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business a.m.
TOWARDS MORE EFFICIENT MARKETS

Global ambition seen in Access Bank's $1bn UK goal with rights issue on tap

- Eyes being among Top 20 UK banks by 2027
- Among top 5 African banks, leading banks globally
- Targets 125m customer base
- Ambitious $1.5bn capital raising programme on

PHILLIP ISAKPA IN LONDON & ONOME AMUGE IN LAGOS

ACCESS BANK, THE ARROWHEAD of Access Holdings Plc, Nigeria's largest financial institution by assets and customer size, and Africa's largest by customer size, continued to signal its global ambition, say analysts who spoke to Business a.m. in London, the United Kingdom and Lagos, Nigeria, following statements by a couple of its topline leaders in the wake of the HoldCo's ongoing rights issue through which it hopes to raise at least N351 billion.

The financial services behemoth had earlier suggested that beyond meeting the new capital requirement of N500 billion set by the Central Bank of Nigeria (CBN) for banks with international licence, it had its sights set on a broader growth plan for itself when it came up with a capital raising programme of $1.5 billion to drive an ambition many analysts say are far reaching and beyond local play.

Aigboje Aig-Imoukhuede at the

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Nigeria's economic hardship worsens as inflation soars to 34.19% in June

ONOME AMUGE IN LAGOS

NIGERIA'S HEADLINE INFLATION rate continued its upward trend for the 18th consecutive month in June 2024, climbing to 34.19 percent from 33.95 percent recorded in May, as the cost of living in Africa's most populous country continues to soar amid widespread economic hardship. The National Bureau of Statistics (NBS) disclosed the latest inflation figures in its Consumer Price Index and Inflation report just released.

According to the report, the headline inflation rate for June 2024 rose by 0.24 percentage points compared to the figure

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COMMENT

Climate change hazards and families

THE DEVASTATING RAINS AND flooding which swept across towns and cities in Nigeria in recent weeks compelled a critical look into the ruins, mishaps and hazards of climate change on families across the world.

We have seen on our streets, watched in shock on televisions, read in...

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CBN to pursue dovish interest rate hike in H2'24, say analysts

ONOME AMUGE IN LAGOS

FINANCIAL ANALYSTS AT COWRY ASSET have suggested that the Central Bank of Nigeria (CBN) is expected to implement a moderately dovish interest rate hike, ranging from 25 basis points to 75 basis points in the second half of 2024, against the consecutive hawkish rate hikes witnessed in the first half of the year.

This projection, highlighted in the company's outlook for the second half of the year titled, "Nigerian Economic and Financial Markets Review and Outlook for H2", is further supported by the significant drop in the value of Treasury Bills sold by the CBN during June 2024, with a total of N617 billion sold despite hosting three auctions, compared to the N913 billion sold during two auctions in May 2024.

According to the analysts, the CBN's push to tame inflation through aggressive rate hikes has come at a steep cost to the average Nigerian, as the country's monetary policy rate was raised for the third consecutive time in 2024 by 150 basis points, reaching 26.25 percent, noting that while this liquidity tightening approach might be necessary to stabilise the currency and economy, many economists argue

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L-R: Adamu Lawani, executive director, Zenith Bank Plc; Adobi Nwapa, executive director; Henry Oroh, executive director; Jim Ovia, founder and chairman, Zenith Bank Plc; Adaora Umeoji, group managing director/chief executive; Akin Ogunranti, executive director; Louis Odom, executive director; and Mukhtar Adam, chief financial officer, during the Zenith Bank Capital Markets Day at the Civic Centre, Victoria Island, Lagos, recently.

TRAVELLER & HOSPITALITY

Aura by Transcorp hotel picks

AURA BY TRANSCORP HOTELS, a digital platform for booking unique accommodation, including homes and hotels, as well as memorable experiences, has given some attention to summer and made a pick of...

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Africa's data centres in global play

AFRICA STANDS AT the threshold of a remarkable digital revolution, with...

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COMMODITIES & AGRICULTURE

Livestock ministry's controversy

PRESIDENT BOLA TINUBU recently declared the establishment of the Federal Ministry of Livestock Development with the main objective of defusing the prolonged conflict between farmers and pastoralists...

