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business a.m.
TOWARDS MORE EFFICIENT MARKETS

Embedded payment transaction value to reach $2.5trn by 2028

PHILLIP ISAKPA IN LONDON, UK

- Grow by 134% on 2024 value of $1.1trn
- Revenue to reach $228.6bn by 2028

THE WORLDWIDE VALUE OF EMBEDDED payment transactions is set to grow by 134 percent and reach $2.5 trillion by 2028, new research by Juniper has shown.

Payment for goods and services is increasingly being done using apps and online platforms or integrated payments, which are now set to register very high numbers this year and up to 2028.

The study, produced by Juniper, which has expertise in fintech and payment, among other things, said this year alone will close with the value of embedded payment standing at $1.1 trillion.

The study found that A2A or Account-to-Account payments have become highly prevalent in recent years, and notes that they are being facilitated by the availability of one-click checkout options.

It also stated that the reduced cost of A2A payments versus cards for merchants, alongside instant payment processing, enables payments to be added to different eCommerce journeys and thus driving growth.

Also, the research found that embedded payments have become commonplace in usage and support due to improved cost and time efficiency completing transactions; facilitating 21 billion one-click checkout experiences in 2024.

This number is expected to

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NEWS

CAAF24's $20m climate investment fund

THE CLIMATE ACTION AFRICA FORUM (CAAF24), organised by Climate Action Africa (CAA), a leading Africa-focused social enterprise at the forefront of the continent's climate action ecosystem, has reinforced the urgent need for climate action...

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FINANCE & INVESTMENT

Access Bank Ghana's 22% asset growth

ACCESS BANK GHANA PLC saw its total assets jump to GHS 12.30 billion in the 2023 financial year, representing a growth of 22.3 percent after the bank posted GHS 10.057 billion in the previous year.

The growth solidifies...

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COMMENT

Tolaram's tolerance limit 4 alcohol Guinness

I CASUALLY OBSERVED A COUPLE of memes posted on X (formerly Twitter) this June by a certain Temitayo Ponle (@ Temmyponle) depicting Nigerian Breweries making a statement of its belief in the Nigerian market while mirroring Guinness as taking the exit....

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Global gold rush sees investors adamant despite rising prices

ONOME AMUGE IN LAGOS

THE PRICE OF GOLD HAS BEEN on a sparkling run in 2024, increasing by 12 percent year-to-date. However, contrary to expectations that gold's bullish run could be curbed by market saturation and gleaming price increase, reports indicate that the allure of the precious metal remains strong as investors continue to add it to their portfolios, as if under its spell.

The frenzy for gold seems to have struck a chord with investors, who are clamouring to get their hands on the precious metal like prospectors in a modern-day gold rush.

The World Gold Council, in its gold demand trend for the first quarter of 2024, observed that central banks continued to buy gold at record pace in a quarter that saw the gold price reach a series of record highs.

"Bar and coin investment was firmer, offsetting continued outflows from ETFs. Inclusive of sizable OTC buying by investors, total gold demand increased 3% y/y to 1,238t – the strongest first quarter since 2016," the report stated.

In the eyes of investors worldwide, gold is looking like a glittering investment option with a potential for steady price rise over the long term. According to market data, amid the turbulence of global markets, investors have sought safe haven in the arms of gold, driving a rally that pushed spot prices to a record high of $2,449.89 on May 20, fueled by safe-

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Aigboje Aig-Imoukhuede (left), chairman, EnterpriseNGR; and Governor Babajide Olusola Sanwo-Olu of Lagos State, who led the second Lagos International Financial Centre (LIFC) council meeting to strengthen Lagos as a Global Financial Hub at the governor's office in Lagos. recently.

COMPANIES & BUSINESS

Steel giant Aarti's exit from Nigeria

THE RECENT ANNOUNCEMENT BY Indian steel manufacturing giant Aarti that it plans to exit the Nigerian market has...

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Nigeria's Internet data crisis

IN A WORLD WHERE DATA is almost as indispensable as food, the proliferation of ...

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Sesame seeds' export boom

SESAME SEED, A RESILIENT crop also known as Benni-seed, has emerged as a prime driver in Nigeria's pursuit of economic diversification through agriculture. This is as the oilseed posted N247.75 billion in...

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VISIONARY VOICES

A Shining Example of Successful Multilateralism

PARIS – Multilateralism, we are told, is in retreat. But we cannot let retrenchment and fragmentation take over. From climate change and biodiversity collapse to the conflicts, geopolitical tension, and turbulence afflicting today's world, we know that overcoming global challenges requires renewed and...

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EXECUTIVE KNOWLEDGE SERIES

The Politics of Mutual Fund Managers' Voting

FUND MANAGERS' POLITICS SWAY the way they vote, impacting company governance at the expense of company performance.

Fund managers are meant to be focused on value creation, paid to take decisions that financially benefit the firm they invest in and by extension the fund they manage. Yet, our recent research suggests that's not always the case...

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Global gold rush...

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haven demand and persistent central bank buying.

Nigel Green, the chief executive of deVere Group, a major international financial advisory and asset management firm, in his assessment of the gold market, noted that there has been a striking 35 percent surge in clients worldwide seeking to boost their exposure to gold this year.

Green, in a statement made available to Business a.m., observed that a growing number of investors are considering increasing their gold holdings in their diversified portfolios. He noted further that the allure of gold is not just its historical importance, but also several current factors that together signal a bright future for the precious metal.

According to Green, the appetite for gold among investors is growing in sync with a number of interrelated factors, which combine to form a solid argument for a robust investment strategy. Among the top reasons cited by investors for investing in gold is the increasing demand from advanced economies.

Despite gold's soaring prices, central banks in developed countries are increasing their gold purchases, as observed by Green. The financial services expert noted that central banks seem to be enticed by gold's long-term value, its ability to perform well in times of crisis, and its diversification benefits. Green stated: "Emerging market central banks have historically held gold for similar reasons, especially since the 2008 financial crash. Now it seems richer countries are, too, increasingly adopting the same strategy.

"China's continuous gold buying spree is a clear indicator of its strategic move to diversify its reserves.

"By reducing its dependence on the US dollar, China aims to mitigate the risks associated with dollar-centric economic policies, sanctions, and geopolitical tensions. This strategy is part of a broader effort to elevate the yuan's status on the global stage, thereby challenging the dollar's hegemony."

Green observed that while China has been known for its significant gold buying, Turkey and other nations in the Middle East have been piling up their own reserves of the precious metal. Turkey, in particular, has been one of the top buyers of gold in recent years, aiming to protect its economy from the storms of currency volatility and external financial pressures.

Notably, a collective march towards financial security and stability, with less reliance on the US dollar, is fast emerging as nations worldwide accumulate gold. The move by countries such as China, Turkey, and nations in the Middle East to strengthen their gold reserves also reflects a shift away from dollar hegemony. This trend, according to Green, is likely to drive the price of gold higher as demand grows.

As it stands, the gold rush is on, and investors across the globe are rushing to tap into the precious metal's potential. From advanced economies to emerging markets, from China's strategic diversification to a shift in commodity pricing, from geopolitical uncertainty to rate cut expectations, investors are citing a number of factors as the driving force behind increasing gold in their portfolios. The deVere Group CEO explained that nations are becoming increasingly wary of the US dollar's dominance as a tool of geopolitical and economic influence. As the dollar's stability and reliability as a global currency becomes questionable, countries are flocking to gold as a safe-haven asset to secure their financial future.

Green stated further: "For example, countries like Russia and China have been actively promoting the use of their own currencies for oil and other commodity transactions.

"Geopolitical uncertainty is another critical factor driving investors' decisions to invest in gold. The upcoming elections in major economies such as the US, the UK, and France add layers of unpredictability to the global economic outlook.

"Political uncertainty often leads to economic volatility, and gold has historically performed well in such environments."

Data shows that the turmoil of the 2020 US elections sent markets reeling, with investors turning to gold for safe harbour. Analysts foresee future elections producing similar volatility, as the outcomes have the potential to alter economic policies and global trade in unpredictable ways.

Green noted that by holding gold, investors hope to hedge against these uncertainties and protect their overall portfolio from potential downturns.

"Also, expectations of interest rate cuts by the US Federal Reserve, and global central bank peers, lower the opportunity cost of holding gold, as lower rates reduce the returns on interest-bearing assets. This environment makes gold more attractive to investors," he added.

L-R: Peter Bamkole, chief operating officer, Pan Atlantic University; Oreoluwa Somolu Lesi, founder, Women Tech Empowerment Centre; Kadri Obafemi Hamzat, deputy governor of Lagos State; Olumuyiwa Odusanya, vice chancellor Lagos State University of Science & Technology (chairman, LASRIC Board); Benjamin Aribisala, director, Centre of Excellence for Sargassum Research, and lecturer, Lagos State, University; Feyisayo Alayande, executive secretary, Lagos State Employment Trust Fund; and Ibilola Kasunmu, permanent secretary, Ministry of Innovation, Science and Technology, at the inauguration of the new LASRIC Board in Lagos, recently.

As the global economic and political landscape remains volatile, Green predicts that gold will continue to rise in value, underpinned by its appeal and proven resilience during turbulent times. Despite a steadily upward movement in price, the precious metal continues to be a beacon of hope for investors, as its price, guided by the uncertainty of the current environment.

Roger Silk, CEO of US-based Sterling Foundation Management, LLC, adds his perspective on the undying appeal of gold to investors.

Silk, in a Business a.m. interview, underscored the fact that unlike fiat money, which can be created or destroyed by governments or central banks, gold has a historic track record of holding its value over time, making it immune to the volatility that fiat currencies often experience.

Amidst the futuristic landscape shaped by the advent of AI, Roger Silk, CEO of Sterling Foundation Management, LLC, asserts that gold will remain a constant, impervious to the radical disruptions of modern technology.

"Gold has retained its central monetary role since the time of the Pharaohs. I don't see why AI would change that," he stated.

In his elucidation of gold's perennial status as 'real money', Silk highlighted its monetary dominance over the past three millennia, with central banks and governments alike hoarding and desiring the precious metal.

According to Silk, gold stands apart from other commodities as a scarce and indestructible store of value, immune to the vagaries of government-induced monetary turbulence.

With the spotlight shining on gold and investors scrambling for its sparkle, Afreximbank has seized the opportunity to encourage African countries to exploit the opportunity as an avenue to economic stability.

Afreximbank, in a report titled "The Ongoing Gold Price Rally: Macroeconomic Implications for African Producers", advises African countries that are significant producers of the precious metal to harness its shining potential in the medium term, and forge a value chain of enduring prosperity in the long-term.

The report predicted that gold prices could shine bright for years to come, creating a golden opportunity for the African continent, where gold production has already generated substantial foreign exchange earnings and fiscal receipts, while providing employment opportunities in the producing countries.

Afreximbank's report calls upon African governments to capitalise on gold's glittering potential by investing in long-term infrastructure and social programmes, while addressing the pitfalls of illegal mining.

The Afreximbank report, however, noted that while gold plays a vital role in the exports and GDP of several African economies, the precious metal is not without volatility, creating a rollercoaster of macroeconomic implications that African governments must navigate with prudence and foresight.

"While windfall export receipts resulting from increased gold revenue will improve fiscal accounts, it is key to manage them carefully to avoid any extra spending that could destabilise the macroeconomic environment. The growth effect has remained subdued, and more effort may be needed to boost economic growth," the report stated.

According to the World Gold Council, as of 2023, North African countries held the most gold as a reserve asset, with approximately 446 tonnes, with Algeria holding 174 tonnes, Egypt holding 126 tonnes, Libya holding 117 tonnes, Morocco holding 22 tonnes, and Tunisia holding seven tonnes. Elsewhere on the continent, South Africa held 125 tonnes, Nigeria held 21.4 tonnes, Mauritius held 12.4 tonnes, Ghana held 8.7 tonnes, while Mozambique held four tonnes.

Amidst the golden harvest of the African continent, the World Gold Council advised African central banks to harness the gleaming potential of high gold prices. It pointed out that by storing their golden treasure or making strategic purchases on the global markets, these institutions can amplify the golden glow of their reserves, shoring up their financial strength and securing a bright future for the African continent.

Embedded payment...

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increase, as more merchants support A2A payments, Juniper said in a statement made available to Business a.m.

Matthew Purnell, who wrote the research report, remarked: "Transparent instant payments embedded in checkouts reduces cart abandonment due to increased efficiency and consumer satisfaction; cementing a codependency between A2A and embedded payments. Therefore, A2A is a payment method embedded finance vendors must offer in the rapidly evolving payment landscape." The report also found that as the embedded finance market has matured, fintechs no longer solely provide embedded payments, as banks enter the fray.

It pointed to Goldman Sachs, a partnership formed to offer embedded payroll services and payments in software products.

"Banks, being trusted institutions offering embedded payments, legitimise embedded solutions, facilitating consumer trust. Consequently, fintechs must expand offerings to remain distinct from other vendors, whether by offering A2A payments, increasing B2B capabilities, or utilising multi-rail payment solutions.

With regards to revenue, the study forecast that embedded finance revenue will reach $228.6 billion by 2028, a total growth of 148 percent from a 2024 figure of $92.2 billion and a CAGR of 25.5 percent. "This increasing market maturity, and consumer confidence, supported by regulatory initiatives and greater acceptance, particularly within B2B use cases," it stated.

It also found that new advances within embedded finance are driving growth within specific use cases, noting, for example, that multi-rail payments are becoming more prevalent, with embedded finance players like Balance and Marqeta aggregating numerous Open Banking APIs to enable more seamless and cheaper payments across scenarios such as bulk disbursements or cross-border payments.

The study found that embedded insurance as a segment was experiencing a surge in adoption globally with it increasing by 125 percent from 2024-2028. "Offerings are increasingly available for many eCommerce platforms, with the convenience provided incentivising consumers to take out policies mid-checkout," it further stated.

It noted that Asian Pacific governments, including Singapore and Malaysia, have been promoting the uptake of digital insurance for consumer and commercial use, adding that the conveniences provided through embedded offerings will garner the segment significant growth across the region.

"However, embedded insurance is still an uncommon offering from many leading vendors, despite the significant growth potential," it stated.

According to the report three key trends have become noticeable in the embedded payment ecosystem. These are that multi-rail payments are becoming more prevalent; that traditional banks are beginning to enter the ecosystem; and that emerging technologies are starting to feature more in embedded financial offerings.

It explained that given the scope of payments being made on a global scale, with each country and region having its own respective payment rails, embedded finance companies have stepped up to enable seamless interoperability between payment rails, adding that this is being seen in the form of cross-border payments through embedded financial services, such as from major players like Balance or Marqeta.

Additionally, it noted that the use of multi-rail payments means that even more payment methods are acceptable for transactions, reducing the likelihood of cart abandonment within eCommerce contexts. A result of this has been the surge of various business models within the embedded finance ecosystem, including BNPL and digital wallets, both providing increased flexibility in purchasing through preferred methods. These are likely to rise in the coming years as embedded financial services become optimised and increasingly prevalent, in addition to becoming more normalised within society, especially in the case of BNPL, which is seeing increasing discussion of regulation across key markets.

The study said another trend is that the past year has seen numerous traditional banks capitalising on the embedded finance market and it lists JPMorgan Chase and Goldman Sachs as recently forming partnerships with embedded finance fintechs Gusto and Modern Treasury respectively in order to offer banking customers the ability to embed payroll services, help companies add payments to products, and more. A similar partnership was seen with the UK's NatWest partnering with a market leader for embedded finance, Vodeno.

CAAF24 unveils $20m investment fund to back Pan-African climate initiatives

Onome Amuge

THE CLIMATE ACTION AFRICA FORUM (CAAF24), organised by Climate Action Africa (CAA), a leading Africa-focused social enterprise at the forefront of the continent's climate action ecosystem, has reinforced the urgent need for climate action financing with the announcement of a $20 million pan African climate action fund, aimed at mitigating the impact of climate change and securing a sustainable future for Africa's 1.3 billion people.

Grace Oluchi Mbah, co-founder and executive director of CAA, who made the disclosure at the event, explained that the fund is co-created by dedicated Africans, and is intended to empower small businesses and startups in the energy, agriculture, circularity, and transportation sectors, in their drive towards a sustainable future in Africa.

The forum, convened at the Landmark Event Centre in Lagos, brought together diverse stakeholders including investors, government officials, business leaders, climate experts, and civil society to explore immediate, collective action in combating climate change and achieving sustainability goals in Africa and globally.

CAAF24 was also graced by distinguished guests, including Ramatoulaye Ndiaye, former minister of culture in Mali and and CEO of the Great Green Wall of Africa (GGWoA) Foundation; Nicholas Ella, permanent secretary of the ministry of petroleum resources; Rukaiya El Rufai, special adviser to the president of Nigeria on National Economic Council & NEC and Climate Change; and Edith Jibunoh, external and corporate relations manager for East and Southern Africa,World Bank.

Panel discussions and workshops in breakout sessions at the event focused on key issues, including the potential of forests and carbon credits, climate financing, Nigeria's carbon market activation, private capital mobilisation for climate-positive investments in Africa, and building resilient and livable African cities. These sessions encouraged interactive participation and knowledge sharing among participants from various backgrounds and sectors to foster joint efforts in tackling climate change.

Beyond the formal sessions, the event featured networking opportunities and Deal Room, a platform showcasing selected high-impact climate innovations from over 800 registrations. The Deal Room provided an opportunity for climate innovators in Africa to connect with potential investors, fostering collaborations and investment in sustainable solutions, thus accelerating the pace of climate action on the continent. Another highlight of CAAF24 was the launch of the "Billion Trees for Africa" initiative, as part of CAA's community programmes and the unveiling of the Pan-African Green Economy Programme (PAGE), a partnership with IDEA AFRICA and the Founder Institute that seeks to grow a new generation of 5,000 green innovators across Africa by 2035.

Edith Jibunor, in an interaction with Business a.m. on the sidelines of the event, reaffirmed the World Bank's $40 billion pledge to climate change financing annually, constituting 45 percent of its global projects. Jibunor emphasised the bank's position as the world's largest multilateral financier of climate change initiatives, highlighting its significant commitment to combating climate change worldwide.

The manager, external affairs for East and Southern Africa at the World Bank, also pointed out the critical need for effective policies to combat climate change in Nigeria and globally. She argued that financial resources alone are not sufficient to address the problem, highlighting the importance of well-designed policies to combat the issue effectively.

"One of the speakers earlier mentioned the importance of policies, especially policies in a local context. That makes sense for the local population. So one of the things that we've been doing at the World Bank is working on what are called Climate Change Development Reports, known as CCDRs.

"These are country-by-country analytic products that look at the country context and what solutions are going to be necessary to address the climate challenge specifically in those countries. So we're going to do that work in Nigeria as well," she said.

In discussing climate change in Nigeria, Jibunoh suggested using geospatial tools to identify potential sources of renewable energy, like solar and wind. She identified the importance of a gradual, sustainable transition to renewable energy as part of the country's adaptation agenda, recognising the need for a thoughtful, long-term approach to effectively combat climate change.

The World Bank official noted that Africa is disproportionately affected by the climate change crisis despite being least responsible for its causes. She therefore called upon the global community to support Africa's climate change adaptation agenda.

Jibunoh further stressed the need for Africa to prioritise renewable energy over oil drilling, highlighting the increasing vulnerability to climate change caused by the continued reliance on fossil fuels. She advocated for Africa to adapt to the challenges brought by climate change and build resilience by transitioning to renewable energy sources and adopting mitigation strategies to counter the impact of climate change.

The World Bank official called attention to the alarming repercussions of climate change on her birthplace, Eastern Nigeria, as well as the famine-inducing droughts in Northern Nigeria.

Highlighting the far-reaching impacts of climate change across Nigeria, Jibunor emphasised its detrimental effects on Nigerian agriculture, healthcare, malaria resistance, and schooling, among other aspects of daily life. To effectively counter this scourge, she advocated for a localised approach tailored to Nigeria's unique circumstances, calling for the implementation of solutions that address the country's distinct challenges.

Grace Oluchi Mbah, CEO of Climate Action Africa and convener of CAAF24, acknowledged the devastating reality of climate change while highlighting the critical need to address it through innovative solutions and investments.

Speaking to journalists, she highlighted the urgency of transforming this climate crisis into a narrative of opportunity and progress, emphasising the crucial role of CAAF24 and its initiatives in this effort.

Helen Brume (left), director, project and asset based finance, Afrexim Bank; and Grace Oluchi Mbah (right), CEO Climate Change Africa, at the Climate Action Africa Forum (CAAF24), held at the Landmark Centre in Lagos, recently

Mbah emphasised the World Bank's presentation during CAAF24, which focused on resilient infrastructure, specifically weather-resistant classrooms, as a critical step towards ensuring children's uninterrupted education and Africa's overall climate resilience. Citing the presentation, she underscored the vital role of infrastructure in Africa's climate action agenda, asserting that the continent must close its infrastructure gap to better adapt to the climate crisis.

"Imagine if we had those types of classrooms in the south south and in the southeast where floods are very rampant. They will not have to stop schools or have to stop hospitals, because that type of infrastructure is available and they've shown us that it's possible.

We continue to hear about the millions and billions of dollars that are available for Africa and for the world to tap into in terms of climate finance and we learn that what is important is project preparation. So, we need to use platforms like this and situations like this to learn what finances are looking for because for us to actually accelerate the efforts that we are doing. we need money," she stated.

The CAA executive director underscored the need for African nations and individuals to strive for self-improvement and collaboration while also seeking access to financing. She urged Africans to constantly enhance their skills, develop projects, and work together to combat climate change.

She also warned that siloed efforts would be insufficient in the face of the climate crisis and emphasised the importance of breaking down barriers to innovation and funding.

Mbah highlighted the high level of interest displayed by over 830 registrants in the CAAF24 Deal Room, although not all of them were able to submit their proposals. She stressed the importance of reading through the submitted ideas to identify promising climate innovations that could transform communities and drive real change.

The CAAF24 convener also expressed confidence that these solutions will become mainstream and will have a significant impact in the coming years.

Gold commercialisation nets Nigeria $5M in foreign reserves

Business a.m.

NIGERIA'S FOREIGN RESERVES have received an infusion of $5 million and the rural economy has been rejuvenated with an injection of N6 billion, thanks to the success of the first commercial transaction under the National Gold Purchase Programme (NGPP).

Dele Alake, the minister of solid minerals development, made the declaration at the Presidential Villa in Abuja, where he presented a gold bar to President Bola Ahmed Tinubu, sourced from artisanal and small gold miners and refined by the Solid Minerals Development Fund to meet the London Bullion Market Association good delivery standard.

According to Alake, the event marked the first commercial transaction under the NGPP, a centralised offtake scheme supported by a decentralised network of artisanal and small-scale miners and cooperatives. He also commended the president for his leadership in driving forward the transformational reforms underway in Nigeria's solid minerals sector.

Alake stated that the conclusion of the inaugural commercial transaction within the National Gold Purchase Programme not only validates the efficiency of the programme but also highlights a paradigm-shifting approach to boosting Nigeria's economic fortunes.

The minister also noted that the groundbreaking scheme has already augmented the nation's foreign reserves assets, while simultaneously showcasing the viability of using the Nigerian Naira to procure gold, a highly liquid asset traded in US dollars.

"The initial transaction has resulted in a +$5 million increase in Nigeria's foreign reserves, the refinement of over 70 kilogrammes of gold to the London Bullion Market Good Delivery Standard, and the successful aggregation of locally mined gold, injecting approximately 6 billion into the rural economy," Alake stated.

President Tinubu, upon receiving and displaying the symbolic gold bar, commended the solid minerals development ministry for achieving a significant milestone in the administration's efforts to diversify the economy, saying, "This is another concrete step towards the diversification process under the Renewed Hope Agenda."

Fatimah Shinkafi, executive secretary of the Solid Minerals Development Fund, noted that the London bullion market good delivery standard is a globally recognised and trusted benchmark enabling global trade in gold and silver bars.

Shinkafi explained that only gold and silver bars that meet the Good Delivery standards are acceptable in the settlement of a Loco London contract,where the bullion traded is physically held in London.

The executive secretary also highlighted that through the NGPP, Nigeria has joined a select group of countries enhancing their gold reserves by purchasing gold in local currency.

LASG, EnterpriseNGR push to make Lagos premier global financial centre

• LIFC to engage Exchanges hosted by Lagos State
• To boost diaspora investor confidence
• Enhance Lagos global financial connectivity

Business a.m. Reporter

THE LAGOS STATE GOVERNMENT and EnterpriseNGR have committed to promoting diaspora investor confidence by championing a business-friendly environment. Both entities also articulated their plans to engage the diaspora community through the Lagos International Financial Centre (LIFC).

This significant development, divulged at the Governor's Office, Alausa, Ikeja, was but one among a number of landmark decisions reached by the LIFC Council, following the successful conclusion of its second meeting on June 19, 2024.

The LIFC was established through an executive instrument issued by Governor Babajide Olusola Sanwo-Olu of Lagos State on November 3, 2023. The LIFC Council, chaired by the Lagos State governor and co-chaired by Aigboje Aig-Imoukhuede, chairman of EnterpriseNGR, oversees the establishment and development of the Lagos International Financial Centre.

The second meeting of the LIFC Council, held recently, reviewed the activities of the council and proposed recommendations for enhancing Lagos State's global financial connectivity, regulatory efficiency, infrastructure development and international reputation.

The meeting ended with several outcomes including a commitment to deliver on its mandate to serve as a significant hub for a diverse range of financial activities and services at an international level, while reiterating the importance of the Lagos International Financial Centre.

The Council also reviewed its participation at the Lord Mayor's Show which was held in London, UK last November as well as the stakeholder meetings with the international business community which culminated in the InvestLagos Reception.

The InvestLagos Reception is a high-profile event designed to promote the unique advantages and opportunities in Lagos to potential investors.

In view of the positive outcomes of the InvestLagos Reception, the council agreed to establish the InvestLagos Reception as an annual event, and to this end, InvestLagos 2024 will be held in November 2024.

The meeting also considered the importance of Licensed Exchanges (securities; commodities, etc.) in the LIFC market infrastructure; and thereafter unanimously resolved that the LIFC Council, led by the chairman and co-chairman, should engage with all Exchanges hosted by Lagos State with a view to exploring how the government can support efforts at deepening the markets and opening them up to more local and international investors.

The council further affirmed that the objectives of the LIFC would be achieved through workstreams and thereby agreed to establish the following workstreams for this purpose: (i) Legal and Governance, (ii) Strategy and Finance; (iii) Regulatory Framework and Incentives; (iv) Infrastructure and Operations; and (v) Investment Promotion and Public Relations.

These workstreams, it was agreed, will be resourced with members of the LIFC council as well as relevant professionals from the financial and professional services (FPS) sector in Nigeria and globally.

In addition, the council unanimously resolved to continue to promote diaspora investor confidence through the promulgation of an enabling and conducive business environment and articulated its plans to engage the diaspora community through a structured unit of the LIFC.

The council also reached a consensus to continue to foster collaborations with other international financial centres, regulatory bodies and relevant organisations to further promote knowledge sharing, best practices and global integration.

The LIFC Council, under the able leadership of Governor Sanwo-Olu and Aig-Imoukhuede further reaffirmed its commitment to establishing Lagos as a premier global financial centre by enhancing its infrastructure, regulatory efficiency, and international reputation.

Abimbola Salu-Hudeyin (middle), secretary to the Lagos State Government; Idris Aregbe (third left) special adviser to the governor on arts, tourism and culture; and others at the final day of the three-day Lagos Tourism and Naija Brand Chick Trade Fair, held at Ikeja, Lagos recently.

Nigeria votes N21bn for free electricity metres to citizens

Business a.m.

NIGERIA'S CENTRAL GOVERNMENT in Abuja, the country's political capital, has taken a significant step in addressing the country's long-standing electricity metering issues by allocating N21 billion for the Presidential Metering Initiative. The initiative aims to bridge the nation's vast metering gap by providing electricity metres at no cost to unmetered power users across the country.

The development was announced in an order by the Nigerian Electricity Regulatory Commission on Friday, June 21, with the number – NERC/2024/072, titled "Order on the Operationalisation of 'Tranche A' of the Meter Acquisition Fund".

The commission expressed confidence that the deployment of funds under the Meter Acquisition Fund (MAF) scheme would accelerate the deployment of metres and close the current metering gap. It added that this would help in reducing commercial and collection losses to power distribution companies, enhancing the quality of service, and improving customer satisfaction.

"The funds accrued as of the April 2024 market settlement cycle and available for procurement of metres under the first tranche of the MAF scheme is in the sum of NGN21,864,851,725. The commission hereby approves the use of a sum of NGN21,000,000,000 apportioned pro rata to contribution by the Discos as Tranche A of the MAF scheme," NERC stated.

The power sector regulator also disclosed that the fund was broken down and allocated to each Disco for the purchase of end-use customer metres, emphasising that all the metres to be procured and installed under the MAF framework shall be at no cost to the customers of the Discos.

The NERC also noted that the order shall become effective on June 13, 2024, and may be amended or revoked by subsequent orders issued by the commission.

The NERC, in its effort to deliver on the crucial mandate of metering the country's electricity consumers, enacted a series of regulations since 2018, including the Metre Asset Provider Regulations and the Metre Asset Provider and National Mass Metering Regulations in 2021. These interventions aimed to provide a suite of metering options to power users, but despite these notable steps, the gap between the number of unmetered and metered customers in Nigeria persists at a staggering seven million, highlighting the urgent need for decisive action.

The disheartening revelation that distribution companies have been hampered by a paucity of financing to acquire and deploy end-use metres and other capital investments has surfaced as the primary impediment in closing the crippling metering gap that persists in Nigeria's power sector. Reports show that this inability to secure funding through debt or equity has become an unfortunate obstacle in the journey towards enhancing metering coverage and ultimately improving the reliability of electricity supply in the country.

In a decisive move to tackle the chronic problem of Disco creditworthiness inhibiting the deployment of end-use metres in the Nigerian Electricity Supply Industry (NESI), the NERC developed and approved the Meter Acquisition Fund scheme. Primarily designed to alleviate the strain on Discos' creditworthiness, the Fund scheme seeks to establish a trustworthy revenue stream from market funds that can then serve as a sturdy base for securing long-term financing, ultimately freeing up resources for the deployment of metering solutions and alleviating the metering crisis faced by Nigerian consumers.

Lekki Port seeks unified effort to unlock maritime industry's untapped potential

Joy Agwunobi

LAURENCE SMITH, THE CHIEF operating officer of the Lekki Port, has issued a call to stakeholders across Nigeria's maritime sector, urging a concerted and collaborative effort to unlock the industry's vast potential.

Speaking at the BusinessDay Maritime Conference 2024, Smith delivered a keynote address on "Nigerian Maritime: Unlocking Potential, Overcoming Challenges," where he emphasised the critical need for unity and strategic partnerships to drive growth and sustainability in the sector.

The event was attended by representatives from major shipping companies, port authorities, and maritime organisations among others, focused on addressing the challenges facing the industry and harnessing its opportunities.

In his address, the maritime expert, highlighted the multifaceted challenges facing the Nigerian maritime industry, ranging from inadequate infrastructure and regulatory issues, security concerns and insufficient investment.

However, he also pointed out the immense opportunities lying dormant within the sector that is capable of transforming Nigeria's economy if harnessed effectively, noting that a well positioned maritime industry can drive growth, create employment, and connect Nigeria to the global market.

According to Smith, the maritime industry in Nigeria holds tremendous promise, but to fully realise this potential, obstacles that have long hindered progress must be overcome. He cited the delivery of Lekki Port by its promoters, Tolaram and China Harbour Engineering Company, as an example of what can be achieved with strategic investment in modern infrastructure. He also noted that due to the enhanced capacity of Lekki Port, it was able to receive the CMA-CGM SCANDOLA, the largest vessel to berth in Nigerian waters.

The Lekki Port COO further applauded the Nigerian Ports Authority (NPA) for investing hundreds of dollars to upgrade its facilities,urging all other government agencies at the ports to devise a long-term strategy for the multimodal evacuation of cargo.

He called on the government to streamline regulatory processes and enhance security measures to create a more conducive environment for business, and also advocated for increased investment in maritime education and training to build a skilled workforce capable of driving innovation and efficiency.

