1.01	-	-	1.01	0.00	0.00%	188,288	179,823.01
RTBRISCOE	2.40	2.40	-	-	2.40	0.00	0.00%	391,885	870,442.35
SCOA	4.47	4.47	-	-	4.47	0.00	0.00%	219,356	1,077,037.96
SEPLAT	5,700.00	5,700.00	-	-	5,700.00	0.00	0.00%	3,228	16,559,640.00
SKYAVN	46.50	46.50	-	-	46.50	0.00	0.00%	3,200	133,920.00
SOVRENINS	0.97	0.97	1.00	0.97	1.00	0.03	3.09%	3,939,931	3,918,797.06
STANBIC	62.00	62.00	-	-	62.00	0.00	0.00%	120,128	7,544,113.05
STERLINGNG	5.26	5.26	5.30	5.29	5.29	0.03	0.57%	1,571,506	8,323,503.46
SUNUASSUR	5.99	5.99	5.76	5.40	5.76	-0.23	-3.84%	639,194	3,582,512.42
TANTALIZER	2.72	2.72	2.70	2.50	2.60	-0.12	-4.41%	8,396,303	21,788,117.40
TOTAL	679.70	679.70	-	-	679.70	0.00	0.00%	26,653	17,164,415.90
TRANSCOHOT	145.00	145.00	-	-	145.00	0.00	0.00%	77,182	10,278,472.60
TRANSCORP	44.70	44.70	-	-	44.70	0.00	0.00%	1,307,921	57,568,008.60
TRANSPOWER	364.90	364.90	-	-	364.90	0.00	0.00%	12,344	4,055,004.00
TRIPPLEG	2.20	2.20	-	-	2.20	0.00	0.00%	1,000	1,980.00
UACN	29.00	29.00	-	-	29.00	0.00	0.00%	1,150,606	33,479,696.30
UBA	36.90	36.90	37.00	36.85	36.85	-0.05	-0.14%	26,319,395	972,338,531.00
UCAP	15.20	15.20	15.60	15.10	15.20	0.00	0.00%	25,608,246	391,509,768.95
UHOMREIT	51.25	51.25	-	-	51.25	0.00	0.00%	44,922	2,417,056.50
UNILEVER	38.45	38.45	-	-	38.45	0.00	0.00%	242,688	8,969,000.80
UNIONDICON	5.30	5.30	5.80	5.80	5.80	0.50	9.43%	120,600	691,835.00
UNIVINSURE	0.55	0.55	0.57	0.52	0.52	-0.03	-5.45%	7,285,615	3,974,041.11
UPDC	3.14	3.14	3.20	3.07	3.15	0.01	0.32%	5,901,404	18,594,835.63
UPDCREIT	6.05	6.05	6.10	6.10	6.10	0.05	0.83%	426,077	2,665,626.05
UPL	3.89	3.89	-	-	3.89	0.00	0.00%	62,017	235,409.94
VERITASKAP	1.06	1.06	1.05	1.05	1.05	-0.01	-0.94%	2,805,264	2,949,763.13
VFDGROUP	51.90	51.90	57.00	57.00	57.00	5.10	9.83%	1,062,283	59,631,910.80
VITAFOAM	37.65	37.65	-	-	37.65	0.00	0.00%	156,525	5,449,871.35
WAPCO	72.60	72.60	-	-	72.60	0.00	0.00%	5,352,315	357,072,679.50
WAPIC	2.12	2.12	2.12	2.04	2.12	0.00	0.00%	1,827,466	3,837,268.83
WEMABANK	11.00	11.00	11.20	10.90	11.00	0.00	0.00%	5,947,621	65,293,479.20
ZENITHBANK	47.05	47.05	48.20	46.95	47.90	0.85	1.81%	22,864,438	1,086,128,397.00

Food prices under threat as Middle Belt conflict hits agriculture

Stories by Onome Amuge

CONCERNS ARE MOUNTING across Nigeria as the persistent conflict in the Middle Belt region continues to disrupt agricultural activities, posing a significant threat to food security and potentially driving up food prices nationwide. The clashes, primarily between herders and farming communities, have escalated in recent years, transforming from localized disputes over grazing land into a multifaceted crisis with far-reaching economic consequences.

The Middle Belt, known as Nigeria's "food basket," is considered a crucial agricultural zone, producing a significant portion of the nation's staple crops, including yam, maize, cassava, and various vegetables.

However, the ongoing violence has forced many farmers to abandon their lands, fearing for their safety and the destruction of their livelihoods. This disruption in farming activities has led to a dramatic decline in agricultural output from the region.

This concerning trend was highlighted in a recent report by SBM Intelligence, an Africa-focused geographical research and strategic communications consultancy. The report, titled "A Threat to National Stability," examines the persistent farmer-herder conflict in Nigeria, revealing its southward expansion while continuing to severely impact the country's primary food-producing region.

The SBM Intelligence report warns that Nigeria's current hunger crisis is likely to intensify, with acute food insecurity on the horizon. This worrisome outlook is attributed to the significant drop in agricultural output in the Middle Belt states of Benue, Nasarawa, and Plateau, a direct consequence of the escalating clashes between herders and farming communities.

The human toll of the farmer-herder conflict is immense, according to the SBM Intelligence report, with over 2.2 million people displaced across Nigeria. Benue State alone hosts 300,000 displaced individuals in severely overcrowded camps.

Nigeria's pastoral conflict, according to the report, has transformed from localised disagreements over grazing land into a major national security threat, impacting numerous regions and jeopardizing overall stability, the report highlighted. The violence, largely involving clashes between Fulani herders and farming communities, has expanded southward from its Middle Belt origins, escalating in states such as Edo and Ondo, while its destructive impact persists in Benue, Nasarawa, and Plateau.

SBM Intelligence analysts point to a confluence of complex and interconnected factors driving the crisis. They noted that climate change and desertification in Nigeria's northern regions have led to a significant reduction in available grazing land, compelling pastoralists to move southward into the country's agricultural core. This migration, combined with population growth and unequal development, has been observed to have intensified competition for increasingly scarce resources, exacerbating tensions between herders and farmers.

The SBM Intelligence report highlighted a shift in the nature of the conflict since 2010. It noted that traditional methods of resolving disputes have broken down, coinciding with an influx of sophisticated weaponry into the affected areas, further escalating the violence and making peaceful settlements increasingly difficult to achieve.

"What were once minor clashes mediated with sticks now involve AK-47s and military-grade firearms, enabling systematic violence, including crop destruction and land appropriation.

"The human cost is staggering: over 2.2 million displaced nationwide, with 300,000 in Benue's overcrowded camps alone. Nigeria's food security hangs in the balance as the Middle Belt's agricultural output plummets, exacerbating inflation. The crisis has also metastasised, merging with banditry and kidnapping networks," the report noted.

The report also raised disturbing concerns about complicity within the affected communities, including allegations of intelligence-sharing with attackers for financial rewards, which has further complicated efforts to counter the violence.

Furthermore, the SBM Intelligence report posits that while security operations may offer temporary respite, they do not address the fundamental drivers of the conflict. The analysts also highlight the dangerous ethnic and religious politicisation of the crisis, including accusations of "Fulanisation," which has deepened existing divisions and made finding lasting solutions even more challenging. To achieve a lasting resolution, SBM Intelligence recommended a comprehensive and multifaceted strategy. Key recommendations include the urgent implementation of land reforms to clearly define grazing rights, the establishment of robust arms control measures to curb the proliferation of sophisticated weaponry, the development and execution of climate adaptation programs to address the environmental factors driving migration, and the initiation of depoliticised dialogue among all stakeholders to foster understanding and reconciliation.

The SBM Intelligence report concludes with a warning, noting that with attacks spreading southward and displacement numbers increasing annually, Nigeria has a rapidly closing window of opportunity to prevent the pastoral conflict from escalating into an irreversible national disaster.

The consultancy emphasised the urgency of the situation, stating that the time for coordinated action is now, as a further delay only deepens the crisis, threatening Nigeria's unity, food security, and democratic fabric.

Already, there are concerns about potential increases in food prices in the coming months. While the National Bureau of Statistics reported a drop in the year-on-year food inflation rate to 23.51 percent in February 2025, this decrease is partly attributed to a change in the base year for measurement. Month-on-month, food inflation still stood at 1.67 percent, indicating that prices are still rising, albeit at a slower pace in some areas.

It is believed that the disruption in supply from the Middle Belt could reverse this trend and lead to a sharp increase in the cost of essential food items for Nigerian households.

Market surveys conducted in March 2025 in some states showed a decrease in the average prices of certain staple foods like rice, beans, yam, and garri.

Analysts attributed this to improved agricultural practices, favourable weather conditions in some regions, and government initiatives to boost food production. However, these gains could be short-lived if the Middle Belt conflict persists and intensifies, further hindering agricultural production and disrupting supply chains, they stated.

Experts warn that the conflict's impact extends beyond just crop production. Livestock farming, also a significant part of the Middle Belt's agricultural contribution, has been severely affected by cattle rustling and insecurity. This, they said, will likely lead to higher prices for meat and dairy products.

The government has implemented various measures to address the conflict, including the National Livestock Transformation Plan and anti-open grazing laws in some states. However, reports indicate that the implementation has been inconsistent and faced challenges.

Therefore, analysts call for a more comprehensive and decisive approach that tackles the root causes of the conflict, including land use reforms, climate change adaptation, and improved security measures to control the proliferation of arms in the region.

Oil drops 7% to 3-year low following China's tariffs

CRUDE OIL PRICES EXPERIENCED a sharp 7% drop on Friday, settling at their lowest level in over three years. This dramatic fall was triggered by China's decision to escalate its trade dispute with the United States by imposing significantly higher tariffs on US goods. The move by China, the world's largest oil importer, has heightened investor concerns about a potential global recession, leading to a downward revision of demand forecasts.

Beijing announced it would levy additional tariffs of 34 percent on all US goods, effective April 10th. This action comes in response to increased tariffs imposed by the Trump administration, which have prompted retaliatory measures from nations worldwide. The escalating trade tensions are fueling fears of a global economic slowdown, directly impacting the outlook for oil consumption.

Global benchmark Brent crude futures closed down $4.56, or 6.5 percent, at $65.58 a barrel. U.S. West Texas Intermediate (WTI) crude futures saw an even steeper decline, losing $4.96, or 7.4 percent, to settle at $61.99.

During the session, both benchmarks hit their lowest levels in four years, with Brent touching $64.03 and WTI reaching $60.45.

For the week, Brent recorded its largest percentage loss in a year and a half, falling by 10.9 percent. WTI also experienced its biggest weekly decline in two years, dropping by 10.6 percent. The sharp falls underscore the market's growing anxiety over the potential impact of escalating trade disputes on global economic growth and, consequently, oil demand.

According to Scott Shelton, United ICAP Energy Specialist, the current crude oil prices are probably close to fair value until there is clearer evidence of the extent to which demand has been curtailed by the escalating trade war.

Federal Reserve Chair Jerome Powell expressed concern that the Trump administration's new tariffs are larger than expected and that the resulting economic fallout, including higher inflation and slower growth, is likely to be significant. He indicated that these developments could create a challenging set of decisions for the U.S. central bank as it addresses the potential impact on the economy.

Adding to the bearish sentiment, the Organization of the Petroleum Exporting Countries and its allies (OPEC+) decided to accelerate their planned output increases. The group now intends to return 411,000 barrels per day (bpd) to the market in May, a significant jump from the previously outlined 135,000 bpd. This move by the oil-producing alliance further intensified the downward pressure on crude prices, exacerbating concerns stemming from the escalating US-China trade war and its potential impact on global demand.

Further weighing on oil prices was a ruling by a Russian court that the Caspian Pipeline Consortium's (CPC) Black Sea export terminal facilities should not be suspended. This decision alleviated concerns about a potential drop in Kazakhstan's oil production and supplies, removing a factor that could have otherwise supported prices. The CPC pipeline is a crucial route for transporting crude oil from Kazakhstan to global markets.

While imports of oil, gas, and refined products were exempted from the Trump administration's sweeping new tariffs, analysts warn that the broader policies could still negatively impact oil prices. The tariffs are expected to stoke inflation, dampen economic growth, and exacerbate international trade disputes, all of which could lead to lower demand for crude oil.