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VISIONARY VOICES

Rich Countries & Biodiversity Funding Pledges

DUBLIN – This summer of record-breaking heat waves and contentious elections around the world offers a valuable opportunity to reflect on the role individuals can play in driving positive change. By building coalitions and amplifying the voices of those most affected by crises, we can muster the courage and political...

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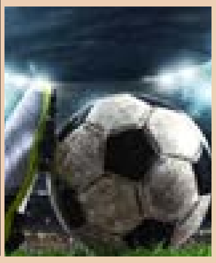

WHEN TEAM MEMBERS COMPETE outside of the workplace, their relationship and willingness to cooperate take a hit.

In December 2022, the world watched in awe as Argentina's Lionel Messi and France's Kylian Mbappé lit up the World Cup final. Playing at a top international tournament for their national team is the pinnacle of any footballer's career...

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CBN to pursue...

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that the cost of continuous monetary tightening on individuals and businesses could be catastrophic, as debt servicing becomes increasingly difficult, raising credit risks.

As if struck by a sudden cacophony of complaints, the CBN has found itself on the receiving end of mounting criticism from real sector operators, who have gone from quietly voicing their concerns to outright wailing about the detrimental impact of high-interest rates on their business viability. Adding fuel to the fire is no less than Nigeria's leading industrialist, Aliko Dangote, who has joined the chorus of critics and called out the current high interest rate environment as suffocating productivity in the country's economy.

In a move that appears to be a direct response to Dangote's criticism of the Central Bank of Nigeria (CBN)'s tight monetary policy, Olayemi Cardoso, the CBN governor, speaking through his deputy governor for financial stability, Phillip Ikeazor, has offered some respite, indicating that the apex bank will soon be able to ease up on the rapid pace of interest rate hikes. This announcement, while not a concrete commitment to a policy shift, offers some hope to businesses and individuals struggling under the current interest rate regime, hinting at the possibility of some relief on the horizon.

Digging deeper into the data on Nigeria's inflation trends, the analysts at Cowry Asset uncovered a potentially positive development for the economy, with the headline inflation index showing a slow but steady deceleration over the past three months. This downward trajectory of inflation, it noted, could be a harbinger of a coming reduction in the headline inflation rate.

Johnson Chukwu, founder and chief executive officer of Cowry Asset Management Group, while presenting the company's review and outlook for the second half of 2024 at a webinar monitored by Business a.m., noted that while real sector operators had previously voiced concerns about the detrimental impact of high-interest rates on business viability, these complaints have now erupted into full-blown wailings, with Nigeria's biggest industrialist, Aliko Dangote, openly lamenting (for the first time in history) that the current high-interest rate environment is choking productivity.

Chukwu further elaborated on his analysis of inflation trends in Nigeria, highlighting a significant finding that offers a sliver of hope to the country's economy.

According to the Cowry Asset founder, when examining the month-on-month changes in inflation rates over the past three months, a noticeable deceleration in the headline inflation rate can be observed, suggesting that inflationary pressures may be easing off, indicating prospects of a moderate Monetary Policy Rate when the CBN's Monetary Policy Committee meet in the later part of July 2024.

"Based on these factors, we are projecting a moderate hike in interest rate in the next six months. We think the central bank will, at best, increase the benchmark rate by 75 basis points from the current 26.5 percent to 27 percent. If it does anything higher than that, the economy will dip into a negative growth territory.

"Our position is further reinforced by the significant reduction in the amount of Treasury Bills sold by the central bank in June. A total of N617 billion was sold in June despite having three auctions against N913 billion sold in two auctions in May 2024," Chukwu said.

Headline inflation likely to moderate in H2 2024

Cowry Asset, in their assessment of the inflationary landscape in Nigeria, projected that while the current high levels of inflation may continue to persist in the second half of 2024, the pace of inflationary growth may begin to decelerate.

However, the company anticipates that this moderation in inflation will occur at a relatively slow pace, a cautionary note that underscores the persistent challenges facing the Nigerian economy.

Cowry Asset, while forecasting a slowdown in the rate of inflation, identified several factors that could potentially mitigate the inflationary pressure in Nigeria.