Tolaram's tolerance limit for alcohol and the future of Guinness brands in Nigeria

IKEM OKUHU

Ikem Okuhu, a journalist, author, PR professional, brand strategist and teacher, is the CEO of BRANDish, publishers of BRANDish, Nigeria's first nationally circulating Brands and Marketing magazine. He has a career that has traversed print media, oil & gas, banking and entrepreneurship. Ikem is the author of the book, "PITCH: Debunking Marketing's Strongest Myths", a dispassionate exposition of the dos and don'ts of successful engagement in the marketplace, especially the Nigerian marketplace. He can be reached on + 234 8095121535 (text only) or brandishauthority@gmail.com

I CASUALLY OBSERVED A COUPLE of memes posted on X (formerly Twitter) this June by a certain Temitayo Ponle (@Temmyponle) depicting Nigerian Breweries making a statement of its belief in the Nigerian market while mirroring Guinness as taking the exit.

I do not know how many of these memes were created, but I came across two. The first depicts a Heineken caricature carrying what looks like a basket while picking vegetables on a farm. The same frame mirrored Guinness in the background slouching off a stick holding a pouch on his shoulders. **"Oba no dey go transfer"** is written in bold block letters as the headline.

In the second meme, which interestingly was in the same tweet, a disproportionately big-sized caricature of Heineken is standing before a battery of microphones in what looks like a press conference. One will not miss the suggestion made in this image with the two unoccupied seats painted in Guinness colours and flanking Heineken as he stands, proclaiming rather emotionally that, "We know things are difficult, but we have chosen to stand with Nigeria and Nigerians. We will go through this together and come out stronger."

I tried to verify if this was from Nigerian Breweries or even the majority shareholders, Heineken, however, all my friends who understand this social media platform better could not come up with any credible connection save for the Heineken brand name on the memes. As of Wednesday, June 19, 2024, the post had gathered 63,700 views and 113 reposts. I guessed that if this campaign was from Nigerian Breweries or Heineken, it would have been squeezed for more traction than the modest reach recorded.

Haresh Aswani, managing director, Africa, Tolaram Group

Sajen Aswani, chief executive officer, Tolaram Group, Singapore

It was obvious that whoever was behind the post on X was trying to exploit the recent sale of 58 percent of Guinness Nigeria Plc to Tolaram Nigeria Limited to play up Heineken's recent announcement that rather than call in their investments following a spate of dizzying losses, it was on the contrary, working towards increasing its stake in the country. Its acquisition of Distell, a whiskey brand, and the announcement of a rights issue as a cushion for the hits it got from Nigeria's crippling economic headwinds of the past year were the twin expressions of long-term commitment to the Nigerian market.

Guinness was not the only multinational to withdraw from Nigeria in the past 12 months. Before its departure, big businesses such as Procter & Gamble, GlaxoSmithKline Consumer, Unilever, Sanofi-Aventis, Microsoft, Total Energies, PZ Cussons, Kimberly-Clerk and Jumia Foods have all left the country as the climate became unbearable for business and profits. But you see, the departure of Diageo Plc through the sale of its Guinness franchise has footnotes that observers would rather not have been written in fine print.

Forget what you know about Malta Guinness, the vehicle carrying the brand's basket of offerings runs on an alcoholic beverage engine, however the presentation is twisted.

I guess it might take a bit of time to get my drift in this article, but you see, the future of Guinness Nigeria might significantly alter following this acquisition. I have read the letter written to the Nigerian Stock Exchange on June 11, 2024, and found it impossible to believe some of the company's claims that Diageo, the owners of the Guinness brand in Nigeria, will continue to drive the marketing strategy for Guinness Nigeria. My claim is backed by the track record of this company in the Nigerian market.

While it can be said Guinness has great experience in marketing alcoholic beverages, I do not see Tolaram leaving the marketing of Guinness to Diageo. The first reason is Diageo cannot recall the last time its alcoholic beverage marketing expertise put green numbers on the company's books. There have been losses and shrinking fortunes for some time now as the loss for 2023 was north of N5 billion. The year 2022 and a few more years down the road were not better.

Therefore, I do not see Tolaram, a successful marketer of a range of brands conceding the marketing of Guinness to Diageo. It doesn't happen that way. Here is a company that has been in Nigeria nearly as long as Guinness, gathering experiences in the manufacturing and marketing of textiles, noodles, cooking oil, milk, pasta, and lately, mobile phones. I am sure most people do not know that Redmi, the Xiaomi phone currently making waves in the country, is also owned by Tolaram.

Who would concede the marketing of a brand he owns 58 percent to a former owner who hasn't grown the numbers over many years? It is so far-fetched it has to be unrealistic and naïve even to contemplate.

I am also not hoodwinked by the political platitude buried in the claim that Diageo "remains deeply committed to Nigeria." No company sells controlling shares of its business in any market that can even pass the test of shallow commitment, not to talk of being "deeply committed." Diageo and Nigeria are like a married couple who do not want either the children or their neighbours to believe they are drifting apart, and will occasionally indulge in a public display of affection (PDA) even when they sleep in separate rooms in the house; they want the void between them to unravel so slowly that those watching will neither notice the separation nor feel the hurt and disappointment of seeing two former lovers' divorce.

The example of Warner Bros. will help explain this. As an entertainment giant, Warner Brothers acquired Time Inc. in 1990 to become Time Warner. Before it swallowed AT&T in 2018, the Time in its name had disappeared. Even AT&T did not survive as the company is now known as Warner Media.

This is why there are already concerns about job losses and reconsiderations of both wages and welfare packages. It is improbable that Tolaram will pamper its employees like Guinness in the previous era. Wages paid by the multinational brewers in Nigeria were comparable to those in their respective offices in other countries. Employees were also frequently posted to other countries where they broadened their experiences. Guinness in the past has had some of its Nigerian employees as managing directors of the subsidiaries in other African countries. Nigerian Breweries, on its part, has its employees occupying various positions in the Netherlands and many countries in Africa.

Any employee of Guinness who is currently working in Nigeria who expects such luxury is incubating his or her future disappointment. Tolaram doesn't look like it will run Guinness this way.

Tolaram, if you look at it quite critically, might also have issues with keeping Guinness Nigeria the way it is for the longer term. Do you know why?

Religion and Tolaram's tolerance limit

The Vaswanis who own Tolaram are economic migrants who journeyed around several places selling textiles before arriving in Nigeria around 1977. With their origins traced to the Sindhi tribe in Pakistan and India, the now powerful Tolaram family comes from an area that has two dominant religions – Islam and Sikhism. It was recorded that this tribe of around 24 million people was captured by Islamic jihadist, Muhammad Bin Qasim in 712 CE.

Today, Muslims make up more than 90 percent of the population, while the Sikhs constitute between 5 – 7 percent. As clever as the Vaswanis have been, nobody has been able to associate them with any religion, a factor that has helped their businesses in Nigeria and in other countries where they have expanded.

Probes of their names however reveal some confusion. While Ishwari and Mohan, names in the Tolaram family, were identified through various searches to be Sikh names, Khanchand, the name of the father and founder of the Tolaram conglomerate indicate it can be borne by Muslims, Hindus and Sikhs.

Whichever of the three religions the Vaswanis adhere to, the issue of associating with alcohol stands out as a major impediment to growing the Guinness brand the way the company advertised in the letter announcing the acquisition. If the owners of Tolaram are Sikhists, they are not supposed to drink alcohol or consume any other intoxicants. If they are Hindus, their religious texts generally discourage the use or consumption of alcohol. Should they be Muslims, as some suspect, considering the number of years they spent in northern Nigeria, then the sale and consumption of alcoholic beverages has to be "haram" to them.

If any of the three scenarios is true, what is the business of Tolaram acquiring Guinness Nigeria Plc? Do these not question the integrity of the statement issued by the company concerning the continued production of the brand under a licence to Guinness Nigeria?

Long before the full consummation of this deal by 2025, stakeholders and consumers should start asking questions about what Tolaram paid N103 billion ($70 million) for. Was the money for 58 percent ownership of Guinness factories and other tangible and intangible assets across Nigeria or are there specific things in and around Guinness that are of strategic importance to Tolaram that are not yet made known to the public?

We will look at a few more scenarios in another article.

Nigeria's food insecurity and the urgency for action (2)

SUNNY CHUBA NWACHUKWU

SunnyNwachukwu (Loyal Sigmite), PhD, Fellow (ICCON, CSN, SM), a pure and applied chemist with an MBA in management, is an Onitsha based industrialist, and former vice president (finance), Onitsha Chamber of Commerce. He can be reached on +234 803 318 2105 (text only) or schubltd@yahoo.com

HUNGER IS ONE DISCOMFORTING situation that every government must view seriously as a sensitive issue that demands emergency attention. If this subject of food insecurity is viewed from a strategic point, hunger, therefore, being neither a pleasant experience nor a pleasurable companion, particularly to human beings, it implies that national insecurity is imminent. It also means that the economy could be thrown into another dimension of chaos, through hungry and angered men and women in the economy becoming unruly citizens in an ungovernable environment, which could amount to a dangerous development for the government. It would then be obvious that the centre may not hold at that point for good governance; if in any given economy, the citizens are constantly faced with this unfriendly guest in the issues of stomach infrastructure. Food is known as one vital need of man that any responsible and serious minded government should not ignore or joke with because, it is most important to man, as life's existence is directly supported by the quality, uninterrupted supply, optimal and adequate provision of food on daily basis; for the purpose of achieving sound health and energy dissipation in man's daily activities.

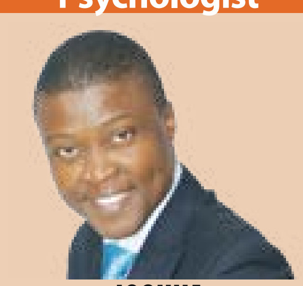
Food insecurity has become threatening in the country as the rate of poverty amongst Nigerians is very alarming these days. It is on record (statistically) that between 2020 and 2022 (averagely), 21.3 percent of Nigeria's population experienced hunger, while it is currently worse with the projected 26.5 million people across Nigeria (by the World Food Programme) feared to face acute hunger. People no longer meet up the hyperinflation in the costs of all commodities within the economy, based on the simple fact that their respective disposable income (at various social levels) has been diminishing faster than ever, as their purchasing power continually gets weaker by the day (especially amongst the salaried employees or paid workers/citizens within the economy). The worsening economic situation is a matter that governmental agencies established to monitor and control economic and commercial activities (like the consumer price protection agency) have completely lost grips of. It is, indeed, no man's fault because the miserably weak value of the local currency has remained the primary source of the financial economic confusion of the country.

The solution to all these national challenges, with specific reference to food insecurity, is to boost agriculture at all governmental levels for strategic management of change with appropriate food farming strategy to ensure effectiveness in food availability and sustainable food production within the economy. Managing it involves attracting investors along the food value chain for value addition through food processing for finished products, to strategically propel efficiency in Nigeria's agricultural sector. This proffered solution shall cub the challenges of people not having enough to eat or wouldn't know where the next meal will come from; because food shall be provided in excess, such that supply will exceed demand, which will eventually force down costs of food commodities even in the face of the nation's financial economic turmoil. Through farmers' cooperatives and proper engagement of the small holder farmers with the necessary tools and being adequately equipped by the government; one can conveniently speculate that the outcome and impact of such moves shall bear fruitful results with high productivity contribution to the economy, from that sub-sector.

The government needs (at all levels) to fight every known cause of food insecurity with a zero tolerance strategy; ranging from food inflation and the rising food prices, to other causes like the climate change issues and communal conflicts and clashes that include armed banditry against local farmers (which has also seriously affected food access through persistent violence in some parts of the country). In addition, any suspected key driver of the alarming trend as presently witnessed needs to be completely dismantled, to usher in sustainable food security that shall augur well for national economic growth and development. This approach of sustainable food security remains the way forward because it is the indispensable option and the prerequisite for the survival of mankind and the nation's economic activities. Otherwise, without food, man cannot function, and may not even exist as hunger could lead to death. The government is therefore urged to take the business of food production, from the agricultural point of view, very seriously, to avert food insecurity in Nigeria.

The Coaching Psychologist

JUNETEENTH ... Celebrating resilience, confronting injustice



JOSHUA AWESOME, PHD

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

JUNETEENTH, THE DAY commemorating the emancipation of enslaved African Americans in the United States, is both a celebration and of sombre reflection. It marks the moment in 1865 when Union soldiers brought news of freedom to enslaved people in Galveston, Texas — two and a half years after the Emancipation Proclamation. Yet, Juneteenth is also a stark reminder of unfulfilled promises. Reconstruction, the post-Civil War era aimed at integrating freed slaves into society, failed miserably. Instead of fostering equality, it paved the way for systemic racism and continuous violence against Black bodies. Despite these adversities, Juneteenth is a testament to the indomitable spirit and resilience of Black people. They find joy in resistance and celebrate their heritage, as exemplified by the reflections of Obrian Rosario and the powerful artistic expression of Laolu Senbanjo.

Rosario captures the essence of Juneteenth poignantly: "Juneteenth was a promise that was broken. Reconstruction failed, and this country has continued to wage war on the Black body. Juneteenth also embodies the resilience of Black people. Even in the face of a broken system, we choose to find joy in resistance and celebrate in community."

In New York, the recent collaboration between Laolu Senbanjo and soulful ballerina Courtney Holland beautifully illustrated this resilience. Holland moved gracefully, her body adorned with murals bearing names and expressions that spoke to the roots, region, and resilience of the Black community. This powerful imagery serves as a reminder that Black history and culture are not just stories of suffering but also of enduring strength and unyielding spirit.

This reflection extends beyond the United States, resonating deeply with Black communities around the world. Pearl Motaung-Mlangeni, reflecting on South Africa's journey, noted parallels with Juneteenth. "We have called it freedom, but we have painted the true problems with the 'concept' that it is over. Really, are there any such?" Even after three decades of democracy, South Africa struggles with the legacy of apartheid, much like the United States grapples with the aftermath of slavery and segregation.

For leaders today, Juneteenth and these global reflections offer profound lessons and actionable advice. Here are four key reflections and actionable pieces of advice for leaders striving to foster true equality and justice:

Reflection 1
Acknowledge historical and ongoing injustices

Actionable advice: Leaders must openly acknowledge the historical and ongoing injustices faced by Black communities. This involves not just commemorating events like Juneteenth but also educating themselves and others about the systemic issues that persist. Policies and actions should be informed by an honest understanding of history.

Reflection 2
Celebrate resilience and culture

Actionable advice: Beyond acknowledging past and present struggles, it's vital to celebrate the resilience and cultural contributions of Black communities. Support and promote Black art, history, and cultural expressions. Initiatives like Laolu Senbanjo's collaboration with Courtney Holland are powerful ways to honour and uplift Black voices.

Reflection 3
Address systemic inequities

Actionable advice: Leaders must commit to dismantling systemic inequities. This requires comprehensive reforms in areas such as criminal justice, education, healthcare, and economic opportunities. Policies should be designed to level the playing field, ensuring that all communities have equal access to resources and opportunities.

Reflection 4
Foster inclusive and continuous dialogue

Actionable advice: Foster an environment where continuous and inclusive dialogue can thrive. This means creating spaces where marginalised voices can be heard and ensuring that these conversations lead to tangible changes. Engage with communities to understand their needs and perspectives and involve them in decision-making processes.

In conclusion, Juneteenth is a powerful symbol of both broken promises and unwavering resilience. As Obrian Rosario eloquently stated, "Even in the face of a broken system, we choose to find joy in resistance and celebrate in community." The collaboration between Laolu Senbanjo and Courtney Holland in New York, and the reflections from South Africa shared by Pearl Motaung-Mlangeni, underscore the global resonance of this struggle and resilience.

Leaders have a responsibility to learn from these reflections and take actionable steps to create a more just and equitable society. By acknowledging historical and ongoing injustices, celebrating resilience, addressing systemic inequities, and fostering inclusive dialogue, they can honour the spirit of Juneteenth and work towards fulfilling the long-deferred promises of freedom and equality. Now is the time for decisive action. Let's commit to building a future where justice and equality are not just aspirations but lived realities for all.

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On how businesses can communicate effectively with their stakeholders (2)

OLUFEMI ADEDAMOLA OYEDELE

Olufemi Adedamola Oyedele, MPhil. in Construction Management, managing director/CEO, Fame Oyster & Co. Nigeria, is an expert in real estate investment, a registered estate surveyor and valuer, and an experienced construction project manager. He can be reached on +2348137564200 (text only) or femoyede@gmail.com

Identify stakeholders' and their needs

First thing first: the better a business knows its stakeholders, the more effectively it will be able to communicate with them. A business should be empathetic and ask the following questions:

- What type of communication do the stakeholders need?
- How often might they want to hear from the business?
- What are their goals?
- What issues do they care about?
- What do they expect from the business in which they are stakeholders?
- What is relevant to them?

By only sharing relevant information, it is more likely that business stakeholders will pay attention when they hear from them - and equally, more likely that they will respond to their communication. If they have not already, now is a good time to conduct a stakeholder analysis and note down any relevant findings, such as the issues that each stakeholder is concerned about and any specific expectations they may have.

Choose the right channels

You cannot talk about stakeholder communication without addressing the elephant in the room. These days, there are an ever-growing number of channels available for communicating with stakeholders. Most organisations do not have the resources to communicate and manage responses on every channel. So, it is important to be selective and choose the right channels. During a business stakeholder analysis, where stakeholders prefer to receive communication should be noted, as well as what type of communication they expect to receive on different channels, and how often they would like to hear from business. For instance, these communication channels are suitable for the following types of communication:

Email – Longer-form, regular updates about the project to interested stakeholders who are subscribed to receive updates.

SMS – Short updates about an immediate or last-minute event that impacts stakeholders.

Phone calls – Personalised meetings (as required) to discuss developments with key stakeholders.

Social media content – Short updates or news with information that is relevant and engaging for a broad range of interested stakeholders.

Meetings or events – Presentations with information for key impacted/interested stakeholders, and opportunities to chat and ask questions one-on-one (typically held early on in the project).

Direct message (e.g. Slack) – Sharing discussions and updates (as things happen) with internal staff and contractors who are involved in or have an influence on the project. In a business stakeholder communication plan, businesses should note the channels they plan to use and how they plan to use them.

Encourage feedback

Businesses stakeholder communication should leave plenty of room for feedback from stakeholders. This means providing multiple ways for stakeholders to get in contact (phone, email, face-to-face, messaging, press button machine, comment note or questionnaire etc.), along with opportunities to participate in the project or engagement process. It could be as simple as sending out stakeholder surveys to get feedback on business plans or they may host meetings, focus groups, and events where stakeholders can contribute their ideas and perspectives.

Stakeholder feedback will help them gain valuable insights into their stakeholders and project - as well as insights into how they can improve the engagement as they go (or in future). Business stakeholders are likely to be busy people, without much time to spare. So businesses should encourage them to leave feedback by:

- Managers and senior members of staff engaging in conversation with stakeholders.
- Responding to their questions and comments.
- Reporting back on the stakeholder feedback businesses have received.
- Demonstrating how it has influenced businesses decision-making.

Establish a cadence (rhythm)

Consistency is key and businesses' communication with stakeholders should be regular and predictable. This is important to ensure their stakeholders receive timely updates about the project - and to build confidence that they will continue to show up. When they are planning their stakeholder communication, they should note down how often they plan to communicate via specific channels. It will depend on the channels they choose and how they use them, but as a general rule, the following cadence is typical for these channels:

- **SMS** – As needed for timely notifications or events.
- **Email** – Weekly, fortnightly, or monthly updates.
- **Letters** – Monthly or quarterly updates (or one-off updates).
- **Events** – Typically concentrated early on in the process, or at major milestones, say yearly.
- **Social media** – Aim for status updates every day or several times per week.
- **Phone calls or messages** – Typically on an individual and as-needed basis.

Once businesses establish a cadence for each channel, they must try to stick to it for the duration of the project.

Track all communication

Businesses should be tracking all their stakeholder communication in their stakeholder system. Depending on the business organisation and kind of business, this may be a requirement for compliance, demonstrating that they have genuinely engaged with stakeholders. But tracking all the communication that goes out (and the responses businesses get from stakeholders) is also important to ensure they and their team have context for future stakeholder conversations and engagements, without having to rely on memory.

Having easy access to this past information (and referencing it) will:

- Demonstrate that businesses are paying attention to their stakeholders.
- Help businesses keep their communication relevant.
- Show that businesses genuinely care about their stakeholders.
- Reduce the likelihood of repeating the same information/question twice.
- Help businesses to build stronger relationships with stakeholders.

There are stakeholder relationship management software that can be used for business stakeholders management. It is important that businesses keep an up-to-date record of all emails, messages, and conversation notes. It makes communication easier as these records are easy templates to communicate.

Monitor and evaluate engagement

Finally, it is important that a business regularly analyse its stakeholder communication strategies so that it can refine its approach, focus its time on the most effective channels and messages, and apply its learning to future engagements. It is important to note that communication strategies for different classes of customers may be different. In most cases, customers' response to business communication will determine the means of communication they prefer. The methods of monitoring stakeholders' reaction to communication include looking at the level of engagement/shares on social media, email opens/replies, changes in sentiment over time, sales turnover/complaints and more.

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Insuring the biggest shows o

Major sporting events such as Euro 2024 and the Olympics excite and unite billions of people around the world, but for event organisers, delivering such spectacles is not without its challenges, whether this is the potential for disruption caused by extreme weather or a cyber incident. Years of experiences, learnings, and risk management planning ensures the shows go on, as does the support of insurance, which has an integral role to play in helping enable such amazing events to take place.

EUROPE TAKES CENTRE stage this summer, hosting two of the world's largest sporting events in short succession. The month-long UEFA Euro Championship football tournament kicked off on June 14 in Germany and will soon be followed by the Olympic Games, hosted by Paris from July 26 until August 11, and concluding with the Paralympic Games from August 28 to September 8.

The organisation of any sporting competition brings challenges but none more so than eagerly anticipated mega events like the Olympics, Euro 2024 or the football World Cup. Hosting such events is a mammoth undertaking, requiring a huge investment in infrastructure and logistics. Some 15 million visitors are expected to be in Paris for the Olympic Games, which will see 10,500 athletes from over 200 nations compete for gold. Billions more will watch both the Olympics and the Euros online and on TV.

The Olympic Games Paris 2024 are said to be the biggest sporting event ever organised in France. With ticket sales, TV rights and sponsorship deals running into the many millions, the values at stake are huge. Almost all of the €4.4bn cost of running it is privately funded through ticket sales, hospitality, sponsorship and TV rights, according to the IOC. A similar amount has been spent on upgrading venues and infrastructure in Paris- 95% of competition venues are already built or temporary. Many venues will be for the long-term benefits of local communities after the Games, in the form of housing and community sports centres, for example.

That said, the Olympic and Paralympic Games Paris 2024 are expected to be among the highest value yet in terms of sums insured, reflecting the sheer size, commercial value, and the fact Paris is hosting, explains **Jan Prechtl, a regional head of entertainment insurance at Allianz Commercial.**

"Values associated with large sports events were already increasing before the Covid-19 pandemic," says Prechtl. "The audiences have become more global, we have seen the sums insured increase over recent decades. And since the pandemic, costs have risen even further with inflation, which can be seen in ticket prices, hotels, and travel costs etc. This all helps drive-up insured values for large sporting events further."

"It's not just the Olympics. Without the support of insurance, the organisation of many major international events would not be possible, at least not at the scale we see today," says **Mark Whayling, global product lead, entertainment, Allianz Commercial.**

The show must go on

Almost all stakeholders involved in events such as the Olympics are covered by insurance, from the sport's organising body, the International Olympic Committee

Economics Commentary

Critiquing *The New York Times'* economic update on Nigeria

MARCEL OKEKE

Marcel Okeke, a practising economist and consultant in Business Strategy & Sustainability based in Lagos, is a former Chief Economist at Zenith Bank Plc. He can be reached at: obioraokeke2000@yahoo.com; +2348033075697 (text only)

"NIGERIA IS FACING ITS WORST economic crisis in decades, with skyrocketing inflation, a national currency in free-fall and millions of people struggling to buy food. Only two years ago, Africa's biggest economy, Nigeria is projected to drop to fourth place this year". This was how The New York Times opened its economic update on Nigeria, on Tuesday, June 11, 2024. The paper titled its piece: 'Nigeria Confronts its Worst Economic Crisis in a Generation.'

The paper said: "The pain is widespread. Unions strike to protest salaries of around US$20 a month. People die in stampedes, desperate for free sacks of rice. Hospitals are overrun with women wracked by spasms from calcium deficiencies." The paper further said: "The crisis is largely believed to be rooted in two major changes implemented by a president elected 15 months ago: the partial removal of fuel subsidies and the floating of the currency, which together have caused major price rises."

Still going granular, the paper said: "A nation of entrepreneurs, Nigeria's more than 200 million citizens are skilled at managing in tough circumstances, without the services states usually provide. They generate their own water; they take up arms and defend their communities when the armed forces cannot; they negotiate with kidnappers when family members are abducted."

Without a doubt, The New York Times' work on Nigeria is a dispassionate and illuminating update on the state of the country's economy. It serves as a veritable gauge and guide to discerning stakeholders in the Nigerian polity. Boldly and accurately, the paper situated Nigeria's current economic debacle on the twin key policies of the President Bola Ahmed Tinubu administration: fuel subsidy removal and the Naira's floatation.

It is truly apposite and politic to ask: would the Nigerian economy have turned out the way it is today, if those twin policies were not put in place by the government? Are the outcomes of those policies what the government intended to achieve? The answer to both questions is NO. So, the subsisting hyperinflationary trend in the past one year is really policy-induced. The same with the free-fall of the national currency (the Naira), as well as the impoverishment of millions of the citizenry in the past 12 months.

In point of fact, the rate of inflation (measured by Consumer Price Index, CPI) was at just about 22.40 percent as of May 2023. But as at end-May 2024, it had gone up to 33.95 percent. Also, the official exchange rate of the Naira against the dollar by May 2023, was about N465/$. This has since deteriorated to close to N2000/$, before hovering around N1500/$ that is the situation today. By the same trend, the pump price of fuel (Premium Motor Spirit, PMS) which was below two hundred naira per litre in May 2023, has since June 2023 shot up to N700 per litre (and much higher in many locations).

It has been argued ad nauseam that the immediate past administration of President Muhammadu Buhari had 'removed' fuel subsidy at the point of handing over to the current administration. Proponents of this view maintain that the National Assembly (via 2023 budget) had put the end of fuel subsidy payment at June 2023. But President Tinubu's pronouncement of "fuel subsidy is gone" was actually made in May 2023; one month before Buhari's deadline. Could President Tinubu have delayed the subsidy removal fiat, if he had properly assumed office before the policy pronouncement?

Were there not other pieces of legislation that President Tinubu used his good offices to postpone their implementation soon after he was sworn-in? The answer is YES! There were many. Therefore the take-off of the termination of fuel subsidy could have been suspended or postponed, to enable Mr. President 'understand' the terrain more intimately. Same goes for the floatation of the Naira. Bad as the existence of multiple exchange rates were, the other extreme of fully floating the Naira should have been implemented 'very gradually.' Not in one fell swoop. Gradual floatation should have been the approach.

These peremptorily imposed policies have no doubt taken the Nigerian economy farther into the woods in the past 12 months. In this regard The New York Times said: "More than 87 million people in Nigeria, Africa's most populous country, now live below the poverty line — the world's second-largest poor population after India, a country seven times its size. And punishing inflation means poverty rates are expected to rise still further this year and next…"

Unfortunately, the dissonance between the fiscal and monetary authorities' stances in the past one year in Nigeria has not helped in addressing the deleterious consequences of the government's economic policies. In pursuit of its stated goal of curbing high inflation rate, the Central Bank of Nigeria (CBN) has opted for continued raising of interest rates in the financial system. Thus, between February and May this year, the apex bank had raised its indicative (benchmark) interest rate (Monetary Policy Rate, MPR) from 18.75 percent to 26.25 percent — a whopping 750 basis points.

This, among other measures, have seen effective interest rates on bank facilities climbing as high as 35 — 40 percent. With this, genuine businesses — especially the Small and Medium Scale Enterprises (SMEs) — have been crowded out of the credit market. Loans are being priced beyond their reach. The few (mainly trading) businesses that take the loans have their cost of operations driven up, and have to transfer such to the ultimate consumers — as higher prices. This keeps driving up inflation, rather than the other way round.

Also, because of the hugely depreciating local currency, importers of raw materials, machineries and goods end up deploying so much naira to procure dollars in the forex market. This high cost also gets factored into their pricing, and ultimately transferred to consumers. This is also responsible for the consistently high and rising prices of PMS in the past one year. Rather than expediting efforts to refine crude oil locally, the government resorted to licensing more importers of the commodity; this has been putting pressure on the naira in the forex market.

In this regard, The New York Times said: "Nigeria is a country heavily dependent on imported petroleum products, despite being a major oil producer. After years of underinvestment and mismanagement, its state refineries produce hardly any gasoline. For decades, the national soundtrack has been the hum of small generators, fired up during daily power outages. Petroleum products move goods and people around the country." The consequence of all this is that one year into the tenure of President Tinubu, no local refinery in Nigeria is in operation.

The much-touted Dangote Refineries commissioned by President Buhari in the last days of his administration in May 2023, is yet to produce a drop of PMS. The repairing of government-owned refineries (four in number) has remained a forlorn hope. For the umpteenth time, officials of the government have promised the recommencement of oil refining at the Port-Harcourt Refinery. This promise has since turned into a joke that deepens loss of confidence in government by the citizenry.

On the worsening food insecurity in the land, The New York Times said: "Nigeria cannot produce enough food for its growing population; food imports rise eleven percent annually. The currency devaluation caused those imports — already expensive because of tariffs — to explode in price." And the newspaper went on and on to point out more worrisome details of an economy that seems ineluctably heading for an abyss.

But coming just on the first anniversary of the Tinubu administration, The New York Times' treatise on the Nigerian economy must be seen, rightly, as a wake-up-call on the government to truly commence an effective turnaround of the economy. While some of the issues raised in the publication mock Nigeria and Nigerians, they are pointers to the 'faulty' foundation upon which the Nigerian economy is being built by the powers that be. But it is not too late to beat a retreat!

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n earth

(IOC), and the national organising committees, down to national teams or individual athletes, as well as sponsors, broadcasters, hospitality firms, retailers, and suppliers.

"Insurance now plays a critical role in major sporting events. From the traditional insurance covers, such as property and motor, through to various liability coverages like public liability, accident, and health, to directors and officers, and cyber insurance. To varying degrees, all these coverages are likely to be in place, providing valuable protection for these events, their organisers, participants, and spectators," says Whayling.

Perhaps the largest and most challenging risk for the insurance market is event cancelation, which covers the financial impact of cancelling or postponing an event due to factors such as adverse weather, security and terror threats or public health concerns. Values covered by cancellation insurance for a major international sporting event can easily run into the hundreds of millions of Euros, Prechtl adds.

In addition to the 'big ticket' coverages like event cancellation, insurance also plays a key role behind the scenes, supporting the day-to-day operation of major sporting events or protecting the sporting venues themselves. Allianz France, for example, is one of the main insurers of the main infrastructures such as the Vélodrome de Saint-Quentin-en-Yvelines, the nautical stadium at Vaires-sur-Marne and the media village. It also provides coverage for the Marathon pour tous.

For fans who plan to watch the Games in Paris, travel and ticket cancellation insurance is available. Athletes, teams, and players often require medical insurance coverage to protect against injuries or illnesses occurring during training or competition, and depending on their contractual agreements, they may also need liability coverage to protect against claims arising from their participation in events. Organisers will also require large limits of liability insurance to cover risks associated with employees and volunteers involved in the events, as well as spectators.

Team effort

As the current official Worldwide Insurance Partner for the Olympic and Paralympic Games, Allianz collaborates with the IOC to provide insurance solutions and services to the organising committees for the Olympic Games, the National Olympic Committees and their Olympic teams and athletes. The current partnership, building on a collaboration with the Paralympic Movement since 2006, was announced in 2018 and runs through to 2028.