Goldman Sachs analysts reacted to the escalating trade tensions by significantly reducing their December 2025 price targets for both Brent and WTI crude, cutting each by $5 to $66 and $62 per barrel, respectively, reflecting the increased downside risks.

Global food prices steady in March as vegetable oil rises

Stories by Onome Amuge

THE FAO FOOD PRICE INDEX (FFPI), a key gauge of global food commodity prices, showed little movement in March compared to its revised February level. The Food and Agriculture Organization of the United Nations (FAO) reported that a significant increase in vegetable oil prices was offset by decreases in world cereal and sugar quotations, resulting in overall stability for the benchmark index.

The FFPI averaged 127.1 points in March 2025 , representing a 6.9 percent increase compared to the corresponding period last year (March 2024: 119.0 points). However, it remained 20.7 percent below its peak of 160.2 points reached in March 2022, shortly after the start of the war in Ukraine.

The FAO Cereal Price Index registered 109.7 points in March, a 2.6 percent month-on-month decrease and 1.1 percent lower than in March 2024. The FAO attributed the decline in global wheat prices to easing concerns about crop conditions in key Northern Hemisphere exporting nations, although rising trade tensions created some market uncertainty. This downward pressure was partially offset by currency fluctuations, tighter supply in the Russian Federation, and Turkey's decision to eliminate its wheat import quota.

World maize prices also saw a decline in March, reversing a series of previous monthly increases. The FAO pointed to improved crop conditions in Brazil following recent rainfall, the commencement of the harvest in Argentina, and downbeat forecasts for the upcoming season in the U.S as key drivers. Weaker-than-expected import demand from China and anxieties surrounding potential trade policy shifts in several nations further contributed to the downward pressure on maize prices.

L-R: Aliyu Abdullahi, minister of State for Agriculture and Food Security; Takao Shimokawa, economic director general, development department, Japan International Cooperation Agency (JICA) ; Abubakar Kyari, minister of Agriculture and Food Security, and Marcus Ogunbiyi, permanent secretary, Federal Ministry of Agriculture and Food Security, during the visit of JICA delegation to the minister's office in Abuja recently.

Among other coarse grains, global sorghum prices edged down, while barley prices saw a marginal increase. The FAO All Rice Price Index also experienced a 1.7 percent decline in March, reflecting subdued import demand and abundant exportable supplies, which placed downward pressure on export quotations.

The FAO Vegetable Oil Price Index averaged 161.8 points in March, marking a 3.7 percent month-on-month increase. This puts the index 23.9 percent higher than its level in March 2024. The continued upward trend was fueled by rising prices across palm, soy, rapeseed, and sunflower oils. International palm oil prices, in particular, climbed for the second consecutive month, largely due to ongoing tight supply in key Southeast Asian producing nations, where output is currently at its seasonal low.

World soyoil prices also saw an increase, buoyed by strong global import demand driven by its competitive pricing compared to other vegetable oils. This occurred despite softer demand from the biofuel sector, notably in the U.S. Similarly, international rapeseed and sunflower oil prices rose from February, reflecting tightening supplies from major exporting countries at a time of firm global import demand.

The FAO Meat Price Index averaged 118.0 points in March, a 0.9 percent increase from February and 2.7 percent higher than a year ago. The primary driver of this rise was higher pig meat prices, largely due to increased quotations in the European Union following Germany's reinstatement of its foot-and-mouth disease-free status. This prompted key trading partners, such as the United Kingdom, to lift import bans. Increased demand also helped to stabilise the market, while the strengthening of the euro against the US dollar further supported the upward trend.

Ovine meat prices also saw an uptick, supported by strong global demand in anticipation of the Easter holidays. Similarly, world bovine meat quotations rose, reflecting tight global supplies coupled with robust international demand. In contrast, poultry meat prices remained largely stable, as global supply and demand remained in equilibrium despite the ongoing challenges posed by widespread avian influenza outbreaks in several major producing nations.

The FAO Dairy Price Index held steady at 148.7 points in March, unchanged from February 2025 but still a significant 19.9 percent higher than its value in March 2024. This stability resulted from a decline in international cheese prices being offset by increases in butter and milk powder quotations.

International butter prices continued their upward trend for the third consecutive month, rising by 3.9 percent compared to February. This increase was fueled by strong retail sales and growing international demand, occurring alongside seasonally declining supplies in Oceania and sluggish production in Europe. Skim milk powder prices also increased for the second consecutive month, supported by a combination of robust international demand and tightening supply.

International whole milk powder quotations also saw a slight increase. Mixed export demand in Europe, partly influenced by the presence of foot-and-mouth disease in some European nations, was largely balanced by softer global purchasing activity from Oceania, where milk production is seasonally declining. In contrast, international cheese prices decreased by 1.8 percent, ending a nine-month streak of increases. This decline was driven by stable supply in Europe coinciding with weakening international and domestic demand in Oceania.

The FAO Sugar Price Index averaged 116.9 points in March, a 1.4 percent decrease from February and 12.3 percent lower than its level a year ago. This decline was primarily attributed to indications of softening global demand, which has eased previous concerns regarding tight global sugar supplies.

Adding to the downward pressure on world sugar prices was recent rainfall in key sugarcane-growing regions of southern Brazil, following a period of prolonged dryness. However, the decline in March was limited by worsening production forecasts in India and ongoing concerns regarding the overall outlook for Brazil's sugarcane crop, which continued to exert upward pressure on prices.

Gold dips amid escalating trade disruptions, tariff concerns

GOLD PRICES EXPERIENCED a downturn as the week concluded, reversing gains that had earlier propelled the precious metal to record highs. Silver also saw a sharp decline.

The market volatility followed the announcement by President Donald Trump of substantial trade tariffs targeting a broad range of countries, with bullion notably excluded from the levies. The imposition of these tariffs injected uncertainty into the global economic outlook, triggering a shift in investor sentiment and impacting precious metal valuations.

The exemption of gold from President Trump's newly imposed trade tariffs led to a significant contraction in the previously wide price differential between the New York and London markets. This narrowing arbitrage opportunity has spurred an unprecedented flow of gold into the U.S, as traders capitalise on the reduced cost of transporting and selling the precious metal in the American market.

China's response on Friday with its own set of counter-tariffs ignited significant turbulence across global markets, causing volatility in metal prices. Within China, the world's largest gold consumer, there was a marked increase in gold buying activity. This surge in demand has driven up the local price of gold, with premiums over global spot prices widening to approximately $8 to $15 per ounce. A key factor behind this elevated local price is growing concern among Chinese investors that President Trump's newly introduced tariffs could negatively impact the broader economic outlook.

The fallout from the escalating trade tensions extended beyond precious metals, significantly impacting base metals as well. Copper prices experienced a sharp downturn, plummeting by as much as nine percent during Friday's trading session. This decline reflects widespread concern among investors that the introduction of new tariffs by the U.S. could stifle global economic growth and consequently reduce demand for industrial metals across various sectors.

Copper, with its extensive use in industry, manufacturing, and construction, is particularly susceptible to economic downturns. The escalating threat of a global trade conflict appears to have amplified concerns about an imminent economic slowdown, casting a shadow over the demand outlook for the bellwether metal.

As a new trading week approaches, financial markets remain poised for continued volatility. Navigating the turbulent landscape of global trade disputes and their consequential impact on commodity prices, market participants should anticipate further unpredictability. All eyes remain fixed on the evolving situation, as investors and analysts alike await clarity on the future direction of trade policies and their potential influence on market dynamics in the days ahead.

Cocoa, coffee, sugar retreat on U.S. tariff concerns

WORLD COCOA, COFFEE, and sugar prices continued their downward trend on Friday, as markets remained unsettled by President Donald Trump's wide-ranging tariffs, particularly following China's retaliatory levies on U.S. imports. Trump's announcement on Wednesday of a 10 percent tariff on the majority of U.S. imports, coupled with significantly higher levies exceeding 50 percent on certain countries, has triggered a global sell-off in stock markets as nations from Canada to China prepare to respond.

In a recent report, Rabobank cautioned that following this liberation through tariffs, trade flows from the most impacted producers will likely face a convoluted path as they seek demand in alternative markets. The bank warned that this shift in trade patterns will come at an efficiency cost, suggesting increased logistical challenges and potentially higher prices for consumers.

As retaliation day approaches, Rabobank analysts predict that U.S. consumers of coffee and chocolate should brace for higher prices. The report highlights that top cocoa producer Ivory Coast faces a 21 percent tariff, while Vietnam, the world's second-largest coffee producer, will confront a humbling 46 percent levy, suggesting a direct pass-through of these costs to American consumers

London cocoa futures settled down sharply by £313, or 4.7 percent, to £6,370 per metric tonne on the ICE exchange.

New York cocoa futures experienced an even steeper decline, plunging 8.4% to $8,512 a tonne. Beyond being the largest consumer of chocolate, the U.S. is also the world's leading importer of processed cocoa products such as butter from the European Union, Malaysia, and Indonesia.

These regions now face significant tariffs of 20 percent, 24 percent, and 32 percent, respectively, further impacting the cost of chocolate-related goods for American consumers.

Arabica coffee futures slid 5.1 percent to $3.657 per pound, while robusta coffee fell 4.8 percent to $5,128 a tonne.

Stories by Onome Amuge

BUA Foods crosses trillion-Naira revenue threshold on market momentum

• Offers N13 dividend on robust 2024 growth

BUA FOODS PLC, a major player in Nigeria's fast-moving consumer goods (FMCG) sector, recorded a financial milestone in the 2024 financial year, reporting a 109 percent increase in revenue that has propelled the company past the one trillion naira mark for the first time since 2021.

The company's audited financial statements for the year ended December 31, 2024, showcased a revenue figure of N1.53 trillion. This represents a more than doubling of its 2023 revenue of N729.4 billion and marks the highest annual revenue achieved by the company since its listing on the Nigerian Exchange (NGX) in 2021.

The company's report attributes the revenue expansion to a confluence of key factors. Notably, there was increased demand for BUA Foods' core product lines, including its widely consumed sugar, flour, and pasta offerings within the Nigerian market. This surge in demand was effectively met by the company's increased production capacity, allowing it to capitalise on market opportunities.

Despite headwinds from currency volatility, BUA Foods demonstrated significant bottom-line resilience. The company reported an N178 billion exchange loss, a direct consequence of the continued depreciation of the Nigerian naira. However, this foreign exchange impact was more than offset by robust operational performance.

The audited financials reveal a 162.9 per cent increase in pre-tax profit, which jumped to N284.3 billion from N108 billion in the previous year. This strong underlying profitability translated into a 137.3 per cent growth in after-tax profit, climbing to N265.99 billion from N112 billion in 2023.

L-R: Oluwatoyin Ogunjimi, Castle Lite Nigeria marketing manager; Yvonne Onyejiaka, route-to-market director, International Breweries Plc (IBPLC); Gbemisola Abudu, NBA Africa vice president and country head of NBA Nigeria, and Communications and Damian Igwe ,sustainability manager, IBPLC, , during the Castle Lite and National Basketball Association (NBA) partnership launch in Lagos recently.

While sugar continues to be the dominant revenue driver for BUA Foods, the company's latest results highlight the increasingly significant contribution of its other segments. Notably, the flour division experienced a substantial upswing, with revenue surging by 171 per cent year-on-year to N589.5 billion, a considerable increase from the N216.7 billion recorded in 2023.

The growth in the flour segment contributed over N541 billion to the total revenue in 2024, accounting for 35.5 percent of overall sales. This represents a notable expansion from the previous year's contribution of 27.4 percent.

While sugar remains the bedrock of BUA Foods' revenue generation, contributing a substantial N734.5 billion, representing 48 percent of the total revenue. This marks a decline in its proportional contribution, a development that analysts interpret as a tangible outcome of the company's stated strategy of growing diversification and a deliberate shift towards its other product lines.

BUA Foods' foray into the pasta market, with its branded products launched two years prior, continues to yield positive results. These offerings are reportedly gaining significant traction, particularly among price-sensitive consumers within Nigeria seeking alternatives to more expensive imported brands.

The pasta segment contributed N197 billion to the overall revenue, representing a notable 12.9 percent share of the total.

Furthermore, the audited financials reveal the overwhelming dominance of BUA Foods within Nigeria. Local sales accounted for a substantial 95.5 per cent of the company's total revenue in 2024, highlighting its strong market presence and deep penetration across the country.