According to the investment management firm, the expected increase in food production during the harvest season, along with the recent government initiative to suspend taxes on select food items, are likely to ease inflationary pressures. In addition, Cowry Asset also attributes the relatively stable exchange rates and the low consumer demand to this expected moderation in inflation.

While Cowry Asset Management Group predicts a potential moderation in inflation rates, the company remains mindful of the various risks that could counteract this trend. One such risk, it warns, is the possibility of a hike in petrol prices, which would undoubtedly have a ripple effect on the prices of other goods and services. In addition, the company pointed out that further devaluation of the local currency, increases in electricity tariffs, and the potential for higher wages to be awarded to public servants could all lead to a further inflationary increase.

Stability in foreign exchange rate

Analysing the potential trajectory for the naira in the coming months, Cowry Asset believes that in the absence of any unforeseen policy disruptions, the naira could maintain a relatively stable exchange rate, supported by the Central Bank of Nigeria's continuous efforts to attract foreign currency inflows.

L-R: Mojisola Hunponu-Wusu, founder/CEO, Woodhall Capital Limited; Obafemi Hamzat, deputy governor, Lagos State; Folashade Ambrose-Medebem, commissioner for commerce, cooperatives, trade and investment, Lagos State; Jumoke Oduwole, special adviser to the president on Presidential Enabling Business Environment Council; and Weert Borner, consul general of Germany in Lagos, at the 9th Lagos Corporate Assembly, in Lagos, recently.

The fate of the Nigerian naira in the second half of 2024, according to Cowry Asset, will be determined by a complex interplay of factors influencing both the demand for foreign exchange (FX) and the CBN's capacity to supply it. Cowry Asset posits that the performance of the naira will hinge on a careful balancing act between these variables, awaiting catalysts such as positive policy interventions or foreign investments to bolster the currency's position.

The company noted that the CBN's tight monetary policy stance is likely to persist into the second half of 2024, exerting a downward pressure on the local currency. This restrictive monetary environment, Cowry Asset suggests, will not only put pressure on the naira but also limit the liquidity in the foreign exchange market.

"We project a support level of N1,700 for FY '24, we note that the naira could rebound significantly, should oil production improve significantly, subsidies are eliminated, and the local sourcing of oil for domestic refining commence in earnest," the company stated.

Equity market driven by fixed income instrument

Cowry Asset's analysis of the Nigerian equity market for H2 2024 anticipates that corporate earnings and yields from alternative investments, especially fixed income instruments, will steer market performance.

It noted that in light of the challenges faced by the Nigerian economy in the first half of 2024, it expects corporate earnings to decline in the second half, creating a selling pressure on equities. This bearish sentiment, the company believes, will result from corporations' struggles to generate revenues and profits in a constrained economic environment.

Cowry Asset's forecast for the fixed income market in H2 2024 suggests that investors could continue to see relatively high yields on fixed income instruments. This, in turn, could create a disincentive for investors to move their capital into equities, as the higher yields offered by fixed income securities provide a more attractive alternative. As such, Cowry Asset believes that yields on these instruments, if sustained at high levels, could exert additional negative pressure on the equity market.

"The heightened level of activities in the primary market by banks, which are mostly Rights Issues, will affect the level of liquidity available for investment in the secondary equity market.

"Based on the above assumptions, we project further corrections in H2 2024. Recall that [the] Equities market already corrected by 4.31% in Q2 2024," the company predicted.

The investment banking and asset management company pointed out that investors in the first half of 2024 were heavily drawn towards money market and bond market instruments due to their significantly higher yields when compared to other investment opportunities, particularly government instruments, which offered attractive returns in the range of 18 percent to 26 percent. These instruments, which carry virtually no risk due to their government backing, were favoured over riskier options like equities, as investors prioritised stability and security in their investments.

"We expect this trend to continue in H2 2024 though at a moderating rate.

"To circumvent the high lending costs occasioned by the current yield environment, we foresee increased corporate issuance of Commercial Papers among small to mid-sized companies in coming months at very attractive yield (circa 30%), giving investors with high-risk appetite better returns," Cowry Asset stated.