As a leading insurer of large complex events, Allianz is involved in the Games at a "broad scale," says Deanim Jadean, global technical manager, Olympic and Paralympic partnership, who is coordinating the multiple underwriting programmes across various Allianz Property & Casualty units from Allianz France to Allianz Commercial and Allianz Partners. However, an event as large as the Olympics requires the participation of many insurers.

"Every policy for the Games is a collaborative and market effort. Insurance is about the law of big numbers and large events like the Olympics are carried on many shoulders. We work closely with the IOC and the Paris 2024 Organising Committee to thoroughly understand the risks and develop highly tailored wordings which are then placed in international insurance markets. There are many insurers and reinsurers involved to provide the required levels of coverage for such Games, which are so vast and with truly huge sums insured," explains Jadean.

Underwriting the Olympics Games is rather an art than an actuarial science. "We can't take the experiences from previous Games and repeat a similar approach and assessment two years later (including the Winter Olympics)," explains Jadean who served many years as a commercial underwriter for Allianz in South Africa. "Each Games takes place in a different environment and country. For Paris 2024, it's the urban character of the Opening Ceremony and the sports competitions which makes it unique. For LA28 we may need to factor in the special legal landscape in the United States when it comes to liability or tort."

Lessons from the pandemic

This year's Olympics marks the first games to be held in front of spectators since the pandemic and without Covid-19 restrictions. Tokyo 2020 was postponed due to the pandemic, but was successfully held a year later, albeit largely behind closed doors. No Olympics have been cancelled since the Second World War.

While the World Health Organisation declared in May 2023 that Covid-19 was no longer a Public Health Emergency of International Concern (PHEIC), the possibility of future pandemic outbreaks remains. Organisers of sporting events are tasked with assessing the potential impact on an event, including the need for coverage for event cancellation, postponement, or disruptions due to public health emergencies.

Major sporting events like the Olympics and Euros are continually learning from previous tournaments, explains Prechtl. For example, previous Olympics have also led to the implementation of disease surveillance systems and relevant contingency plans, as well

Continues on page 19

PROJECT SYNDICATE

If Democracy Isn't Pro-Worker, It Will Die

DARON ACEMOGLU

Daron Acemoglu, Institute Professor of Economics at MIT, is co-author (with Simon Johnson) of Power and Progress: Our Thousand-Year Struggle Over Technology and Prosperity (PublicAffairs, 2023).

BOSTON – Even if the feared extremist wave did not quite materialize in the European Parliament election this month, the far right performed well in Italy, Austria, Germany, and especially France. Moreover, its latest gains have come on the heels of major shifts toward far-right parties in Hungary, Italy, Austria, the Netherlands, and Sweden, among others.

In France, the resounding victory for Marine Le Pen's National Rally (previously the National Front) cannot be dismissed as a mere protest vote. The party already controls many local governments, and its success this month has induced President Emmanuel Macron to call early elections – a gamble that could give it a parliamentary majority.

At some level, there is nothing new here. We already knew that democracy was increasingly strained around the world, with intensifying challenges from authoritarian parties. Surveys show that a growing share of the population is losing confidence in democratic institutions. Nevertheless, the far right's inroads with younger voters are particularly worrying. No one can now deny that this latest election was a wake-up call. But unless we understand the root causes of the trend, efforts to protect democracy against institutional collapse and extremism are unlikely to succeed.

The simple explanation for the crisis of democracy across the industrialized world is that the system's performance has fallen short of what it promised. In the United States, real (inflation-adjusted) incomes at the bottom and the middle of the distribution have hardly increased since 1980, and elected politicians have done little about it. Similarly, in much of Europe, economic growth has been lackluster, especially since 2008. Even if youth unemployment has declined recently, it has long been a major economic issue in France and several other European countries.

The Western model of liberal democracy was supposed to deliver jobs, stability, and high-quality public goods. While it mostly succeeded following World War II, it has fallen short on almost every count since around 1980. Policymakers from both the left and the right continued touting policies designed by experts and administered by highly qualified technocrats. But these not only failed to deliver shared prosperity; they also created the conditions for the 2008 financial crisis, which stripped away any remaining veneer of success. Most voters concluded that politicians cared more about bankers than workers.

My own work with Nicolás Ajzenman, Cevat Giray Aksoy, Martin Fiszbein, and Carlos Molina shows that voters tend to support democratic institutions when they have direct experience of democracies delivering economic growth, noncorrupt government, social and economic stability, public services, and low inequality. It therefore comes as no surprise that a failure to satisfy these conditions would result in a loss of support.

Moreover, even when democratic leaders have focused on policies that would contribute to better living conditions for most of the population, they have not done a good job of communicating effectively with the public. For example, pension reform is obviously needed to put France on a more sustainable growth path, but Macron failed to secure public buy-in for his proposed solution.

Democratic leaders have increasingly lost touch with the population's deeper concerns. In the French case, this partly reflects Macron's imperious leadership style. But it also reflects a broader decline of trust in institutions, as well as the role of social media and other communication technologies in promoting polarizing positions (on both the left and the right) and pushing much of the population into ideological echo chambers.

Policymakers and mainstream politicians were also somewhat tone deaf to the kinds of economic and cultural turbulence that large-scale immigration brings. In Europe, a significant share of the population expressed concerns about mass immigration from the Middle East over the past decade, but centrist politicians (particularly center-left leaders) were slow to engage with the issue. That created a big opportunity for fringe anti-immigration parties like the Sweden Democrats and the Dutch Party for Freedom, which have since become formal or informal coalition partners for ruling parties.

The challenges hampering shared prosperity in the industrialized world will become even more of an issue in the age of AI and automation – and this at a time when climate change, pandemics, mass immigration, and various threats to regional and global peace are all growing concerns.

But democracy is still best equipped to deal with these issues. Historical and current evidence make it clear that non-democratic regimes are less responsive to the needs of their population, and less effective at helping disadvantaged citizens. Whatever the Chinese model might promise, the evidence shows that non-democratic regimes ultimately reduce growth in the long term.

Nonetheless, democratic institutions and political leaders will need to make a renewed commitment to building a fair economy. That means prioritizing workers and ordinary citizens over multinationals, banks, and global concerns, and fostering trust in the right kind of technocracy. It will not do to have aloof officials imposing policies in the interest of global companies. To address climate change, unemployment, inequality, AI, and the disruptions of globalization, democracies need to blend expertise with public support.

This will not be easy, because many voters have come to distrust centrist parties. Even though the hard left – as represented by Jean-Luc Mélenchon in France – has greater credibility than mainstream politicians in terms of its commitment to working people and independence from banking and global business interests, it is unclear whether left-wing populist policies would truly deliver the economy that voters want.

This suggests one way forward for centrist parties. They can start with a manifesto that rejects blind allegiance to global business and unregulated globalization, and offers a clear, workable plan for combining economic growth with lower inequality. They also should strike a closer balance between openness and allowing for reasonable limits on migration.

If enough French voters support pro-democracy parties against National Rally in the parliamentary election's second round, Macron's gamble may well work. But even if it does, business as usual cannot continue. For democracy to regain the public's support and trust, it needs to become more pro-worker and egalitarian.

VISIONARY VOICES

A Shining Example of Successful Multilateralism

EMMANUEL MACRON

JOSÉ MANUEL BARROSO

MOHAMED CHEIKH EL GHAZOUANI

Emmanuel Macron is President of France. José Manuel Barroso, a former president of the European Commission and prime minister of Portugal, is Chair of Gavi, the Vaccine Alliance. Mohamed Cheikh El Ghazouani is President of Mauritania and Chairperson of the African Union.

PARIS – Multilateralism, we are told, is in retreat. But we cannot let retrenchment and fragmentation take over. From climate change and biodiversity collapse to the conflicts, geopolitical tension, and turbulence afflicting today's world, we know that overcoming global challenges requires renewed and strengthened forms of global cooperation.

Fortunately, there is real cause for optimism that new and innovative partnerships can shape a better world. And perhaps nowhere is multilateralism's track record better, and the potential rewards so great, as when we work together to improve global health outcomes.

Over the past several decades, multilateralism, solidarity, and partnership have driven stunning victories against infectious diseases, transforming the lives of some of the world's most marginalized communities. Global child mortality, for example, has halved since 2000, and one of the primary reasons has been immunization.

Few endeavors promise as much for humanity over the coming years as immunization. Scientific breakthroughs have led to new and more effective vaccines, including the world's first malaria vaccine, which is currently being rolled out in several African countries. And innovation is playing a key role in enabling more countries than ever before to produce and access vaccines.

On June 20, a month before the world unites for the next Olympic Games, leaders from national governments, civil society, and the private sector will come together in Paris for "Protecting Our Future: The Global Forum for Vaccine Sovereignty and Innovation." Co-hosted by France on behalf of Team Europe (which includes the European Union, EU member states, the European Investment Bank, and the European Bank for Reconstruction and Development), the African Union (AU), and Gavi, the Vaccine Alliance, the meeting embodies the spirit of solidarity underlying these achievements.

While half of Africa is currently suffering from a new outbreak of cholera, which has become endemic in the region as a direct consequence of climate change, this is yet another demonstration, after COVID-19, of the need for a more predictable and accessible supply of vaccines for the developing world.

The Forum intends to mark the beginning of a new era for immunization and equity as Gavi sets out its plan to protect more children against more diseases than ever before. Now in its 25th year, Gavi has already vaccinated more than a billion children in lower-income countries – one-eighth of humanity. Along the way, it has contributed to the prevention of millions of deaths, unlocked hundreds of billions of dollars in economic benefits, and helped prevent and respond to outbreaks of new and re-emerging diseases.

In the future, we expect that vaccines will play an even larger role in keeping us all safe (a vaccine against colon cancer is now being tested in the United Kingdom) and helping countries to develop. Vaccines play an important role in reducing the risk of antibiotic resistance, and when it comes to helping countries adapt to climate change, they provide protection against outbreaks of waterborne diseases such as cholera and mosquito-borne diseases such as malaria and yellow fever, all of which can be triggered by floods, droughts, and rising temperatures.

Vaccine sovereignty means helping countries take ownership of their own national strategies, as well as giving them the means to access the vaccines they need, especially in times of crisis and global supply-chain disruptions, such as the one we experienced during the COVID-19 pandemic. A unique strength of Gavi's model is that it is sustainable by design, pooling demand to secure affordable prices while asking countries to contribute more toward covering the cost as their national incomes rise.

To date, 19 countries' economies have grown to the point that they have transitioned out of Gavi support and now pay the full costs of their national vaccine programs. Over the next five years, Gavi-supported countries will make their largest-ever investment in immunization, paying over 40% of the costs of their routine vaccines.

Vaccine sovereignty also means having access to a secure vaccine supply. The pandemic highlighted the inherent injustice and inefficiency of concentrating vaccine production in a few countries, which was reflected in long delays in access for countries and continents that were locked out of the manufacturing ecosystem.

The African Vaccine Manufacturing Accelerator (AVMA), a $1 billion financing mechanism that will also be launched in Paris, is designed to rebalance that ecosystem by catalyzing the emergence of robust vaccine manufacturing capacity in Africa, which currently produces only 2% of the vaccines it uses. AVMA will emphasize funding for vaccines that are currently in short supply, such as vaccines against cholera and Ebola. This is consistent with the AU's Agenda 2063, which states that a healthy, prosperous population in Africa can be achieved through research, development, and innovation. And it is good for the world, because no one is safe until everyone is safe.

In a world that often seems divided, the Protecting Our Future Forum is a chance to celebrate the unparalleled global impact of immunization and, more broadly, the untapped potential of global solidarity and partnership. We will be there alongside heads of state from around the world to show our unwavering support for Gavi's ambitious program and its efforts to raise the funds it needs to deliver a healthier, more prosperous future by making this the most protected generation in history.

Gold is a good hedge over the long term, not the short term

— CEO, US-based Sterling Foundation Management

ROGER SILK is the chief executive officer of Sterling Foundation Management, LLC a leading provider of charitable planning solutions to financial, legal and tax advisors in the United States. His innovative approach has earned him a stellar reputation among investment, accounting, financial planning, and legal professionals, who seek his counsel in equipping their firms and clients with a diverse range of solutions, entities, and planning tools that bring forth both financial and philanthropic benefits.

Prior to co-establishing Sterling Foundation Management, Roger Silk demonstrated his financial prowess as a treasury officer at the World Bank, managing a portfolio worth billions of dollars in repurchase agreements. In an exclusive interview with Business a.m., the widely acclaimed financial expert, analyst, and author, alongside Katherine Silk, shared their knowledge and insights on the current investment prospects of gold, identifying key factors for investors to consider and potential risks to mitigate as they exploit the precious

WITH THE PRICES OF GOLD and silver currently below their historic highs, how should investors assess their potential as inflation hedges compared to other assets?

BOTH SILVER AND GOLD are inflation hedges over the long run much more than over the short run. Inflation is the fall in the purchasing power of fiat money. Gold -- and to a lesser extent, silver -- have historically served as money. Because gold and silver cannot be created out of thin air, like fiat money can be, gold and silver tend to hold their value over long periods. A perfect inflation hedge would immediately increase in market value exactly as much as the fiat currency it is hedging decreases. There is no perfect inflation hedge. TIPS, as we predicted in 2021 in our book Politicians Spend, We Pay, turned out to be a disastrous inflation hedge.

Can you elaborate on the factors that contribute to the perception of gold as 'real money', and how does this perception influence the role of gold in an investor's portfolio, particularly during periods of high inflation?

Gold has been money for most of the past 3000 years. Today, gold is held and demanded by most of the world's biggest central banks, which signals that despite the rhetoric, central bankers treat gold as real money. In today's world, gold is the only money-like commodity that cannot be printed by a government.

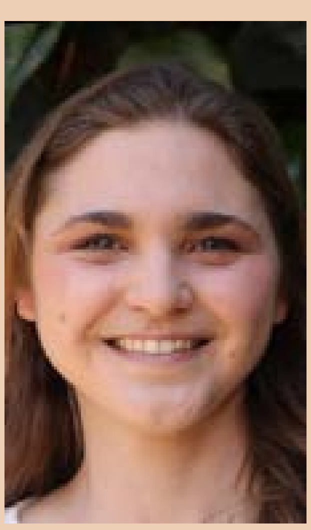
With gold prices being more reactive to geopolitical events than inflation in the short term, how would you advise investors to approach gold as an inflation hedge in the immediate future?

Investors should be aware that, measured in dollars, the price of gold has been quite volatile since the decoupling of gold from the dollar in 1971. The standard deviation of annual return (a common measure of volatility) has been about 26 percent since 1971, compared to the S&P 500's 17 percent. Gold is a hedge over the long term, but not particularly over the short term.

Do you see these geopolitical developments prolonging gold's sensitivity to political events, or will gold's traditional sensitivity to inflation eventually prevail?

Over the very long run gold has held its purchasing power. The late Prof. Roy Jastram conducted an exhaustive study of gold from 1560 to 1976, and published his results in a book titled The Golden Constant. Over those four centuries, there was tremendous geopolitical strife, including not only the two eponymous world wars, but the Napoleonic Wars which were a world war in all but name, and the Seven Years War, which Winston Churchill called "the first world war." Despite these wars, despite the development of the New World, despite the Industrial Revolution, through it all gold basically held its purchasing power.

Roger Silk, CEO, Sterling Foundation Management, US



Katherine Silk

Considering the current prices of gold and silver are below their historic highs when adjusted for inflation, what factors do you believe could drive the prices back up to or above their previous peaks?

In addition to fundamental factors, such as money supply, that can be quantified, extremes of prices are nearly always driven by investors' or consumers' emotions and expectations. Often when prices rise sharply, part of that rise is driven by fear of further rises, and expectations of further rises. And the same applies to sharp price falls. It is often impossible to predict the specific events which can trigger those emotionally driven moves.

The price of gold is influenced by various factors, including fear. Of the three fear factors - political instability, unexpected inflation, and war - which do you think has the strongest impact on gold prices in the short term?

In the short term, the answer is probably whichever of these factors is least anticipated. Markets react to surprises, especially negative surprises, much more than to developments are expected, even if those expected developments are negative.

Outside of using gold to hedge against inflation and uncertainty by different classes in the investment world, how is the market shaped and how will it be shaped in the future by ordinary users of products made out of gold?

Aside from its monetary demand, the largest source of demand, by far, for gold is jewellery. Demand for gold jewellery responds to the price of gold, pretty much the way the demand for any other commodity responds to price.

Where are the levers of power in the gold commodities play right now and where will these levers be in the next 5 to 10 years?

If I understand the question, you're asking what actors move the price of gold the most? Of all market participants, hedge funds probably have the most degrees of freedom to buy, or sell, and thereby affect the gold market. Hedge funds at the end of 2023 had as a class an estimated $5 trillion, of which only a small fraction was in gold. The supply of gold is very inelastic, so most of the change in the gold price is driven by changes in demand.

How much will gold play in a future where AI and its associated externalities hold sway?

Gold has retained its central monetary role since the time of the Pharaohs. I don't see why AI would change that.

BANKING & FINANCE

Sustainable financing on song as finance leaders urge corporate trustees raise bar

Onome Amuge

SUSTAINABLE FINANCE is no longer an obscure notion in global finance. It has become a fast-growing movement sweeping the financial world, challenging old paradigms and spurring Nigeria to adapt.

Studies indicate that the ripples of sustainable finance, with its emphasis on environmental, social, and governance (ESG) investing, is set to have a significant impact on Nigeria's economic growth, environmental stability, and societal welfare.

Infact, a report by Agusto & Co, showed that the global green bond market has blossomed at a remarkable speed, with cumulative issuance catapulting from under $40 billion a decade ago to $2.7 trillion by 2023.

As custodians of trust assets and agreements, corporate trustees in Nigeria are considered significant players in opening the gates of opportunity for sustainable finance, where investments generate both financial returns and environmental, social, and governance benefits.

To this end, experts and stakeholders from Nigeria's financial sector have called upon corporate trustees to develop their expertise in serving investors interested in financing climate change initiatives. With investors eager to fund climate-focused initiatives, industry insiders believe that corporate trustees can play a pivotal role in harnessing capital to drive environmental progress.

Lagos became the stage for a lively discussion on the future of sustainable finance, as the Forum of Trust Providers Ltd/Gte, also known as the Association of Corporate Trustees (ACT) hosted its business luncheon with the theme, "Sustainable finance: The role of corporate trustees". During the event, experts and stakeholders weighed in on the potential of corporate trustees to lead the way in facilitating the transition to greener and more socially responsible investment practices.

L-R: Adekunle Awojobi, chairman 2024 ACT business luncheon committee; Olatunde Kamali, director,office of the director general, Securities and Exchange Commision; Patience Oniha, director general, Debt Management Office; Omolola Iyinolakan,president,ACT; Felicia Sonubi, managing director, Emerging Africa Trustees Limited; and Jimi Ogbobine, associate director and head of consulting, Agusto Consulting Limited, during the 2024 ACT business luncheon in Lagos, recently

Emomotimi Agama, the director-general of Securities and Exchange Commission (SEC), and guest of honour at the event, laid out a compelling argument for sustainable finance. Decrying the threats posed by global challenges such as value chain disruption, resource scarcity, social inequality, and economic instability, Agama urged corporate trustees to view their role as an opportunity to drive transformative change and lead efforts towards a more sustainable future.

Agama, who was represented by Tunde Kamali, the director, market development of SEC, urged the Association of Corporate Trustee to take the lead enforcement expertise in sustainable finance and foster an investment environment that is both knowledgeable and accountable.

"This era of mankind has without doubt been robustly characterised by the inescapable importance of environmental stewardship, social equity and economic resilience. As guidance of financial integrity, we now also have a responsibility to ensure environmental integrity which means adjusting to ensuring the infusion of sustainability considerations into our reports, decisions and activities.

"This is a responsibility that has become paramount as our contribution to providing the nourishment required by nature which would in turn support the standard and quality life we all desire now and in the future. "Sustainable finance, guided by environmental, social and governance principles (ESG) is a key to that prosperous future," he stated.

Agama highlighted the tremendous opportunities in the world of sustainable finance, urging corporate trustees to take centre stage. The SEC DG acknowledged the key role played by corporate trustees as the bridge between investors and other stakeholders, and the need for them to become the driving force behind sustainable financing. He also stressed the importance of trustees not only overseeing assets and ensuring compliance but also playing an active role in promoting sustainable finance practices.

Agama advocated for trustees to leverage Environmental, Social, and Governance (ESG) criteria, strategically directing capital towards sustainable projects and initiatives. He explained that in doing so, trustees can protect investor portfolios from ESG-related risks and strengthen the financial viability of investments over the long term, thus safeguarding the planet's future.

He identified the $2.6 trillion promise of sustainable finance, challenging Nigeria's corporate trustees to unlock this potential. He also underscored the economic and environmental benefits this shift could bring, while cautioning that there is still much work to be done in realising the full potential of the rapidly growing market.

The SEC DG identified an untapped opportunity concerning the unmet need for sustainable investment advice. He urged financial intermediaries to leverage this opening and fill the gaps. According to him, the growing demand for sustainable investments presents an opportunity for corporate trustees to unlock a lucrative market.

Agama encouraged corporate trustees to reinvent themselves as leaders in sustainable investment. He also urged them to transcend their traditional role of intermediaries, championing the integration of environmental and social impact in their investment strategies.

"The Association of Corporate Trustees should take the lead in fostering expertise in sustainable finance, fostering an investment environment that is both knowledgeable and accountable," he stated.

Agama also reaffirmed SEC's commitment to champion sustainable financing in Nigeria, noting that the commission stands firm in its commitment in championing sustainable financing in Nigeria. He also noted that the commission has developed comprehensible sustainable climate guidelines into its disclosure requirements for capital market operators, aligning them with sustainable finance procedures.

Patience Oniha, director-general of the Debt Management Office (DMO), in her keynote speech, noted that corporate trustees occupy a crucial position in the financial ecosystem, shielding investors from potential risks and ensuring that their investments remain solid and secure.

Oniha outlined Nigeria's strategy for sustainable finance, highlighting the nation's commitment to combating climate change and protecting the environment.

As the arm of government responsible for borrowing, Oniha acknowledged that sustainable finance is a significant means of implementing international agreements that have been signed by Nigeria. She also noted that there has been an increase in fundings and securities relating to sustainable finance. "As we expect these securities to come in large scale, not just from the government but from the private sector, we expect that the trustees should be able to provide the required services so that investors can be comfortable about them," she stated.

The DMO DG also urged corporate trustees to build their capacity and expertise in sustainable finance to keep pace with a rapidly expanding securities market.

Addressing newsmen, Omolola Iyinolakan, president of the Association of Corporate Trustees (ACT), spoke on the choice of the sustainable finance theme, saying,"we have been looking at the financial services sector, and see what is on the front burner, and try to address them from our own side as corporate trustees."

Iyinolakan expressed her insight in the rising significance of sustainability in the financial sector, underscoring that ESG considerations are no longer optional but essential for policy making. This intersection of finance and sustainability, she explained, is an opportunity for the sector to strike a balance between economic growth and environmental protection, while promoting social fairness.

The ACT president also highlighted the critical role of corporate trustees in protecting investors' interests. She noted that by their nature, investments involve a variety of stakeholders with varying motivations, and it's not always possible for investors to fully understand the complex financial instruments they engage in. This, she noted, is where corporate trustees come in, safeguarding the interests of all investors and ensuring that their investments are secure and their returns fair.

Naira weakness, rising loans push public debt to N121trn in Q1'24

Business a.m.

NIGERIA'S TOTAL PUBLIC DEBT, including domestic and external debt, rose to N121.67 trillion or about $91.46 billion, increasing by N24.33 trillion or 24.99 percent in the first quarter of the year ended March 31, 2024, driven majorly by naira depreciation and new borrowings by the Bola Tinubu-led administration.

The Debt Management Office (DMO), issued the disclosure recently in a statement titled "Total Public Debt as at March 31,2024."

According to the DMO, domestic debt stood at N65.65 trillion or $46.29 billion while external debt was N56.02 trillion or $42.12 billion. The DMO report indicated that total public debt rose from N97.34 trillion in December 2023 to N121.67 trillion in the first quarter of 2024,with the debts comprising the total domestic and external debts of the federal government, the 36 state governments, and the Federal Capital Territory (FCT).

"Nigeria's total public debt stood at N121.67 trillion ($91.46 billion) as of March 31, 2024. The comparative figure for December 31, 2023, was N97.34 trillion ($108.23 billion). Total Domestic Debt was N65.65 trillion ($46.29 billion) while total external debt was N56.02 trillion ($42.12 billion)," the report explained.

The DMO report revealed that the drop in external debt from Q4 2023 to Q1 2024 was largely driven by the naira's depreciation against the dollar, which caused a $16.77 billion decrease in dollar-denominated debt, representing an 18.34 percent reduction. This decline, it stated, was due to the DMO converting external debts from dollar to naira using an official exchange rate of N1,330 per dollar, which was significantly higher than the N899.39 per dollar used in December 2023. Focusing on the domestic debt aspect, Nigeria's debt load ballooned from N59.12 trillion in December 2023 to N65.65 trillion in March 2024, excluding the naira's influence on external debt. The 36 states and the Federal Capital Territory (FCT) also contributed to the overall debt burden, accruing a total external debt of $3.1 billion and domestic debt of N4.068 trillion.

The DMO also noted that apart from the naira's depreciation, two other factors fueled Nigeria's spiralling debt, including the need to borrow to finance the 2024 budget deficit and the conversion of N7.3 trillion Ways and Means advances from the Central Bank of Nigeria into tradable securities, which added to the domestic debt.

STOCKS MARKET

	NSE	NSE 30	FTSE 100	DOW JONES	S & P 500	FTSE/JSE	NASDAQ
	99,743.05	3,694.66	8,420.26	40,003.59	5,303.27	79,530.63	16,685.97
CURRENT	0.18	0.16	-0.22%	0.34%	0.12%	0.03%	0.074%
YEAR TO DATE	33.39	32.41	8.88%	6.14%	11.18%	3.43%	11.16%

TOP TRADERS

Company	Volume	Value
STERLINGNG	42259975	175524569.2
ZENITHBANK	28033338	1008786024
FIDELITYBK	25104460	249818328
VERITASKAP	20260387	14276249.89
ACCESSCORP	19236396	362388484.7

TOP GAINERS

No	Equity	Opening	Closing	%Change
1	GUINNESS	N 54.80	N 60.25	9.95%
2	ETRANZACT	N 4.55	N 5.00	9.89%
3	UNITYBNK	N 1.22	N 1.34	9.84%
4	REGALINS	N 0.43	N 0.47	9.30%
5	RTBRISCOE	N 0.56	N 0.61	8.93%

TOP LOSSERS

No	Equity	Opening	Closing	%Change
1	ACADEMY	N 2.03	N 1.83	-9.85%
2	CWG	N 5.85	N 5.30	-9.40%
3	PRESTIGE	N 0.54	N 0.51	-5.56%
4	JAPAULGOLD	N 1.99	N 1.92	-3.52%
5	UCAP	N 21.70	N 21.00	-3.23%

COMMODITIES

SYMBOL	PRICE	CHANGE	%CHANGE	VOLUME
OIL	80	0.77	0.97	76,277
BRENT	83.98	UNCH	UNCH	0
NAT GAS	2.638	0.143	5.73	161,597
RBOB GAS	2.578	0.04	1.58	33,806
GOLD	2,419.80	34.3	1.44	209,694
SILVER	31.775	1.899	6.36	128,674
COPPER	1,094.70	23.4	2.18	33,256
PALLADIUM	5.083	0.206	4.21	106,143
WHEAT	1,013	14.6	1.46	5,069
SOYBEAN	529	0.5	0.09	234
CORN	650.5	-12.75	-1.92	59,985
SUGAR	1,227.25	11	0.9	123,570
COFFEE	452.75	-4.25	-0.93	205,195
COTTON	18.1	-0.23	-1.25	34,072
ROUGH RICE	205.7	7.8	3.94	18,080
COCOA	75.92	-0.32	-0.42	9,018
	18.765	-0.335	-1.75	291

Access Bank Ghana sees assets rise 22.3%, nets GHS12.30bn in FY'23

Business a.m.

ACCESS BANK GHANA PLC saw its total assets jump to GHS 12.30 billion in the 2023 financial year, representing a growth of 22.3 percent after the bank posted GHS 10.057 billion in the previous year.

The growth solidifies Access Bank's position as a leading player in Ghana's banking sector, market analysts say.

Ama Bawuah, the board chairperson of Access Bank (Ghana) presented the financial statements at the bank's 16th annual general meeting (AGM), highlighting its impressive performance despite the challenging macroeconomic environment.

Access Bank Ghana's financials indicated that operating income increased by 40 percent from GHS1.150 billion to GHS 1.613 billion, while its loans and advances grew 42.81 percent.

The bank also recorded substantial growth in deposits, surging from GHS7.399 billion to GHS9.130 billion, marking a significant 23 percent increase.

L-R: Olumide Olatunji, managing director, Access Bank Ghana; Ama S. Bawuah, board chair, Access Bank Ghana; and Helen Decardi Nelson, company secretary, Access Bank Ghana, at the 16th annual general meeting of Access Bank Ghana held at its head office in Accra, recently.

Bawuah noted that in 2023, Ghana's economy was characterised by macroeconomic instability, escalating inflation, and dwindling investor confidence stemming from both domestic imbalances and external pressures.

"Against the backdrop of global and national economic uncertainties, I am pleased to share that your bank successfully applied valuable insights and industry best practices to achieve substantial growth across key areas in the past year,"she told shareholders.

The board chairperson added that the achievements in the period under review underscore the bank's steadfast dedication to navigating challenges and fostering sustainable growth, reaffirming its pledge to serve customers with excellence and integrity.

Olumide Olatunji, the managing director, Access Bank Ghana, also reiterated the bank's resilience and stability, saying that despite the prevailing uncertainties, Access Bank maintained a robust performance across key financial metrics, a testament to its prudent financial management.

According to Olatunji, the bank achieved a remarkable turnaround by resuming tax remittances to the government. He noted that the reversal from a negative contribution of GHS102 million to an impressive 509 percent increase to GHS419 million underscores the bank's commitment to fiscal responsibility and sustained growth.

Concurrently, shareholders' funds experienced substantial growth, from GHS1.014 billion to GHS1.403 billion. The managing director attributed this development to the transformative strategies implemented in the bank's business management practice.

Olatunji thanked shareholders for their support and emphasised the Bank's commitment to excellence and customer satisfaction, saying ,"we are proud of our achievements and recognise the trust our customers and shareholders have placed in us. We will continue to innovate, expand our reach, and support Ghana's economic growth."

Commenting on the financial statement, Sampson Ashong, the general secretary of the shareholders, praised the bank's performance and initiatives,citing its resilience and growth potential.

"I am thoroughly impressed with the bank's commitment to sustainability initiatives and employee capacity building. The dedication to creating a positive impact on the environment and society, while investing in the growth and development of their staff is truly commendable. This is evidence that Access Bank is not just focused on financial returns, but also on making a positive difference in the world," he said.

AfDB, InfraCredit in $15m deal for Nigeria's infrastructure development

Business a.m.

THE AFRICAN DEVELOPMENT BANK (AfDB) and Infrastructure Credit Guarantee Company Limited (InfraCredit), have sealed a deal for a $15 million subordinated loan facility aimed at bolstering InfraCredit's capital base. The collaboration seeks to draw in much-needed institutional investors' resources, contributing to Nigeria's battle against its persisting infrastructure financing gap.

Lamin Barrow, director general of the AfDB's Nigeria country department, and Chinua Azubike, CEO of Infrastructure Credit Guarantee Company Limited, put their signatures to the subordinated loan agreement in Lagos, recently.

The $15 million facility from the AfDB serves as a power-up for InfraCredit's mission to unlock vast reservoirs of long-term local currency financing through the capital markets, primarily by harnessing the vast pools of capital at the disposal of institutional investors, including pension funds, in West Africa's economic powerhouse, Nigeria. According to InfraCredit, it is on a mission to ignite Nigeria's infrastructure revolution by forging partnerships between institutional investors, whose abundant resources are waiting to be harnessed, and critical infrastructure projects. With a strategic focus on attracting sustainable, climate-friendly projects, InfraCredit provides the necessary credit guarantees that make these ventures bankable, thus helping to ensure Nigeria's infrastructure landscape is resilient, eco-friendly, and primed for future growth.