Notwithstanding the robust financial performance, BUA Foods was operating within the challenging macroeconomic landscape that defined Nigeria in 2024. The company's financial statements reveal a 15.1 percent rise in finance costs, reaching N21.65 billion, up from N18.81 billion in 2023. The primary driver of this increase was a significant N173 billion in foreign exchange losses, a direct fallout from the sharp devaluation of the Nigerian naira.

BUA Foods also dealt with escalating raw material costs and persistent currency-related headwinds. Raw materials accounted for a dominant 91 percent of its cost of sales, which itself saw a substantial 110 percent rise to N984.98 billion, compared to N468.98 billion in the prior year.

Furthermore, BUA Foods demonstrated effective operational management, successfully improving its operating profit margin by 376 basis points to 32 per cent in FY 2024. This improvement was reportedly supported by lower impairment losses and the implementation of tight control over operating expenses.

Also boosting its financial position, BUA Foods saw an improvement in its debt profile, with total debt decreasing to N391.9 billion compared to the previous year.

The company also reported an increase in earnings before interest, taxes, depreciation, and amortization (EBITDA), which rose 131.5 percent to N499.4 billion in FY 2024, up from N215.7 billion in 2023.

Ayodele Abioye, managing director of BUA Foods, remarked that the results underscored the company's ability to navigate challenges with agility and resilience, as it continues to create value for all stakeholders.

"Despite significant macroeconomic challenges, our business navigated the resulting impact on supply chain costs and foreign exchange losses effectively. The cumulative impact of our expansion strategy has enabled our capability to fulfil increased demand from our customers and enhanced internal operational efficiencies," he said.

Abioye also expressed his optimism for operations and strategic investment initiatives affirming that the company will continue to be directed towards addressing food supply challenges.

On the back of its strong performance, the board of directors has proposed a dividend of N13 per share which is more than double the N5.50 paid in 2023.

Meanwhile, shareholders in BUA Foods Plc are set to receive a substantial windfall, with the company declaring a final dividend of N13 per ordinary share of 50 Kobo for the financial year 2024. This represents a 136.36 percent increase in dividend payout compared to the N5.50 kobo per share distributed in the preceding year, underscoring a period of robust financial performance for the food manufacturing giant.

Abdul Samad Rabiu, the billionaire businessman and majority shareholder of BUA Foods Plc, stands to receive a substantial portion of the company's increased dividend payout. With an 89.85 per cent stake in the food conglomerate, Rabiu is positioned to benefit most from the announced N13 final dividend per share.

BUA Foods also announced that only shareholders whose names are registered in the company's records by the close of business on August 21st, 2025, will be eligible to receive the final dividend of N13 per ordinary share.

DHL Group, Temu sign MoU to boost support for local businesses

DHL GROUP, THE WORLD'S leading logistics company, has signed a Memorandum of Understanding (MoU) with the e-commerce marketplace Temu to deepen their cooperation and to further expand their successful partnership.

The agreement aims to enhance collaboration to better support local small and medium-sized enterprises (SMEs) in established markets as well as in growth markets, such as Eastern Europe and the Middle East. Both parties are committed to fostering compliant trade and sustainable practices.

DHL Group will support Temu through its logistics expertise, including multimodal transportation solutions, to provide more efficient and sustainable supply chain services. With its dense network and global presence, DHL Group is the ideal partner to support Temu's growth in both established and new markets.

As part of the Memorandum of Understanding, DHL Group will utilise its logistics expertise to support Temu's operations in Europe, including its local-to-local model, which enables local merchandise partners to sell on its platform and supports local fulfillment.

Temu expects up to 80 percent of its total sales in Europe to come from this local-to-local model. Additionally, the e-commerce platform will enable European-based sellers to reach global markets in the future. This allows, in particular, SMEs to scale and expand their businesses.

Slowing inflation fuels 54.3% expansion in Nigeria's private sector

A WELCOME MODERATION IN inflationary pressures, with input costs rising at their slowest rate in ten months (since May 2023), was a key driver behind a significant recovery in the private sector during March 2024.

The Stanbic IBTC Bank Purchasing Managers' Index (PMI) report for March 2025 revealed a strong expansion, with output, new orders, and employment collectively reaching 54.3 points, signalling a robust improvement in business activity across the state.

The PMI climbed to 54.3 in March, rising from 53.7 in February and remaining firmly in expansionary territory above the 50.0 mark for the fourth straight month.

This latest data, according to the report, signals a solid acceleration in business conditions across the private sector, representing the most significant improvement recorded since the beginning of 2024.

A strengthening demand environment was pivotal to the latest upswing in the private sector health, according to the March PMI report. This surge in demand propelled a fifth consecutive monthly increase in new orders, with the pace of expansion accelerating sharply to its fastest level in 14 months.

Consequently, the rate of output growth also picked up speed at the close of the first quarter. The latest expansion in output was the most pronounced since January 2024, with all four sectors covered by the report registering growth.

Responding to the surge in new orders and rising output demands, companies increased their staffing levels and purchasing activity in March.

The resulting expansion in employment was the most significant in seven months, while input buying saw a sharp uptick, the latest PMI report revealed.

Increased purchasing activity in the private sector led to a rise in input inventories during March, the PMI report noted.

This is as companies actively sought to build stockpiles to align with both present and anticipated business requirements. Some firms also capitalised on the slower pace of input price inflation to strategically increase their inventory levels.

Commenting on the report, Muyiwa Oni, the head of equity research in West Africa at Stanbic IBTC Bank, remarked that softening inflationary pressures are helping to improve domestic demand conditions, in turn, supporting an overall improvement in private sector activity in Nigeria.

According to Oni, consequently, private sector activity strengthened for the fourth consecutive month, with the headline PMI settling higher at 54.3 points in March, its highest print since January 2024 (54.5 points).

Central to this improvement is an increase in customer requests, which ensured the rate of growth in new orders in March quickened to their fastest pace in 14 months, he said.

MAN advocates restoration of moribund industries to revive sector

Onome Amuge

THE MANUFACTURERS ASSOCIATION OF NIGERIA (MAN) is urging the federal government to urgently deploy a coordinated package of resources and strategic initiatives aimed at the immediate resuscitation of struggling domestic industries. The industry body argues that such intervention is critical to restoring the nation's manufacturing base.

MAN believes that a tangible commitment to reviving dormant enterprises would send a strong signal to both local and international investors, transforming Nigeria's perception from a challenging environment to a promising destination for capital deployment.

Francis Meshioye, the MAN president, reiterated the urgent need for government intervention while speaking at the recent commissioning of a state-of-the-art O-Care Disposable Syringe factory in the Amuwo Odofin district, Lagos State.

Meshioye emphasised the relevant role of the manufacturing sector in value addition and its capacity to capture a larger segment of the economic value chain. However, he lamented the persistent challenges plaguing the sector, including elevated production and energy costs, as well as frequent increases in electricity tariffs, which continue to impede growth and competitiveness.

According to the MAN president, inadequate transportation infrastructure and poor logistics services, low patronage of made-in-Nigeria goods, negative perception of made-in-Nigeria goods, high interest and inflation rates, among others, have made some industries go under while others were hanging on a string.

These challenges, he noted, limit manufacturers' capacity to innovate, expand, create more jobs, and contribute meaningfully to the overall performance of the economy. According to him, by developing the manufacturing capabilities and leveraging its potential, manufacturers can reduce inflation and overdependence on imports.

"The sector also has the capacity to promote import substitution, create more jobs, boost government revenue, and stabilise the foreign exchange market," he added.

Meshioye further urged the government and its agencies to exercise caution and ensure thorough consultation with key industry stakeholders before implementing policies that could negatively impact the sector.

He called for a more collaborative approach between the government and the private sector to address the challenges facing the manufacturing sector.

"It has become pertinent for government and the private sectors to work in tandem to revamp the ailing manufacturing sector, especially at this time, by exploring homegrown policy initiatives that will address peculiar challenges," he noted.

Meshioye also underscored the need to harness domestic resources and, crucially, to implement decisive measures to address the fundamental obstacles hindering the productive sector. He stressed that achieving this requires open dialogue, effective collaboration between government and industry, and bold policy decisions that represent a significant departure from conventional approaches.

The MAN president asserted that the nation's economic recovery is fundamentally reliant on the implementation of robust policy stimulus, coupled with a strategic blend of initiatives focused on domestic expansion, export promotion, and assertive trade policies.

Sharing a similar sentiment, Segun Ajayi-Kadir, director general of the Manufacturers Association of Nigeria, called on the federal government to prioritise the revitalization of the nation's struggling domestic industries, rather than placing sole emphasis on attracting foreign investment.

Ajayi-Kadir argued that fostering the growth of the domestic economy should be a primary objective, with critical support provided to local companies alongside improvements to the overall business environment.

Ajayi-Kadir urged the federal government to ensure that the ongoing tax reforms, which are focused on fiscal policy and tax systems, are underpinned by data-driven insights to guarantee effective policymaking.

The MAN DG further called for a more strategic and expedited approach to national reforms, emphasizing that Nigeria must act swiftly to define the scope and scale of its reforms to secure sustainable economic growth in the long term.

He stated further: "To reposition the sector on the path of growth, it is essential that the government addresses the challenges mitigating the performance of the sector.

"Government must ensure sound foreign exchange management and stability, encourage export diversification, and promote exports of manufactured products.

"Government must develop strategies to reduce dependence on imported raw materials by promoting local sourcing and import substitution, stimulate consumer demand, and promote 'Buy Made-in-Nigeria' campaigns."

Ajayi-Kadir underscored the urgent need to tackle critical challenges facing the manufacturing sector, including high borrowing costs, unreliable electricity supply, insecurity, a difficult operating environment, and cumbersome regulatory procedures.

He also charged the newly established Industrial Revolution Work Group (IRWG) with the significant task of developing strategies to revive the over 700 industrial enterprises that have been forced to close down across the country as a result of the prevailing economic crisis in Nigeria.

L-R: Lucky Ubani, head, regulatory affairs, Airtel Nigeria; Tony Izuagbe Emoekpere, president, Association of Telecommunications Companies of Nigeria (ATCON); Dinesh Balsingh, MD/CEO, Airtel Nigeria; Lars Johannisson, CEO, Rackcenter; Cynthia Onwuegbuzie, lead, market regulatory, Airtel Nigeria; and Femi Adeniran, director, corporate communications and CSR, Airtel Nigeria, at a stakeholders' meeting, held between Airtel and ATCON at Airtel Nigeria HQ, Lagos on Tuesday.

Sterling Bank's zero-fee transfer puts industry giants on notice

Joy Agwunobi

STERLING BANK PLC HAS officially eliminated bank transfer fees for online transactions, urging other financial institutions to adopt the same approach.

In a recent statement, the bank confirmed that its zero-transfer-fee policy is genuine and took immediate effect. Under the new initiative, customers will no longer incur charges for transactions carried out via the bank's mobile app, online banking, interbank transfers, or ATM card issuance.

The announcement, made on April 1, 2025, initially sparked skepticism, with many assuming it was an April Fools' Day marketing ploy. However, Sterling Bank reaffirmed its commitment, positioning itself as the first financial institution to take a firm stance against charging customers for everyday digital transactions—a practice that has been a long-standing issue as digital banking adoption continues to grow.

Obinna Ukachukwu, growth executive leading the Consumer and Business Banking Directorate at Sterling Bank, emphasised the values behind the decision, stating, "We believe access to your own money should not come with a penalty. This is more than a financial decision; it's a values-based one. It reflects our commitment to making banking fair, inclusive, and truly customer-focused."

Acknowledging the bold nature of the move, Ukachukwu added, "We are not yet the biggest bank in Nigeria, but we have been the boldest. Sterling fearlessly believes in the future of Nigeria, and this is us backing Nigerians with more than words."

He further remarked, "We are proud to lead this change and hope it inspires others to rethink what customers truly need from their banks—not just in terms of services, but in values."

Taking an assertive stance, Sterling Bank directly called on industry heavyweights, including Guaranty Trust Bank (GTCO), First Bank of Nigeria, Fidelity Bank, Access Bank, Stanbic IBTC, and United Bank for Africa (UBA), to follow its lead.

""Enough is enough. No more quiet suffering. We're doing our part by cancelling transfer fees. Let other banks follow suit —Guaranty Trust Bank (GTCO), First Bank of Nigeria, Fidelity Bank, Access Bank, Stanbic IBTC and United Bank for Africa (UBA)," the bank stated.