The investment banking company cautioned investors to exercise more caution and due diligence when making investment decisions, especially with regards to Commercial Papers. The company believes that some issuers of Commercial Papers may lack sufficient liquidity to redeem these instruments upon maturity, potentially exposing investors to financial losses.

Given the current economic conditions and outlook, Cowry Asset outlined a series of investment strategies to help investors navigate the current economic conditions and their potential impact in the coming months:

Focus on fixed income: Investors are strongly advised to prioritise money market and bond investments over equities, given the significantly higher yields and lower risk profile of these instruments.

Selective equity investments: Investors with an inclination towards equity investments are advised to adopt a defensive strategy, favouring stocks of companies operating in industries with strong fundamentals and resilience to economic shocks. The focus should be on sectors such as agriculture and oil & gas, which Cowry Asset categorises as bellwether sectors, due to their significant contribution to the Nigerian economy.

Diversify into other currencies: Cowry Asset urged investors to consider allocating part of their portfolios to foreign currency instruments, including Eurobonds, Dollar Notes, and Eurobond Mutual Funds.

Opportunistic investments: Cowry Asset encourages investors to maintain a strong liquidity position, with sufficient cash reserves, to enable them to capitalise on potential bargains that may arise in the market.

Nigeria's economic...

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recorded in May 2024, reaching a new high of 34.19 percent.

The NBS report also revealed a higher month-on-month inflation rate for June 2024, with the rate reaching 2.31 percent, a 0.17 percent increase compared to the 2.14 percent recorded in the previous month.

In a similar trajectory, the average Consumer Price Index (CPI) over the twelve months ending in June 2024 increased by 8.45 percent to 30.00 percent compared to 21.54 percent recorded in June 2023.

The latest NBS report revealed a worrisome rise in the year-on-year food inflation rate in Nigeria, with the rate increasing to 40.87 percent in June 2024. This represents an increase of 15.62 percentage points from the already high rate of 25.25 percent recorded in June 2023, indicating further deterioration in the affordability of basic foodstuffs for Nigerian consumers.

The NBS attributed the rise in food inflation on a year-on-year basis to increases in prices of millet whole grain, garri, guinea corn, etc (bread and cereals class), yam, water yam, coco yam (potatoes, yam & other tubers class), groundnut oil, palm oil, etc (oil & fats class) and catfish dried, dried fish-sardine, mudfish (fish class), etc.

The food inflation rate on a month-on-month basis also rose significantly in June 2024, reaching 2.55 percent, an increase of 0.26 percentage points from the rate of 2.28 percent recorded in May 2024.

The NBS identified several food items that contributed to the rise in food inflation, including groundnut oil, palm oil, etc (oil & fats class), water yam, coco yam, cassava, etc (potatoes, yam & other tubers class), tobacco, catfish fresh, croaker, mudfish fresh, snail, etc.

Building on the increasing trend of food inflation rates in Nigeria, the average annual rate of food inflation for the twelve months ending in June 2024 was 35.35 percent, a substantial rise of 11.31 percentage points compared to the 24.03 percent recorded in the corresponding period in June 2023.

The NBS data also showed a worrisome rise in the cost of living in Nigeria's urban centres. This is as the urban CPI hit 36.55 percent in June 2024, a 12.23 percentage point increase from the 24.33 percent recorded in June 2023.

On a month -on-month basis, the urban inflation rate stood at 2.46 percent in June 2024, 0.11 percentage points higher compared to May 2024's 2.35 percent. The corresponding twelve-month average for the urban inflation rate was 32.08 percent in June 2024. This was 9.70 percentage points higher compared to the 22.38 percent reported in June 2023.

The inflation report for June 2024 also highlighted the inflationary pressure in the rural CPI category, which recorded a year-on-year inflation rate of 32.09 percent, a 10.71 percentage point increase from the 21.37 percent recorded in June 2023.

On a month-on-month basis, the rural inflation rate in June 2024 was

Continues on page 5

Tinubu reinstates HYPREP coordinator after Ogonis set agenda for Adekanbi

Ben Eguzozie

IN JUST ONE DAY AFTER SOME factional leaders of the Ogonis set an agenda for Olufemi Adekanbi, who was appointed project coordinator of the Hydrocarbon Pollution Remediation Project, President Bola Tinubu has sanctioned the reinstatement of sacked Nenibarini Zabbey to the post.