The partnership between the African Development Bank and InfraCredit has been lauded as forward in the realisation of several strategic objectives set forth in the bank's current country strategy for Nigeria. By encouraging local currency bond market financing across crucial infrastructure sectors, the partnership seeks to breathe new life into Nigeria's economy, stimulating diversification and competitiveness.

Lamin Barrow expressed the AfDB's satisfaction with the operation, noting, "Our support to institutions such as InfraCredit demonstrates the importance of promoting innovative and scalable solutions to leverage pools of capital from domestic institutional investors, and position local capital market as a viable alternative source of long-term funding to bridge the continent's huge infrastructure deficit."

On his part, Chinua Azubike expressed delight over the AfDB's confidence in InfraCredit's business model, which has successfully facilitated private sector investment in impactful infrastructure projects and InfraCredit's clean energy roadmap that has accelerated green finance for climate-aligned infrastructure, fostering SME growth, job creation, sustainable energy access, and overall economic development.

"Despite challenging market conditions, we have consistently demonstrated strong fundamentals, solid portfolio performance, a proven track record, and profitability. The further expansion of our capital base by this facility will bolster our ability to support access to long-term local currency domestic credit for our rapidly growing pipeline of infrastructure projects currently worth over N625 billion, fostering job creation and economic growth," he stated.

Solomon Quaynor, vice president for private sector, infrastructure and industrialisation of the African Development Bank Group, said the African Development Bank is pleased to be providing additional capital to InfraCredit Nigeria.

According to Quaynor, the success of InfraCredit has inspired the replication of its business model across the continent. He noted that the key part of AfDB's strategy for scaling up private sector financing in Africa. This, he explained, is evidenced by the multilateral bank's support for the establishment of a similar institution in Kenya covering the East Africa region.

Africa's domestic sources hold $100bn financing, says Mo Ibrahim Foundation

Onome Amuge

AFRICA'S UNTAPPED financial potential, hidden in the cracks of mismanaged or underutilised domestic resources, could yield an annual windfall worth $100 billion, eclipsing both the $81 billion in Official Development Assistance (ODA) and $97 billion in remittances received by Africa each year, according to a report by the Mo Ibrahim Foundation.

The report, titled "Financing Africa: Where is the Money?", however, bemoaned the rapidly growing gulf between Africa's aspirations for sustainable development, as outlined in both the UN's Agenda 2030 and the AU's Agenda 2063, and the financial resources required to achieve these goals.

Compounding the problem, the report noted that Africa's already uphill battle is further hindered by the cumulative impact of climate change, the enduring effects of the COVID-19 pandemic, and ongoing global crises in Russia-Ukraine and Israel-Gaza, highlighting the urgent need for a change in approach to financing if progress is to be accelerated.

With conflicting financial data overshadowing the true scale of Africa's development and climate financing needs, the Mo Ibrahim Foundation's report unravels the conflicting data surrounding Africa's development and climate financing needs, stating that without clear prioritisation and effective management of resources, countries on the continent risk being plunged into a dilemma between immediate human welfare and long-term environmental sustainability.

The intricate role of debt in Africa's financial ecosystem was also highlighted in the Mo Ibrahim Foundation's report, revealing a complex and rapidly escalating financial burden that has left the continent grappling for answers. The analysis also exposes a host of dire issues, from inadequate risk assessment and mitigation practices to the controversial surcharges imposed by the International Monetary Fund (IMF), and even the persistent issue of Official Development Assistance (ODA) funds lying idle.

Quoted Insurers

Security	P/close	Open	High	Low	Close	%Change	Volume	Value
AIICO	0.96	0.96	0.97	0.94	0.96	0	46,834,441	45,166,608.57
CORNERST	2	2	2.13	2.13	2.13	6.5	608,952	1,295,931.34
LASACO	2.02	2.02	2.16	2.16	2.16	6.93	461,332	988,302.95
MANSARD	5.4	5.4	5.4	5.24	5.25	-2.96	1,295,021	6,898,224.12
MBENEFIT	0.56	0.58	0.58	0.55	0.56	0	2,842,583	1,598,211.41
NEM	8.4	8.4	7.9	7.9	7.9	-5.95	1,719,774	13,696,282.65

Retirees push for solutions as pension payment backlog swells

Stories by Cynthia Ezekwe

NIGERIA'S PENSION FUND ADMINISTRATORS (PFAs) are caught in a pressure cooker as retirees demand urgent action over the federal government's prolonged delay in releasing accrued pension rights. For months, the federal government's continued reluctance to release accrued pension rights has left PFAs in a holding pattern, creating a ripple effect that has left newly retired citizens in limbo, unable to access their hard-earned savings despite years of dedicated service to their professions.

Business a.m. gathered that the federal government last paid accrued pensions in 2022 when it released N13.89 billion covering a four-month payment period. This implies that most of the federal government's employees that retired in 2022 and 2023 are yet to access their pensions till date.

Accrued rights refer to the pension benefits that employees of the federal government's treasury-funded Ministries, Departments and Agencies (MDAs) are entitled to, based on their service years before the commencement of the Contributory Pension Scheme (CPS) in 2004.

Ugwu Oluwakemi, the CEO of Nigerian University Pension Management Company Limited (NUPEMCO), a firm entrusted with safeguarding the pensions of Nigeria's university staff, spoke out against the growing malaise afflicting the pension system. In a candid video chat, she shed light on the systemic failure at play, asserting that PFAs are crippled by the spectre of unpaid accrued rights owed to government retirees. This inescapable reality, she contended, prevents PFAs from performing their most crucial duty — providing timely and accurate retirement benefits to those who have dedicated their lives to service.

"Despite the balances in the Retirement Savings Account (RSA) of the retirees, the PFAs are unable to pay because of Section 2.3 of the Revised Regulation on the Administration of Retirement/Terminal Benefits," Oluwakemi said.

According to the NUPEMCO CEO, the regulation mandates that the components of an RSA at retirement shall include accrued pension rights or pre-act benefits (if any) for employees who were in employment before the commencement of the Contributory Pension Scheme (CPS). She noted that employer/employee pension contributions, returns on investment, and the fixed portion of voluntary contributions (if any) must also be included.

However, she noted that a lot of retirees are not aware of Section 2.3, as they assume PFAs intentionally do not want to pay them, which is portraying pension fund administrators in a negative light.

"This is very obvious in the university system where professors retire at 70 years. Life expectancy in Nigeria is less than 70 years, which means they have cheated death. Yet, they wait for an average of one year before they access their funds. This is very pathetic," she stated.

According to Oluwakemi, the delay in pension payments is having devastating consequences, including a surge in preventable deaths. Retirees who would have otherwise had access to essential healthcare are being denied it, leading to premature mortality. She explained that this delay may also contribute to a rise in crime rates, as desperate family members may turn to illegal means to support themselves and their loved ones.

Oluwakemi noted that the Contributory Pension Scheme's primary objective is to ensure timely payments to retirees, and the current average wait time of one year is a clear failure to meet this goal.

To address the logjam, the CEO of NUPEMCO, urged the government to establish a dedicated pension reserve fund, shielded from budgetary constraints and competing priorities, adding the need for sustainable and diverse funding sources for the reserved fund such as a portion of tax revenues, investment income, or special levies.

She recommended strategies the government can employ to ensure timely payments to retirees and restore the integrity of the pension system, including:

- Introducing dedicated taxes or levies for pension funding
- Enacting legislation that ensures regular contributions to the reserve fund
- Establishing clear rules for pension fund management and disbursement
- Implementing multi-year budgeting to forecast and allocate funds for pension obligations.

Oluwakemi urged the government to establish a joint task force comprising representatives from PFAs, PenCom, and relevant government agencies to monitor and resolve issues related to RSA consolidation and the timely disbursement of retirement benefits. She also suggested that a five-year bond be issued, specifically tailored to provide for employees retiring within that time frame. This, she argued, could be a recurring strategy, implemented every five years to ensure that no retiree is left in limbo.

Olumide Lateef, a member of the house of representatives committee on pensions, while speaking at a recent retreat convened by the Pension Fund Operators Association of Nigeria, stressed the need for issues around pensions' accrued rights to be resolved to ensure success of the scheme.

Matthew Ike, a United States-based pensions expert, stressed the need to separate the entire pensions industry from government excesses through legislation.

"It is important to have legislation that mandates all entities to pay their contributions conformably. It won't matter whether you are a government or the private sector. Any failure must attract some sanctions," he noted.

L-R: Roosevelt Ogbonna, managing director/CEO, Access Bank Group; Adamu Atta, founder, Fifth Chukker; Governor Uba Sani of Kaduna State; Aigboje Aig-Imoukhuede, chairman, Access Holdings Plc; and Paul Usoro, chairman, Access Bank Group, at the 2024 Access Bank UNICEF Charity Shield Polo Tournament held in Kaduna ...recently.

Sovereign Trust Insurance sees 2023 premium income up 23% to N19.3bn

IN A YEAR THAT SAW GLOBAL AND domestic economies buckle under the weight of financial turbulence, Sovereign Trust Insurance Plc, a risk management services company in the Nigerian insurance industry, defied the odds, recording a 23 percent leap in its premium income, lifting its insurance revenue to N19.3 billion in 2023, up from N15.7 billion in 2022.

The 2023 financial results, in line with the new reporting format of IFRS-17 and secured requisite approval from the National Insurance Commission (NAICOM), indicated a remarkable performance across key metrics. The firm's total assets appreciated 33 percent to N22.7 billion in 2023 as against N17.1 billion in 2022.

In another development, the company's total equity grew 30 percent from N10.4 billion in 2022 to N13.5 billion in 2023.

Sovereign Trust also recorded an increase in its return on investment, which rose 49 percent from N548.7 million in 2022 to N819.4 million in 2023. The Company equally recorded a profit before tax of N1.4 billion just as it did in 2022.

Commenting on the financials, Olaotan Soyinka, the managing director and chief executive officer of the underwriting firm, said the performance of the company in 2023 is quite encouraging considering the various business challenges that the insurance industry had to deal with in the past year.

Soyinka noted that the company is poised to take advantage of the opportunities that are inherent in the insurance marketplace, adding that management of the company is committed to meeting and surpassing the expectations and aspirations of its shareholders and stakeholders alike.

The CEO of Sovereign Trust Insurance also remarked that the positive performance levels are a confirmation of the management's determination to effectively and strategically position the company as one of the leading and vibrant insurance companies in the country, while also making conscious efforts at propelling the company to a profitable height for shareholders' delight in the years ahead.

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MASSIMO MASSA

Professor of Finance

The Politics of Mutual Fund Managers' Voting

FUND MANAGERS' POLITICS SWAY the way they vote, impacting company governance at the expense of company performance.

Fund managers are meant to be focused on value creation, paid to take decisions that financially benefit the firm they invest in and by extension the fund they manage. Yet, our recent research suggests that's not always the case. In the United States at least, their decisions can be driven by political motivations. What's more, these managers engage in "signal jamming" to avoid any potential backlash for breaching their fiduciary duties.

This finding is based on our analysis of the proxy voting behaviour of asset managers at corporate annual general meetings over the last 20 years. Specifically, we looked at how their voting behaviour was influenced by their politics, identified by their personal contributions to campaign candidates in either the Democratic or Republican parties. At first glance, the patterns of voting seemed relatively neutral or balanced. In other words, fund managers did not appear to vote in support of CEOs whose political views they shared.

Yet, when we examined voting behaviour more closely, we found this wasn't really the case. Instead, when a vote was contentious – which we defined as when the management recommendation differed from proxy advisory firms' recommendations to institutional investors – the asset managers consistently voted in support of CEOs whose political views they shared. This was regardless of the financial benefits that such action entailed.

All too human

The fact that individuals are biased is not surprising. What's unexpected was how the fund managers tried to conceal their bias. In all the other non-contentious votes, the fund managers voted against the management. So, on the whole, their selective support of CEOs was "hidden". That is, on average fund managers voted in the "good governance way" but supported politically aligned CEOs when the latter most needed it.

Over the period studied (2005-2017), both Republican and Democratic supporters engaged in such deceptive voting. In fact, this behaviour intensified when the opposing political party was in power. Republicans would do more to hide their true allegiance when Democrats were in the White House; Democrats would hide more when Republicans ruled the roost.

Interestingly, this "signal jamming" behaviour was more pronounced at funds under greater public scrutiny. These could be fund families and funds that had more influence on the voting outcomes or were more involved in the political arena; funds whose investors were more sensitive to performance-related implications; and funds linked to firms with higher profile because of their size, presence in the S&P 500 index or news coverage. Concealing one's biased voting pattern hints at the fact that the behaviour is conscious and deliberate.

Impact on value creation

Perhaps such subterfuge is to be expected. Asset managers are just human, and people tend to support those whom they perceive to be on the same team. Such behaviour could even be justified if there was some form of benefit – say, useful information about the firm – for the fund managers acting this way.

Yet, we found that this simply wasn't the case. Instead, biased voting by fund managers had a negative impact on value creation for companies and therefore for the mutual funds holding a stake in them. By following their politics, the mutual fund managers were practicing bad governance.

Interestingly, given that professional investors are more likely to sanction this breach of fiduciary duty, biased voting was more prevalent in funds sold to retail investors than funds sold to institutional investors.

This is a problem when you consider the outsized role of mutual funds run by the big four firms – BlackRock, Vanguard Group, Fidelity Investments and State Street Global Advisors – in US investments. Combined they account for around US$30 trillion worth of investments in thousands of US firms.

While the likes of BlackRock maintain clear rules that prevent them from sitting on boards of companies they invest in, they remain shareholders. As a result, despite their preference to remain neutral they are obliged to vote during those firm's AGMs. In principle, that obligation means voting in a way that improves the fiduciary value of the company, but as our research shows this is not always the case.

On paper, BlackRock does have further checks and balances in place, for example a stewardship team is tasked with ensuring a coordinated approach to voting. Yet the reality is that this team consists of fewer than 60 people, and BlackRock has investments in over 10,000 companies. This means thousands of AGMs and thousands of votes each year which means the responsibility can potentially fall to the individual fund manager.

The bottom line vs. the party line

Listed firms benefit from the increased liquidity that comes from selling shares but this also means they are subject to the "political" manoeuvring of short-term owners who, based on the voting behaviour we observed, don't practise good governance. This should be expected. Mutual funds don't govern a company through voting but by "walking the Wall Street way" – that means selling their shares when they dislike the performance of the company.

Direct monitoring and voting are more typical for long-term investors and family firms. This makes a difference between a stock-exchange-based governance model (US) and a more owner-based governance model (Europe). In the US model, governance is provided by selling shares and allowing a company to be taken over by activists that discipline the managers. In the European model, big blockholders of shares play a monitoring role and often sit on the board.

As the US heads to the polls later this year, American politics is set to get more divisive and heated. The concern is how this heightened political climate will influence the behaviour of investors and in particular mutual fund managers. Managers following their party line in proxy voting could have a very negative impact on companies' bottom line.

CAREER

How to Handle a Toxic Boss

MANFRED F. R. KETS DE VRIES

Distinguished Clinical Professor of Leadership Development and Organizational Change

PEOPLE DON'T LEAVE bad jobs, they leave bad managers.

Naomi was troubled by recurrent nightmares. Each night, she found herself trapped in a dark parking lot with no exit, hiding from approaching footsteps. As a shadowy figure with a familiar face loomed closer, Naomi tried to run but her feet felt like lead. She'd wake up, drenched in sweat.

Through therapy and coaching, Naomi connected the dots between the subject of her nightmares and her overbearing boss. She realised that the constant anxiety she felt going into work stemmed directly from his demanding behaviour. Ironically, while her boss pushed for increased performance, his methods undermined her confidence and hindered her ability to deliver.

Workplace stress due to bad bosses is more common than most people realise. Dealing with bosses who behave inappropriately, set unrealistic expectations or are unsupportive of work-life balance unsurprisingly leads to negative health outcomes.

Toxic work environments have been linked to high levels of anxiety, depression, poor sleep, high blood pressure and even premature aging. High levels of work stress may result in unhealthy behaviours and habits, and spill over into personal lives, affecting the well-being of partners and children.

Bad bosses exist in all shapes and sizes, spanning from narcissists and bullies to micromanagers. Among them are those with extreme mood swings and unreasonable expectations, as well as those who hoard information, avoid conflict, never give positive feedback or are perpetually unavailable. These traits make them very difficult to work for.

Especially harmful are bosses who have both psychopathic and narcissistic traits. Driven by this "dark dyad", they are often quite Machiavellian. They tend to exploit those they manage, take credit for their subordinates' work, be overly critical and generally behave inappropriately. In addition to being a nightmare for individuals, bad bosses can significantly harm the overall work climate. Their demands and behaviours drain employees' willpower and motivation, contribute to mental fatigue and impair performance.

Furthermore, when such bosses pit their subordinates against each other, a culture of constructive competitiveness can turn into one of mistrust and backstabbing. The impact is severe: Employees may miss many work days due to mental health issues, and others may quit their jobs just to escape their boss.

Five ways to deal with a toxic boss

If your manager is calling you at all hours or expects you to cancel your holiday plans, it's time to reset expectations with your boss or HR, or consider other job options. Here are several strategies you can pursue when dealing with toxic bosses.

1. Establish boundaries and understand your boss' pressures

One of the first and most important steps is to set clear boundaries and explain what you are and are not prepared to do. Setting boundaries involves the delicate art of saying "no" when faced with unrealistic expectations. One approach is to discuss your current workload with your boss and have a serious conversation about realistic benchmarks and timeframes.

While you open this discussion, take the opportunity to explore the pressures your boss is under. Understanding your boss' situation may help you align expectations and find win-win solutions. By doing so, you might discover that your boss is not as difficult as you initially thought.

2. Provide upward feedback on leadership style

If setting boundaries does not work and you still feel extremely pressured, it may be time to address the elephant in the room: your boss' leadership style. However, expressing your frustrations can be a delicate conversation. Challenging a bad boss may also mean challenging the people who put them in that position and asking them to address the dysfunctional behaviour – something they might be reluctant to do.

Therefore, if you decide to have this discussion, consider seeking help from HR and asking them to be part of the conversation. To enlist their support, build a case on how your boss' behaviour affects your mental health and that of others in the organisation, ultimately affecting overall performance. Collect and share detailed records you have kept about your boss' dysfunctional behaviour with HR. When having this discussion, highlight the problems but also offer concrete and constructive suggestions to improve the situation.

3. Transfer out of your position with grace

If your boss cannot or is unwilling to change, but you enjoy working for your current company, another option is to explore opportunities within the organisation. You could consider making a lateral move, although this would require extensive networking. Begin by subtly indicating to other senior executives that you are open to being approached for new opportunities and that you are seeking responsibilities beyond your current workstream.

However, as you engage in networking activities, refrain from speaking negatively about your boss or engaging in gossip. Going to war with them is not a good idea; it is better to focus on highlighting your own strengths and accomplishments.

4. Quit and scout out a better boss

If your work situation continues to negatively impact your health, self-esteem and well-being, and if there is no opportunity for a transfer or improvement, it may be time to leave your current employer. Instead of holding on to hope for a change in your relationship with your toxic boss, focus on finding a work environment where your talents are appreciated.

By broadening your external network and gaining a fresh perspective on potential career options, you may discover that competitors in your industry are seeking the skills and expertise you possess. However, ensure that you conduct thorough due diligence to avoid finding yourself in a similar situation with another bad boss. You wouldn't want a repeat of the same experience.

5. Reach out for help and reassess your options

Taking care of your mental health is one of the most important factors for living a fulfilled life. Nobody is an island, everybody needs support networks. Therefore, if you find yourself stressed due to a poor work relationship, it may be time to seek out a coach, mentor or other trained professional who can assist you in reassessing your options. These individuals can help direct you towards more rewarding career opportunities.

Naomi realised that the best course of action for her was to move on. She hoped to view her experience as a valuable learning opportunity. Ironically, working under a bad boss had some positive aspects – it sharpened her management skills and taught her how to avoid becoming a bad boss herself.

Given that people spend a considerable portion of their lives at work, working environments should not jeopardise mental or physical health. When individuals are mentally healthy, they can perform at their full potential, cope with life's stresses and make meaningful contributions to society. In the workplace, everyone deserves respect and fair treatment. No one should sacrifice their mental health for a toxic job.

SARAH LIGHT

Mitchell J. Blutt and Margo Krody Blutt Presidential Professor, Professor of Legal Studies & Business Ethics

How Green Hydrogen Is Critical to Electrifying Everything

The green hydrogen molecule has the potential to convert hard-to-decarbonize segments of the economy, but regulations stand in the way, according to a panel of experts who spoke at Wharton.

AS APRIL 2024 WOUND UP, THE Biden administration released rules that aim to expedite infrastructure projects and require federal agencies to get stricter in weighing the potential impacts on the climate and low-income communities before approving projects like highways and oil wells.

That should bring cheer to participants on a Penn panel discussion during Energy Week in March, who called for more “political will” above all else to combat climate change and meet the United Nations goal of limiting global warming to below 1.5 degrees Celsius above pre-industrial levels of the late 1800s. That goal can be achieved if emissions are reduced by 45% by 2030 and reach net zero by 2050.

The latest rules follow the passage of the 2022 Inflation Reduction Act, or IRA. The climate and energy provisions in that act will call for an outlay of $1,045 billion over 10 years, according to estimates by the Penn Wharton Budget Model.

“While the IRA provides the carrot — incentives for renewable energy and clean energy — we also need the stick [in terms of] disincentives for fossil fuel energy,” said Michael Mann, a Penn professor of earth and environmental science, during the panel discussion, which was titled “Electrifying Everything?” Mann is also director of the Penn Center for Science, Sustainability, and the Media, a co-sponsor of the event with the Wharton Climate Center, which is part of Wharton’s ESG Initiative. The panel was moderated by Sarah Light, Wharton professor of legal studies and business ethics, who is also faculty co-director of the Wharton Climate Center.

Why Electrify Everything?

According to Mann, the climate change goals are achievable only by transitioning the energy infrastructure away from fossil fuels to an electricity-driven system. Alongside, the electric grid must be decarbonized “so that the electricity that powers our infrastructure doesn’t generate planet-warming carbon pollution,” he added. Mann noted that the U.S. must go beyond the IRA’s target of a 40% reduction in U.S. carbon emissions by 2030, because it has logged more carbon pollution than any other country. “We have to bring carbon emissions down by 50% this decade and down to zero by mid-century.”

“Electrify everything is a reasonable approach because that’s how you can make your home heating cleaner relative to burning gas or fuel oil, and make automotive transportation cleaner,” said Patrick Verdonck, founder at Verdonck Partners, a renewable power advisory firm.

The Green Hydrogen Imperative

Not everything can go green with electrification, such as air travel, Verdonck pointed out. Heavy trucking, steel refining, cement, and fertilizer manufacturing also defy electrification. While those industries use energy in the form of fossil fuel-based molecules, he said “it’s important that we think about green molecules” such as green hydrogen as an integral part of the decarbonization agenda. He pointed out that the cost of power today from green electrons is cheaper in many cases than it is from coal and gas. “It has already happened in some places in the U.S., where you can make green power cheaper than dirty power.”

While hydrogen does not generate carbon emissions, it can be produced using either fossil fuels or renewables. Incidentally, that may be one reason for hydrogen’s bipartisan appeal, as a Wall Street Journal report noted. But green hydrogen, which is made using renewables, is the electron worth pursuing, according to Jacob Susman, CEO and founder of Ambient Fuels, a green hydrogen developer.

Susman explained why the green hydrogen molecule is a potential game changer. “You can store a molecule much more easily. You can build pipes in the ground, and you can move it around.” It can be used in a range of industries that are the hardest to decarbonize: cement, steel refining, ammonia, glass, chemicals, pulp and paper, heavy road transport, aviation, and shipping.

Buy-in from corporations is critical to realizing the benefits of green hydrogen in decarbonization, Susman said, and he noted that some companies are beginning to show interest in it. Other challenges on that path are the construction of hydrogen pipelines and making it cheaper to produce green hydrogen.

Challenges to Electrifying Everything

The goal of electrifying everything of course will call for more generation, but it faces roadblocks in the permitting regulations that govern transmission and interconnection, according to Wharton lecturer Michael Panfil, who teaches risk analysis and environmental management.

Panfil pointed out that permits for clean energy transmission lines could take up to five years, unlike for a natural gas line. “There’s asymmetry. If you want to build a transmission line, you have to achieve alignment from the local up to the federal level,” he said. “The core challenge continues to be that the regulatory framework is designed for yesterday, not today.”

Verdonck added: “Fundamentally, the way the U.S. is organized is that all powers reside locally at the town. What’s done at the town goes to the county, the state, and federal levels. You may have a huge project where a local town has permitting authority. And those people may not always have the right tools, the right background, or even the means to hire the right consultants. We need to be able to take a step back and say, ‘What do we really need here as a society?’ Those decisions can be better made at a higher jurisdiction.”

As it happens, the federal government is addressing those obstacles; the Department of Energy is making efforts to reform and update the rules governing clean energy investments, Panfil pointed out. The Biden administration’s Permitting Action Plan, which was released on April 30, is a step in that direction.

Verdonck listed other to-do items on the path ahead for promoting greater electrification: Energy storage has to be made cheaper. Volatility in power consumption must be managed to make it cost-effective. Energy policy must address tradeoffs between “the good of having green electrons versus the impact that it has on local communities” by building local power stations and new transmission lines. At the regional grid interconnection level, federal and state governments must work towards “equal distribution of the benefits and the costs across society, and make sure one group is not more disadvantaged than the other.”

Everybody could do their part towards decarbonization, such as by using a hybrid car or renewable electricity in their homes, according to Susman. “It is the lowest hanging fruit in decarbonization.”

Why Representation Matters in Marketing

Do TV commercials featuring diverse actors help increase sales? Wharton's Zhenling Jiang tests this idea in her latest study on mortgage ads.

ZHENLING JIANG

Assistant Professor of Marketing

MARKETING TO MINORITY CONSUMERS has been around since the 1950s, when advertising agencies realized the untapped potential in Black consumers who were the second-largest racial group at the time. Advertising has come a long way since then, and so has the emphasis on diversity, equity, and inclusion (DEI). The result is a wider variety of ads that feature minority actors, models, and celebrities enticing minority consumers to buy. But does representation make a difference?

Research from Wharton marketing professor Zhenling Jiang determined that it does — in a big way. Her co-authored study, which examined television commercials for mortgage refinancing, found that as minority representation depicted in the ads increased from 15% to 25%, the advertising elasticity went up 14%. Advertising elasticity measures a campaign's effectiveness in generating new sales.

Perhaps most surprisingly, the study found that ads with diverse players didn't just increase sales among minority borrowers. There was a positive effect among white borrowers, too.

Jiang said the study sends a strong signal to brands that their genuine efforts to attract minority customers can pay off in ways they may not expect.

"When we think about DEI, we tend to think we are sacrificing something to feature more diversity. We are making a trade-off," she said. "But it's quite the contrary. It's actually a nice message that they can achieve both higher sales as well as the societal goal of more inclusion and representation."

The study, "TV Advertising Effectiveness with Racial Minority Representation: Evidence from the Mortgage Market," was co-authored by Raphael Thomadsen, marketing professor at Washington University in St. Louis, and Donggwan Kim, who earned his doctorate at Washington University in St. Louis and joins the marketing faculty at Boston College this fall.

Representation and the Racial Wealth Gap

Jiang, who focuses on consumer finance topics in her research, said she chose to study mortgage refinancing ads for a very specific reason: the racial wealth gap in the U.S. With home equity as the largest contributor to household wealth, refinancing can be an important mechanism to help Black and Hispanic homeowners — two groups that haven't always been courted by lenders.

"Mortgages are the most significant financial decision that consumers can make. If they don't refinance when interest rates are lower, it can be very costly," she said. "The long-standing racial disparity in the world of consumer finance makes this question more important."

For the study, the scholars collected loan origination data from 2018 to 2021 that included information on borrower's race and census tract-level political affiliation. They merged that with TV mortgage advertising data obtained from Kantar Media for the same time period. That data included ad spending and video files. The scholars used a double machine learning model to control for a host of variables, including image and text embeddings, lender, location, and time of year the ads ran.

To test their theory further, they conducted an experiment with participants who were randomly assigned commercials featuring minority or white families. Those who saw ads with minority families said they were more likely to apply for refinancing from that lender.

Three Reasons Why Minority Representation Matters in Marketing

Jiang and her co-authors think there are three reasons why minority representation works so well in marketing. First, minority consumers feel a sense of connection when they see themselves portrayed in commercials, although racial homophily doesn't explain the uptake by white consumers. Second, the depiction of minorities reflects the brand's inclusive values, which could explain why uptake among white consumers was highest for those with liberal-leaning beliefs. Third, it's possible that ads with diversity stand out to viewers simply because they are less common.

"I don't have proof for this, but I believe these three things work together to have an overall effect," Jiang said.

She said the study shows that firms don't have to overhaul their marketing campaigns or spend a lot more money to reap the benefits. Choosing minority actors instead of white actors costs similarly. Producing different versions of the same ad can also be cost-efficient.

"If you are keeping ad spending the same and shifting the minority share, you are getting a more effective ad," she said. "From a practical perspective, that is the lever that companies can pull to increase the minority share in ads."

Quoted Insurers

Security	P/close	Open	High	Low	Close	%Change	Volume	Value
AIICO	0.96	0.96	0.97	0.94	0.96	0	46,834,441	45,166,608.57
CORNERST	2	2	2.13	2.13	2.13	6.5	608,952	1,295,931.34
LASACO	2.02	2.02	2.16	2.16	2.16	6.93	461,332	988,302.95
MANSARD	5.4	5.4	5.4	5.24	5.25	-2.96	1,295,021	6,898,224.12
MBENEFIT	0.56	0.58	0.58	0.55	0.56	0	2,842,583	1,598,211.41
NEM	8.4	8.4	7.9	7.9	7.9	-5.95	1,719,774	13,696,282.65

Norrenberger execs urge business model revamp amid climate change

Cynthia Ezekwe

IN THE FACE OF AN increasingly volatile climate, International Energy Insurance (IEI) Plc, a cornerstone of Norrenberger Group, has issued a rallying cry to insurers, urging them to reshape their businesses, product offerings, and risk management practices to better equip themselves to confront the rising risks posed by a rapidly changing planet.

Speaking on the sideline of the 50th conference and annual general assembly of the African Insurance Organisation (AIO), tagged, "Coping With Rising Natural Catastrophes In Africa" the group noted that the consequences of climate change are far-reaching and devastating.

The group, maintaining that insurers have a critical role to play in helping communities adapt to climate change, implored insurers to reimagine their business models, weaving climate risk into the very fabric of their operations, not just as an afterthought, but as a core tenet of their strategy.

L-R: Oladele Sotubo, chief executive, Stanbic IBTC Capital; Nneka Onyeali-Ikpe, GMD/CEO, Fidelity Bank PLC; and Mustafa Chike-Obi, chairman, Fidelity Bank PLC, at the signing ceremony of Fidelity Bank PLC's ₦127.1bn rights issue and public offer, with Stanbic IBTC Capital acting as lead issuing house on the transaction recently.

According to Tony Ede, group managing director, Norrenberger Group, global natural disasters are taking place repeatedly resulting in the world losing $380 billion in 2023, with losses emanating from insurance at about $118 billion.

Ede stressed that natural disasters and climate change have come to stay, hence the need for insurance companies to rethink their models so as to withstand changes in the global economy.

On his part, Olasupo Sogelola, the managing director/CEO, International Energy Insurance (IEI) Plc, stressed the need for insurance to move towards supporting climate change, starting from the impact of climate change especially on agricultural products in Nigeria, noting that IEI is coming up with products that would enhance and support climate change in all ramifications.

"So, insurance has to move now, starting from the impact of climate change even on agricultural products in Nigeria. Agric insurance is something that has to respond quickly at the moment along with other classes of insurance.

"For us at IEI, we are coming up with products that would enhance and support climate change in all ramifications. We have two important goals at IEI. The first is about our value proposition to the system which is to pay claims as quickly as possible. The second is about product creation," Sogelola noted.

Sogelola also pressed the need to incentivise property owners to embrace energy efficiency.