Reinforcing its commitment, Sterling Bank further stated on its official X page: "That's right. As of today, Sterling Bank will not take any money for itself for mobile app transactions (100 percent free), Online banking transfers (zero fees), Interbank transfers (zero fees) and ATM Card Issuance (100 percent free)."

Sahara Group champions bold energy reforms for Africa at ARDA Conference

Onome Amuge

GLOBAL ENERGY AND INFRASTRUCTURE conglomerate Sahara Group has called for bold and immediate interventions powered by innovation, collaboration, and equity to accelerate Africa's journey towards energy security and sustainable development.

Speaking ahead of the African Refiners & Distributors Association (ARDA) Week 2025, Wale Ajibade, Sahara Group executive director, emphasised the urgent need for actionable strategies to enable Africa to achieve universal energy access, bridge critical infrastructure deficits, and drive an energy transition that aligns with the continent's specific developmental objectives.

A high-level delegation from Sahara Group, led by Ajibade, will participate in the African Refiners & Distributors Association (ARDA) Week 2025, taking place in Cape Town, South Africa, from April 7th to 11th, 2025. The delegation includes Alex Cole, Director, Sahara Group; Nomnso Dike, CEO, Asharami Synergy (Sahara Group's downstream arm); and Tolu Fadipe, Sahara Group General Counsel, among other key figures.

ARDA 2025, the premier African downstream oil industry event, is set to convene over 500 delegates. Attendees will include key African and international players, government representatives, financial institutions, regulatory bodies, and global development agencies.

Bethel Obioma, head of corporate communications at Sahara Group, stated that the conference, themed "Africa First: Delivering Our Energy Future," will provide Sahara and other industry stakeholders with a crucial platform to "galvanise action towards bringing energy to life responsibly to all Africans, leaving no one behind."

According to Obioma, Sahara Group's speaking delegation at ARDA Week will emphasise the critical need for Africa to take a leading role in securing its energy future.

"Reports indicate that the universal energy access target by 2030 will require annual investments of about $25 billion. To drive this, Africa needs strong partnerships between governments, private sector players, and development agencies. Sahara Group is already promoting and supporting such partnerships that will help Africa unlock the benefits of infrastructure development," he stated. Jerome Espinasse, head of trading at Sahara Energy International Geneva, is slated to deliver a keynote speech on the conference theme, "Africa First: Delivering Our Energy Future." Drawing on over two decades of experience in energy trading and infrastructure development, Espinasse will underscore the importance of an inclusive and equitable energy framework to tackle the current reality where over 600 million Africans lack access to electricity.

Russia's energy push in Africa: What it means for the Continent's future

Bamidele Famoofo

RUSSIA HAS INCREASINGLY FOCUSED on bolstering its energy partnerships with African nations, signalling a broader strategy to boost its geopolitical influence across the continent. Recent investments in Africa's oil, gas and nuclear sectors reflect Russia's ambitions to diversify its global energy engagements while capitalizing on the continent's growing energy demands.

In an effort to further solidify ties with Russia, the African Energy Chamber (AEC) is currently on a working visit to Moscow, engaging in discussions with Russian energy leaders. The visit highlights the growing importance of Russia-Africa energy cooperation, as the AEC explores further investment and partnership opportunities within Africa's energy sector. The AEC's engagement with Moscow aligns with the broader goal of attracting diverse energy investments to meet Africa's energy needs and underscores the ongoing efforts to enhance Russian involvement in the continent's energy market.

Against this backdrop and ongoing G20 discussions on energy security and sustainability, Russia's latest energy ventures in Africa are paving the way for deeper economic ties, increased Russian influence in the African energy market and potential opportunities for expanded collaboration in infrastructure development and technology transfer.

Russia's Expanding Presence in African Energy

Russia's leading energy companies are rapidly expanding their influence across the continent. In September 2024, Russian multinational energy corporation Lukoil signed a Memorandum of Understanding (MoU) with the Ministry of Hydrocarbons of the Republic of Congo to enhance cooperation in oil exploration and production. For Russia, Congo's oil sector is a key resource that strengthens its position in the global energy market and supports its strategy to deepen ties with resource-rich African nations. With the G20's focus on energy security and diversification, the agreement further solidifies Russia's role as a pivotal player in Africa's energy landscape.

Russia's state-owned gas giant Gazprom has also expanded its operations. In Tanzania, Gazprom secured a deal to explore and produce natural gas, with an emphasis on compressed natural gas, which is vital for the East African nation's growing energy needs. Tanzania's efforts to diversify its energy sources highlight the significance of this partnership, providing Gazprom access to East Africa's untapped gas potential while deepening the commercial ties between the two countries.

Meanwhile, Russian nuclear power company Rosatom is making inroads into Africa's energy sector. Rwanda is currently negotiating with Rosatom to establish a nuclear science and technology centre and potentially build a nuclear power plant, which would also involve local capacity building, specialized training and technology transfer. Rosatom's activities are part of Russia's broader strategy to provide advanced nuclear technology and enable African countries to diversify their energy sources.

The company has also signed an MoU with Guinea-Conakry to develop floating nuclear power plants; three cooperation agreements with Mali to explore the construction of a low-power nuclear plant; and a nuclear cooperation deal with the Republic of Congo. Nuclear power is becoming an attractive option for many African nations looking to meet growing energy demands while reducing reliance on fossil fuels. Rosatom's involvement positions Russia as a key partner in Africa's energy transition, aligning with G20 discussions on sustainable and diversified energy sources.

The Future of Russia's Energy Engagement in Africa

Russia's growing energy investments in Africa reflect a strategic push to secure long-term energy partnerships with resource-rich nations. These investments – spanning oil, gas and nuclear sectors – demonstrate Russia's commitment to becoming a dominant energy player in Africa, capitalizing on the continent's untapped energy potential. For Russia, Africa represents a vital frontier in the global energy market, and its rising energy demands and need for infrastructure development have created opportunities for Russian companies to provide both traditional and alternative energy solutions. These investments align with Russia's efforts to secure long-term access to vital resources in a shifting global energy landscape, while competing with established players like the U.S. and China on the continent.

African Energy Week (AEW) 2025: Invest in African Energies has become the premier platform for discussing Africa's energy future and attracting global investments in the sector. As the continent seeks to diversify its energy mix, AEW offers a valuable opportunity for Russian companies and investors to deepen their engagement on the continent, forge new partnerships and explore emerging opportunities in Africa's evolving energy landscape.

Looking ahead, Russia's energy strategy in Africa will likely focus on strengthening bilateral ties, enhancing energy security and contributing to the continent's energy transition. As the G20 continues to prioritize global sustainability and diversification, Russia will aim to position itself as a reliable partner in both traditional energy resources and emerging technologies like nuclear power. Russia's expanding presence in Africa's energy industries underscores its ambition to become a strategic partner for the continent. However, navigating geopolitical dynamics and international competition will be key to ensuring that the country's investments deliver long-term benefits for both Russia and Africa's energy future. The coming years will be crucial in determining whether Russia can solidify its position as a leading energy player on the continent, especially in light of the G20's focus on sustainable energy development.

L-R: Lehle Baldé, host/MC; Lynda Saint-Nwafor, chief enterprise business officer, MTN Nigeria; Ifeyinwa Ighodalo, CEO, DO.II Designs; Bolanle Tyson, head, SME, products, Sterling Bank and Adejoju Ajagunna, head, customer experience and operations, Jobberman at the MTN IWD Roundtable Discussion, at the Rooftop Plaza, MTN Headquarters, Lagos recently.
IMAGE BY PIUS OKEOSISI

IEA launches revamped Everything Energy podcast to explore key energy issues with top experts

Bamidele Famoofo

THE INTERNATIONAL ENERGY AGENCY (IEA) today relaunched its Everything Energy podcast, which will delve into the biggest global energy topics in interviews with experts from across the Agency.

By leveraging the IEA's data and analysis on all fuels and energy technologies across regions and countries worldwide, the podcast aims to offer valuable insights on issues at the centre of the global energy dialogue.

The first episode, which is now available on Spotify and Apple Podcasts, explores the key findings of the IEA's new Global Energy Review 2025. Host Dan Hewitt speaks with Laura Cozzi, IEA Director of Sustainability, Technology and Outlooks, about major trends across the energy sector in 2024 – including the surge in global energy demand, particularly for electricity.

Upcoming episodes will cover a broad range of topics, including the major potential of geothermal energy, the global comeback of nuclear power, the deep links between energy and artificial intelligence, and more.

Those interested in big-picture IEA analysis on the global energy landscape can also subscribe to the Agency's new Energy Snapshot newsletter. Published once a month, it explores changes to the global energy system through charts.

OML34: Delta communities shut down NEPL operations, others

Business a.m.

AGGRIEVED PROTESTERS FROM 28 host communities in Oil Mining Lease (OML34) in Delta State, comprising hundreds of women and youths on Thursday shutdown the Utorogu Gas Plant and operations of NNPC Exploration and Production Limited (NEPL) and ND Western Limited.

The protesters anchored their grievances on alleged "outright neglect, disrespect and deliberate abandoning of corporate social responsibility to the host communities by NEPL and ND Western Limited".

A spokesman for the protesters who is also the Advisor, OML34 Host Communities Forum, Comrade Efe Okovwurie, while speaking with journalists at Utorogu Gas Plant stated that they are angry with management NEPL and ND Western Limited for not fulfilling their obligations to the host communities.

According to him, the Host Communities had earlier given a one-month ultimatum to NEPL and ND Western Limited to implement all agreements with the communities.

While calling on the Federal Government, Delta State Government and relevant agencies to prevail on NPEL and ND Western Limited to fulfil their obligations to the Host Communities, he disclosed that "the leaders and President Generals / Chairmen of the Host Communities had written letters, but as usual, the companies paid deaf ears to the collective demands."

"It is unfortunate that the 28 Host Communities in OML34 have been engaged in a running battle with NEPL/NDW over issues that borders on failed promises and refusal to implement decisions reached between the company's management and the leadership/ indigenes of the OML 34 host communities", he stated.

He noted that "on 12th February 2025, a meeting was held between the 28 Host Communities and representatives of NEPL/NDW, where one month was given and agreed upon that the company implements the demands".

"The ONE MONTH ultimatum expired on 14th March 2025, and the company disobeyed and did not implement the demands, necessitating the protest and shutdown on 3rd April 2025", he submitted.

Speaking further, he maintained that "the Host Communities faults NEPL/ND Western Limited for secretly opening an account with Zenith Bank at Ikpoba-Benin City, Edo State, and depositing the PIA 3% Funds without the knowledge and consent of the HCDT BOT in OML 34".

"The Host Communities are demanding that the Funds must be immediately moved from the Zenith Bank at Ikpoba Hill, Edo State, to the Zenith Bank in Ughelli, Delta State, that was opened by the OML34 HCDT Board of Trustees", he declared.

Other demands by the protesters, according to Comrade Okovwurie, are:

"The Payment of the accumulated five years Scholarship arrears to deserving indigenes for 2020, 2021, 2022, 2023 and 2024.

"The release of 2023 GMoU Capacity Building Funds of N25million to empower indigenes of Host Communities.

"Payment of Land Rents arrears to families of land owners/communities housing Oil and Gas facilities in OML34, for the period of 2022, 2023 and 2024.

"Resolving the issue of casualization of workers and harmonizing welfare package for the indigenes of the OML 34 Host Communities.

"Recalling of the two drivers that were sacked unjustly by the company and should be allowed to resume in their duty posts.

NCAA protects passengers against foreign airlines over transit refusals

Sade Williams/Business a.m.

PASSENGERS FLYING OUT OF Nigeria on flights offered by international carriers are being offered some comfort by the Nigeria Civil Aviation Authority (NCAA) which is promising to suspend or fine carriers that sell tickets to passengers only to airlift them halfway to their destinations and deport them back to Nigeria.

Confusion over transit visa requirements have often seen passengers distressed in connecting destinations after airlines had sold tickets for flights without informing passengers that they would require visa to enter airports before they can board their connecting flights.

Now the NCAA is moving to halt the unfriendly customer service provided in such circumstances by such airlines to the distress of Nigerian passengers.