Zabbey, a professor, was sacked on Saturday and Adekanbi appointed to replace him, but the decision raised concern with protests against the appointment of the non-Ogoni man, by major stakeholders in the Niger Delta region.

Youth leaders in Ogoni gave the Nigerian government 24 hours to reinstate Zabbey, and the government appears to have heeded the ultimatum.

There had been conflicting positions by Sunday as representatives from the National Youth Council of Ogoni People, Ogoni Youths Federation, Ogoni Students Association Worldwide, and Association of Ogoni Martyrs expressed their dissatisfaction, while Fegalo Nsuke, recognised in a section of MOSOP as president, said although the new HYPREP coordinator was not from Ogoni, what mattered most under the present circumstance was competence and capacity to undertake the clean-up of Ogoni and other impacted areas of the Niger Delta.

Report said youth leaders had insisted that if the presidency did not reinstate Zabbey, whom they said was performing well, they would have no choice but to shut down all project sites, and the President has now bowed to the pressure.

Omoboyede Olusanya (left), vice chairman, Nigerian Economic Summit Group (NESG), and chairman, 30th Nigerian Economic Summit (NES#30) anniversary committee; with Nebeolisa Anako, permanent secretary, Federal Ministry of Budget and Economic Planning, at the inauguration of the joint planning committee for NES#30 in Abuja recently.

Ajuri Ngelale, presidential spokesman, said on Monday that "by the directive of the President, the reinstatement of the HYPREP Project Coordinator takes immediate effect."

Ngelale said: "President Bola Tinubu has approved the reinstatement of Professor Nenibarini Zabbey as the Project Coordinator of the Hydrocarbon Pollution Remediation Project (HYPREP).

"The President reached the decision following a performance review of the HYPREP Project Coordinator and concluded that the Project Coordinator is fit to discharge his functions in accordance with the regulations guiding the execution of the Hydrocarbon Pollution Remediation Project (HYPREP).

"By the directive of the President, the reinstatement of the HYPREP Project Coordinator takes immediate effect."

On Sunday, Fegalo Nsuke and some environmentalists appeared to welcome Adekanbi's appointment and set an agenda for him regarding the work of HYPREP.

The Nsuke group of the Movement for the Survival of Ogoni People (MOSOP), the main pressure group of the Ogonis, and other environmentalists welcoming President Tinubu's appointment of Adekanbi, said although the new HYPREP coordinator was not from Ogoni, what mattered most under the present circumstance was competence and capacity to undertake the clean-up of Ogoni and other impacted areas of the Niger Delta.

Ogoni and Niger Delta clean-up has been a distressing issue since 2011, which the Nigerian federal government has not managed to put a strong foot on yet. It took five years (until 2016) before the government could establish HYPREP, an initial body to midwife several other processes leading up to the clean-up of oil-impacted Niger Delta region, as recommended by the United Nations Environment Programme (UNEP). In August 2011, UNEP came out with a technical document for a 30-year Niger Delta clean-up and environmental remediation project, initially to cost $1 billion.

Specifically, HYPREP's responsibilities involve: cleanup of oil-polluted sites; remediation of contaminated soil and water; restoration of damaged ecosystems; provision of alternative livelihoods for affected communities; and capacity building and skills development. Till date, the body still struggles with taking its baby steps.

Nsuke said the appointment marked a turning point in the yearning for the Ogoni clean-up, adding that with Adekanmbi on board, considering his antecedent, it was a welcome development.

Adekambi was a former commissioner for special duties, culture and tourism in Ondo State. He is also a member of the Nigerian Environmental Society (NES). His appointment into HYPREP was announced by presidential spokesman, Ajuri Ngelale, on Saturday.

Nuske, the MOSOP leader, lamented that Ogoni indigenes have been in the position in the past, but could not deliver satisfactorily. "What matters to us is someone who can deliver. We have had Ogonis there for eight years, and we've been thoroughly disappointed by their performances. So if Dr Adekanmbi does it right, we are fine with that," the MOSOP leader said in Port Harcourt.