"We have to start giving discounts such that when we are quoting for a fire policy, we give a discount because the policyholder has a solar panel," he added.

Speaking on climate change funding issues, Queen Ehi-Uujamhan, the chief finance officer (CFO), Norrenberger Group, stated that funding for climate change is something that the multilaterals, individuals, government and the private sector have to look at from a holistic point of view.

"Currently, we have multilaterals like the African Development Bank providing grants. I think the very prudential thing for the government and others to do is to provide funding to areas that are prone to disasters. They need to make funds available for renewable energy and irrigation to militate against drought," Ehi-Uujamhan said.

The Norrenberger Group CFO stressed the need for insurers to play a critical role in reducing the financial impacts of climate-related disasters, while urging them to adopt strategies that will mitigate climate-related risks.

Insuring the biggest...

Continued from page 8

as improvements in security management.

"What we see as insurers, and what the organisers do well, is benefit from previous experiences to identify best practices. For example, the Olympic Games Paris 2024 has learned from the experience of Tokyo 2020, which were postponed and rescheduled because of the pandemic. You build your safety net and install your insurance coverage with the hope you will not use them," says Whayling.

Security risks are the top concern

Given the current global geopolitical climate, security threats have overtaken Covid-19 as the biggest threat to major sporting events in 2024. Given the high-profile nature of these events, and the history of terrorist attacks in both France and Germany, there is a heightened risk of terrorism. France, which plans to deploy about 45,000 French police and security forces at the Olympics, says it has contingency plans to scale back or relocate the opening ceremony, should the security threat increase, but has also been working for years already under the assumption that the highest security measures would be required.

Insurers have been asked to provide specialised coverage for terrorism-related incidents, property damage, business interruption and liability, often complementary to governmental programs. In addition, insurers will have needed to consider the risks of civil unrest or climate activists disrupting the event, for example, and provide coverage for property damage, business interruption, and liability claims arising from civil disturbances.

"The larger and more global an event becomes, the more it is exposed to geopolitical risks and security threats," says Prechtl. "Large international sporting events attract global attention and therefore can be targeted for politically motivated attacks, as well as civil unrest and protests by people looking to be heard. You can argue that this risk is heightened given the current geopolitical environment, but there has rarely been an unchallenging time to hold such high-profile sporting events. In parallel, security measures are being upgraded constantly."

Cyber security challenges

As major international sporting events, the Euros and Olympic Games Paris 2024 are both potential targets for cyber-attacks. And the threat is not just hypothetical. At the Olympic Winter Games Pyeongchang 2018 a cyber-attack disrupted the opening ceremony, while Beijing 2008, London 2012, and Rio 2016, and Tokyo 2020 all experienced cyber-threat activity. It is anticipated that Paris 2024 will not be any different.

"Cyber has become a real and present threat for major events, whether from a malicious attack or a technical glitch. Given the current geopolitical and cyber-risk landscape, it is clearly a scenario seriously considered for high-profile sporting events," says Rishi Baviskar, global head of cyber risk consulting, Allianz Commercial. Today, major international sporting events rely on digital technology, from ticketing and merchandise to broadcasting and media, as well as for the planning, communication, and organisation of the events themselves, explains Baviskar. However, dependency on technology can create bottlenecks from a risk perspective, leading to an aggregation or concentration of risks. Artificial intelligence-based attacks have the potential to significantly disrupt sporting events, ranging from ticketing fraud to interference with live broadcast feeds and manipulation of digital scoreboards or displays. A delay of just a few minutes to a sports event could result in interruptions to the original advertising schedules of broadcasters. Insurance therefore becomes critical to cover transmission failures as well.

More events now buy standalone cyber insurance cover, according to Baviskar. Insurers are asked to provide coverage for cyber risks, including data breaches, network disruptions, and ransomware attacks that could impact event operations and infrastructure.

"Cyber-attacks cannot be avoided but effective security mechanisms can help to avoid losses, while insurance can provide an additional layer of protection," says Baviskar. "Preparation and advanced business continuity and crisis management are key, as is training to spot threats such as phishing scams. Many organisers of sporting events will also conduct 'war game' exercises to identify likely cyber scenarios and potential vulnerabilities. For live broadcast feeds or digital service platforms, secure, resilient, and redundant infrastructure offers a guaranteed service availability."

Climate change considerations

Historically, event organisers and insurers have been concerned with adverse weather events such as storms, lightning, and extreme rainfall. However, as the planet continues to warm, climate patterns change, resulting in the weather becoming more unpredictable, with extreme heat now a significant factor for consideration, according to Whayling.

"Among other issues, extreme heat raises the risk of bushfires. While an event may be located hundreds, if not thousands, of miles away from where the bushfires occur, they could still be affected by poor air quality, as we saw following the 2023 Canadian bushfires, which led to events being cancelled all over North America," says Whayling. "Athletic races such as marathons or triathlons can be deemed unsafe to go ahead due to poor air quality and extreme heat conditions."

In addition to health and safety concerns, prolonged heat can also make the ground too hard, drying out the soil and reducing its ability to absorb water. Subsequent rainfall can often result in the flooding of an event site as the water has nowhere to run other than on the surface.

"Ultimately, event organisers need to be prepared for all eventualities to ensure their events run smoothly and, more importantly, the safety and well-being of all involved," says Whayling. "By being proactive and ready for extreme weather conditions, event organisers can take control of the situation and mitigate potential risks."

BOXES

Risks and considerations when insuring large sporting events include:

- **Cancellation or postponement:** Events may be cancelled or postponed due to factors such as adverse weather conditions, security and terror threats or public health concerns.
- **Liability:** There's a potential for liability claims from spectators, participants, or third parties for injuries, property damage, or other incidents occurring during the event.
- **Property damage:** Sporting events involve significant infrastructure and equipment, which may be susceptible to damage from accidents, vandalism, or natural disasters.

Top causes of insurance claims at large sporting events:

- **Extreme weather events:** e.g., cancellation.
- **Injuries:** Claims related to spectator or participant injuries, including slips and falls or collisions.
- **Property damage:** Claims for damage to venues, equipment, or facilities due to accidents, vandalism, or natural disasters.
- **Third-party liability:** Claims arising from third-party property damage or bodily injury caused by the actions of event organisers, participants, or spectators.

Insurance requirements for athletes, teams, and players:

- **Medical insurance:** Athletes, teams, and players often require medical insurance coverage to protect against injuries or illnesses occurring during training or competition.
- **Liability coverage:** Depending on their contractual agreements, athletes and teams may need liability coverage to protect against claims arising from their participation in events.

VETIVA CAPITAL MANAGEMENT LIMITED

MARKET COMMENTARY FOR THE WEEK ENDED 21TH JUNE, 2024

Focus for the week: May 2024 Inflation - Inflation may likely peak in June

IN MAY, HEADLINE INFLATION ROSE by 26bps to 33.95% y/y (Apr'24: 33.69% y/y). The outturn was 55bps below the Bloomberg consensus estimate of 34.50% y/y (Vetiva: 34.28% y/y). We attribute the mild uptick to the fiscal intervention in the commodity market, and relative stability in the exchange rate and prices of petroleum products. Thus, headline inflation moderated to 2.14% m/m (Apr'24: 2.29% m/m), its slowest in 7 months.

Food inflation moderates for the third time in a row m/m

Food inflation eased to 2.14% m/m, 15bps lower than the prior month (Apr'24: 2.29% m/m). This could be due to a 49bps decline in urban food inflation amid a meagre 3bps uptick in rural inflation. On a y/y basis, food inflation rose to 40.66% y/y (Apr'24: 40.53% y/y). According to the Famine Early Warning System Network (FEWSNET), conflict in food-producing regions and restricted access to floodplains induced a lean harvest season. Thus, despite the moderation, the outlook for food inflation remains hazy.

Core inflation sustains moderation momentum

Core inflation eased to 1.95% m/m in April (Apr'24: 2.10% m/m), despite the increase in power tariffs for a group of urban energy consumers. We attribute the descent to the relative stability in the exchange rate. On a y/y basis, however, core inflation rose by 18bps to 26.36% (Apr'24: 26.18% y/y).

Outlook: Inflation could peak in June

There are clear indications that inflation peaked in Q2'24. While most leading indicators point to a sustained ascent in June, base effects and relative stability in petroleum prices point to a decline. We regard the divergence in rural and urban food inflation as a warning sign on inflation outturn. Thus, we see room for a modest 2bps uptick in inflation to 33.97% y/y in June. We expect inflation to trend downwards thereafter. While we will not be surprised at a moderation, we note that we saw inflation peaking at 34%, as far back as June 2023. That said, we reduce our average FY'24 inflation forecast by 20bps to 32.8% y/y in 2024 (2023: 24.50% y/y).

Indicators	WK CLS	WK OPEN	WTD (%)	YTD (%)
EQUITIES				
NGX 30	3,694.66	3,700.50	(0.16)	32.41
NGX All-Share Index	99,743.05	99,925.58	(0.18)	33.39
Market Cap (NGN bn)	56,423.53	56,526.61	(0.18)	37.89
FEDERAL GOVERNMENT SECURITIES (%)				
91-Day T-Bill	19.37	19.44	(0.00)	16.45
182-Day T-Bill	20.93	21.01	(0.00)	15.50
364-Day T-Bill	25.01	25.13	(0.00)	14.80
2-Year FGN Bonds	19.88	19.73	0.01	7.73
3-Year FGN Bonds	18.47	18.27	0.01	6.32
5-Year FGN Bonds	18.82	18.72	0.01	5.53
7-Year FGN Bonds	19.55	19.71	(0.01)	5.75
10-Year FGN Bonds	19.28	19.27	0.00	4.77
20-Year FGN Bonds	17.50	17.00	0.03	3.30
INTERBANK MARKET RATES (%)				
NIBOR OPR	25.25	25.63	(0.38)	10.19
NGN EXCHANGE RATES (₦)				
USD/NGN	1485.53	1482.72	(0.19)	(69.77)
GBP/NGN	1894.94	1853.40	(2.24)	(65.87)
EUR/NGN	1603.20	1586.51	(1.05)	(61.73)
CNY/NGN	206.45	207.58	0.54	(63.00)
ZAR/NGN	83.41	78.58	(6.14)	(70.05)
USD/NGN FORWARDS				
1M	1506.13	1499.66	(0.43)	(54.42)
3M	1550.10	1548.66	(0.09)	(55.90)
6M	1620.54	1617.29	(0.20)	(58.50)
1Y	1768.74	1761.62	(0.40)	(62.71)

Source: NGX, FMDQ OTC, Bloomberg, Vetiva Research

SECTOR	INDEX VALUE	WoW Δ	YTD Δ
BANKING	820.86	-0.04%	-8.51%
CONSUMER GOODS	1,590.51	0.29%	41.85%
INDUSTRIAL GOODS	4,711.76	0.10%	73.72%
OIL & GAS	1,362.80	0.21%	30.65%
VETIVA 30 ETF	36.30	0.00%	34.44%
INSURANCE	377.97	-1.31%	17.51%

Weekly Top 5 Gainers

Stock	Closing Price (₦)	% Change
CHAMPION	3.91	32.54%
VERITASKAP	0.97	31.08%
CHAMS	2.34	23.16%
THOMASWY	2.10	20.69%
JOHNHOLT	2.61	20.28%

Weekly Top 5 Losers

Stock	Closing Price (₦)	% Change
MULTIVERSE	11.20	-9.68%
RTBRISCOE	0.62	-7.46%
SUNUASSUR	1.20	-6.25%
FIDELITYBK	9.90	-4.81%
INTENEGINS	1.52	-3.80%

Source: Vetiva Research

Monetary outlook: Dependent on June inflation print

Should inflation peak in June and moderate in July, the Monetary Policy Committee (MPC) could deliver a terminal 100bps hike in its benchmark rate. On the flip side, a strong moderation in June and July could cause the Committee to retain policy rates at current levels. Upon receipt of $3.2 billion from multilateral institutions, the Bank could be under less pressure to raise interest rates in the quest for hot money.

What shaped the past week?

Equities: This week, the local bourse closed in the red falling -0.18% w/w due to profit-taking in the banking counters. Of note, profit-taking in FIDELITYBK (-4.81% w/w), FBNH(-6.42% w/w), and UBA (-1.57% w/w) dragged the banking index (-0.04% w/w) south. However, renewed buy-interest in GUINNESS (+16.18% w/w) lifted the Consumer goods index (+0.29% w/w) northwards. Similarly, gains in JBERGER (+3.02% w/w) and ETERNA (+6.67% w/w) drove the industrial (+0.10% w/w) and Oil & Gas (+0.21% w/w) indices north.

Fixed Income: This week, the CBN held two OMO auctions. At the first auction held on Wednesday, the CBN offered c.₦500 billion across maturities on the curve, while subscription levels came in at c.₦987 billion. Following this, stop rates at the mid and long ends of the curve printed at 19.58% and 22.229% respectively. In the second auction held on Friday, the CBN offered c.₦500 billion across the three tenors , while subscription levels came in at ₦322 billion. Meanwhile, in the secondary market, sell-side activity at the short end of the curve drove yields higher by 3bps on average in the bond market. However, buy-side action persisted across the curve in the NTB and OMO space, as yields contracted by 9bps and 10bps respectively.

Currency: At the NAFEM, the Naira depreciated by ₦2.81 w/w to close at ₦1485.53 per dollar.

Domestic Economy: In May, headline inflation rose by 26bps to 33.95% y/y (Apr'24: 33.69% y/y). The outturn was 55bps below the Bloomberg consensus estimate of 34.50% y/y (Vetiva: 34.28% y/y). We attribute the mild uptick to the fiscal intervention in the commodity market, and relative stability in the exchange rate and prices of petroleum products. Thus, headline inflation moderated to 2.14% m/m (Apr'24: 2.29% m/m), its slowest in 7 months. There are clear indications that inflation peaked in Q2'24. While most leading indicators point to a sustained ascent in June, base effects and relative stability in petroleum prices point to a decline. We regard the divergence in rural and urban food inflation as a warning sign of inflation outturn. Thus, we see room for a modest 2bps uptick in inflation to 33.97% y/y in June. We expect inflation to trend downwards thereafter. While we will not be surprised at a moderation, we reduce our average FY'24 inflation forecast by 20bps to 32.8% y/y in 2024 (2023: 24.50% y/y).

Global: U.S. stock indices recorded marginal gains this week owing to buy interests in Nvidia; however, on Friday, Nvidia lost its positive momentum and began to decline. Also, the U.S. fed comments about holding rates constant longer than expected spooked the market, which led to a marginal decline in the S&P 500 on Friday.

Meanwhile, in the U.K., the FTSE 100 closed the week about 1% higher, which comes after five consecutive weeks in the red as it slipped back from the previously elusive record highs it notched up.

Elsewhere, Asian stocks fell on Friday as new data showed weakness in the U.S. economy, and Treasury yields ticked higher on hawkish comments from Federal Reserve officials. Regional losses remained capped amid optimism that a slowing U.S. economy would help keep inflationary pressures in check.

What will shape markets in the coming week?

Equity market: We expect the market to trade in a range-bound manner, albeit with a bearish tilt, as investors retain a risk-off stance towards the equity market.

Fixed Income: In the next trading session, we expect a similar trading pattern in the NTB space. Meanwhile, in anticipation of a moderation in inflation in H2'24, we see investors positioning ahead in the bond market.

MONEY Nuggets

TUNDE OYEDOYIN

Tunde Oyedoyin is a London-based personal finance coach and founder of Money Intelligence Coaching Academy, a specialist academy of personal finance. He can be reached as follows: +447846089587 (WhatsApp only); E-mail: tu5oyed@gmail.com

It pays to obey your father

THE LATE CHRISTY ESSIEN-IGBOKWE'S classic song, *Seun Re Re* (Do Good), was on the playlist over a month ago while deejaying at a birthday party in our office. The song should make the cut as a parenting toolkit and that it sneaks into a personal finance column underlines its credentials. Come with me to see how the dots connect.

The morning after Father's Day, yours truly had a tear in his eyes while seated inside his favourite Pret A Manger outlet in West London, re-reading the April 21 edition of a Mail on Sunday story. The piece was about Britain's first-ever £1 million footballer, Trevor Francis.

Though one is not in any way connected to the England legend and neither a descendant of his, hearing: "Ex-England star Francis cuts sons out of £2m will" (p.36), hit a nerve that caused the tear to crop up.

According to the paper, in the will, written in February 2019, the former Birmingham City and Nottingham Forest striker said: "I wish to make it clear in this, my will, that I have not included my children as beneficiaries due to the fact that we have become estranged, following family differences over the last several months." Boy oh boy! For a father to have to insert that in his will must have caused him some heartbreak.

As it turned out, rather than leave his fortune to his children, James and Mathew, his instruction was that Ian, his brother and his sister, Carolyn, should oversee his £2 million estate.

Though the cause of the rift between Francis and his children was not disclosed, the report noted that in 2013, James, was hauled before the court, accused of burgling the Warwickshire home of former Aston Villa player, Lee Hendrie. His father's testimony in court that his boys were well brought up led to the jury clearing the then 26-year old.

Francis, 69, passed away at his Marbella residence in July last year after suffering a heart attack. May his soul rest peacefully in the Lord's bosom.

Here's the thing. Irrespective of how old you are and no matter your profession, please be good to your own fathers and make sure it stays that way for as long as you have your breath.

Of course, it's not because you're hoping to have your name in the list of beneficiaries to be mentioned in their estates, it's more than money matters.

Thank you, Nationwide

In May, Nationwide, one of Britain's topmost building societies wrote account holders, including yours truly, saying: "When we profit, we think you should too."

It went further to say, "we are delighted to let you know that we are giving you £100. Sharing our profits through the Nationwide Fairer Share payment is one of our ways of rewarding you for choosing us." The money has since landed in one's account around the middle of this month. This is the second of such letters within a year. Wish all banks and building societies were like this.

Tell you what. I've got an account with another famous high street name and only God knows when those people make profits. Seems "dem be chop alone", meaning, they eat alone.

Share Price List as @ Friday 21 June, 2024: The Nigerian Stock Exchange

Company	Previous Close	Open	High	Low	Close	Change	% Change	Volume	Value (N)
ABBEYBDS	2.70	2.70	-	-	2.70	0.00	0.00%	52,140	142,265.60
ABCTRANS	0.62	0.62	-	-	0.62	0.00	0.00%	50,158	31,627.62
ACADEMY	1.83	1.83	2.00	2.00	2.00	0.17	9.29%	213,888	427,155.25
ACCESSCORP	19.00	19.00	19.20	19.00	19.00	0.00	0.00%	5,818,242	110,654,017.45
AFRIPRUD	7.00	7.00	6.95	6.95	6.95	-0.05	-0.71%	535,021	3,721,457.55
AIICO	0.96	0.96	0.97	0.94	0.96	0.00	0.00%	46,834,441	45,166,608.57
AIRTELAFRI	2,150.00	2,150.00	-	-	2,150.00	0.00	0.00%	3,576	7,834,462.30
ALEX	7.15	7.15	-	-	7.15	0.00	0.00%	50	387.50
AUSTINLAZ	2.00	2.00	-	-	2.00	0.00	0.00%	1,026	2,031.48
BERGER	15.00	15.00	-	-	15.00	0.00	0.00%	46,856	694,738.95
BETAGLAS	58.00	58.00	-	-	58.00	0.00	0.00%	210	11,730.00
BUACEMENT	143.20	143.20	-	-	143.20	0.00	0.00%	15,092	1,945,358.80
BUAFOODS	379.90	379.90	-	-	379.90	0.00	0.00%	1,642	561,564.00
CADBURY	16.00	16.00	17.60	16.60	16.60	0.60	3.75%	748,889	13,014,018.90
CAP	36.00	36.00	-	-	36.00	0.00	0.00%	44,766	1,538,009.75
CAVERTON	1.41	1.41	-	-	1.41	0.00	0.00%	266,756	372,031.15
CHAMPION	3.56	3.91	3.91	3.91	3.91	0.35	9.83%	1,589,542	6,215,109.22
CHAMS	2.13	2.13	2.34	1.98	2.34	0.21	9.86%	15,769,576	35,903,030.09
CILEASING	2.82	2.82	2.83	2.77	2.83	0.01	0.35%	1,059,267	2,979,748.69
CONOIL	105.00	105.00	-	-	105.00	0.00	0.00%	12,589	1,240,357.00
CORNERST	2.00	2.00	2.13	2.13	2.13	0.13	6.50%	608,952	1,295,931.34
CUSTODIAN	10.10	10.10	9.80	9.80	9.80	-0.30	-2.97%	1,715,578	16,848,610.25
CUTIX	4.00	4.00	4.00	3.65	4.00	0.00	0.00%	1,405,814	5,436,204.90
CWG	5.70	5.70	5.50	5.15	5.50	-0.20	-3.51%	2,387,490	12,631,895.95
DAARCOMM	0.57	0.57	-	-	0.57	0.00	0.00%	317,858	167,138.66
DANGCEM	656.70	656.70	-	-	656.70	0.00	0.00%	5,595	3,307,204.50
DANGSUGAR	47.00	47.00	-	-	47.00	0.00	0.00%	356,379	15,920,825.05
DEAPCAP	0.56	0.56	-	-	0.56	0.00	0.00%	86,574	49,026.60
ELLAHLAKES	2.99	2.99	-	-	2.99	0.00	0.00%	659,012	1,968,742.20
ENAMELWA	19.30	19.30	-	-	19.30	0.00	0.00%	500	10,500.00
ETERNA	15.40	15.40	16.00	16.00	16.00	0.60	3.90%	315,208	4,985,558.85
ETI	21.35	21.35	-	-	21.35	0.00	0.00%	670,944	14,051,759.80
ETRANZACT	5.00	5.00	-	-	5.00	0.00	0.00%	119,582	578,874.55
FBNH	21.90	21.90	23.50	21.15	21.15	-0.75	-3.42%	207,913,212	4,573,252,682.90
FCMB	7.80	7.80	7.85	7.65	7.85	0.05	0.64%	2,734,105	21,283,319.10
FIDELITYBK	10.40	10.40	10.80	9.90	9.90	-0.50	-4.81%	38,446,002	392,168,891.85
FIDSON	14.50	14.50	15.00	15.00	15.00	0.50	3.45%	786,218	11,440,356.20
FLOURMILL	42.40	42.40	42.40	42.40	42.40	0.00	0.00%	1,111,268	46,606,173.70
FTNCOCOA	1.37	1.37	1.47	1.30	1.34	-0.03	-2.19%	1,992,105	2,777,959.70
GEREGU	1,000.00	1,000.00	-	-	1,000.00	0.00	0.00%	2,136	1,922,400.00
GOLDBREW	3.15	3.15	-	-	3.15	0.00	0.00%	2,002	5,996.30
GTCO	44.90	44.90	44.55	44.00	44.00	-0.90	-2.00%	58,553,907	2,604,538,275.55
GUINEAINS	0.35	0.35	0.34	0.33	0.34	-0.01	-2.86%	3,454,980	1,148,647.20
GUINNESS	70.00	70.00	-	-	70.00	0.00	0.00%	531,278	36,574,735.95
HONYFLOUR	3.40	3.40	-	-	3.40	0.00	0.00%	413,344	1,393,250.28
IKEJAHOTEL	7.25	7.25	-	-	7.25	0.00	0.00%	406,810	2,826,854.60
IMG	12.00	12.00	11.90	11.90	11.90	-0.10	-0.83%	164,116	1,960,400.60
INFINITY	7.05	7.05	-	-	7.05	0.00	0.00%	1,500	9,525.00
INTBREW	4.00	4.00	4.40	4.00	4.40	0.40	10.00%	3,800,831	15,743,645.74
INTENEGINS	1.58	1.58	1.52	1.52	1.52	-0.06	-3.80%	1,515,574	2,306,815.49
JAIZBANK	2.25	2.25	2.25	2.10	2.20	-0.05	-2.22%	3,649,098	7,957,836.08
JAPAULGOLD	1.95	1.95	2.00	1.95	1.95	0.00	0.00%	937,622	1,862,025.19
JBERGER	92.20	92.20	-	-	92.20	0.00	0.00%	605,189	54,338,684.65
JOHNHOLT	2.38	2.38	2.61	2.61	2.61	0.23	9.66%	220,176	571,773.60
LASACO	2.02	2.02	2.16	2.16	2.16	0.14	6.93%	461,332	988,302.95
LEARNAFRCA	3.30	3.30	-	-	3.30	0.00	0.00%	6,686	24,270.18
LINKASSURE	0.90	0.90	-	-	0.90	0.00	0.00%	15,367	14,367.69
LIVESTOCK	1.75	1.75	1.71	1.71	1.71	-0.04	-2.29%	501,633	869,005.91
MANSARD	5.40	5.40	5.40	5.24	5.24	-0.16	-2.96%	1,295,021	6,898,224.12
MAYBAKER	5.65	5.65	6.21	5.75	5.75	0.10	1.77%	1,919,576	11,435,834.49
MBENEFIT	0.56	0.58	0.58	0.55	0.56	0.00	0.00%	2,842,583	1,598,211.41
MECURE	9.57	9.57	-	-	9.57	0.00	0.00%	9,386	94,019.20
MEYER	5.30	5.30	-	-	5.30	0.00	0.00%	48,090	234,351.91
MORISON	4.45	4.45	-	-	4.45	0.00	0.00%	10,000	41,000.00
MRS	135.00	135.00	-	-	135.00	0.00	0.00%	53,505	7,195,593.05
MTNN	214.80	214.80	-	-	214.80	0.00	0.00%	1,859,503	380,595,266.30
MULTIVERSE	12.40	12.40	11.20	11.20	11.20	-1.20	-9.68%	102,020	1,142,624.00
NAHCO	32.55	32.55	33.00	33.00	33.00	0.45	1.38%	470,030	15,517,188.55
NASCON	36.80	36.80	-	-	36.80	0.00	0.00%	1,298,096	45,826,458.75
NB	29.00	29.00	-	-	29.00	0.00	0.00%	525,066	15,598,587.05
NCR	4.32	4.32	-	-	4.32	0.00	0.00%	650	2,528.50
NEIMETH	1.60	1.60	1.60	1.60	1.60	0.00	0.00%	1,617,442	2,590,012.94
NEM	8.40	8.40	7.90	7.90	7.90	-0.50	-5.95%	1,719,774	13,696,282.65
NESTLE	925.10	925.10	920.00	920.00	920.00	-5.10	-0.55%	212,438	195,401,885.80
NGXGROUP	23.60	23.60	-	-	23.60	0.00	0.00%	22,985	510,189.80
NNFM	48.30	48.30	-	-	48.30	0.00	0.00%	3,182	138,417.00
NOTORE	62.50	62.50	-	-	62.50	0.00	0.00%	315	19,750.00
NPFMCRFBK	1.65	1.65	-	-	1.65	0.00	0.00%	138,258	236,722.50
NSLTECH	0.50	0.50	-	-	0.50	0.00	0.00%	68,331	35,534.43
OANDO	15.15	15.15	15.10	14.95	14.95	-0.20	-1.32%	6,912,611	103,746,191.25
OKOMUOIL	265.00	265.00	-	-	265.00	0.00	0.00%	416,175	112,949,820.60
OMATEK	0.65	0.65	0.68	0.63	0.68	0.03	4.62%	477,507	315,097.70
PRESCO	359.00	359.00	-	-	359.00	0.00	0.00%	359,326	121,176,654.10
PRESTIGE	0.54	0.54	-	-	0.54	0.00	0.00%	54,990	28,866.70
PZ	22.00	22.00	-	-	22.00	0.00	0.00%	553,703	11,722,105.95
REDSTAREX	3.90	3.90	3.90	3.90	3.90	0.00	0.00%	568,652	2,179,655.00
REGALINS	0.43	0.43	0.46	0.41	0.42	-0.01	-2.33%	1,397,074	602,762.58
ROYALEX	0.67	0.67	0.69	0.65	0.66	-0.01	-1.49%	1,864,100	1,249,234.64
RTBRISCOE	0.67	0.67	0.62	0.62	0.62	-0.05	-7.46%	1,198,696	745,811.52
SCOA	2.15	2.15	-	-	2.15	0.00	0.00%	300,380	582,745.00
SEPLAT	3,450.00	3,450.00	-	-	3,450.00	0.00	0.00%	2,569	8,613,401.30
SKYAVN	20.40	20.40	-	-	20.40	0.00	0.00%	2,926	65,166.80
SOVRENINS	0.46	0.46	0.46	0.45	0.45	-0.01	-2.17%	3,088,224	1,398,121.30
STANBIC	52.00	52.00	52.00	52.00	52.00	0.00	0.00%	10,483,806	545,176,979.35
STERLINGNG	4.41	4.41	4.44	4.22	4.31	-0.10	-2.27%	5,928,716	25,649,242.06
SUNUASSUR	1.28	1.28	1.21	1.20	1.20	-0.08	-6.25%	1,113,764	1,344,485.84
TANTALIZER	0.48	0.48	0.49	0.46	0.48	0.00	0.00%	2,580,604	1,232,004.49
THOMASWY	1.91	1.91	2.10	2.10	2.10	0.19	9.95%	166,154	348,822.50
TOTAL	388.90	388.90	-	-	388.90	0.00	0.00%	24,937	9,918,889.80
TRANSCOHOT	90.00	90.00	-	-	90.00	0.00	0.00%	72,279	6,069,926.00
TRANSCORP	12.00	12.05	12.70	12.00	12.00	0.00	0.00%	19,184,124	233,498,520.85
TRANSEXPR	1.25	1.25	-	-	1.25	0.00	0.00%	1,000	1,370.00
TRANSPOWER	373.90	373.90	-	-	373.90	0.00	0.00%	95,782	32,240,221.20
TRIPPLEG	4.13	4.13	-	-	4.13	0.00	0.00%	6,000	22,320.00
UACN	14.85	14.85	-	-	14.85	0.00	0.00%	299,486	4,385,203.20
UBA	22.20	22.20	22.70	22.00	22.00	-0.20	-0.90%	11,834,208	263,498,054.75
UCAP	20.60	20.60	21.75	20.60	21.75	1.15	5.58%	9,850,977	210,750,409.45
UHOMREIT	36.60	36.60	-	-	36.60	0.00	0.00%	3,000	111,000.00
UNILEVER	16.20	16.20	17.80	16.50	16.50	0.30	1.85%	5,987,558	101,528,253.20
UNITYBNK	1.56	1.56	1.71	1.59	1.60	0.04	2.56%	3,629,829	5,993,826.47
UNIVINSURE	0.35	0.35	0.36	0.33	0.35	0.00	0.00%	21,257,239	7,276,794.55
UPDC	1.40	1.40	-	-	1.40	0.00	0.00%	411,920	563,944.67
UPDCREIT	5.00	5.00	-	-	5.00	0.00	0.00%	98,006	463,925.25
UPL	2.75	2.75	-	-	2.75	0.00	0.00%	243,219	722,706.89
VERITASKAP	0.89	0.97	0.97	0.87	0.97	0.08	8.99%	57,594,817	55,200,958.04
VITAFOAM	18.00	18.00	-	-	18.00	0.00	0.00%	172,836	3,292,455.00
WAPCO	36.10	36.10	36.80	35.00	36.80	0.70	1.94%	1,562,606	56,528,451.90
WAPIC	0.66	0.66	-	-	0.66	0.00	0.00%	278,670	190,260.43
WEMABANK	7.50	7.50	7.45	7.10	7.40	-0.10	-1.33%	6,107,388	43,752,266.95
ZENITHBANK	35.95	35.95	36.00	34.00	35.90	-0.05	-0.14%	15,752,007	559,843,823.85

Stories by Onome Amuge

Sesame seed's export boom powers Nigeria to N247.75bn revenue in Q1'24

SESAME SEED, A RESILIENT crop also known as Benni-seed, has emerged as a prime driver in Nigeria's pursuit of economic diversification through agriculture. This is as the oilseed posted N247.75 billion in export earnings during the first quarter of the year to cement its position as a key player in the nation's push for economic revitalisation.

Recent data from the National Bureau of Statistics (NBS), showed that sesame seed exports surged 123 percent year-over-year in the first quarter of 2024, to emerge the country's top agricultural export. According to the NBS foreign trade in goods statistics report, Nigeria's sesame seed exports experienced a significant rise in the first quarter of 2024, generating N247.75 billion in revenue ,a 99 percent jump from the preceding quarter.