Michael Achimugu, director, consumer protection and public affairs of the NCAA, in a statement, said it received several complaints about the refusal of boarding/entry at intermediate transit stops to some Nigerians due to visa/travel restrictions, adding that such is causing significant distress to passengers and tarnishing the reputation of the aviation industry in

Nigeria

The NCAA frowned at the practices, adding that it is the responsibility of airlines to inform passengers about any potential barriers to their admissibility at their destinations before they commence their travel.

"Passengers should not be put in a position where they are denied entry or return to Nigeria only on arrival at intermediate /transit stops.

"In line with the provisions of Nigeria Civil Aviation Regulations 2023 Part 19.21.1.1, all airlines and their agents shall ensure that passengers are informed of any potential admissibility issues or travel restriction in advance of their departure. Airlines must take appropriate measures to screen and provide passengers with accurate, up-to-date information regarding their travel documents and visa requirements before issuing a ticket and proceeding to board them.

"In light of this, the NCAA informs all international airlines operating in Nigeria that the Authority will no longer tolerate these occurrences. Effective immediately, any airline found to be engaged in such practices would be subject to regulatory action, including but not limited to fines, suspension of flight operations or other measures deemed appropriate," Achimugu said.

The NCAA said it expects the cooperation of all airlines in maintaining the integrity and professionalism of the aviation industry, as well as ensuring the well-being of Nigerian passengers.

Air Peace gives passengers special treat to celebrate Lagos-London route

Sade Williams/Business a.m.

PASSENGERS OF NIGERIAN international carrier, Air Peace, got a special treat from the airline recently as part of its celebration of its one year operating the Lagos-London route.

The country's leading airline and West and Central Africa's largest by fleet size, rewarded passengers for their loyalty and unwavering patronage on board the LOS-LGW and LGW-LOS flights with exciting giveaways, a raffle draw, and a special cake-cutting ceremony.

To appreciate its esteemed customers for believing and trusting the brand, Air Peace conducted a raffle draw, where 20 lucky passengers won free complimentary rides from the airport to their various destinations across the UK and in Lagos.

Specifically, Air Peace offered 10 Simplaa mobility service rides to lucky passengers from Gatwick Airport to their respective destinations across the UK.

Similarly, seven passengers arriving in Lagos on the LGW-LOS flight enjoyed seamless GTi rides from MM2 to their various destinations in Lagos, while three passengers enjoyed free complimentary rides on Sixt Mobility service, thus ensuring a hassle-free travel experience.

Report shows Arik airlifts 2.2m passengers in 10,699 flights in 2024

Sade Williams/Business a.m.

DATA SOURCED FROM the Nigeria Civil Aviation Authority has shown that Arik Air, the Nigerian domestic carrier airlifted 2,239,176 passengers over 10, 699 flights between January 1, 2024 and December 31, 2024.

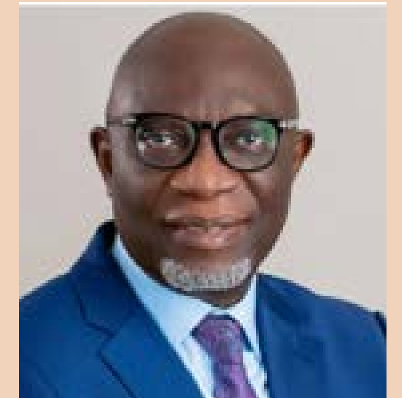
Still under the receivership of Asset Management Corporation of Nigeria (AMCON) since 2017, and facing other challenges, the data shows the airline as the second most active airline in terms of passenger traffic and flight operations in Nigeria after Air Peace.

According to the data report, the total number of air travellers in the domestic scene in 2024 was 11, 549,443 with inbound at 5,727,700 and outbound passengers at 5,821,743. This figure shows that Arik Air captured 19.3 percent of the total passenger traffic for 2024, while it had 15.1 percent of the total 70,543 flights operated by the 15 domestic airlines in the year under review.

The Executive Summary on International and Domestic Flight Operations 2024, as captured by the NCAA, indicated that Arik Air had 1,112,358 and 1,126,818 as inbound and outbound passengers for 2024, respectively, making it a total of 2,239,176 passengers ferried in 2024.

Monthly breakdown of the passenger traffic indicated that Arik Air had 37,772 inbound passengers and another 38,987 as outbound passengers in January 2024, totalling 76,759 passengers. For February the airline recorded 38,217 as inbound and 39,209 as outbound, totalling 77,426; March, 37,183 as inbound and 37,642 as outbound, making it a total of 74,825; April, 31,326 as inbound and 31,971 as outbound, making 63,297.

The airline in May 2024, also recorded 39,006 as inbound and 39,765 as outbound passengers, totalling 78,771 for the month, while the month of June had 37,710 as inbound and 38,617 as



Gbenga Alade, managing director, AMCON

outbound, totalling 76,327; July, 156,146 as inbound and 159,044 as outbound, totalling 315,190; August, the airline recorded 153,080 as inbound and 144,259 as outbound, making it a total figure of 297,339 within the period.

For the month of September, Arik Air recorded 143,396 as inbound and 145,096 as outbound, making it a total figure of 288,492; October 129,506 as inbound and 133,330 as outbound, totalling 262,836; November, 252,448 as inbound and 255,578 as outbound, making it a total of 508,026, while December had 56,568 as inbound and 63,322 as outbound, making it a total of 119,890 passengers ferried within the period.

Also, a month-by-month breakdown of flights operated by Arik Air in 2024 showed that the airline had a total number of 380 flights in January, 2024; 419 flights in February and 468 flights in March 2024.

A further breakdown showed that for the month of April, the airline operated a total number of 340 flights; May, 374; June, 350, while it peaked in July, going as high as 1,403 flights in just one month.

The Airport Customer Experience

Energy for airport competitiveness

AIRPORTS PLAY A KEY ROLE in the economy of the community, region and state where they are located. While aviation is poised towards sustainable business practices and cleaner energy sources, airports can move from being passenger and aircraft hubs to energy hubs. They will not only produce and store energy for their own use, but also for the use of their community. Surplus energy can be stored in battery systems and put to use during peak hours, emergencies; and in so doing, airports can operate beyond sunlight and sunset hours so that pilots in the continent can put their planes to use more profitably.

In January 2025, Rome Fiumicino Airport unveiled its new solar farm located along the eastern side of Runway 3. This solar farm extends for almost 2.5km and represents a unique infrastructure in the international airport. The new plant is the biggest airport photovoltaic system in Europe and among the largest in the world. From reports it will reach a capacity which would be enough to satisfy 50 percent of current airport energy demand, which is said, will amount to the annual energy needs of 30,00 Italian households in one full year.

Airports are transforming into "Energy Cities" or "Aerotropolises" which are integrating energy- efficient technologies, renewable energy sources, and sustainable infrastructure. Not only does it reduce their environmental footprint, but it can serve as a competitive advantage and differentiator for airports in Africa as they grow the airports in number and revenue.

The recent incidence at Heathrow underscores the importance of energy to an airport and the surrounding community. London's Heathrow Airport was shut down entirely recently following a major power outage caused by a fire at a nearby electrical substation. It was reported that the disruption forced flights to turn back midair or divert to alternate locations. In Africa where energy sufficiency is still a challenge, airlines find themselves grappling with power sufficiency in their destination airport when they have had to leave their originating airport late due to some constraint.

Airports in becoming energy cities, are incorporating on-site renewable energy sources as wind, solar, and geothermal power to reduce dependence on fossil fuel. They are adopting energy efficient technologies including LED lighting, energy efficient HVAC systems, and smart building management systems. Airports are incorporating sustainable infrastructure like green roofs, rainwater harvesting systems, and electric vehicle charging infrastructure. They are also investing in energy storage systems and advanced grid management technologies to optimise energy distribution and manage peak demand. They are also promoting the adoption of electric and hybrid – electric vehicles including ground handling equipment and airport shuttle buses.

Airports as energy cities have benefits not only on the path to sustainability but also for energy security and as a source of non-aeronautical revenue in serving communities around it with energy.

When airports transition to renewable energy sources as well as energy – efficient technologies, they can reduce to a large extent their greenhouse gas emissions. This can lead to reduced dependence on fossil fuels, improving energy security and reducing the risks associated with changing energy prices. It is also a visible demonstration of the airport's commitment to sustainability, and so enhances their reputation while contributing to a more sustainable aviation industry.

When airports become energy cities they can then manage and effectively reduce energy costs, create new revenue streams as they sell energy to other users. The airport becomes attractive not only for airlines but also for other businesses who are assured of energy for their investments.

EKELEM AIRHIHEN

Ekelem Airhihen, an accredited mediator, has an MBA from the Lagos Business School. He is a member, ACI Airport Non-aeronautical Revenue Activities Committee; his interests are in market research, customer experience and performance measurement, negotiation, strategy and data and business analytics. He can be reached on ekyair@yahoo.com and +2348023125396 (WhatsApp only).

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AI to unlock $434m Nigerian Fintech market in Africa

Stories by Joy Agwunobi

THE RAPID EXPANSION OF Nigeria's fintech sector is playing a pivotal role in shaping Africa's digital financial ecosystem, with industry players emphasising the need for strategic adoption of Artificial Intelligence (AI) to sustain competitiveness.

Remita, a leading payment solutions provider in Nigeria, highlights AI as a game-changer for fintech firms, enabling them to enhance efficiency, security, and customer experience in an industry projected to reach $434.4 million by 2026.

With an impressive annual growth rate of 44.2 percent, the sector is evolving rapidly, making AI adoption a crucial factor for firms aiming to secure a strong market position.

This insight is drawn from Remita's latest report, "Unlocking the Power of AI in Nigeria's Fintech Sector," which identifies AI as a critical catalyst for industry transformation. The report highlights key factors driving Nigeria's fintech leadership, including rapid technological adoption, access to local and international funding, an expanding talent pool, increased participation by banks and telecom firms, the availability of international offerings, and supportive government policies.

The report urges fintechs to harness AI's potential in streamlining operations, enhancing decision-making, and improving fraud management. Currently, Nigeria accounts for over 29 percent of all venture funding in Africa, with fintech startups receiving 52 percent of these investments. Of Africa's nine unicorns, eight are fintech firms—five of which are Nigerian,highlighting the sector's dominance and the critical role AI can play in sustaining its growth.

AI-driven tools are already proving transformative by automating customer support, accelerating product development, improving access to information, enhancing documentation processes, and facilitating entry into new markets. "Adoption is essential to position firms for this growth," the report emphasises, adding that AI is a non-negotiable step toward resilience and innovation.

Nigeria's digital transactions surged to 11.2 billion in 2024, a 16.7 percent increase from 2023, reaching a valuation of $713 billion (N1.07 quadrillion). The report argues that AI could further amplify this growth, especially as financial inclusion has doubled from 32 percent in 2012 to 64 percent in 2024, driven primarily by fintech solutions. However, Remita warns that firms failing to integrate AI risk falling behind in the next wave of innovation.

However, while artificial intelligence (AI) continues to revolutionise the financial technology sector, it is not without risks. The rapid advancement of AI-driven systems has introduced new threats, including deepfake-enabled social engineering, identity fraud, large-scale Distributed Denial of Service (DDoS) attacks, and systemic cyber threats targeting both companies and nations.

Remita further outlined six major risk areas that fintech companies must address to ensure the safe and ethical deployment of AI in their operations. These risk areas include:

Data privacy and compliance remains a critical concern for fintechs adopting AI solutions. AI systems rely heavily on vast amounts of data to function effectively, but improper data handling can lead to breaches and regulatory violations.

The study recommends that fintechs establish AI governance policies to regulate data access and usage, ensuring that stakeholders handle information responsibly.

Cyber fraud has long been a challenge for fintechs, and AI presents both risks and solutions in this domain. Fraudsters are increasingly leveraging AI to develop sophisticated attack methods, making it crucial for fintechs to enhance their fraud detection and prevention mechanisms.

However, AI-powered fraud detection systems can

significantly strengthen security by identifying anomalies in real time. The report highlights that fintech firms have various options to counter cyber fraud, including advanced AI-driven fraud engines—open-source, proprietary, or hybrid models.

Another major risk in AI adoption is bias, which can lead to unfair decision-making in financial services. The report advises fintech companies to regularly audit their AI models to detect and rectify biases, hallucinations, and other inconsistencies. Without proper oversight, biased AI systems can create discriminatory lending practices, inaccurate credit scoring, and unfair access to financial services.