Environmentalists have set an agenda for the new HYPREP coordinator: "to prioritise water provision and implement the integrated water project which was approved by the governing council of HYPREP in 2017. We will also want him to focus more on proper clean-up of both surface and underground pollution. That's actually his mandate."

Iniodu George, a professor of environmental and public health parasitology in the Department of Environmental Biology at the University of Cross River State (UNICROSS), while welcoming the choice of Adekanbmi as new HYPREP coordinator, said President Tinubu anticipates the exercise of competence, dedication, and professionalism in fulfilling the mission of HYPREP to restore and revitalise communities impacted by hydrocarbon pollution, with a primary focus on Ogoniland, and other polluted areas of Niger Delta.

"We want [Dr Adekanmbi] to prioritise water provision and implement the integrated water project which was approved by the HYPREP Governing Council in 2017. I expect the new coordinator to spring into action to review the state of affairs in Ogoni clean-up effort and engage best available technology to enhance timely and permanent results in the remediation of the impacted ecosystems, as well as chart a course for the provision of sustainable infrastructure and socioeconomic amenities, especially access to clean water, sanitation and healthcare," George said in an interview on Sunday.

AfDB's Adesina worries for Nigeria's agriculture over food import policy

Business a.m.

AKINWUMI ADESINA, president of the African Development Bank Group (AfDB), has cautioned Nigeria against the potentially devastating impact of the decision to permit large-scale food importation on Nigeria's agricultural sector.

Adesina, who issued the note of warning during the recent retreat of the African Primates of the Anglican Church in Abuja, advised the Nigerian government to instead, prioritise homegrown solutions to ensure the long-term sustainability and resilience of Nigeria's agricultural sector.

Abubakar Kyari, Nigeria's minister of agriculture and food security, had in a statement dated July 10, 2024, announced that the federal government had taken the decision to suspend duties, tariffs, and taxes on the importation of maize, husked brown rice, wheat, and cowpeas through the nation's land and sea borders for a period of 150 days.

To address the issue of food inflation in Nigeria, Kyari disclosed that the government has enacted a set of measures to be implemented over the next 180 days, with the goal of mitigating the negative impact of affordability and availability on food supply.

"A 150-day duty-free import window for food commodities, suspension of duties, tariffs and taxes for the importation of certain food commodities (through land and sea borders). These commodities include maize, husked brown rice, wheat and cowpeas. Under this arrangement, imported food commodities will be subjected to a Recommended Retail Price," the statement read in part.

The minister had also announced that in addition to allowing private sector importation, the federal government plans to import 250,000 metric tonnes of wheat and 250,000 metric tonnes of maize. These imports, he stated, will be in semi-processed form and will be directed towards small-scale processors and millers across the nation.

Reacting to this policy, Akinwumi Adesina, a former minister of agriculture in Nigeria, criticised the proposed plan, while expressing deep concern about the potential consequences of the policy.

Adesina, in his speech at the retreat, posted on the AfDB website, warned that the policy could undermine all the hard work and private investments that had gone into Nigeria's agriculture sector.

Abia's N1bn interest-free loan scheme to empower 10,000 local entrepreneurs

Onome Amuge

GOVERNOR ALEX OTTI OF ABIA STATE has launched a N1 billion interest-free revolving loan to empower 10,000 nano and small scale business owners across the 184 wards in the 17 local government areas of the state.

At the launch in Umuahia, the state capital, the governor explained that the Abia State Cooperative Support Scheme represents a significant milestone in the state's commitment to supporting the growth and development of nano, micro, and small-scale entrepreneurs by leveraging the resources and initiatives of the public sector.

He stated further: "Through this scheme, the state government will reach a minimum of 50 different entrepreneurs in every ward in the state, offering them the financial support they need to grow their businesses, earn money to support their families, and contribute even more to the economic growth of the communities where they live.

"The Abia State Cooperative Support Scheme has been set up to simultaneously address the financial difficulties owners of small-scale businesses in the rural and urban communities often face; and

also send a clear message to everyone that the only way to draw the attention, and support of the government is by engaging in productive ventures."