The remarkable success of the oilseed in the export market is even more impressive when compared to its performance throughout 2023, where the total value of sesame seed exports for the entire year was N253.7 billion, just two percent higher than its Q1 2024 value.

The NBS report attributed Nigeria's increase in sesame seed exports in the first quarter of 2024 to a sharp uptick in demand for the oilseed in key markets across Asia, China, Europe, and Japan.

Nigeria's sesame seed exports have found fertile ground in the lucrative markets of China, Japan, and Turkey, according to the Nigerian Export Commodity Council, with these countries representing the lifeblood of the country's sesame seed trade.

Nigeria's sesame seed exports, while modest in comparison to the country's total export revenue of N19.17 trillion, contributed a notable 1.3 percent to the total export earnings, while the agricultural sector, of which sesame seeds represent a crucial cog,contributed 5.4 percent to the country's total export revenue

Sesame is an annual flowering,drought tolerant crop which grows in pods, renowned for its edible and highly nutritional value and considered by agronomists as the oldest oilseed crop known to humanity.

The seed is notable for its diverse resourcefulness and essential derivatives depending on the processing method being utilised and the purpose. It is a highly utilised product in the industrial and pharmaceutical sectors and one of the basic ingredients in the production of biscuits, soaps,medicines, paints, lubricants, cosmetics,margarine and confectionery. Its oil extracts also consist of a wide range of applications that includes, hair treatment, cooking oil,disinfectant amongst others. The by-product processed from the seed also plays an important role in animal feed production.

Healthline Media, a reputable provider of health information highlighted over 15 health and nutrition benefits of the sesame seeds including; good source of fiber in reducing risks of heart diseases,obesity and type 2 diabetes;cholesterol and triglycerides control;nutritious source of plant protein;good source of vitamin B;blood sugar control, increase antioxidant activity in the blood;reduce joint and arthritic knee pain;aid hormone balance during menopause among other health beneficial uses.

Nigeria's production capacity

Against the backdrop of Nigeria's arid climate, particularly in the northern region, the resilient sesame seed has established itself as one of the most suitable crops for cultivation in the country.The oilseed's remarkable drought tolerance and adaptability have earned it a reputation as one of the country's most suitable crops, with farmers in at least 26 states in the country cultivating the plant, while the northern states of Benue, Jigawa, Nasarawa, and Taraba are ranked the largest producers in the country. Other major producers include;Borno,Gombe,Kano,Katsina,Kogi,Plateau and Yobe States.

While the northern states remain the stronghold for sesame seed cultivation in Nigeria, the oilseed has proven its versatility by establishing a presence in the southern region of the country including Ebonyi, Cross River States and the Lanlate community in Ibarapa region of Oyo State.

In 2022, the United Nations Food and Agriculture Organisation (FAO) released a report that showcased Nigeria's prowess in sesame production, ranking the nation as the world's fourth largest producer of sesame seeds, trailing behind Tanzania, India, and Myanmar. The report revealed that Nigeria's annual sesame seed production stood at 588,334 metric tonnes, marking the country as a big player in the global sesame seed market. The FAO also recognised Nigeria's growing prominence as a major sesame exporter, trailing only behind India and Myanmar.

According to Sheriff Balogun, president of the National Sesame Seed Association of Nigeria, the nation's sesame export sector generates a staggering $700 million annually, or $1400 per metric tonne of exported seeds. This lucrative trade has forged a lucrative economic bond between Nigeria and Japan, with the former's sesame exports playing a significant role in the bilateral trade volume, which reached $1 billion in 2022.

Dalha Hamza, a sesame farmer in Roni, Jigawa State noted that the oilseed is playing a crucial role in Nigeria's economic diversification efforts. As the country sets its sights on reducing its reliance on oil, Hamza and other sesame farmers across Nigeria find themselves at the forefront of a shift in the nation's economic landscape, with their harvests representing a goldmine of opportunity for a country hungry for economic growth.

Asides being in high demand in several countries of the world including; Australia,Brazil,China,France,Germany,Japan, Russia,Turkey and the Unites States of America, demand for organically grown sesame seeds has also recorded increases on a global scale with countries such as Germany and Japan offering huge consumption prospects.

Analysts posit that the massive economic potentials of the sesame seed industry creates an opportunity for Nigerian sesame seed producers,marketers and other stakeholders in the value chain to focus on increased productivity,strengthen its market relevance as well as present higher opportunities for Nigeria to increase its production value in the global market while competition to meet soaring demand gets tougher among major producing countries.

Despite the immense potential of sesame seeds to lift Nigeria's agricultural sector to new heights, the industry has been plagued by a lack of attention, lackluster policies, and insufficient infrastructural support, hampering the crop's full economic potential.

Dwelling on this,Hamza, who has garnered over eight years of experience in sesame seed production noted that the crop's production has been hindered by poor transportation infrastructure to facilitate movement of the crop from production areas to market areas, multiple taxation imposed on producers and marketers,and insufficient sesame processing plants in the country,lack of access to credit facilities to enable farmers purchase production implements. He further lamented that the crop is yet to receive any significant financial support from the government and financial institutions, which according to him, would encourage participation of more farmers and make access to credit facilities readily available.

Fakunle Aremu,an agricultural economist and research analyst, highlighted poor knowledge of export rules and procedures by some of the sesame value chain actors, inadequate processing facilities and the low number of functional processing plants as challenges in the sesame seed production sector. Aremu further averred that these challenges have affected the quantity of seeds produced as many of the seeds are processed manually, resulting in negative implications on the pricing of the commodity especially at the international market where quality seeds are required to meet market value.

Positioning the sesame sector towards improved production/exportation\Dalha Industrial analysts opine that increased government participation and support in the sesame production industry as well as a more defined and active public-private partnership would help facilitate the production, processing, marketing, exportation and all other prominent operations beneficial to the expansion of the crop.

Speaking on behalf of other sesame farmers, Hamza called for the inclusion of sesame farmers in agricultural advancement and economic diversification projects. He further called for easy access to certified and improved seed varieties and provision of farm implements and mechanised tools at subsidised rates to boost farming techniques.

Aremu recommended more defined public-private partnership on massive sesame production and processing with an organised market structure along the value chain, technical skills and capacity building in good agricultural practice, post-harvest management, quality standards, export management and other development activities applicable to each value chain. The agricultural economist also recommended further research and deployment of new and improved sesame farming techniques as well as modern agronomy practices to encourage improved crop yield and expand production.

Iron ore tumbles toward 4th week in red as China steel restrictions loom large

IRON ORE FUTURES PRICES succumbed to a fourth consecutive weekly loss, amid talks that China, the world's leading consumer of iron ore, was poised to cap its crude steel output.

The waning tide of demand for iron ore bore down on China's Dalian Commodity Exchange (DCE), as the most-traded September contract dipped to its lowest level since June 17th. The contract took a 1.7 percent dive, landing at 811.5 yuan per metric tonne. This loss, along with a 1.8 percent weekly descent, marked a sour note in the world's iron markets, sending prices to a place not seen for nearly a month.

In a market beset by bearish sentiment, the July iron ore contract on the Singapore Exchange shed 1.59 percent of its value, plummeting to $105 a tonne, marking a 2.3 percent decline from its price just a week ago

The volatile swings of the iron ore market were explained by Pei Hao, an analyst from Freight Investor Services, who traced the origins of the downward spiral back to various market talks of steel production cuts that buffeted the raw material's price. Pei likened the volatile back-and-forth of prices to a pendulum, as market chatter shifted between optimistic and pessimistic predictions of the scale of production cuts, fueling bouts of volatility

The heat in China's steel mills was turned up a notch, with the average daily hot metal output hitting a new peak of 2.4 million tonnes for the week ending June 21st, according to industry figures from Mysteel. The uptick in output, marking a consecutive week of growth, elevated the output to its highest level since November 2023, a red-hot trend that threatens to further add fuel to the smoldering iron ore market.

Chu Xinli, an analyst at China Futures, pronounced that the outlook for iron ore demand was on the verge of hitting a dead end. Chu attributed this grim prediction to the triple threat of provincial steel production curbs, tepid property data, and the waning seasonality of steel demand.

As the DCE witnessed a retreat of its steelmaking ingredients, with coking coal and coke succumbing to a drop of 1.89% and 1.99% respectively, the Shanghai Futures Exchange joined in the dark tide of steel benchmark declines, dragged down by the decline of rebar (1.19%), hot-rolled coil (0.77%), wire rod (1.51%), and stainless steel (0.75%).

Gold glitters in second straight week as investors place bet on Fed rate cut

Stories by Onome Amuge

GOLD PRICES GLINTED BRIGHTER for a second straight week as investors flocked to the precious metal, buoyed by mounting expectations that the U.S. Federal Reserve would ease its aggressive stance on interest rates.

Despite a slight pullback in spot gold prices, the precious metal remained glittering with a 0.9 percent gain over the week, adding more shine to last week's robust 1.7 percent increase. Spot gold dipped 0.2 percent to $2,354.86 per ounce, while U.S. gold futures held steady at $2,368.70, displaying remarkable resilience as investors continued to flock to the safe haven asset in the face of economic uncertainty

Jateen Trivedi, VP research analyst at LKP Securities, remarked that gold prices were positively bolstered by weak CPI numbers and retail sales data during the week. Trivedi noted that investors are now turning their attention to a trio of important economic data points in the U.S.in the following week, including new home sales, GDP, and Core PCE Price Index. These reports are expected to reverberate throughout the markets, potentially impacting both the dollar and gold prices.

Analysts pored over a fresh set of economic data released just the day before, revealing a complicated picture of the U.S. economy. Initial jobless claims, a key indicator of labour market health, dropped modestly, indicating an increase in employment, yet housing starts fell, signaling a potential dip in construction activity.

When combined with underwhelming retail sales numbers, these data points suggest that the U.S. Federal Reserve may be inclined to consider a rate cut as soon as its September meeting, which could buoy gold prices as investors seek refuge in safe-haven assets.

As the market anticipates potential cuts to the Federal Reserve's benchmark interest rate of 25 basis points each, the allure of non-yielding assets like gold becomes increasingly attractive. With lower interest rates diminishing the opportunity cost of holding gold, investors are drawn to the precious metal as a safe-haven asset, buoyed by the belief that its value will hold steady in times of economic uncertainty. As such, the market anticipates that the current economic climate, combined with potential Fed rate cuts, may continue to drive demand for gold, bolstering its value. As investors turned their attention to palladium, the spot market saw an increase of 5.5 percent to $974.25 per ounce, reaching a one-month high during the session. However, despite the gains, spot prices remained 11 percent below their starting point for the year, a reflection of the metal's rocky journey in 2023, which saw it plummet 39 percent.

The precious metals market saw a mixed bag of movement, with platinum climbing 1.5 percent to $992.72 per ounce and silver dropping 1.9 percent to $30.13 per ounce. Despite the divergent trends, both metals registered weekly gains, indicative of their general resilience and appeal to investors seeking to diversify their portfolios.

Kayode Fasae, commissioner for wealth creation; Ebenezer Boluwade, commissioner for agriculture and food security; Governor Biodun Oyebanji of Ekiti State; and Oluwayemisi Joluwe, CEO, YSJ Limited, during the flag off of Youth in Agriculture Planting Season and distribution of farm inputs to the young Ekiti farmers...in Oke Ako Ekiti... recently.

Wheat dips for 4th consecutive week amid rising supply

CHICAGO WHEAT FUTURES WERE in a tailspin as an influx of new supply and a favourable production outlook weighed heavily on prices, leading to a fourth straight week of losses. Northern Hemisphere harvests, which typically provide a seasonal influx of fresh supply, coupled with an optimistic outlook for wheat production, dragged down prices, bringing an unwelcome streak of consecutive declines for Chicago wheat futures.

Despite an uptick of 0.5 percent, September soft red winter wheat prices on the Chicago Board of Trade (CBOT) endured a bruising week, falling more than 6 percent from the previous week's close.

The wheat market was a rollercoaster ride last month, as fears over the Russian harvest sent prices into overdrive, reaching a 10-month high of $7.20. However, a recent reversal of fortune has seen the tide turn for the global wheat market, with improved supply prospects in Russia, Romania, and Australia helping to alleviate the market's prior concerns. Stefan Vogel, an analyst at Rabobank in Sydney, was quick to point out that the improving situation in these key wheat-producing countries had helped stabilise the market, with prices now reflecting a more balanced outlook. As the winter wheat harvest in the US began at a rapid pace, a heat wave is expected to keep the seasonal crop work moving forward this week. On the international front, Russian wheat production forecasts were revised upward by the consultancy firm IKAR, now projecting a total wheat crop of 82 million metric tonnes, an increase from their earlier forecast of 81.5 million tonnes. Adding to the picture of global grain surplus, Ukraine's official forecast for its grain crop this year was revised upward, increasing expectations for the country's supply of wheat and other grains. Further boosting market confidence in the abundant Black Sea supplies was an analyst estimate that predicted a record wheat crop in Romania, a key agricultural player in the region.

The Buenos Aires Grains Exchange, a key institution in Argentina's agricultural industry, made a revision to its forecast for wheat planting in the country, signaling optimism for the upcoming wheat harvest. This positive development was further reinforced by Andrew Whitelaw of Episode 3 agricultural consultants, who suggested that the market was close to finding its bottom and that pricing levels would likely stabilise soon.

While wheat struggled under the weight of surplus supply, corn and soybean futures found a little balance, bouncing back from the prior day's dramatic decline. Weather forecasts predicting rain in key US crop-growing regions helped to dispel concerns that a heat wave could threaten crop yields, stabilising the market and easing fears of significant crop stress.

Soybean futures on the CBOT rallied, gaining 0.5 percent to reach $11.60-3/4 per bushel. Despite the day's bounce, soybean prices were still 1.6 percent lower compared to their opening price for the week, with Thursday's two-month low still fresh in traders' minds. Meanwhile, corn futures also firmed up, rising 0.5 percent to $4.42 a bushel.

Oil prices dip but notch second straight weekly rise over optimistic demand forecast

OIL PRICES REGISTERED A second consecutive weekly victory, driven by signs of strengthening demand in the United States, the world's largest oil consumer. However, these price gains were slightly muted by a rise in the value of the US dollar, which dented the appeal of dollar-denominated commodities such as oil.

U.S. crude futures endured a mild 0.7 percent slide, dipping to the $80.73-a-barrel price point by the close of trading, while Brent crude likewise took a 0.7 percent hit, culminating in a $85.24 per barrel settlement.

A surge in the U.S. dollar on Friday, galvanised by the latest data revealing unexpected growth in the services and manufacturing sectors in June, served to significantly dampen expectations of imminent rate cuts. As the greenback flexed its financial muscle, oil prices came under pressure, weighed down by the heightened cost of oil for foreign buyers, whose currencies had lost purchasing power in relation to the dollar.

Although the dollar's vigor exerted downward pressure on oil prices, a slew of recent data hinting at strengthening U.S. oil demand continues to shore up market sentiment.

A recent report from the Energy Information Administration (EIA) divulged a substantial drawdown of U.S. crude stockpiles, with inventories shrinking by a surprising 2.5 million barrels during the week ending June 14.

Copper takes a hit as oversupply, weak demand sink prices

COPPER PRICES PLUNGED as investors fretted over mounting concerns about oversupply and plummeting demand from China, the world's largest consumer of metals. Adding to the downward pressure on copper was the weakening of the Chinese currency, a development that weighed heavily on the metal's value in international markets.

The red metal took a tumble on the global stage, shedding 1.5 percent of its value to touch $9,715 per metric tonne on the London Metal Exchange. The key ingredient in power and construction applications, has been on a rollercoaster ride, falling 13 percent from its all-time high of over $11,100, which it reached just last month.

Ole Hansen, head of commodity strategy at Saxo Bank in Copenhagen, cautioned against premature optimism about copper's prospects, noting that the market has been trying to determine if the correction is coming to an end, but it's still too early to call a turnaround.

China's yuan took a hit in global markets, sinking to its lowest level in seven months against the dollar. The currency's decline was fueled by a confluence of factors, including portfolio outflows from China's financial markets and speculation that the country's central bank was intentionally allowing the yuan to weaken. The impact of a weakened yuan rippled across the global commodity markets, particularly for industrial metals like copper, as it increased the cost of these commodities for Chinese buyers, who purchase these goods using the dollar-denominated global markets.

Hansen offered an insightful take on the situation, suggesting that the weak yuan might be creating a double-edged sword effect, as it

might also be spurring some stockpiling activity.

The tumbling prices of copper sparked a counterintuitive response in Asia's physical copper markets, with brokers reporting increased purchases during the week as investors sought to capitalise on the drop. The bullish activity has provided support for copper prices, which have found a floor in the $9,500 to $9,600 range. Meanwhile, on the Shanghai Futures Exchange, the most heavily traded July copper contract closed 0.5 percent lower at 79,120 yuan ($10,896.42) a tonne.

Amidst a global glut of metals, the copper market has been feeling the heat, with stockpiles of copper on the Shanghai Futures Exchange experiencing a significant rise, ballooning tenfold since the start of 2023 to reach 330,753 tonnes on June 14.

The global copper market's copper balance sheet also revealed a surplus of 13,000 tonnes in April, adding to a cumulated excess supply of 299,000 tonnes during the first four months of the year.

Other metals markets were also affected by the persistent bearish sentiment, with LME prices for aluminum, nickel, zinc, lead, and tin all sliding. Aluminum fell 0.6 percent to $2,506.50 a tonne, nickel dipped 1.1 percent to $17,225, zinc lost 0.5 percent to $2,858, lead dropped 0.6 percent to $2,202.50, and tin declined 0.5 percent to $32,910.

Steel giant, Aarti's proposed exit spells doom for Nigeria's ailing manufacturing sector

Stories by Cynthia Ezekwe

THE RECENT ANNOUNCEMENT BY Indian steel manufacturing giant Aarti that it plans to exit the Nigerian market has sent shockwaves throughout the country's already struggling manufacturing sector. Once viewed as a vital catalyst for economic progress, this decision has cast a shadow of uncertainty over the future of Nigeria's manufacturing industry, as the potential exit of one of the country's leading players threatens to further weaken an already fragile sector.

Aarti's decision to shutter its Nigerian operations has been directly linked to a host of obstacles facing businesses in the country, ranging from poor infrastructure and inconsistent policies, to a struggling economy, a volatile currency, spiraling inflation, and exorbitant energy costs.

The ripple effects of Aarti's exit are far-reaching and profound. As a key supplier of steel products to the construction and manufacturing sectors, Aarti's departure not only disrupts the supply chain but also leaves a gaping hole in Nigeria's manufacturing landscape.

The potential sale of Aarti, the Indian-owned steel manufacturer, has been the subject of speculation in the industry, with unverified sources hinting at a potential acquisition by African Industries or Bharti for a price ranging from $50 million to $100 million. While the details of the possible transaction remain shrouded in secrecy, insiders suggest that the process could be concluded within a matter of months, revealing the extent of Nigeria's desirability as a market for foreign investors despite the country's challenges.

Aarti's decision to close its doors in Nigeria represents the latest in a growing trend of high-profile exits from the country.

In 2017, Aaarti spent $20 million to $30 million to establish a 120,000-capacity cold-rolled mill in Ota, Ogun State, to serve Nigeria's downstream players using the steel to produce home appliances, roofing sheets, metal furniture and filing cabinets, tables and chairs, among others, however, it has been disclosed that the company's indebtedness was high and suppliers were worried that timelines for delivery had been missed several times, which is a major reason for its proposed exit.

Richard Imonije, acting regional manager, representing managing director, Bank of Industry (BoI); Lanre Alabi, director, LW CGI; Yemisi Edun, managing director/CEO, FCMB; Yemisi Kudehinbu, chairman, GPP; Ifeoma Chiemeka, director, corporate affairs, Loveworld Inc; Folasade Imoagene, managing director/CEO, GPP; and Babajide Salako, president, Chartered Institute of Professional Printers of Nigeria (CIPPON), at the commissioning of Global Plus Publishing Limited Ecoline Manugraph Web Printing Machine in Lagos, recently.

On a quarter-on-quarter basis, growth in the basic metal, iron and steel subsector of the manufacturing industry slowed to 0.57 in the first quarter of 2024 from 1.1 percent in the fourth quarter of 2023. On a year-on-year basis, it grew by 0.11 percent from 0.46 to 0.57 percent.

Based on the worrisome trend, industry experts warn that the exit of multinationals is a harbinger of worse things to come for Nigeria's manufacturing sector, noting that foreign exchange rates will continue working against the Naira as long as Nigeria is operating an import-driven economy

The manufacturing sector in Nigeria suffered many setbacks in the past year, as the Manufacturers Association of Nigeria (MAN) has said that 767 manufacturers shut down operations in the year 2023.

This came against the backdrop of exchange rate volatility, rising inflation and other economic challenges that have worsened the investment climate.

In a media chat, Segun Ajayi-Kadir, director general of MAN, attributed the issue to numerous challenges manufacturers face in the country's difficult operating environment, while calling on the government to take immediate action to address issues like poor infrastructure, inconsistent policies, and limited access to finance.

"Manufacturing in any economy is a strategic choice and the government must decide if it wants the country to be industrialised. If so, it must take all necessary steps to remove the binding constraints that hinder the sector's performance. Nigeria has not done so, so we see closures," he said.

Ajayi-Kadir also explained that the continued naira depreciation against the dollar and the general forex volatility are forcing manufacturers to have a rethink, noting that no genuine manufacturer could operate successfully and make a profit under the current scenario, whereby the naira has been falling sharply more than expected in the country.

"These had put many manufacturers in a great dilemma in the current year as they are applying brakes on production by watching keenly events in the country to know if there would be an improvement in sales in order to create space for fresh production for the year," he added.

The MAN DG bemoaned that with the rapid depreciation of the naira in recent weeks, manufacturers have continued to grapple with high production costs which has led to decreased capacity utilisation, adding that the issue for manufacturers is further compounded by the uncleared forwards by the Central Bank of Nigeria (CBN), which have made several operators lose billions of naira.

He noted that the steel industry is highly vulnerable to the negative impact of these challenges, noting that most of the operators in the industry are struggling to survive.

Despite the apparent setbacks, Ajayi-Kadir, struck an optimistic note, emphasising that the government must turn this into an opportunity by placing the spotlight on homegrown manufacturers. With major industrial players exiting the country's market, the MAN DG contended that the situation represents a clarion call for the country to empower its domestic manufacturing sector.

"I think there is a strong lesson to be learned here," he said. "The big ones leaving are the multinationals, which should send a clear signal to the government. We need to be strategic in what we promote. He is unlikely to go anywhere if you have a challenged local manufacturer. That is why we say foreign direct investment is excellent, but it should come secondary to empowering the local investor, the existing manufacturers because that is what is enduring," he added.

The MAN DG reiterated his concern about the future of the manufacturing sector in Nigeria. He urged for clear and decisive action from the government to prevent further exits and ensure the sector's growth.

"The government should also open new windows for us to source our credit at rates that are not lower and that are not higher than five per cent. These are very quick wins that the government can do that can lower the pressure that is upon the manufacturing sector," he said.

Jimoh Oyibo, the president of Food Beverage and Tobacco Senior Staff Association of Nigeria (FOBTOB),attributed the mass exit of firms to multiple taxation, dwindling electricity supply, high cost of diesel, fuel and high cost of gas to power their machines.

Oyibo explained that over 325 people have lost jobs within a few months, while calling on the government to involve industry stakeholders in policy-making decisions.

On his part, Gbenga Komolafe, the general secretary of Federation of Informal Workers of Nigeria (FIWON) explained that the mass exodus to harsh business environments such as, electricity, inability to restock shops after sales, especially by people in the confectionary sector.

Komolafe attributed the huge loss of revenue to inability to sell finished products, adding that non -sale of finished products as a result of lack of purchasing power of consumers, multiple taxation, inability to transport finished products are reasons for shutting down of many businesses.

Adeyemi-Smatt Oyerinde, director general of the Nigeria Employers Consultative Association of Nigeria (NECA), described the present situation of the country's manufacturing landscape as one that calls for a serious revamp, noting that hundreds of companies have either left Nigeria, shut down, or changed their business model in just three years.

The alarming trend, Oyerinde noted, has affected notable companies like Jubilee Syringe Manufacturing, Procter & Gamble, Unilever Nigeria Plc, PZ Nigeria Plc, GSK Nigeria Plc, Sanofi Pharmaceuticals, and many others, including multinational giants like Microsoft and Equinor, adding that the cumulative loss from unsold products has reached an estimate of N1 trillion.

The NECA DG appealed to the federal government for urgent intervention to protect the country's workers. With the situation rapidly deteriorating, and the specter of unemployment looming ever larger,he underscored the dire need for government action to help Nigerian workers weather this storm, advocating for policies that will preserve their jobs and alleviate the hardships of the challenging economic climate.

Wacot Rice Mill commences industrial production of fortified rice

WACOT RICE LIMITED, a rice processing company has commenced industrial production of fortified Big Bull rice, following the fortification of its premium Big Bull brand and the official launch of the flagship fortified rice in Nigeria.

Jayant Chantrastekar Jagtop, Wacot Rice Mill's chief operating officer (COO), disclosed this in a press statement, noting that the company targets to produce about 10,000 bags of fortified rice in 10kg, 25kg and 50kg SKUs over a period of three weeks.

However, he stated that the fortified rice produced at this stage would be sold to institution buyers for use in social safety net programmes, especially school feeding programmes first in Kebbi State, adding that the fortified rice would be sold at the same prevailing market price of its unfortified rice brand without the cost of fortification.

The COO noted that the production is part of the company's social responsibility to the people of Kebbi State and Nigeria in general, while commending the efforts of

Jagtop appreciated the excellent and productive collaboration with and support of GAIN and Standard Organization of Nigeria (SON), NAFDAC and Federal Ministry of Health and Social Welfare in guiding the company through the journey.

He further explored other rice mills in the country to emulate Wacot Rice Mill in producing fortified rice rich in Iron, Zinc, folic acid, Vitamins B12, B1, B3 and B6.

TotalEnergies, NNPC strike $550m deal to boost domestic gas production

Business a.m.

TOTALENERGIES AND THE Nigerian National Petroleum Company Limited (NNPC) have joined forces to fund a Final Investment Decision (FID) for the development of the Ubeta gas field. The deal, totaling $550 million, is set to enhance Nigeria's gas production and provide a vital boost to the nation's energy supply.

The Ubeta gas field is located in Rivers State, approximately 80 kilometers northwest of Port Harcourt. This vital resource forms part of the Oil Mining Lease 58 (OML 58), a territory that already boasts the Obagi oil field and the Ibewa gas and condensate field.

Once fully operational, the Ubeta gas field is expected to yield 350 million standard cubic feet of gas per day (MMScf/day), as well as 10,000 barrels of associated liquids per day (BBLS/day).

The development of the Ubeta gas condensate field, a six-well cluster connecting to the existing Obite facilities via an 11km buried pipeline, is expected to reach full production by 2027, delivering 300 million cubic feet of gas per day, equivalent to 70,000 barrels of oil per day, including condensates.

The project is designed to be low-emission and low-cost, leveraging existing gas processing facilities at OML 58. A 5MW solar plant is currently under construction at the Obite site to further reduce the carbon intensity of the project.

R-L: Stanley Opara, manager, corporate communications, Seplat Energy Plc; Akinyemi Akinyoade, senior manager, process, planning and performance management, supply chain management; Afe Mayowa, chairman, board of trustees, oil and gas trainers' Association of Nigeria (OGTAN); and Simeon Ogari, lead Nigerian Content, at the OGTAN annual HCD awards, where Seplat Energy was recognised for its outstanding National HCD scholarship scheme in Lagos ... recently

In addition, gas from Ubeta will be supplied to the Nigeria Liquefied and Natural Gas (NLNG) plant, which is expanding its capacity from 22 to 30 metric tonnes per annum.

TotalEnergies and NNPC have also pledged their commitment to enhancing local content, with more than 90 percent of business hours to be worked locally.

The Ubeta gas condensate field project not only promises a cleaner, greener energy sector but also a renewed economic landscape. In a statement, NNPC foreshadowed a brighter future, underscoring the project's commitment to Nigerian content, job creation, and value creation.

Anticipation for the groundbreaking Ubeta gas field project reached a fever pitch as the FID signing ceremony unfolded at the NNPC Towers in Abuja. The atmosphere was one of optimism as key industry figures, including Mele Kyari,group chief executive officer of NNPC, expressed confidence in the project. Kyari, a critical player in the landmark event, underscored the government's instrumental role in facilitating this transformative investment.

"We appreciate Mr. President for supporting us with the appropriate fiscal environment. The Presidential Executive Order is instrumental to us getting to this significant milestone and we are now seeing the impact of the policy," Kyari said.

Mike Sangster, senior vice president of Africa, Exploration & Production at TotalEnergies, made his presence felt at the FID signing ceremony. Harnessing the full potential of his extensive experience, Sangster underscored the significance of the Ubeta gas field project, an initiative that aligns seamlessly with the company's mission to accelerate energy innovation and elevate Nigeria's energy sector."Ubeta is the latest in a series of projects developed by TotalEnergies in Nigeria, most recently Ikike and Akpo West. I am pleased that we can launch this new gas project which has been made possible by the government's recent incentives for non-associated gas developments," Sangster said.

Heineken Lokpobiri, the minister of state for petroleum resources (Oil), assured Nigerians that the government has rekindled investor confidence in the oil and gas industry, noting that more investments are on the way.

Sharing the same sentiment, Ekperikpe Ekpo,minister of state for petroleum resources (Gas), said the project is a testament to the effectiveness of the government's policies aimed at creating a conducive environment for investment in the gas sector.

At the forefront of Nigeria's energy sector, Olu Verheijen, the president's special adviser on energy,lauded the strategic significance of the project. "The Ubeta project is a prime example of the kind of investment that the government's recent reforms aim to attract," she said.

Decrying the untapped potential of Nigeria's gas reserves, Verheijen highlighted the critical role of the Ubeta project. Citing a staggering 76 percent of undeveloped gas reserves, Verheijen heralded the Ubeta project as a crucial step in the government's mission to redress this imbalance and steer the nation toward a cleaner, more diversified energy mix.

Verheijen explained further that the Ubeta FID aligns with Nigeria's overall energy policy which emphasises the development of the gas sector to diversify the country's energy mix, reduce flaring, and promote cleaner energy sources.

Global Plus Publishing innovates printing technology to boost production, address capital flight

Cynthia Ezekwe

GLOBAL PLUS PUBLISHING (GPP), a printing company in Nigeria has unveiled its latest innovation, the Ecoline Manugraph web printing machine, to boost service delivery,keep profits within borders and strengthen the company's efficiency.

Folasade Imoagene, managing director, GPP, made the disclosure during the machine's unveiling at the organisation's corporate headquarters in Ikeja, describing the innovation as a strategic move to boost the company's printing capabilities and reduce the need for publishers to seek printing services abroad.

Imoagene underscored the significance of the new printing machine in enhancing GPP's service delivery to its clientele. She highlighted that the Ecoline Manugraph web printing machine marks a substantial advancement in the company's operational capacities, creating room for effective brand positioning within and outside Nigeria. The MD stressed GPP's commitment to offering top-notch services to its customers, citing the thorough proofreading process as a unique value proposition, while reiterating the company's dedication to excellence and customer satisfaction.

Imoagene noted that by investing in cutting-edge technology like the Ecoline Manugraph Web Printing Machine, GPP boosts its operational efficiency and contributes to the local economy by retaining printing jobs within the country.

In her remarks, Yemisi Kudehinbu, chairman of the board of directors of GPP, commended the management and staff's shared commitment to fostering growth and innovation in the printing industry in Nigeria, noting that the innovation aligns with the company's dedication to standing out as a stronghold in the sector.

She said: "We are celebrating a significant milestone in our journey as the foremost and preferred printing press and the capacity expansion we have experienced with additional web press is a major leap forward."

Yemisi Edun, the managing director of First City Monument Bank (FCMB), in her goodwill message, expressed her delight over the company's vision, innovation, and job creation efforts, noting that such innovation boosts economic growth and prosperity in Nigeria.