To mitigate this, fintechs should implement fairness and accuracy audits, ensuring AI-generated outcomes are transparent, unbiased, and aligned with ethical standards.

The increasing reliance on global AI models and cloud infrastructure poses a challenge to data sovereignty. Many fintechs operate using AI tools hosted on international servers, which may conflict with local data residency laws. The report stresses that Nigerian fintech companies must ensure their AI solutions comply with domestic regulations, particularly the Nigeria Data Protection Act (NDPA) and the Nigeria Data Protection Commission (NDPC) guidelines.

To address this, fintechs should prioritise local data storage and develop AI solutions that protect customer data access. By localising their data infrastructure, fintech firms can align with national cybersecurity frameworks while reducing exposure to international data privacy conflicts. AI misuse presents another significant risk, encompassing unauthorised access, manipulation of financial data, and unethical deployment of AI systems. The report recommends embedding safeguards within AI deployments to detect and prevent unethical practices, ensuring alignment with business objectives and regulatory frameworks.

The growing reliance on AI-powered assistants and automated financial advisors heightens the risk of misinformation. The report highlights that while AI models generate sophisticated insights, they do not inherently verify the accuracy of the information they produce. This can lead to misleading outputs, financial misjudgments, and regulatory challenges. Fintech firms must, therefore, incorporate measures to validate AI-generated content, preserving customer trust and regulatory compliance.

AI holds immense potential for the fintech industry, but its deployment must be handled with caution. By proactively addressing these risks and implementing strong regulatory frameworks, fintech firms can harness AI's capabilities while safeguarding their customers and operations.

Another growing concern in AI-driven fintech solutions is the risk of misinformation. The increasing dependence on AI-powered financial advisors and automated decision-making tools introduces the potential for inaccurate or misleading outputs.

The report warns that AI models, while powerful, do not inherently verify the accuracy of the information they generate, leading to customer distrust, misinformed financial decisions, and regulatory non-compliance.

To address these challenges, Remita recommends that fintechs implement rigorous training mechanisms using verified financial data. Human oversight should be integrated into AI-driven systems to cross-check outputs for accuracy, while real-time fact-checking protocols should be embedded to validate AI-generated financial insights before they reach customers.

Beyond internal safeguards, the report highlights the importance of collaboration among key industry players—including AI developers, research institutions, and fintech stakeholders—to drive responsible AI adoption, noting that a collective approach would help fintech companies scale AI-driven solutions while ensuring compliance, security, and ethical deployment.

"The industry must work together to create frameworks for AI adoption across multiple fintech use cases in Nigeria. This collaboration is essential to making AI solutions accessible to technology builders and ensuring that fintech innovation is both responsible and sustainable," the report stated.

Additionally, the report stresses that industry players have a critical role in talent development, ensuring that Nigeria builds a strong AI workforce capable of fueling continued innovation and economic growth.

Looking ahead, the report underscores that fintechs that boldly and responsibly adopt AI will be at the forefront of redefining financial services. By proactively addressing risks—ranging from data sovereignty and fraud prevention to ethical AI governance and misinformation control—these firms will contribute to the deepening of economic growth and help position Africa as a leader in AI-driven financial inclusion.

"Fintechs that take the lead in responsible AI adoption will play a crucial role in shaping a future where technology empowers individuals and businesses, enabling inclusive financial services and broader economic opportunities for all," the report noted.

Speaking on the report, DeRemi Atanda, managing director of Remita, highlighted the evolution of Nigeria's fintech sector, stating that while it has long been driven by bold ambition and relentless execution, the next phase of growth demands strategic intelligence. He emphasised that artificial intelligence (AI) is a crucial tool for unlocking new possibilities.

"The future of leadership will belong to those who can harness the full potential of emerging technologies like AI," Atanda noted. "The question is no longer about whether to adopt AI but rather how to implement it effectively for maximum impact."

Uchenna Okpagu, chief AI officer at Remita, described AI as a force multiplier rather than just a standalone feature. He stressed that fintech companies integrating AI into their core operations, enhancing security, scalability, and business intelligence—will be the key players shaping the financial sector over the next decade.

Equinix expands digital infrastructure in Nigeria with new Lagos data centre

EQUINIX, A GLOBAL LEADER in digital infrastructure, has officially unveiled its latest data center expansion in Lagos, LG2.3, reinforcing its commitment to Nigeria's growing digital economy.

The facility is designed to support the country's digital transformation journey by offering state-of-the-art colocation and secure interconnection solutions to empower businesses across the region.

According to Equinix, the expansion underscores its dedication to strengthening Nigeria's position in the global digital landscape, furthering its mission to advance technological growth and connectivity in the region.

To mark the inauguration, Bruce Owen, president of EMEA at Equinix, led a ribbon-cutting ceremony alongside other top executives at the newly expanded site. The company also hosted an exclusive customer engagement event, bringing together key stakeholders from Nigeria's business and technology sectors.

During the engagement event, attendees discussed shared successes and Equinix's role in facilitating digital transformation, while also connecting directly with Bruce Owen for insights into how Equinix's solutions drive innovation and business agility in the region.

As part of its commitment to sustainability, Equinix executives participated in a tree-planting ceremony, symbolising the company's dedication to reducing its carbon footprint and promoting eco-friendly practices within its global operations. Speaking on the significance of the expansion, Bruce Owen emphasised Nigeria's strategic importance to Equinix's global vision. "Nigeria is a crucial market for Equinix. Today's opening is a clear demonstration of our continued commitment to investing in and expanding digital infrastructure that will benefit thousands of businesses in Nigeria and across the continent. The partnerships and innovations emerging from this dynamic region continue to inspire our dedication to Nigeria's digital and sustainable future," he stated.

Wole Abu, the managing director of Equinix West Africa, emphasised the vital role data centers play in boosting economic growth, underscoring their importance in Nigeria's digital transformation. He stated, "Data centers continue to play a pivotal role in driving economic development in Nigeria, serving as critical infrastructure that supports digital transformation and economic growth."

Abu further elaborated on the growing global demand for data center capacity, pointing out that while Africa's demand for data solutions is still emerging compared to more developed markets, the continent is showing considerable promise in terms of digital adoption and innovation.

Voices Unheard: AI revolution is leaving 2,000 African languages behind

Stories by Joy Agwunobi

ARTIFICIAL INTELLIGENCE (AI) holds the promise of revolutionising key sectors such as education, healthcare, and access to justice. However, its benefits remain unevenly distributed, as linguistic underrepresentation, infrastructure deficits, and biased algorithms risk exacerbating existing inequalities, leaving marginalised communities behind.

These concerns were central to discussions at the Global AI Summit on Africa, where Bibliothèques Sans Frontières (Libraries Without Borders), Kajou, and the AI Lab Pleias advocated for ethical, sustainable, and culturally inclusive AI, particularly for low-resource countries.

As part of their advocacy, the organisations launched a white paper titled "Beyond the Hype: Building Equitable and Sustainable AI for Social Impact" under the Ideas AI initiative. The publication explores AI's transformative potential while addressing the significant challenges that hinder its inclusive deployment.

The core concern is that AI could become an exclusive tool for wealthier nations, leaving underserved communities behind. At a time when AI risks deepening global inequalities, the white paper serves as a call to action to develop AI that is frugal, ethical, inclusive, and culturally relevant to ensure its benefits are accessible to all.

The whitepaper examines the severe underrepresentation of local languages in AI datasets and the structural barriers that prevent equitable AI development, particularly in Africa and other low-resource regions. The study stresses that multilingual data scarcity is not merely a technical issue but a significant human challenge, as AI tools often fail to serve communities that lack digital representation. Without intervention, it noted that AI deployment risks deepening social and economic inequalities rather than addressing them.

According to the paper, the world has over 7,000 languages, with 2,000 spoken across Africa. However, AI models overwhelmingly prioritise English and European languages, dedicating over 90 percent of training data to English, with the remaining 10 percent covering other high-resource European languages such as Spanish, French, German, and Italian. This leaves less than 1 percent of AI training data for the thousands of languages spoken by billions, particularly in Africa, Asia, and indigenous communities worldwide.

This imbalance, it noted, is not just a matter of volume but a reflection of systemic biases in AI development, adding that historical policies that favoured European languages have marginalised non-European datasets, limiting AI's ability to process diverse linguistic structures, cultural contexts, and reasoning frameworks. As a result, many AI models underperform when dealing with local dialects, indigenous knowledge, and socio-cultural nuances.

Without addressing this gap, the study stressed that AI risks accelerating language loss—currently, one language is lost every three months—as dominant languages become more embedded in digital technologies. Furthermore, indigenous knowledge systems may be systematically excluded from AI-powered information platforms, depriving future generations of culturally rich and diverse insights.

The study warns that economic opportunities arising from AI will disproportionately benefit communities already advantaged by language representation in AI datasets.

While increasing data diversity is essential, the study emphasises that it is not enough. Even with more multilingual data, the Global South faces another critical challenge—the lack of infrastructure needed to train, deploy, and scale AI systems effectively.

The whitepaper highlights the infrastructure challenges that hinder AI adoption in emerging markets, particularly in Africa, Latin America, and parts of Asia. The global distribution of data centres reveals significant disparities with North America, home to just 4.7 percent of the global population, hosts 40 percent of the world's data centres, Europe accounts for 30 percent of data centre capacity, and Africa, despite housing 17 percent of the world's population, holds less than 1 percent of global data centre capacity.

The whitepaper also highlighted the challenge of connectivity and digital access constraints, according to the paper, AI technologies require stable and high-speed internet connectivity, but Africa lags behind significantly in the following regard: Internet penetration: While North America and Western Europe have over 90 percent internet penetration, Africa averages just 37 percent.

Fixed broadband access: Less than 5 percent of African households have fixed broadband, compared to over 80 per cent in developed markets.

In terms of Average internet speeds: North America: 150+ Mbps (fixed broadband), Western Europe: 120+ Mbps and Sub-Saharan Africa: 28 Mbps (with even lower speeds in rural areas, often below 10 Mbps)

While mobile networks have expanded, adoption remains low due to affordability issues. Although 4G covers 77 per cent of Africa's population, only 28 per cent of people use it due to high costs and device limitations. Additionally, 5G adoption is in its early stages, covering less than 3 per cent of Africa's population compared to over 80 per cent in leading markets.

Beyond infrastructure, the White Paper noted that Africa also suffers from a lack of essential natural language processing (NLP) tools that are crucial for AI applications. The absence of language identification, classification, and tokenisation tools means that many local languages cannot be effectively processed by AI systems. This technical limitation restricts the ability of AI to understand diverse cultures, provide accurate translations, and develop locally relevant applications.

The study argues that truly inclusive AI requires a comprehensive approach that combines: Data collection methodologies to ensure diverse linguistic representation, evaluation frameworks to measure AI effectiveness across different cultures, basic NLP tool development to enable AI applications in underserved languages.

Addressing the infrastructure challenges for AI deployment in emerging markets, the white paper emphasises that deploying AI in emerging markets cannot rely on a one-size-fits-all strategy. Instead, it calls for a balanced approach that aligns technological innovation with local realities—economic constraints, limited connectivity, and existing infrastructure gaps.

"No single approach can fully address the complex challenges involved," the report states, "but complementary strategies can create viable pathways to meaningful AI participation despite infrastructure limitations."

Key to the proposal is leveraging what is already available. The paper argues that AI systems must be designed for efficiency and accessibility, using methods such as edge computing, mobile-first deployment, and CPU optimisation to deliver high-impact outcomes without relying on high-end infrastructure. These "frugal" innovations are especially important in areas where internet access is limited or unreliable.

The publication further outlines six concrete recommendations aimed at ensuring that AI technologies benefit underserved populations without further entrenching inequality:

- Frugal, sustainable and offline AI: invest in offline, affordable, and resource efficient AI to foster equitable access.
- Linguistic and cultural inclusion: fund open-source NLP tools for underrepresented languages to ensure diversity and fairness.
- Ethical AI governance: mandate human oversight to respect rights and community values.
- Open-source transparency: prioritize transparent, open-source AI models and datasets for accountability and community adaptation.
- Inclusive evaluation metrics: adopt culturally relevant benchmarks prioritizing fairness and accessibility alongside accuracy.
- Build local capacity: support local AI education, entrepreneurship, and research in LMICs to sustain innovation.