The governor expressed his delight at the high proportion of female and young entrepreneurs among the beneficiaries of the scheme's first batch, stating that it was a testament to their industrious nature and their ability to accomplish remarkable feats with minimal resources.

According to Otti, the beneficiaries chosen for the first batch of the scheme were petty traders, farmers, and artisans who had been labouring for years without the kind of structured support that their counterparts in other parts of the world often enjoy.

Otti also noted that the scheme is just the beginning of the government's commitment to small businesses, as he outlined plans to reach out to a larger number of businesses over the next 36 months.

The governor assured the people that the government's commitment to small businesses goes beyond just providing funds, as he outlined the measures in place to ensure the effective utilisation of the loan and to monitor its impact in the communities through periodic reviews and assessments.

"The government is proposing to build a unique data-driven economic development model around this initiative so every feedback we get from the stakeholders shall be very helpful," he added.

Governor Otti also affirmed that, once the government sees a significant increase in business awareness and activity among the grassroots communities, it will forge partnerships with international development institutions and agencies to expand the pool of funds available for borrowing.

The goal of this partnership, he explained, is to reach a much broader segment of the population, with the ultimate aim of providing opportunities for about one million people to benefit from the loan scheme.

Report shows grim 5-year outlook for Nigeria's informal businesses

• Details stages of struggles to stay afloat

Onome Amuge

A worrying trend has been exposed in Nigeria's informal sector, with a new report revealing that most businesses within this sector fail to survive beyond five years, reflecting the harsh reality facing these businesses which contribute over half of Nigeria's gross domestic product.

The 2024 Informal Economy Report released by Africa's fastest growing fintech, Moniepoint, in partnership with the Federal Ministry of Industry, Trade, and Investment, and Small and Medium Enterprise Development Agency (SMEDAN), found that most of these small businesses struggle to survive beyond five years due to multiple taxation and restricted access to credit, which hinder their growth and development.

According to the report, Nigeria's micro, small, and medium enterprises (MSMEs) are predominantly operating in the informal economy. With approximately 40 million MSMEs in the country, an estimated 90 percent were identified as being in the category of informal businesses, also known as the shadow economy. These businesses, typically untaxed and unregistered, have been found to make up a significant portion of the Nigerian economy.

"Eight in every ten small businesses are relatively new, running for less than five years. Less than 20% of businesses were over five years old, indicating the challenge of keeping businesses running for over five years," the report explained.

It also indicated that 21.7 percent of these businesses have been in operation between one to six months, 17.3 percent have stayed

L-R: Ladi Balogun, group chief executive, FCMB Group plc; Femi Badeji, executive director, coverage and investment banking; Elizabeth Ebi, group managing director, Futureview Group: and Gbolahan Joshua, executive director/COO, FCMB Group, during the Analyst and Investor Forum organised by FCMB Group, in Lagos recently.

up to a year in business, 13 percent have been in operations for up to 10 years, while a mere 5.3 percent of these businesses have remained active for 11 years.

Concerning the prevalence of certain industries in Nigeria's informal sector, the report identified retail and general trade as the dominant industry, representing 24 percent of all informal businesses. Collectively, this category, along with food and drinks, fashion and beauty, and agriculture, constitute 58.6 percent of all informal businesses in the country.

The report also revealed that while a significant number of small businesses (70.1%) in the informal sector have accessed credit at some point, the majority (70.7%) rely on informal sources of credit, with friends and family being the main source. This overdependence on informal credit channels is exacerbated by the low utilisation of loan apps and platforms (15.1%) and traditional banks (12.2%) by small businesses in the informal sector in Nigeria.

The informal economy report also uncovered a significant gap between revenue and profit in Nigeria's informal sector, revealing that though 72.3 percent of businesses in the informal sector generate more than N1 million in monthly revenue, a huge chunk of individual businesses struggle to generate more than N250,000 in monthly profit. This disparity is further highlighted by the fact that only 1.3 percent of informal businesses are able to achieve monthly revenue in excess of N2.5 million.

The report further revealed that 68.2 percent of informal business owners' income is allocated towards feeding and family expenses, which demonstrates the centrality of these basic necessities to their financial stability. On the other hand, reinvesting in the business consumes 29.7 percent of income, while only three out of 10 informal business owners prioritise reinvesting in their businesses over other expenditures.