Also speaking at the event, Babajide Salako of the Chartered Institute of Professional Printers of Nigeria (CIPPON) expressed his delight in the innovation and sustainability within the industry, acknowledging GPP's installation of the Ecoline Manugraph web printing machine as a demonstration of commitment to excellence highlights the importance of leveraging technology to enhance efficiency, quality, and productivity in printing operations.

Oyo State endorses N52m investment opportunity in agric. supply chain through 3-company alliance

Business a.m.

THE OYO STATE MINISTRY of Environment has approved the operational licenses of three companies, Sabi, Nectar Fresh, and Meadow Foods, enabling them to jointly invest at least N52 million in a partnership aimed at solving the complex supply chain issues hindering the growth of the agricultural commodities sector in Nigeria.

The Oyo State Aggregation Project, a joint initiative of the three companies, envisions the integration of Sabi's digital commerce platform, Nectar Fresh's proficiency in food production and processing, and Meadow Foods' expertise in dairy and other food products. Through this synergy of expertise and resources, the project aims to revamp and streamline the supply chain of agricultural commodities, elevating their economic and social impact in Oyo State and Nigeria as a whole.

The collaborative effort between Sabi, Nectar Fresh, and Meadow Foods, would involve partnering with the

Oyo State community to establish a robust and responsible supply chain for a variety of high-quality crops, and create more than 350 jobs in the state over the next year. The project,encompassing about 250,000 hectares of the Opara Forest is considered a crucial step in Nigeria's agricultural sector, as it aims to bridge the supply chain gaps that have led to shortages of agricultural commodities globally.

With the potential to generate 30,000 metric tonnes of cashew nuts and 10,000 metric tonnes of shea nuts, the venture promises to revitalise the region's rural economy. According to Ademola Adesina, president and co-founder of Sabi, the key to the success lies in empowering small farmers by providing them with the resources and market access necessary to thrive.

On the ground, Meadow Foods, the local subsidiary of Dutch parent Across Trades, will oversee the project's comprehensive development and management. By ensuring quality control and efficient integration of new technologies, Meadow Foods aims to drive the project's success, while contributing to the long-term stability of the Oyo State agriculture industry.

Meanwhile, Nectar Fresh will play a crucial role in creating sustainable partnerships with the Opara Forest community. By collaborating with local leaders, Nectar Fresh will unlock access to farmers and their crops, fostering an inclusive environment that supports the cultivation and development of local agriculture.

Airlines, post Covid-19, pull record 5bn flights, $1trn revenue in 2024

- $158bn increase compared to 2019
- 400m more passengers this year
- 4bn new passengers in next 20 years

PULLING FREE FROM THE ruins brought about by the Covid-19 pandemic, the global airline industry is poised for a record five billion flights and revenues of at least $1 trillion in 2024, data by AltIndex, alongside the result of a survey by International Air Transport Association (IATA) have shown.

The pandemic has been logged as the industry's deepest crisis in its history, but just three years after Covid-19, it has not only fully recovered but is now primed for record performances in passenger and revenue numbers.

The five billion represent scheduled flights and do not include non-scheduled flights which are known to happen very regularly across the world.

But it is the full recovery by the industry, as shown by the result of a survey by the International Air Transport Association (IATA), that has continued to astound after global passenger numbers, which went down 60 percent and revenue for the industry, which tanked by a high 70 percent world-wide and brought the industry to its knees. Global demand for flights is said to be much stronger now.

The data from IATA show 2019 numbers of the airline industry were matched and surpassed in February, giving clear signal of the bumper record the industry will post in flight size and revenue figure.

The world-wide projection points to the pre-pandemic number of flights being overhauled while passenger numbers will swell by 400 million more this year even as the flights reach five billion. This is on the back of rise in global demand for flights.

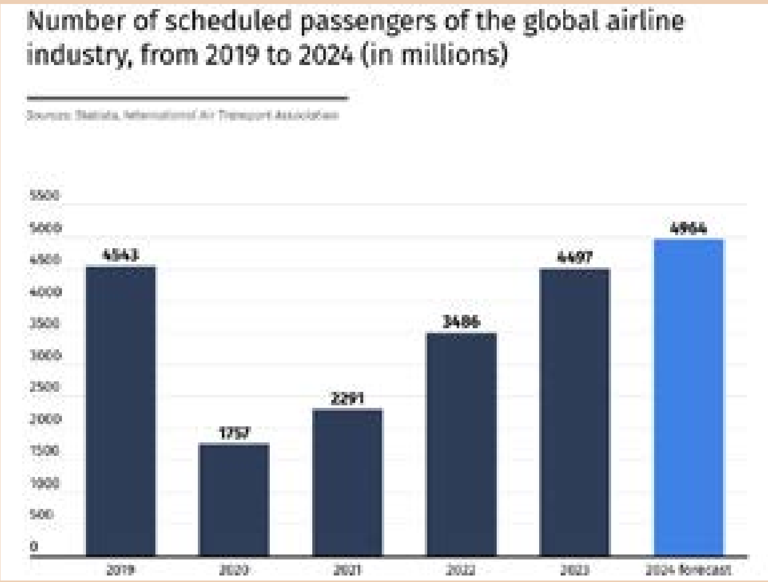
According to available statistics, while most regions are expected to perform above 2019 levels, Asia-Pacific will see the highest growth in 2024. For instance, data point to the number of airline passengers in the region jumping by 17 percent year-over-year, with the growth to be driven by China and India.

In that growth trajectory, Europe is projected to see a strong 11 percent increase in passenger numbers, while the Middle East, Latin America, and North America will post nine percent, eight percent, and seven percent annual growth rates, respectively.

Other details from the IATA survey report show that besides reaching a record number of passengers, the airline industry will also generate more revenue than ever. According to the IATA survey, the global airline industry revenue is expected to gross almost one trillion dollars this year, representing a massive $158 billion increase compared to 2019 figures.

The remarkable 2024 global airline traffic rebound has led to market projections for the years ahead becoming more optimistic as IATA now expects world airline passengers to grow by an average of 3.8 percent annually over the next two decades, resulting in over four billion new travellers by 2043.

This future growth will be led by Asia Pacific among the region, with an average 5.3 percent annual increase and over 2.7 billion new passengers in this period. The region's GDP is expected to increase by 65 percent over the coming 20 years, causing the number of trips per capita to almost triple. As a result, nearly half of global passenger traffic in 2043 will originate or depart from Asia-Pacific, up from 34 percent last year. Statistics also show that the European and North American markets will grow much slower, adding roughly 650 million new passengers in the next twenty years.



Task force to end passenger extortion, touting at airports, says FAAN chief

Sade Williams/Business a.m.

A DEDICATED TASK FORCE is now in place to bring to an end ugly incidents of passenger extortion, touting and other illegal activities at airports in Nigeria, Olubunmi Kuku, managing director and chief executive officer of the Federal Airports Authority of Nigeria (FAAN), has assured.

Kuku said she has taken the decisive step to put these to an end because of her deep concern over the harassment and extortion of passengers at the airports, emphasising her commitment to creating a seamless and pleasant experience for travellers with the launch of an extensive campaign to crack down on these illegal activities.

Henry Agbebire, director of special duties at FAAN, has been put in charge of the task force as chairman, and Kuku has also declared her intention to personally engage with all government agencies operating at the airports to ensure compliance with the anti-touting and anti-extortion measures.

She warned all airport personnel, including FAAN staff, that strict disciplinary actions would be taken against anyone found engaging in illicit practices. She stressed that the era of business as usual is over and highlighted the administration's zero-tolerance policy towards misconduct.

She also disclosed plans to establish magistrate courts at international airports to expedite the legal process for prosecuting offenders. The task force has been mandated to enforce discipline among airport staff and maintain a culture of professionalism at all levels.

In addition, dedicated phone lines and QR codes will be set up to provide passengers with a means of providing feedback on their airport experience, she said, and emphasised that all airport personnel must prominently display their on-duty cards and name tags for easy identification and accountability.

Kuku reiterated FAAN's commitment to delivering exceptional service and ensuring a safe and secure environment for all passengers and airport users.

Nigeria's higher ICAO audit rating due to Keyamo, Najomo's doggedness – Achimugu

Sade Williams/Business a.m.

THE DOGGEDNESS AND painstaking efforts of Festus Keyamo, minister of aviation and aerospace development, and Chris Najomo, director general, civil aviation, were responsible for Nigeria's achievement during the recently concluded International Civil Aviation Organisation (ICAO) conducted Universal Security Audit Programme-Continuous Monitoring Approach (USAP-CMA) in the country's aviation industry.

Michael Achimugu, director, public affairs and consumer protection, Nigeria Civil Aviation Authority (NCAA), made this assertion while affirming that Keyamo and Najomo were pivotal to the ICAO's 71.04 percent rating following their leadership skills and dexterity in mobilising manpower and resources to ensure all open gaps were closed else Nigeria would have scored 30 percent in the final outcome.

He described as mischievous comments in some quarters that both the minister and the DG, CAA, were responsible for the allegedly poor ratings the country achieved affirming that both came into office barely months ago and went to work immediately to improve on the deteriorating infrastructure and poor remunerations of workers they met on ground.

Festus Keyamo, minister of aviation and aerospace development

Achimugu said: "Six months ago, we met a dilapidated industry with poor infrastructure. The security and safety issues did not start in the last six months. Safe for the tireless efforts of the honourable minister and the DGCA, what we met on the ground would not have scored 30 percent in the audit.

"Going by what was on the ground when Keyamo and Najomo assumed office, the current score is a substantially good showing, a miracle if I must say. The narrative being pushed out is just part of the larger strategy to push out Keyamo and Najomo from office. It is the handwork of paid mercenaries who have just one task."

He affirmed that "The ICAO auditors praised our performance during their final briefing at the NCAA. They even mentioned a scenario where they complained about an absent infrastructure but, to their pleasant surprise, it had been made available the very next day! They said that only Nigeria moves at such a pace in the face of criticism. If the ICAO experts were pleased, who are these puff puff experts to try to deceive the people?"

Speaking further, Achimugu explained that: "We have actual Intel about a media team being commissioned to cause continuous chaos until Keyamo is either removed or moved elsewhere because certain people want to take back ownership of the contracts they were busy allocating themselves and family members while critical infrastructure was growing dilapidated, we will resist every attempt to deceive the Nigerian people," he added.

According to him, "Keyamo did not become one of the 'starboys' of this administration by doing nothing. He spent his first six months unbundling the rot in the system. Sadly, the rot runs so deep that six months are not enough to scratch the surface. They know this and it is why they are relentless in their fight. But the minister and this NCAA will do everything to sanitise aviation. We are working and it is evident," the NCAA image maker further affirmed.

Lagos among top unserved Africa flight routes, Airbus study shows

Business a.m. Reporter, with wire reports

COMPILING ORIGIN AND DESTINATION (O&D) data from December 2022 to November 2023, a major study by aircraft manufacturer, Airbus, has identified Lagos, Nigeria as one of Africa's top unserved flight routes.

The in-depth study shows unserved routes to, from, and within Africa building on Airbus's Global Market Forecast published late last year.

Apart from Lagos, other African cities identified with unserved flight routes are Cape Town, Nairobi, Dakar and Douala, which were each found to have several unserved routes at the top.

Airbus said it defined several categories of unserved routes, including routes with no previous nonstop service or routes that previously had nonstop service but were paused and never resumed, which it found by looking at origin and destination (O&D) traffic to see where people travelled to and from and which city pairs could be sustained with their own service.

Per report in Simple Flying, most of the unserved pairs are flights connecting Africa to other continents, as intra-African flights have fewer numbers.

The study shows West Africa to have the most unserved routes, with nine of 15 shown in the study involving the region. Eleven of the 15 are routes that were served before they were cut years ago, and four were in operation up to 2022.

Geert Lemaire, market intelligence and consulting director, at Airbus said: "With our capacity to make analyses about route and network development potential in-house, Airbus remains committed to partnering with airlines across Africa to identify optimised fleet solutions in line with network development requirements that further stimulate the continent's air transport industry growth and improve connectivity for travellers."

The Airbus study identified routes that have the potential for direct service with a view to stimulating African air travel growth, sources within the aircraft manufacturer explained.

In the case of Lagos, four routes out of Africa and one route within Africa were identified to have this potential. Outside of Africa, the Lagos-New York, Lagos-Houston, Lagos-Toronto, and Lagos-Manchester routes have been identified to have the potential for direct service, while intra-Africa, Cape Town-Lagos, is seen to have similar potential.

In a breakdown of the specific routes involved, London was identified as the very first, described as one of the most connected cities in the world, which makes it not a surprise.

Per Simple Flying, the Airbus' study identified Harare, located in Zimbabwe as the city on the other end, and noted that from December 2022 to November 2023, almost 5,000 passengers flew from Harare to London and nearly 4,000 in the opposite direction. It also showed that the three carriers that transported the most passengers between the two cities were Emirates, Qatar Airways, and Ethiopian Airlines.

The report found that the second route involves a city in India, one of the fastest-growing markets in the world, and stated that Johannesburg-Mumbai was next on the list. According to the Airbus study, in 2019, the number of passengers flying between the two cities was higher, but in the period covered for the report, more than 3,000 passengers flew in each direction. Some 45 percent, the vast majority, flew through Addis Ababa, the study found.

By Airbus's determination, launching a nonstop service between Johannesburg and Mumbai would help to regain the remaining 25 percent of traffic that has not been met since the pandemic. South African Airways and Jet Airways are known to have served this route in the past.

The study also revealed that New York City is one of the most underserved routes from Africa to North America. According to the findings, before the pandemic, around 5,000 passengers flew between the two cities monthly, with 25 percent connecting through Heathrow in London.

But it also found that the numbers have still not reached their pre-pandemic levels, but with around 3,000 passengers flying each way during the study period.

According to the study's findings, nearly 3,000 passengers flew on an even spread of airlines from December 2022 to November 2023 with Ethiopian Airlines carrying most passengers despite not flying to New York.

It found that Ethiopian Airlines carried 20 percent, Delta Air Lines had 18 percent, and Virgin Atlantic had 16 percent. Twenty-five percent of passengers transited through London Heathrow (LHR), while 16 percent went to New York through Lome Tokoin Airport in Togo and 11 percent through Atlanta.

The complete list of paired routes in the Airbus's study are: Harare-London; Johannesburg-Mumbai; Lagos-New York; Lagos-Toronto; Entebbe-London; Lagos-Manchester; Cape Town-Brussels; Durban-London; Nairobi-Washington; Lagos-Houston; while the intra-African city pairs are Dakar-Libreville; Abidjan-Douala; Abuja-Nairobi; Cape Town-Lagos; Dakar-Douala.

ANALYST INSIGHT

The Airport Customer Experience

For a resilient workforce in aviation

EKELEM AIRHIHEN

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

THE COVID-19 PANDEMIC has brought unprecedented challenges to the aviation industry, which has impacted stakeholders at airports. The Airports Council International (ACI), which is the global trade union for airports, consequently, released a White Paper titled "Building a Resilient Aviation Workforce" with the objective of enhancing working conditions for employees and fostering a competitive and attractive environment.

Airports and, indeed, aviation stakeholders, are operating in a challenging environment. Economic pressures such as foreign exchange fluctuations, inflation, high unemployment, fiscal debt, and infrastructure deficits are significantly impacting talent management strategies. These factors, along with the disruptive influence of digitisation and artificial intelligence, are reshaping the way industry stakeholders run their businesses and consume products and services especially in Africa. Certain challenges predating the pandemic—evolving demographics, tough work conditions, high turnover, and low pay for certain roles, will now need to be addressed. Workers at airports, essential for an airport's competitive positioning and future aspirations as an "airport of the future," face compound challenges, underscoring the industry's need for comprehensive solutions, says ACI. These obstacles make attracting and retaining talent increasingly difficult, say the ACI report and Phillips Consulting in their 2024 Talent Management Report respectively.

Indeed, Airports and their service providers, offering global hubs for travel and logistics, who play a crucial role in connecting communities and driving economic opportunities, face challenges such as labour shortages, limited career advancement, transportation issues, the need for specialised training, and other unique factors in the aviation industry. As industry stakeholders strive to overcome these unprecedented challenges and seize emerging opportunities; attracting, developing, and retaining top talent in spite of financial constraints has become a crucial pillar of competitive advantage and customer experience.

There are further constraints by the inability of stakeholders to significantly increase wages year on year, such that organisations are seeking innovative ways to attract and retain talent, with a particular focus on non-financial rewards, flexible working, and employee well-being, says a current report by Phillips Consulting in its 2024 Talent Management Report. For aviation and airports, the industry has had to contend with the challenge of sustaining its appeal as a career choice, especially due to industry unpredictability and ongoing environmental debates. External events and cost-reduction efforts have made this uncertainty more intense, drawing attention to the importance of long term employment policies in preserving expertise for a sustainable aviation future, says ACI.

The recommendations by ACI cut across various stakeholders and functions.

States are advised to: Support the ICAO Next Generation of Aviation Professionals (NGAP) initiative and other industry or State-level efforts to attract and retain aviation workers; collaborate with industry and global entities to increase awareness of the benefits of aviation among the general public, highlighting its significance and contributions to global connectivity and economic development; and, among other collaborative efforts, engage with unions and labour organisations through social dialogue.

With respect to communication and promotion of aviation, stakeholders are advised to: Increase awareness about the aviation sector among the general public, highlighting its significance and contributions to global connectivity; and, among others, engage with educational institutions, schools, and universities to raise aviation awareness and showcase industry opportunities.

Key recommendations related to the work environment are: Create environments that promote diversity and inclusion, ensuring all employees feel valued and respected; provide adequate and well maintained facilities for employees, ensuring their comfort and productivity, and, among others, facilitate easy access to the airport for employees by offering reliable transportation options, especially for those working night shifts, by designing work schedules and facilities to accommodate shift workers, ensuring their convenience and well-being.

Key recommendations related to employer engagement are: Ensure equal opportunities for all, but recognise essential barriers, particularly related to security backgrounds and convictions. This maintains necessary safeguards while fostering inclusivity in the hiring process; promote diverse leadership at all levels, fostering an environment where various perspectives contribute to decision-making; and, among others, cultivate an organisational culture that promotes engagement, establishing a framework encouraging meaningful interactions and collaboration among employees.

With respect to employee opportunity: Foster opportunities for employees to explore various roles and departments, enabling career growth and skill development across the organisation; cultivate a work environment that encourages active participation, open communication, and collaboration, promoting a sense of belonging and purpose with employees; Implement flexible work arrangements that empower employees to balance their professional and personal commitments effectively.

Pertaining to reward and remuneration: Employers should seek to ensure that compensation for their employees aligns with the skills and responsibilities of their work. Competitive wages and equitable benefits are needed to attract and retain talent, ensuring the long term viability of the aviation industry; and, among others, organisations should endeavour to prevent the underpayment of their employees, which can lead to job dissatisfaction, high turnover, and increased costs for training and potentially disrupted operations. By ensuring that employees are compensated fairly, the industry can enhance workforce stability and operational continuity.

Key recommendations pertaining to training: foster mobility across the airport community, enabling employees to explore diverse roles and departments; clear career pathways, focused employee development, and succession planning.

The ACI White Paper concludes by saying: "Through collaborative efforts and strategic initiatives, the aspiration is to create a more resilient and adaptable aviation ecosystem that can thrive in the face of evolving demands."

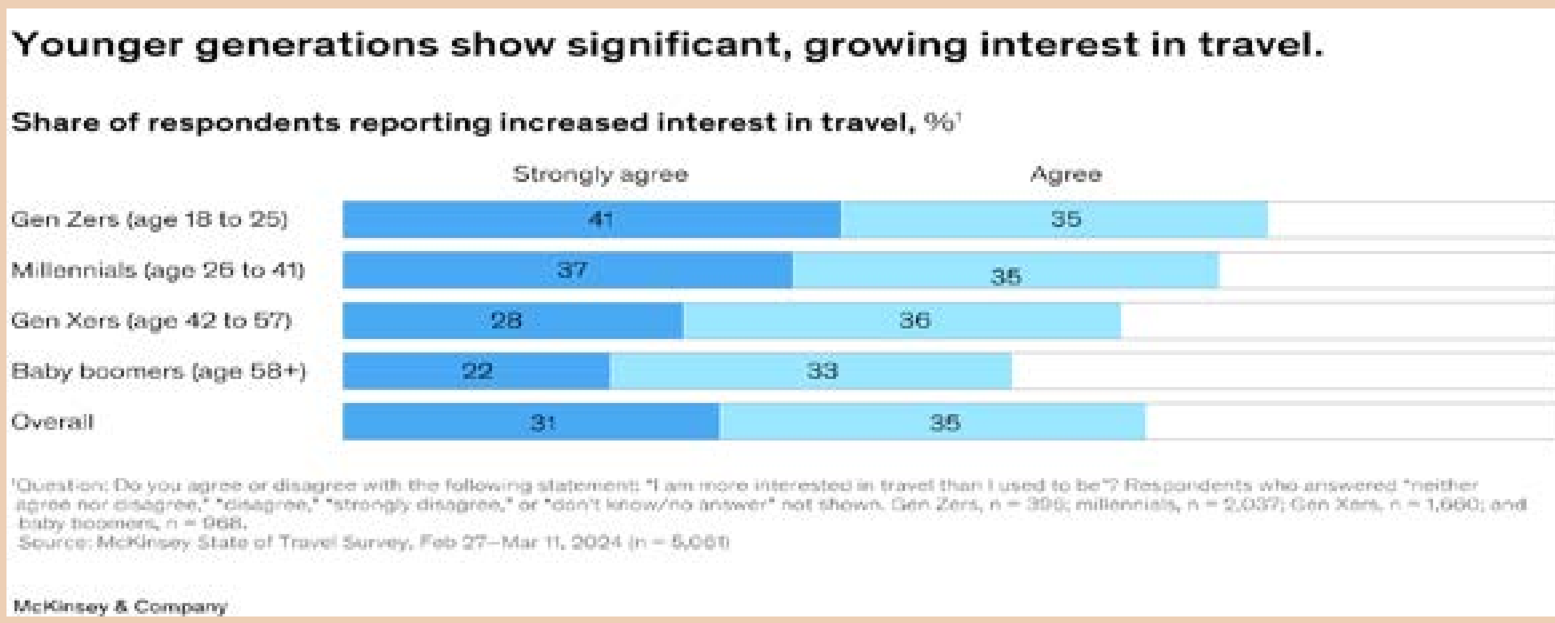
The way we tra

A survey of travellers reveals disparate d divides, and a newly emerging set of trav

WHAT SORTS OF JOURNEYS do today's travellers dream about? Where would they like to go? What do they hope to do when they get there? How much are they willing to spend on it all? And what should industry stakeholders do to adapt to the traveller psychology of the moment?

To gauge what's on the minds of current-day travellers, we surveyed more than 5,000 of them in February and March of this year. Our universe of respondents included travellers from five major, representative source markets: China, Germany, the United Arab Emirates, the United Kingdom, and the United States. All respondents took at least one leisure trip in the past two years. We asked them more than 50 questions about their motivations, behaviour, and expectations.

Results from this survey, supplemented with findings from focus groups and other additional research, suggest six vital trends that are shaping traveller sentiment now.



Travel has become a top priority, especially for younger generations

Sixty-six percent of the travellers we surveyed say they're more interested in travel now than they were before the COVID-19 pandemic. This pattern holds across all surveyed age groups and nationalities. Respondents also indicate that they're planning more trips in 2024 than they did in 2023.

Travel isn't merely an interest these days. It's become a priority—even amid uncertain economic conditions that can make budgeting a challenge. Travel continues to be one of the fastest-growing consumer spending areas, rising 6 percent over a recent 12-month period in the United States, even when adjusted for inflation. Only 15 percent of our survey respondents say they're trying to save money by reducing the number of trips they go on. And in the February 2024 McKinsey ConsumerWise Global Sentiment Survey of more than 4,000 participants, 33 percent of consumers said they planned to splurge on travel, ranking it the third-most-popular splurge category—trailing only eating at home and eating out at restaurants.

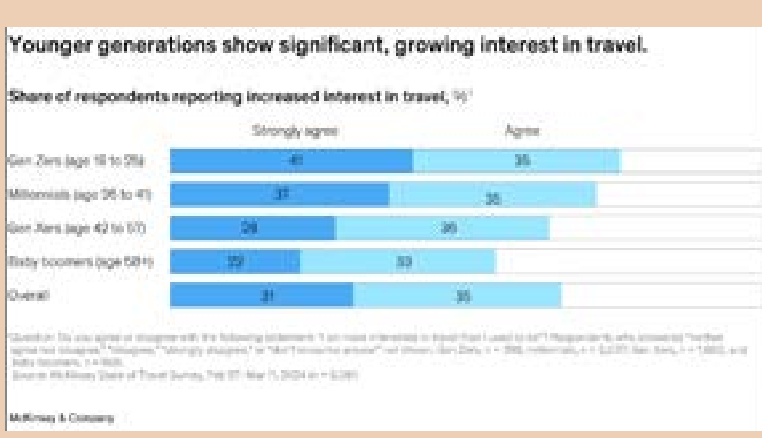
Younger generations appear to propel much of the rising interest in travel (Exhibit 1). In 2023, millennials and Gen Zers took, on average, nearly five trips, versus less than four for Gen Xers and baby boomers. Millennials and Gen Zers also say they devote, on average, 29 percent of their incomes to travel, compared with 26 percent for Gen Zers and 25 percent for baby boomers.

Younger travellers are the most keen to venture abroad

Younger travellers are particularly excited about international travel. Gen Zers and millennials who responded to our survey are planning a nearly equal number of international and domestic trips in 2024, no matter their country of origin, whereas older generations are planning to take roughly twice as many domestic trips (Exhibit 2).

Younger travellers' thirst for novelty might be motivating their urge to cross borders. Gen Zers say their number-one consideration when selecting a destination is their desire to experience someplace new. For Gen Xers, visiting a new place comes in at number eight, behind factors such as cost, ease of getting around, and quality of accommodation.

There might be a mindset shift under way, with international travel feeling more within reach for younger travellers—in terms of both cost and convenience. Younger travellers have become adept at spotting international destinations that feature more affordable prices or comparatively weak currencies. Low-cost airlines have proliferated, carrying 35 percent of the world's booked seats over a recent 12-month period. Meanwhile, translation software is lowering language barriers, mobile connectivity overseas is becoming cheaper and more hassle free, and recent visa initiatives in various regions have made passport-related obstacles easier to overcome.



It remains to be seen whether this mindset shift will endure as younger generations get older. But early evidence from millennials suggests that they've retained their interest in international travel even as they've begun to age and form families. It could be that this is a lasting attitude adjustment, influenced as much by the changing dynamics of travel as it is by youth.

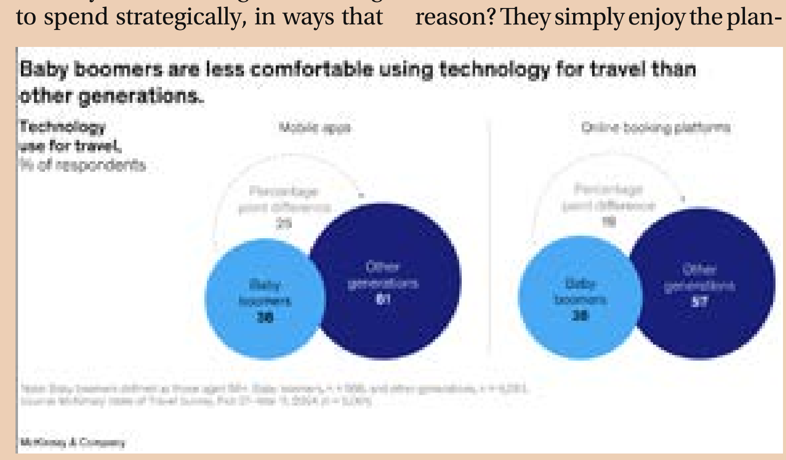
Baby boomers are willing to spend if they see value

Baby boomers are selective about their travel choices and travel spending. Enjoying time with family and friends is their number-one motivation for taking a trip. Experiencing a new destination is less important to them—by as much as 15 percentage points—than to any other demographic.

Although older travellers appreciate the convenience that technology can offer, they prefer human contact in many contexts (Exhibit 3). For example, 44 percent of baby boomers—versus only 30 percent of other respondents—say they value having a travel agent book an entire travel experience for them. And only 42 percent of baby boomers have used a mobile app to book transportation, versus 71 percent of other respondents.

While this generation typically has more accumulated savings than other generations, they remain thoughtful about how they choose to spend. Their top two cited reasons for not travelling more are "travel is becoming too expensive" and "not having enough money to travel." They make up the demographic most willing to visit a destination out of season, with 62 percent saying they're open to off-peak travel to bring costs down.

Baby boomers might be willing to spend strategically, in ways that



make travel more convenient and less burdensome. For example, whereas 37 percent of Gen Zers are willing to take a cheaper flight to lower their travel costs—even if it means flying at inconvenient times or with a stopover—only 22 percent of baby boomers say they'll do the same. But these older travellers don't splurge indiscriminately: only 7 percent describe their attitude toward spending as "I go out all the way when I travel." They're much more willing to forgo experiences to save money, identifying this as the first area where they cut spending. Gen Zers, on the other hand, will cut all other expense categories before they trim experiences.

Whatever baby boomers' stated feelings and preferences, they still account for a substantial share of travel spending. And they still spend more than younger generations—three times more per traveller than Gen Zers in 2023, for example.

The adventure starts before the trip begins

Travellers are delighting in crafting their own trips. Only 17 percent of survey respondents say they used a travel agent to book a trip in the past year. When asked why, respondents' top-cited reason is that they want full control over their itineraries. Their second-most-cited reason? They simply enjoy the planning process. In fact, studies have shown that the anticipation of a journey can lead to higher levels of happiness than the journey itself.

When seeking inspiration during the planning process, respondents are most likely to turn to friends and family—either directly or on social media (Exhibit 4). Advice from other travellers is also sought after. Fewer and fewer travellers rely on travel guidebooks for inspiration.

Today's travellers tend to view the planning process, in part, as a treasure hunt. Seventy-seven percent of respondents describe the research phase as an effort to ensure that they're finding good deals or saving money. And all demographics describe "value for money" as the most important factor when choosing a booking channel.

Unexpected traveller archetypes are emerging

When we analysed our survey results, we identified seven clusters of travellers who express shared attitudes and motivations toward travel. While the distribution of these archetypes varies across source markets, respondents within each archetype exhibit strong similarities:

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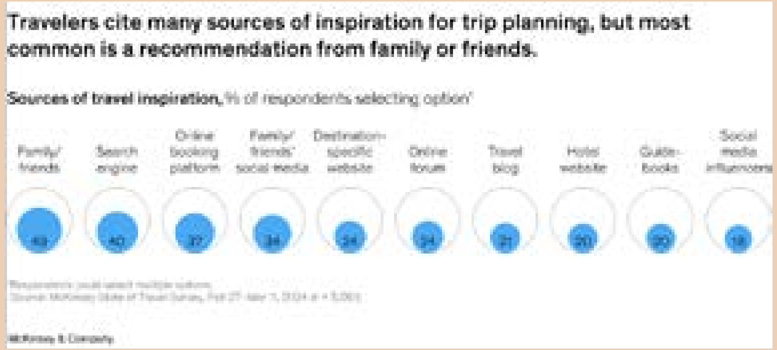


- Sun and beach travellers (23 percent of respondents). These vacationers travel rarely and spend frugally, preferring sun and beach destinations that are easy to get to. They like to relax and visit with family. They're relatively more likely to place significant value on nonstop flights (72 percent, versus 54 percent overall) and are less interested in authentic and immersive experiences (only 13 percent say these are main reasons why they travel).
- Culture and authenticity seekers (18 percent). These are active and high-budget travellers who typically spend more than $150 per day on holiday, love to sightsee, are willing to spend on experiences, and don't want to settle for typical bucket-list destinations. Only 6 percent prioritise familiarity when choosing where to go—the lowest percentage of any traveller segment. This segment is also least likely (at 17 percent) to say they would shorten a holiday to save money.
- Strategic spenders (14 percent). These travellers are open to selectively splurging on authentic, carefully curated experiences. But they keep a watchful eye on total spending. They're willing to sacrifice some conveniences, such as nonstop flights, in the interest of cost savings.
- Trend-conscious jet-setters (14 percent). Travellers in this high-budget group (they spend more than $150 per day when travelling) turn first to friends and family (79 percent) and then to social media (62 percent) when scouting destinations. Seventy-six percent say the popularity of a destination is an important factor, compared with 63 percent overall. And 75 percent say they focus on hotel brands when selecting accommodations.
- Cost-conscious travellers (11 percent). This travel segment is made up of predominantly older travellers who travel rarely and frequently return to the same destinations and activities. They're relatively more likely to care about the familiarity of a destination (54 percent, versus 35 percent overall) and the cost of the trip (76 percent, versus 65 percent overall).
- Premium travellers (12 percent). This segment expects high-quality trappings when they travel, and only 20 percent say that cost is an important factor. These frequent travellers are especially selective about accommodation—they, on average, are more likely than travellers overall to care about brand, prestige, exclusivity, design, decor, amenities, and sustainability. Similarly to trend-conscious jet-setters, this traveller segment is, on average, more likely than travellers overall (at 27 percent, versus 18 percent) to be swayed by celebrities and influencers when choosing travel destinations.
- Adventure seekers (8 percent). This younger segment enjoys active holidays that present opportunities to encounter like-minded travellers. Nineteen percent say they're motivated by adventure and physical activities, and 15 percent say meeting new people is a major reason why they travel. They aren't after large-group events; instead, they prefer small-group adventures. This segment prizes remoteness, privacy, and sustainability.