Additionally, the white paper argues that physical infrastructure alone is not the silver bullet for AI deployment, but rather building local knowledge, skills, and institutions is crucial.

"Building human capacity alongside physical infrastructure development ensures that investments translate into sustainable capabilities rather than stranded assets," the paper asserts. "By investing in education, training, and knowledge transfer, emerging markets can develop the expertise necessary to maintain, operate, and adapt AI infrastructure to local needs."

This holistic focus on both human and technological readiness reflects the broader mission of Kajou and BSF. Known for deploying local microservers and microSD cards to deliver educational and health content in offline settings, both organisations bring practical, on-the-ground experience from projects across countries like Senegal, Ivory Coast, and the Democratic Republic of Congo.

Despite the considerable challenges, the white paper highlighted the current moment as an opportunity to build a more inclusive AI future, stating: "The challenges are substantial, but the opportunities are even greater. By embracing a holistic, context-aware approach, and working collaboratively across sectors, we can harness the transformative potential of AI to create more equitable and effective opportunities for all, regardless of their background or location. Let us seize this moment to build an AI-powered future that truly leaves no one behind."

L-R: Harbaugh Christine, counselor for economic affairs, U.S. Embassy, Abuja; Juliet Ehimuan, convener, Digital Innovation and Creative Excellence (DICE); JoEllen Gorg, acting consul general, U.S. Consulate General, Lagos; and Jlie LeBlanc, counselor for commercial affairs, U.S. Commercial Service, at the third edition of a Tech Ecosystem Mixer organised by DICE, in Lagos recently.

Technology & Society

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Future of AI-driven mobile payment solutions in Africa

AFRICA IS EXPERIENCING a digital payments revolution, with mobile money services like Opay, M-Pesa, MTN MoMo, and Airtel Money playing a critical role in financial inclusion. These platforms have enabled millions to send, receive, and store money without the need for traditional banking infrastructure. However, as technology evolves, artificial intelligence (AI) is set to further transform mobile payment solutions, making them more efficient, secure, and accessible.

This article explores the future of AI-driven mobile payment solutions in Africa, examining how AI can enhance fraud detection, tackle existing challenges, and shape the continent's economic landscape in the coming years.

Africa leads the world in mobile money adoption, accounting for nearly 70 percent of global mobile money transactions. With over 500 million registered mobile money accounts, platforms such as Opay in Nigeria, M-Pesa in Kenya and EcoCash in Zimbabwe have revolutionized the financial sector.

Despite this growth, several challenges persist, including:

- High transaction costs and fees.
- Security vulnerabilities leading to fraud and financial crimes.
- Limited interoperability between different mobile money platforms.
- Infrastructure challenges, particularly in rural areas.

AI-driven innovations can address these issues, making mobile payments more efficient, inclusive, and secure.

AI has the potential to reshape Africa's mobile payment ecosystem in several key ways:

1. Enhanced fraud detection and cybersecurity

Fraud and cybercrime remain significant threats to mobile money users. AI-powered fraud detection systems use machine learning algorithms to analyze transaction patterns in real time. By identifying anomalies — such as unusual transaction amounts, suspicious locations, or repeated failed login attempts — AI can flag potentially fraudulent activities before they occur.

Moreover, AI enhances cybersecurity by using biometric authentication methods like facial recognition, voice recognition, and fingerprint scanning. These technologies ensure that only authorized users can access mobile payment accounts, reducing identity theft and unauthorised transactions.

2. AI-driven financial inclusion and credit scoring

A major challenge in Africa is the lack of access to credit due to insufficient banking history. Traditional credit scoring systems rely on a person's banking transactions, leaving out millions who operate solely through mobile money.

AI offers an alternative approach by analysing non-traditional data points such as:

- Mobile money transaction history.
- Phone usage patterns and bill payment records.
- Social media activity and digital footprints.

By assessing these data sources, AI-powered credit scoring models can provide financial institutions with a more comprehensive understanding of a user's creditworthiness. This enables mobile money users to access microloans and other financial products without the need for collateral.

3. Smart payment automation and efficiency

AI enhances the efficiency of mobile payments by automating processes and reducing manual intervention. AI-powered chatbots and virtual assistants can handle customer queries, resolve transaction disputes, and even facilitate payments using natural language processing (NLP).

For example, AI-driven chatbots can allow users to send money, check account balances, or pay bills via voice commands in multiple local languages, making financial transactions more accessible to non-literate populations.

4. Cost reduction and financial affordability

AI-driven automation reduces the operational costs associated with mobile payments. By streamlining transaction processing, fraud detection, and customer support, financial service providers can lower their costs and pass these savings on to users through reduced transaction fees. This is particularly important in Africa, where high transaction costs remain a barrier to widespread adoption of digital payments.

5. Voice and biometric payments for accessibility

Many African populations rely on spoken languages rather than written text. AI-powered voice recognition technology enables users to conduct financial transactions using voice commands, making mobile payments more inclusive for those with limited literacy.

Additionally, biometric authentication — such as fingerprint and facial recognition — improves security while eliminating the need for PINs or passwords. These technologies are especially useful for rural populations who may not have official identification documents but need secure financial services.

6. AI-powered financial literacy and customer support

A significant barrier to digital payment adoption is the lack of financial literacy. AI-powered educational tools and personalised financial recommendations can help users make informed financial decisions. By analysing spending habits, AI can offer tailored advice on budgeting, saving, and investment opportunities.

AI-driven chatbots can also provide 24/7 customer support, answering questions about mobile payments in multiple local languages. This improves user experience and builds trust in digital financial services.

Despite its potential, AI-driven mobile payments face several hurdles that must be addressed:

1. Data privacy and security concerns

AI relies on vast amounts of data to function effectively. However, concerns about data privacy and security remain critical. Without robust data protection laws, users' personal and financial information could be at risk of exploitation. Governments must establish clear regulatory frameworks to ensure data privacy while enabling AI innovation.

2. Infrastructure limitations

AI-driven solutions require reliable internet connectivity, mobile networks, and power supply — all of which remain inadequate in some rural areas. Investments in digital infrastructure are necessary to support AI adoption in mobile payments.

3. Regulatory and compliance challenges

AI-driven financial services operate in a complex regulatory environment. Governments and financial regulators must develop policies that balance innovation with consumer protection. This includes setting clear guidelines for AI-driven credit scoring, fraud detection, and data usage.

4. Trust and digital literacy

Many users, especially in rural areas, may be skeptical of AI-driven financial solutions. Financial education initiatives are crucial to build trust and help users understand the benefits of AI-powered mobile payments.

Looking ahead, AI-driven mobile payment solutions will continue to evolve and shape Africa's financial landscape. Key trends that will define the future include:

1. Greater interoperability between mobile money platforms

AI can facilitate seamless transactions between different mobile money providers, making cross-border and inter-platform payments more efficient. This will improve financial accessibility for users across different networks and countries.

2. Expansion of AI-powered lending and microfinance

AI-driven credit scoring will expand access to microloans, empowering small businesses and entrepreneurs. This will drive economic growth by enabling more people to access capital for business ventures.

3. Integration with blockchain for enhanced security

Combining AI with blockchain technology can enhance transparency and security in mobile payments. Blockchain's decentralised nature ensures that transactions are tamper-proof, reducing fraud risks.

4. AI-powered financial planning and investment tools

AI will play a larger role in helping users plan their finances, invest in assets, and optimize their spending. Personalised financial advisory services will become more accessible through mobile payment apps.

5. AI-driven remittance services

Remittances are a major source of income for many African households. AI can optimise remittance services by reducing transaction fees and processing times, ensuring that more money reaches recipients.

AI-driven mobile payment solutions are poised to revolutionise Africa's financial landscape. From enhancing security and efficiency to promoting financial inclusion, AI will play a crucial role in shaping the future of digital payments on the continent.

However, for AI to reach its full potential, challenges such as data privacy, infrastructure limitations, and regulatory hurdles must be addressed. With the right investments and policies, Africa can fully leverage AI to create a more inclusive, secure, and efficient digital financial ecosystem.

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AFDEIC 2025 to spotlight Africa's $180bn digital economy, AI innovation

THE AFRICAN DIGITAL ECONOMY & INCLUSIVITY CONFERENCE (AFDEIC 2025) has been announced and will take place in Abuja, Nigeria, from August 12th to 14th, 2025. The event is anticipated to gather government officials, policymakers, business executives, technology innovators, academics, and development partners to explore the growth of Africa's digital economy and the potential of artificial intelligence to drive inclusive development across the continent.

According to the organisers, the conference, themed "AI and Africa's Digital Economy: Leaving No One Behind," will center on key areas including financial inclusion, the expansion of digital infrastructure, the adoption of artificial intelligence, data governance, and cybersecurity.

Discussions at the Abuja conference will also address strategies aimed at bridging Africa's digital divide, strengthening fintech ecosystems, and accelerating broadband expansion. These efforts come against the backdrop of projections indicating that the digital economy is on track to contribute $180 billion to Africa's GDP by 2025 and is expected to surpass $712 billion by 2050.

Despite rapid growth in fintech, e-commerce, and AI-driven solutions, a 2022 report by the International Telecommunications Union found that 73 percent of rural Africans lack internet access, limiting their ability to benefit from digital financial services and e-learning platforms.

Reports indicate that Nigeria is making significant progress in developing its digital economy through government initiatives like the National Digital Economy Policy, which focuses on expanding broadband access, promoting e-commerce, and fostering digital financial services. The country also has a growing tech ecosystem, with thriving fintech companies driving financial inclusion.

Though increasing internet penetration strengthens Nigeria's position as a leading digital hub in Africa, a 2024 study by GSMA also reported that 61 percent of rural Nigerians remain disconnected from mobile internet.

AFDEIC, the pan-African digital economy conference, is not just a dialogue but a gathering where stakeholders will develop actionable solutions that address Africa's digital challenges and unlock the continent's potential for socio-economic achievement through inclusive policies, ensuring that no one is left behind in digital transformation.

Discussions will cover AI and big data for economic growth, digital identity systems for cross-border trade, and gender and youth inclusion in the digital workforce.

Other sessions will focus on cybersecurity threats, regulatory challenges, and strategies for expanding broadband and mobile internet access in underserved regions.

The event will feature high-level keynote sessions, panel discussions, and workshops on AI ethics, blockchain applications, cybersecurity best practices, and digital entrepreneurship.

Investment and networking forums will provide opportunities for startups, tech firms, and policymakers to connect with investors and development partners. A technology exhibition will also showcase innovations from African startups, research institutions, and global tech companies.

Speakers are expected to include top government officials, executives from major technology firms and fintech startups, representatives from international development organisations, and thought leaders in digital innovation and policy.

Commenting on the conference, Adedayo Oketola, team lead, AFDIEC Organising Committee,said, "Despite rapid fintech, e-commerce, and AI-driven advancements, Africa still faces significant digital infrastructure gaps. Many rural Africans lack internet access, with millions still unable to benefit from digital financial services and e-learning platforms.

Balancing surveillance, security, and data protection risk

Data & Information Governance

MICHAEL IRENE, PhD

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ORGANISATIONS ACROSS SECTORS are accelerating their investment in fraud prevention and employee surveillance technologies. These tools promise to detect misconduct before it escalates, protect sensitive assets, and reduce internal risk exposure. But as the sophistication of these systems grows, so too does the volume of personal data they capture — often without sufficient scrutiny. For senior leaders, this raises a serious question: are the very tools intended to shield the business now introducing a new layer of legal and reputational risk?

Sophisticated fraud analytics platforms now leverage behavioural patterning, anomaly detection, keystroke logging, and even sentiment analysis to flag potential insider threats. For example, financial institutions use layered surveillance to track unauthorised data transfers, mass downloads, or deviations from typical access patterns. Retail firms deploy real-time monitoring tools to detect transactional fraud or stock manipulation. In the technology sector, software development environments are increasingly subject to activity logging to guard against intellectual property theft. These are commercially sound strategies — but they must be approached through a lens of proportionality and necessity.

The challenge arises not from the existence of such tools, but from the manner in which they are implemented — often hastily, in response to perceived gaps in control, without adequate governance or data protection oversight. The intent may be defensible, but intent alone will not suffice when facing a regulator, a tribunal, or a reputational incident triggered by overreach. Organisations must demonstrate that their monitoring activities are lawful, fair, and transparent, with clear boundaries that are understood by both operators and employees.

As data protection professionals, we must challenge the premise that security and privacy are mutually exclusive. The use of employee surveillance must be anchored to clearly defined purposes, subject to strict access controls, and communicated with transparency. The practice of silent monitoring — such as the covert use of screen-recording software or location tracking without proper legal basis — can erode trust and expose an organisation to regulatory scrutiny. The Information Commissioner's Office in the United Kingdom has already signalled that employee monitoring will be a regulatory priority, especially when deployed without a lawful basis or when carried out in a manner that is excessive relative to the risk being mitigated.

There is also a human dimension that cannot be ignored. Excessive surveillance can foster a culture of suspicion, reduce morale, and damage the psychological contract between employer and employee. Where staff feel they are being watched without justification, performance suffers, trust breaks down, and talent retention becomes more difficult. Security does not exist in a vacuum — it must coexist with ethics, accountability, and organisational culture.

Crucially, there is a growing disconnect between the security departments implementing these technologies and the data protection functions tasked with oversight. This siloed approach is unsustainable. A Data Protection Impact Assessment must be a precondition to any monitoring deployment. DPIAs are not simply a legal requirement — they are a mechanism to challenge assumptions, interrogate necessity, and surface risks early. Employers should not wait for a complaint, breach, or subject access request to interrogate the legality of their tools. By then, the damage may already be done.

Executives must demand better questions from their teams: Is this tool necessary, or merely convenient? Does it target a specific risk, or surveil broadly? Have we documented our reasoning, and would we be comfortable explaining it to a regulator or tribunal? Are the people affected aware, and do they understand the limits of what is being collected and why? These are not operational questions — they are strategic imperatives.

Ultimately, the goal is not to inhibit fraud prevention, but to ensure that such measures are implemented with rigour, respect, and restraint. It is entirely possible to build a security function that is both robust and rights-respecting. The companies that succeed in this will not be those with the most aggressive monitoring systems, but those who align their controls with law, logic, and leadership. Privacy is not the enemy of security. It is the mark of a mature, defensible, and ethically grounded security strategy.

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Nigerian insurance sector: From jump-start to jump-growing

CHUKWUMA ONONIWU

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A PLETHORA OF THANKS is due the dynamic executive management of the National Insurance Commission (NAICOM) for its seamless collaboration with the Nigeria Police and the Federal Road Safety Commission (FRSC), which has led to a major uptick in the procurement of third party motor insurance policy. This has equally led to an increase in the share price of insurance firms and simultaneously an increase in the market capitalisation of quoted insurers, weeks after the commencement of the compulsory enforcement of the procurement of genuine motor third party insurance policy, which is the legal requirement for any motor owner to have.

However, it is not yet UHURU. The NAICOM should press the full throttle by going the needed extra mile in its collaboration with the Police and the FRSC to raid the motor vehicle licensing offices, the motor parks, the N.U.R.T.W. offices, the N.A.R.T.O. offices, etc, to confiscate all fake motor insurance documents/insurance forms/cover notes which have for long been banned. This should equally be done in the maritime sector to get rid of all fake marine insurance certificates, cover notes, pre-printed forms, etc, which again, for long have been banned. The raid, should zero in on Apapa, the neighbourhoods of Apapa, the business centres in Apapa, e.t.c. in Lagos State. These places have for long become the purveyors of fake marine insurance documents bearing the names of insurance companies that have been delisted for long by NAICOM, and even the names of operational insurance companies but with different spellings; for instance, Cornerstone typed as Kornerstone, and devoid of the essential features of a genuine marine insurance policy certificate.

Other classes of insurance that need government's compulsory enforcement are: Building in course of erection insurance policy for three floors and above; the compulsory procurement of bond insurance as a prerequisite for the award of government contracts from federal government to state government, to local government. Same for procurement of public liability insurance policy as a prerequisite for the award of government construction contracts that impact on the public safety, for instance construction of major flyovers, major bridges, major dams, etc. NAICOM in collaboration with the Police and the FRSC, should enforce the procurement of a minimum goods-in-transit insurance policy by hauliers. This, certainly, will go a long way to reduce the carnage on the interstate express roads and on the intrastate express roads with its consequential losses and consequential damages to government infrastructure. Going further, the federal government should enforce the deduction at source from the monthly FAAC allocation to states, the premium for the group life assurance policy of state government civil servants. Same for the premium for the group personal accident assurance policy. Same for Pension.

These deductions should be administered by the Office of the Accountant General of the Federation and the Office of the Auditor General of the Federation, backed with a firm of forensic auditors report, to eliminate ghost workers. There should be checks and balances/oversight by the legislative arm of the government, the EFCC and the DSS, to avoid any mind boggling embezzlement of disbursed funds. It is clear that the ontime real time payment of these benefits to civil servants, will on the minimum, cascade to a reduction in corruption in the civil service, as the civil servants, will be rest assured of a social safety net when life happens and on retirement.

Going further, there is need for enforcement of compulsory fire insurance premium payment in areas such as the central business district of Lagos Island which is bereft of town planning, with the result that shopping malls/shopping plazas/shopping outlets, are built very very close to each other, with the consequential spread of a fire like a hurricane and the consequential destruction of taxpayers' government infrastructure. The above outlined template will, in the long run, shore up the contribution of the insurance sector to the GDP of nigeria.

There is a glaring need to wake up the sleeping giant.

This series will continue next week.

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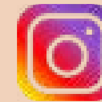
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Africa & Global Observatory

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A fitting new head for Nigeria's Seed Council?

LAST WEEK, THE APPOINTMENT of a new Director General for the National Agricultural Seed Council (NASC) was announced. His name is Fatuhu Muhammed. The newly appointed DG was elected into the Federal House of Representatives, where he became popular in 2020 as a member of House Committee on Tertiary Education, for proposing the privatisation of Nigeria's public universities in response to ASUU strikes.

Fatuhu Muhammed, who reportedly attended Federal Government College, Kwali, was one of the beneficiaries of the School of Basic and Remedial Studies (SBRS), reintroduced by the Ahmadu Bello University (ABU) in 2003, a programme supported by the northern state governors, raising the issue of educational imbalance in the country and the consequences on national unity and future stability among the elites. In 2005, he became one of the beneficiaries of the reintroduced SBRS. After the remedial programme, he was offered admission to study political science at ABU where he eventually graduated with Third Class Honours.

Honorable Fatuhu Muhammed, who is a nephew to Muhammadu Buhari, is a son of the former President's oldest brother. He contested election to the House of Representatives in 2019 as a representative of Daura-Sandamu-Mai'Adua Federal Constituency. Upon losing the primaries for his reelection and failing to get a return ticket to the House of Representatives in 2022, he wrote to leave the APC, after threatening to destroy the ruling party in his constituency. He was reportedly persuaded by the vice president Kashim Shettima to return to the party.

A paraphrase from his resignation letter, written and addressed to the Sarkin Yara Ward APC chairman in Daura local government area, reads thus: "This is to notify you that I have resigned my membership from the All Progressives Congress (APC) with immediate effect commencing from Wednesday the 13th day of July 2022. Attached herewith is my Party Membership Registration slip with slip No. KT/DRA/10/00002" It added that: "While I thank you and the Party for the opportunity given to me to serve the interest of the people of Daura-Sandamu-Mai'Adua Federal Constituency while working with the party, accept my best wishes please."

The appointment of Fatuhu by President Bola Ahmed Tinubu as the Council's DG is raising serious concerns as he is not a seed professional and lacks the essential training, qualification and cognate experience in seed science and technology as provided for in the Act establishing the Council. His appointment as a 'non-professional' into a position that is better suited for an expert is therefore an aberration.

Honourable Fatuhu's recent appointment needs to be reviewed in the interest of food security in Nigeria, especially if the big picture on agriculture and food sufficiency are taken seriously. The Seed Council is the agency statutorily responsible for the regulatory framework to establish food governance and remove quackery from the Nigeria Seed System. Although APC, the ruling political party, has a manifesto and it stated that the party in power should ensure that farmers "plant the right seed" and "feed the entire nation," the Fatuhu's appointment tends to negate the party's stance in reality. It has also breached Part III, Section 6 of the National Seed Council Act of 2019. The same Part III, Section 6 was unambiguous in stating that "the President shall appoint, on the recommendation of the Honourable Minister, a candidate who possesses professional qualification and cognate experience in seed science and technology."

"This requirement is very fundamental to continue to sustain the gains and international recognition of the Nigerian Agricultural Seed System as an African model," according to an open letter of appeal to Tinubu, signed on behalf of the seed sector by Mr. Olagbaju Akeju, an agricultural engineer, technical consultant and seed processor. Appointment of a non-professional will deny the agency of the needed expertise from the top. It will also create difficulties in the appropriate deployment and assignment of specialised staff. This will affect efficiency and output of these professional officers. Since the exit of Dr. Olusegun Ojo, the immediate past DG for over two years, the most senior specialist, who is Dr. Ishiaku Khalid, has successfully held the position of protem head, a testament to the relevance of professional training as a prerequisite for occupying the agency's top position.

Whoever comes in from outside an agricultural background will have to start learning the foundational agricultural theme and rudiments of seed science. The appointment of a politician with no background in agriculture, agronomy or anything called genetics or plant breeding for such a tenured agency head position is like appointing someone who is only coming to learn and cannot understand much of the scientific underpinnings for seed policies from that elevated position if he is not bringing the knowledge to the job. It is like bringing a square peg into a triangular hole. Before he can learn enough to make rational decisions, a whole tenure of office would have expired and the nation would have been the worst for it. All those global seed platforms are expertise-based platforms, not for non-scientist. In the interest of the critical stakeholders such as seed producers, farmers, scientists, extension officers and consumers, Fatuhu's appointment needs to be reviewed and a more competent person appointed instead, especially if the president truly intends to achieve food security. And only a professional can use that position of DG productively for food security. The stakeholders, particularly the scientists, have acknowledged that many new initiatives, which put Nigeria on the world seed map, started during the tenure of Dr. Ojo, the immediate past DG, before the expiration of his tenure, has been consummated by Dr. Khalid who has occupied the position till now in acting capacity as the most senior officer in the agency.

To date, such accomplishments include the membership of the International Union for the Protection of New Varieties of Plants (UPOV), a treaty body with headquarters in Geneva, Switzerland. Nigeria has recently qualified as the 80th registered member.

Fatuhu Muhammed

With this, Nigerian seed breeders can now have protection for their plant varieties. Nigeria has also recently qualified as a member of International Seed Testing Association (ISTA), effectively placing Nigeria conspicuously on the global seed map. The Sheda Seed Laboratory in the Federal Capital Territory (FCT) is now ISTA accredited and is now positioned to do seed testing for the country and other countries in Africa. The certification and membership of the Organisation of Economic Cooperation and Development (OECD) is a big boost to the Nigerian seed industry and the agricultural sector, opening up African and global markets. OECD certification has given Nigeria two mandate crops, namely sorghum and maize.

Whoever is appointed as the DG of NASC needs to work with knowledgeable seniors on a day-to-day basis.

The knowledge application will affect research work, seed business and food production in the downstream sector of agriculture, including the formal — the seed companies — and the informal, which are essentially the farmers as primary producers. Seed companies spend 15 to 30 percent of their annual revenues on research and development (R&D). That is why they protect their varieties. National security rests squarely on food and nutrition security, which cannot be accomplished without seed security. Achieving seed security requires R&D, which also requires the seed companies as private investors planting certified seeds. This is not a common or an ordinary affair. Besides, seeds are not just ordinary seeds, they are influential policy issues. They are diplomatic commodities.

Funds for the Seed Council have generally fallen short of its requirements. As an agency under a ministry of the federal government, the percentage of budgetary allocations going to NASC has traditionally and historically been dismal and infinitesimally low, hovering around just one percent for an agency expected to perform so much.

How a non-specialist intends to fill a human resources vacuum that is likely to be created between 2025 and 2026, calls for good discretion. No fewer than 40 middle level officers and senior officers are set to retire in accordance with civil service rules, a situation that will leave a wide gap and an expertise vacuum that may not be easily filled, except some are retained for a little longer on contract basis, otherwise, all the expert knowledge gained over the years by NASC will be lost to the agency without replacement. It is important to surmise that the president could have been misled by advisors, a decision that could easily be reversed and filled with a replacement if the president truly gets to know what is the right thing to do and does it.

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