What travellers want depends on where they're from

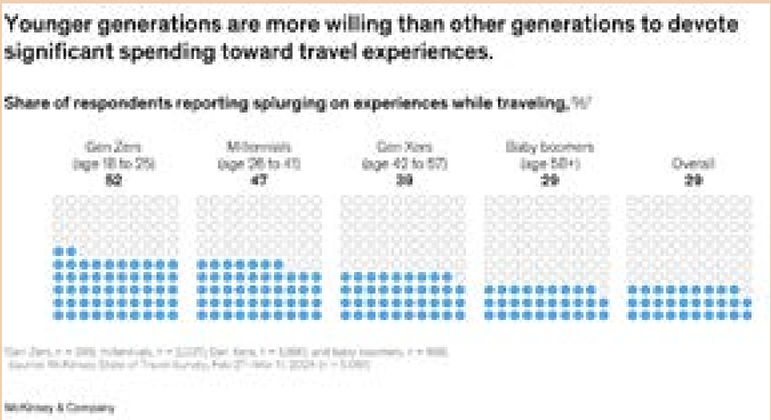
When asked what trips survey respondents are planning next, 69 percent of Chinese respondents say they plan to visit a famous site—a marked difference from the 20 percent of North American and European travellers who say the same. Chinese travellers are particularly motivated by sightseeing: 50 percent cite visiting attractions as their main reason for travelling, versus an average of 33 percent for those from other countries.

Emirati travellers, like their Chinese counterparts, favour iconic destinations, with 43 percent saying they plan to visit a famous site. They also have a penchant for shopping and outdoor activities. Fifty-six percent of respondents from the United Arab Emirates describe the range of available shopping options as an important factor when selecting a destination—a far higher proportion than the 35 percent of other respondents. And respondents from the United Arab Emirates report going on a greater number of active vacations (involving, for instance, hiking or biking) than any other nationality.

Travellers from Europe and North America are especially keen to escape their daily routines. Respondents from Germany (45 percent), the United States (40 percent), and the United Kingdom (38 percent) place importance on "getting away from it all." Only 17 percent of respondents from China and the Middle East feel the same way. European travellers are particularly fond of beach getaways: respondents from the United Kingdom and Germany cite "soaking in the sun" at twice the rate of American respondents as a main reason they travel.

Travel is a collective story, with destinations as the backdrop

Younger generations are prioritising experiences over possessions. Fifty-two percent of Gen Zers in our survey say they splurge on experiences, compared with only 29 percent of baby boomers (Exhibit 5). Gen Z travellers will try to save money on flights, local transportation, shopping, and food before they'll look to trim their spending on experiences. Even terminology used by younger generations to describe travel is experience oriented: "Never stop exploring" is tagged to nearly 30 million posts on Instagram.



The value of experiences is often realised in the stories people tell about them. Books and films have spurred tourists to flock to specific destinations (for instance, when droves of Eat, Pray, Love: One Woman's Search for Everything across Italy, India and Indonesia [Viking Penguin, 2006] readers visited Bali). And travel has always been a word-of-mouth business, in which travellers' stories—crafted from their experiences—can inspire other travellers to follow in their footsteps.

Social media is the latest link in this chain: a technology-driven, collective storytelling platform. Ninety-two percent of younger travellers in our survey say their last trip was motivated in some way by social media. Their major sources of social inspiration, however, aren't necessarily influencers or celebrities (30 percent) but rather friends and family (42 percent). Consumers' real-life social networks are filled with extremely effective micro influencers.

Posting vacation selfies is a popular way to share the story of a journey. But a growing number of social media users are searching for ways to present their travel narratives in a more detailed and more enduring fashion, and new apps and platforms are emerging to help them do so. The microblogging app Polarsteps, which more than nine million people have downloaded, helps travellers plan, track, and then share their travels—allowing journeys to be captured in hardcover books that document routes, travel statistics, and musings.

Giving today's travellers what they need and want

From our survey findings, important takeaways emerge that can help tourism industry players engage with today's travellers.

Know customer segments inside and out

Serving up a one-size-fits-all experience is no longer sufficient. Using data to segment customers by behaviour can help tourism players identify opportunities to tailor their approaches more narrowly.

Cutting-edge data strategies aren't always necessary to get started. Look-alike analysis and hypothesis-driven testing can go a long way. Even without having data about a specific family's previous travel patterns, for example, an airline might be able to hypothesise that a family of four travelling from New York to Denver on a long weekend in February is going skiing—and therefore might be interested in a discounted offer that lets them check an additional piece of luggage.

The same philosophy applies to personalization, which doesn't necessarily need to be focused on a single individual. Merely having a clearer sense of the specific segments that a provider is targeting can help it craft a more compelling offer. Instead of simply creating an offer geared toward families, for instance, providers might build an offer tailored to families who are likely to visit in the spring and will be primarily interested in outdoor activities. And instead of relying on standard tourist activities, providers might find ways to cater to more specific traveller interests—for example, facilitating a home-cooked meal with locals instead of serving up a fine-dining experience.

Help travellers share their journeys

Today's travellers want to share their travel stories. And friends and family back home are more likely to be influenced by these stories than by anything else they see or hear. Providers should consider ways to tap into this underexploited marketing channel.

Hotels can install a photo booth that enables guests to share pictures from their journeys. Guests can be given small souvenirs to take home to their friends and family. Hotels might also send guests photos on the anniversary of a trip to help jog happy memories and prompt a future booking.

Given the right incentives, customers can act as a distributed team of marketers. Reposting guests' social media photos and videos, for example, or spurring engagement with contests and shareable promo codes can encourage travellers to become evangelists across an array of different channels.

Recognise younger generations' unquenchable thirst for travel

Younger travellers' remarkable desire for experiences isn't always in line with their budgets—or with providers' standard offerings. A new generation of customers is ripe to be cultivated if providers can effectively meet their needs:

- Travel companies can better match lower-budget accommodations with younger travellers' preferences by incorporating modern design into rooms and facilities, curating on-site social events, and locating properties in trendy neighbourhoods.
- More affordable alternatives to classic tourist activities (for example, outdoor fitness classes instead of spas or street food crawls instead of fine dining) can be integrated into targeted packages.
- Familiar destinations can be reinvented for younger travellers by focusing on experiences (for instance, a street art tour of Paris) instead of more traditional attractions (such as the Eiffel Tower).

Cater to older travellers by using a human touch and featuring family-oriented activities

Older generations remain a major source of travel spending. Providers can look for ways to keep these travellers coming back by meeting their unique needs:

- While older travellers are growing more comfortable with technology, they continue to favour human interaction. Stakeholders can cater to this preference by maintaining in-person visitor centres and other touchpoints that emphasise a human touch.
- Older travellers are generally fond of returning to familiar destinations. Providers can look to maximise repeat business by keeping track of guest information that aids personalization (such as favourite meals or wedding anniversary dates). Identifying historical behaviour patterns (for example, parents repeatedly visiting children in the same city) can help providers make targeted offers that could maximise spending (for example, a museum subscription in that city).
- The off-seasonal travel patterns that older travellers often exhibit might open opportunities for providers to create appealing experiences scheduled for lower-occupancy periods—for example, an autumn wellness retreat at a popular summer destination.
- Older travellers' propensity to visit family and friends opens the door to offerings that appeal to a range of generations, such as small-group trips pairing activities for grandparents and grandchildren.

Travellers are more interested in travel—and more willing to spend on it—than ever before. But the familiar, one-size-fits-all tourism offerings of the past have grown outdated. Today's travellers want to indulge in creative experiences that are tailored to their priorities and personal narratives. The good news for providers: new technology and new approaches, coupled with tried-and-true strengths such as managerial stamina and careful attention to service, are making it easier than ever to shape personalised offerings that can satisfy a traveller's unique needs.

Internet data crisis hits Nigeria as consumers lament rapid depletion

● NCC identifies viruses, apps, GPS as hidden Malefactors behind worrisome consumption

Joy Agwunobi

IN A WORLD WHERE DATA is almost as indispensable as food, the proliferation of fintech banks like Opay, Palmpay, Moniepoint, amongst others, have pushed Nigerians deeper into the digital age. As the digital revolution sweeps across the nation, ushering in the new normal of online transactions, data has become the new currency for accessing services and information. However, instead of reaping the benefits of this technological transformation, Nigerian internet data users are reeling from the sting of ever-increasing data costs amidst frustrating service.

Data depletion, a phenomenon where users consume their entire data bundle before its expiration date, has become a widespread concern. This issue is further worsened by the additional data volume consumed while accessing online content, leading to rapid exhaustion of data bundles.

The grievances surrounding data exhaustion have flooded various social media platforms and offline channels, with numerous users sharing their frustrating experiences. An analysis by Business a.m. revealed that a data bundle priced at N3,000, which typically lasts between one to two weeks for an average internet user, is shockingly depleted in less than a week.

Chukwuma Ruth, an MTN user, shared her experience: "Previously, I subscribed to a monthly data plan of N3,500, which I use for browsing and social media usage,and it usually lasts me the entire month. However, lately, I had to upgrade to a 50GB plan at N6,500 monthly, yet unfortunately, it no longer lasts the full month. Instead, it gets exhausted within three weeks, leaving me wondering why my data usage has increased even though the package I am currently on is higher."

Babatunde Michael, an internet user, found himself reeling from shock and disbelief as his 50GB data bundle got exhausted faster than he could have imagined. He revealed that he usually purchases this bundle for work, social media, and streaming activities, expecting it to last him an entire month if used mindfully. However, this trust was shaken when he discovered his data depleting at a rapid rate, exhausting 25GB in just five days.

Glory Nduka, an Airtel customer, said she spends a substantial amount on her monthly data subscription. Despite her frustration with her service provider's data consumption rates, she feels compelled to continue coping with the situation since her daily life and career rely heavily on internet access.

"I spend a lot on my monthly subscription, my service provider is not even helping matters with the way they suck data, but I just have to cope with it because my life presently revolves around the internet," she said.

Glory went on to express that she needs data to perform her job and personal stuff, and she spends at least 75GB monthly, if not more, to enhance her skills and advance in her profession through online courses. She acknowledges that her extensive video watching for her current course contributes to her high data usage,but her main concern is that her 75GB bundle only lasts for a few weeks, which she finds inconvenient.

"I don't really blame the network provider because I know I watch a lot of videos because of the course I am currently on. My only annoyance is that 75G only lasts for a few weeks,"she lamented.

The mysterious and rapid depletion of their megabytes has left subscribers baffled, wondering how their bundles disappear so quickly. Many assume that telecom operators in the country have reduced the value of data packages due to escalating operational expenses amidst the country's economic challenges. This has led to finger-pointing at telecom companies, assuming they are the primary culprits.

However, the truth lies elsewhere, as the consumer affairs bureau of the Nigerian Communications Commission (NCC) revealed that malwares, background apps, and GPS are the hidden villains behind data depletion. These digital infiltrators, it stated, operate in the shadows, consuming data without users' knowledge or consent.

The NCC explains that malware is a type of sneaky software that infiltrates devices, steals sensitive information, and transmits it to its creators. These programmes are designed to gain unauthorised access to computers or networks, allowing hackers to steal personal or corporate information and disrupt operations. By disguising themselves as harmless files or links, malware tricks users into downloading them, giving hackers access to entire networks.

According to Statista, malware attacks are designed to take control of or disrupt computer infrastructure, with the main motivations being to steal sensitive information and cause operational disruptions.

A report by Kaspersky, a global cybersecurity firm,recently disclosed that an ongoing mobile Advanced Persistent Threat (APT) campaign has been targeting iOS devices with unknown malware. The report revealed that the APT distributes zero-click exploits via iMessage, enabling the malware to gain complete control over the device and user data, with the ultimate goal of spying on users.

The Kaspersky experts discovered the new mobile APT campaign while monitoring their corporate Wi-Fi network's traffic using the Kaspersky Unified Monitoring and Analysis Platform (KUMA). Further analysis revealed that the threat actor had targeted dozens of company employees' iOS devices.

Researchers at Kaspersky explained the attack's mechanics, stating that victims receive an iMessage with a zero-click exploit attachment, which triggers a vulnerability, allowing code execution and full device control without any further interaction. Once the attacker establishes a presence on the device, the message automatically deletes itself.

The report noted that the spyware silently transmits private information, including microphone recordings, instant messenger photos, geolocation data, and other sensitive information about the infected device's owner, to remote servers.

To combat the growing threat of malware attacks, the NCC advised mobile subscribers to take prompt action if they suspect their devices have been infected with malware.

The commission stated, "If you suspect that your phone has been infected, it's important to remove the malware as soon as possible to prevent further damage."

NCC also identified background apps as another factor causing data depletion for many users. The commission explained that if background data usage is allowed, apps will continually update themselves with the latest information and content, running silently and syncing data without the user's knowledge.

The commission also explained that apps consume data not only when actively in use, but also when the device is idle or the app itself appears closed. The devious purpose of this stealthy data drain, according to the commission, is to keep content fresh and up-to-date so that when you open the app, the latest information loads without delay, a process that siphons away precious bytes of one's data allowance without your knowledge

According to the NCC, additional factors that contribute to data depletion include location services like GPS which use data to transmit location information to apps and services, especially when using navigation apps like Google Maps. The telecom regulator noted that this constant communication adds up slowly but depletes data bundles.

The commission also pointed out that users' excessive data usage can rapidly deplete their data limits. According to the commission, engaging in activities such as streaming videos or music, downloading large files, or using data-intensive apps for extended periods can quickly consume data. The commission further explained that the duration and resolution of video content, for instance, directly impact the amount of data used, with longer videos and higher resolutions resulting in higher data usage.

Additionally, roaming is another factor that can cause data depletion. The regulator noted that data roaming can quickly deplete data allowance if left on while travelling abroad. The commission explained that data roaming occurs when the user's phone consumes cellular data services outside the network's coverage area, noting that while this feature can be useful for staying connected, it can also lead to higher charges.

The NCC emphasised that subscribers must take proactive steps to manage their data usage to mitigate the issue of data depletion. To achieve this, the commission recommends that subscribers should Install antivirus software to protect their devices from malware; regularly review and close unnecessary background apps; disable GPS usage for specific apps that do not require location services; switch off automatic updates to avoid unnecessary data usage; monitor data usage regularly; and install ad-blockers to prevent unwanted advertisements from consuming data.

Additionally, the commission suggested that mobile subscribers connect to Wi-Fi networks whenever possible to reduce their reliance on cellular data.

"Subscribers can connect to Wi-Fi at home, work, or in public places like cafes or libraries," the commission advised.

To further empower citizens, the commission has initiated an educational campaign, by sending regular SMS notifications with valuable data-saving tips to mobile phone users. By taking these measures, subscribers can effectively manage their data usage and avoid unexpected depletion.

L-R: Renee Park, assistant product manager, home appliances, LG Electronics: Brian Kang, general manager, home appliances, LG Electronics; Uh. Oktae Kim, general manager, home appliances, LG Electronics; Hari Elluru, head, corporate marketing, LG Electronics, at the official launch of LG WashTower in Lagos recently. IMAGE BY PIUS OKEOSISI.

Climate tech startups reap $325m in African Venture Capital in 2024

Joy Agwunobi

A RECENT REPORT BY Africa: The Big Deal has revealed that climate tech startups in Africa have secured $325 million in funding, accounting for 45 percent of the total startup investments on the continent in 2024. This increase in climate tech funding marks an all-time high since tracking began in 2019, despite a global slowdown in startup funding.

Climate tech encompasses a broad range of technologies and processes designed to combat climate change, including renewable energy sources, energy efficiency measures, and sustainable transportation. The sector's growth shows the increasing focus of investors on environmentally friendly investments and the potential for 'green' investments in Africa.

According to the report, startup funding in Africa in 2024 has decreased compared to previous years. Noting the global trend of economic downturn as one of the key reasons for reduction in investments in the Fintech sector.

It noted that Fintech has secured only 22 percent ($158 million) of the total funding raised in Africa this year, whereas at the same time last year, it accounted for more than half of the total funding $852 million out of $1.7 billion.

The report found that in 2024 climate tech surpassed fintech as the leading investment destination in Africa, with logistics and transport coming in second at 29 per cent ($215m) and energy and water in third at 18 per cent ($132m). This shift in investor interest mirrors the growing preference for cleaner solutions among Africans, as shown in the 2023 Africa Climate Awareness Report.

Despite a drop in overall funding for African tech startups in 2023, climate tech startups continued to attract investments, with a modest increase in debt deals. The resilience of the sector can be attributed to the diversification of funding sources, innovation in business models and technologies, and the emergence of new technologies such as artificial intelligence and the Internet of Things.

The growth of climate tech in Africa has also caught international attention, with several UN agencies launching a program to drive new capital flow into climate tech to support African states in harnessing renewable energy systems. According to the report, an analysis of funding raised by African startups between January and May 2024 revealed that climate tech accounted for a record 45 per cent of the total funding announced on the continent this year, totaling $325 million, the highest share since tracking began in 2019.

The report further stated that while climate tech funding has consistently increased over the past five years, from $340 million in 2019 to $1.1 billion in 2023, its share of total investments has fluctuated. Despite absolute growth, climate tech's share dropped from 25 percent in 2019 and 32 percent in 2020 to 14 per cent in 2021 and 21 per cent in 2022, noting that as the investment boom during that period favoured other sectors, such as Fintech.

"The share of Climate Tech funding began to rebound in 2023, reaching 36 percent, and is showing continued growth in 2024, with a current share of 45 per cent. Although it appears unlikely to surpass the record $1.1 billion invested in Climate Tech in 2023, the sector is maintaining its upward momentum," the report added.

Flutterwave, EFCC team up to build cybercrime research centre in Nigeria

Joy Agwunobi

FLUTTERWAVE, A LEADING NIGERIAN fintech company, has partnered with the Economic and Financial Crimes Commission (EFCC) to establish a state-of-the-art cybercrime research centre in Nigeria, aimed at addressing cybercrime and promoting a secure financial ecosystem.

The memorandum of understanding (MoU) was signed recently in Abuja by top officials from both organisations, including Olugbenga Agboola, the CEO of Flutterwave, and Mohammadu Hammajoda, the EFCC secretary.

In response to the rapidly growing digital economy and the rise in cybercrime, which has led to lots of financial losses and a decline in public trust in online transactions,the strategic alliance between Flutterwave and the EFCC aims to leverage their combined strengths to combat internet fraud, enhance the security of business transactions, and provide sustainable support for youths across the country. Flutterwave, known for its innovative payment solutions and expansive digital reach across Africa, brings advanced technological expertise and industry insights. The EFCC, Nigeria's foremost anti-crime agency, contributes its extensive experience in law enforcement and financial crime investigation.

The cybercrime research centre will be established at the new EFCC Academy, and will serve as a hub for advanced research, training, and capacity building in the fight against financial crimes. It is also expected to serve other purposes including advanced fraud detection and prevention,collaborative research and policy development, youth empowerment and capacity building, technological advancement, and resource enablement.

Olugbenga Agboola, Flutterwave's CEO, emphasised the company's commitment to creating a fraud-free financial ecosystem, safeguarding transactions across Africa, and commended the EFCC's relentless efforts to combat internet fraud and other illicit activities in the financial sector.

Ola Olukoyede,the executive chairman of the EFCC, expressed his appreciation for the partnership, noting that it marks a step forward in their efforts to combat financial crimes and ensure a secure financial landscape for Nigerians.

Data & Information Governance Insight

Advanced risk management strategies for product development

MICHAEL IRENE, PhD

Michael Irene, CIPM, CIPP(E) certification, is a data and information governance practitioner based in London, United Kingdom. He is also a Fellow of Higher Education Academy, UK, and can be reached via moshoke@yahoo.com; twitter: @moshoke

IMAGINE YOU'RE BUILDING a brand-new toy or gadget. Product development is the journey from your very first idea to the moment you finish making your amazing new creation. It's like building a fantastic castle with blocks, from planning to putting on the final flag. Now, when you're making something new, things can sometimes go wrong. Maybe your castle might fall, or you might not have enough blocks. That's why we need something called risk management. It's like having a plan to make sure everything goes well, so your castle stands tall and strong.

For our grown-up friends in business, this means creating products like new phones, cars, or computer programmes. Risk management helps them find out what might go wrong and fix it before it becomes a big problem. Think of it as making sure your toy won't break or your gadget won't stop working.

But there's more to think about. Today, we also need to keep privacy and cybersecurity in mind. Privacy is making sure that personal information, like your name or where you live, stays safe and isn't shared with people who shouldn't see it. Cybersecurity is all about protecting our gadgets and information from people who might want to cause trouble or steal things.

For example, imagine you have a secret treasure map. You wouldn't want anyone to steal it, right? You'd keep it in a safe place and maybe use a special code to read it. In the world of business, this means keeping important information safe from hackers or anyone who shouldn't have it.

Advanced risk management involves looking at all the different ways things could go wrong and making plans to stop those problems. It's like having extra blocks ready in case some break or making sure your treasure map is super safe. For a toy or gadget, it might mean testing it a lot to make sure it works perfectly. For business products, it means checking the product at every step to make sure it's safe and secure.

One of the key strategies is to start with a solid plan. This plan should identify potential risks and how to deal with them. It's like drawing a blueprint for your castle and thinking about what might make it fall. Maybe the blocks need to be stronger, or the base needs to be wider. In business, this planning stage is critical to foresee and mitigate risks.

Next, we need to build with care. As you put your castle together, you carefully place each block, making sure it fits perfectly and is stable. In product development, this means carefully designing and testing each part of the product. This step helps catch any problems early, before they become big issues.

Another important strategy is to stay flexible. Sometimes, even with the best plans, things can change. Maybe you get new, better blocks for your castle, or you think of a cool new feature to add. Being flexible means being ready to adjust your plans as needed. In business, this is about being adaptable and ready to respond to new information or changes in the market.

Communication is also key. Imagine building your castle with friends. You talk about where each block should go and help each other. In business, good communication ensures everyone involved in the project knows what to do and what to watch out for.

Finally, always learn from the past. If your castle fell before, think about why it happened and how you can build it better next time. In business, this means learning from previous projects and using that knowledge to improve future products.

By using these advanced risk management strategies, both young builders and experienced executives can create amazing products that are safe, secure, and successful. So, whether you're playing with blocks or leading a big company, remember to plan, test, stay flexible, communicate, and learn from the past. This way, your creations will stand tall and strong, just like a perfect castle.

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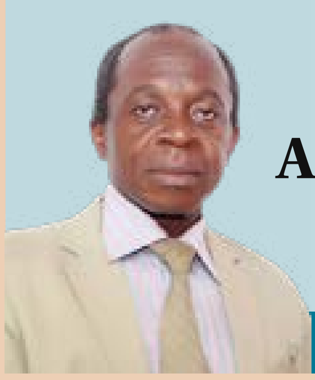

Africa & Global Observatory

OLUKAYODE OYELEYE

Dr. Olukayode Oyeleye, Business a.m.'s Editorial Advisor, who graduated in veterinary medicine from the University of Ibadan, Nigeria, before establishing himself in science and public policy journalism and communication, also has a postgraduate diploma in public administration, and is a former special adviser to two former Nigerian ministers of agriculture. He specialises in development and policy issues in the areas of food, trade and competition, security, governance, environment and innovation, politics and emerging economies.

Africa showcases rich culinary diversity, variety to the world

WOLOF PEOPLE OF SENEGAL claim that the Jollof rice originated from them. Although the Wolof tribe is mostly associated with Senegal, their kinsmen are also found in parts of Gambia and Mauritania. On their claim to Jollof rice, history seems of relevance in the past. What curious minds now focus upon is what to make of the present and the future of Jollof rice as more countries now call it their own. Culinary curiosity is here. Trust the innovative and competitive spirit in Africans, the primacy on who does it best is now where emphasis lies. Jollof has now entered the innovation war zone.

And guess which countries are competing for the top slot: Ghana, Nigeria, Senegal and Sierra Leone. This is a healthy rivalry and one that is good for Africa as these four West African countries seek to outdo each other in what is fast becoming an international contest over a brand of African cuisine.

A visitor to Kenya will not likely find difficulty being attracted to a typical Swahili food called Ugali flour porridge. Curious lovers of spicy foods may have to try Ghana's Kenke. And now that nutrition-minded, environmentally-conscious food advocates and vegetarians seek to limit the consumption of beef, pork or other red meats in burger meals, an African solution comes handy from popular pulses. Nigeria's 'akara' from fried bean paste can easily come to the rescue. Thus, consumers will get nearly as much protein from plant source replacement as they would from beef in their burger. Concerns raised globally over soda and other fizzy drinks revolve around sugar and health consequences of excessive consumption in response to the shrewd and aggressive marketing and advertising of those products. African drinks, already popular within the continent for their peculiar refreshing tastes and health benefits, are now set to emerge on the global stage. 'Zobo is a brand of drink from African hibiscus that is spreading fast far beyond the shores of Africa.

Historically, food varieties have been an integral part of globalisation and tourism. For so long, the world has gotten used to Chinese restaurants and Chinese cuisine. Now, Africa seems poised to showcase its own assortment of foods and drinks to the wider world. Culinary curiosity is one of the factors that will drive this growth in Europe, America and Asia. For their richness, abundance and diversity, the tourism world will soon take note of African foods in Asia, Europe, and the Americas. Aware of this and taking the lead in such an initiative, the organisers of AfroFlavour Food Festival (AFFF) will storm Manchester City in the UK and Baltimore in Maryland this July and August respectively with an extraordinary celebration of the rich traditions, and diverse food cultures of Africa. In these two locations, the festivals will entail a showcase of a mouth-watering array of African dishes, live music performances, fashion and art exhibitions, and cultural workshops.

The choice of the two locations has some background reasons. The state of Maryland, for instance, is home to the fourth largest share of immigrants from Africa living in the US with 15 percent of the African population in the US, and about 52,818 Nigerians. Manchester, on the other hand, is a vibrant, pulsating city in the north-west of England. It is home to over 553,000 people (per 2019 figure) with an estimated 13 percent identifying as black or mixed race. There are social and entrepreneurial justifications for targeting such places for such events. According to the organisers, the festival will be "a unique fusion designed to take the culinary curious on an unforgettable journey through the heart and soul of the African continent." Agriculture and the food industry's growth potential, profitability, and value-creation capacity have been demonstrated, they added, noting that what the African food industry requires now is champions and leadership.

Vendors from different African countries are expected to showcase the best of African cuisine, fashion and art. The Afro Flavor Food Festival is considered a mission to increase the understanding of the dynamics of the African food business outside Africa, to catalyse its growth rate and drive foreign exchange earnings and economic development for Africa. The food industry is one of the biggest industries in the world. The Chinese food industry in the United States of America is $26 billion according to some 2023 estimates. Even without any definite statistics on the African food industry, its growth and expansion prospect on the world stage is one of the underlying reasons behind the festival's initiative.

The keynote paper is titled, "Mainstreaming the African Food Industry, the Chinese Model." Financing options for African Entrepreneurs will be a major topic for discussion at the event. In addition, the organisers have disclosed that they are curating the African Export Pavilion, a platform for MSMEs with exportable products to exhibit before buyers and users of their products in the UK and the US. Trade deals are expected to be consummated at the pavilion.

The Export Promotion Pavilion, as explained, is an initiative designed to boost exports of food items, cooking utensils and related products from African countries by linking manufacturers with global distribution networks.

The government of Nigeria has indicated interest in these public events where attention will be focused on building an African food chain. Nigeria's Ministry of Tourism, in its press statement, indicated its support for AfroFlavour Food Festival as the Minister, Mrs Lola Ade-John, has confirmed attendance and full participation in the events in Manchester, on July 6, and Maryland, on August 3, 2024. In both locations, the Ministry intends to "showcase and promote Nigerian cuisine to attract global attention to the richness and diversity of Nigerian foods. She will use the opportunity to promote inbound tourism into Nigeria built around the diversity of Nigerian culture and how this feeds into the country's cuisine and culinary offerings and experiences."

In the release she personally signed, the minister enthused that "the AfroFlavour Food Festival is a wonderful initiative that celebrates Africa's rich culinary heritage, cultural diversity, and vibrant fashion, music, and art. Food tourism is indeed a significant component of the tourism sector, and this Festival provides a significant platform to showcase the best of Nigerian and African cuisine and culture to an international audience. She assured she fully endorsed "this festival and will ensure that the Ministry of Tourism provides the necessary support. Such initiatives are invaluable in promoting cultural exchange and enhancing the global profile of Nigerian and African cuisine and culture."

Lucky Idike, CEO of Afro Flavour, commenting on Tourism Ministry's full support as well as the Minister's commitment to attend the events said, "we are thrilled to have the Minister's endorsement and the Ministry of Tourism of Nigeria's full support. These festivals will be a huge celebration of Africa's rich cultural heritage. For African Food Business enterprises, our Food Business Conference will be the first of a series of strategic learning interventions designed to provide them with ideas, knowledge, and skills to position African cuisine for global growth. We strongly believe in Food tourism's power to grow economies when handled skilfully." He expressed gratitude to the sponsors and partners for their contributions toward ensuring the hosting of the event.

Confirmed sponsors of the events are Switch by Sterling of Sterling Bank, NEXIM Bank, Flutterwave, SendWave, Nigeria Centre DC, Pearl Medical Group LLC, Swahili Village Group LLC, Zend Capital LLC and BooBam Econatural Products LLC, Made By Nigeria, Immigration Advice Service (IAS) UK. Partners include Nigerian Center, Swahili Village Group, Business a.m., UKtogether-events, Chuck Gallery Manchester and La Compere. According to the organisers, support has also been received through pledges by Dr. Val Amechi Odife.

Confirmed speakers include the Tourism Minister who is to speak about Food Tourism, its benefits to Africa and the roles of African Food Businesses. Others are Ibidapo Martins, Chief Marketing Officer Sterling Bank Plc, Yetty Tabai and former food business entrepreneur, Chef Dumebi.

African cuisine led by Nigerians, is approaching the age of explosive growth. African restaurants are opening in highbrow districts of the largest non-African cities. Food chains playing at all levels are emerging. Also expected at the food festival is a very accomplished private chef and restaurateur, Yetty Tabai. An extraordinary individual and head chef of Yetti's Kitchen, this is the first African restaurant in the UK to provide inflight catering, revolutionising how traditional African dishes are experienced on flights. Recently, Air Peace, a Nigerian airline, was widely reported as serving African continental meals – particularly Nigerian delicacies – to passengers on its Lagos-London route, a development that dovetails into what the organisers of AfroFlavour Food Festival are trying to promote.

With these, is there still any doubt that African foods are going places?

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10B Stella Osholanke Street, Off Internationnal Airport Road, Ajao Estate, Isolo Lagos. **Tel:** +234 (0) 803 5555568; **Website:** www.businessamlive.com; **e-mail:** info@businessamlive.com