Challenging a commonly held misconception that informal businesses in Nigeria avoid paying taxes, the report disclosed that nearly 90 percent of informal businesses actually pay taxes in the form of market levies. According to the report, approximately 65.1 percent of these businesses pay these levies regularly, indicating their substantial contribution to the nation's revenue stream.

Charles Odili, director-general of the Small and Medium Enterprise Development Agency of Nigeria (SMEDAN), emphasised the importance of small businesses in driving the Nigerian economy.

"Small businesses are the engine of the Nigerian economy, and the informal sector serves as the pistons providing momentum. The numbers support this reality, as reaffirmed by this report. The vast majority of Nigeria's approximately 40 million small businesses reside in the informal sector," he stated.

Addressing the concern that fear of taxes serves as a significant deterrent to formalisation among small businesses in Nigeria's informal sector, Odili emphasised that SMEDAN is working hard to formalise these businesses in order to improve their access to crucial resources like finance, which will help them develop their brand value and financial history, indicating their creditworthiness and attracting investment.

Odili also assured that the government is currently implementing tax exemptions that are in place to help small businesses grow and thrive. He added that SMEDAN is collaborating with the Association of Local Governments of Nigeria (ALGON) to combat illegal taxation and harassment, issues that discourage businesses from formalising and negatively impact the ease of doing business in the country.

Nigeria embarks on preferential trade under AfCFTA guided trade initiative

Business a.m.

THE NIGERIAN GOVERNMENT, in collaboration with the African Continental Free Trade Area (AfCFTA) Secretariat, is set to launch the Preferential Trade under the AfCFTA Guided Trade Initiative (GTI) on July 16, 2024 at Apapa Port in Lagos.

A statement signed by Olusegun Olutayo, senior trade policy and law expert and lead, trade enablement, Nigeria AfCFTA coordination office, stated that the GTI launch event will be spearheaded by President Bola Ahmed, who aims to honour the vision of Africa's founding fathers to unify the continent and create shared prosperity, and aligns with the administration's renewed hope agenda.

The launch of Nigeria's participation in the AfCFTA's second phase of the Guided Trade Initiative heralds a new era of intra-African trade, as numerous Nigerian businesses are primed and enthusiastic to export and ship locally produced goods to target markets across the continent, including Kenya, Cameroon, Uganda, Zambia and Egypt.

Moreso, the main objectives of the upcoming launch event are to demonstrate Nigeria's ability to engage in AfCFTA trade, showcase the potential of the GTI for intra-African trade, explain the processes for effectively engaging with the AfCFTA, and demonstrate the readiness of AfCFTA State Parties and the AfCFTA Secretariat to support private sector businesses in utilising the AfCFTA framework.

The event is also considered an indication of the readiness of the AfCFTA Secretariat to support the AfCFTA implementation by the private sector and member states.

Olusegun Awolowo, the national coordinator of the Nigeria AfCFTA coordination office, shared his insights on the significance of Nigeria's participation in the AfCFTA preferential trade regime, saying, "Nigeria signed the AfCFTA Agreement on 7 July 2019, becoming the 34th AfCFTA State Party. With a robust economy across different industries and a huge potential effect on value chains across the continent, Nigeria's readiness and preparedness for preferential trading under the AfCFTA preferential trade regime would immensely contribute to repositioning the continental market as a global trade market and rallying point." Expected dignitaries at the event include President Bola Tinubu of Nigeria; George Akume, secretary to the government of the federation; Wamkele Mene, secretary-general of the AfCFTA Secretariat; Doris Nkiruka Uzoka-Anite, minister of trade, industry and investment of Nigeria; Wale Edun, minister of finance and coordinating minister of the economy, alongside other government officials, international development partners, heads of businesses, among others.

Nigeria's economic...

continued from page 1

2.17 percent, up 0.23 percentage points compared to 1.94 percent in May 2024. The corresponding twelve-month average for the rural inflation rate in June 2024 was 28.15 percent, 7.39 percentage points higher than the 20.76 percent recorded in June 2023. The core inflation rate, which measures inflation excluding volatile food and energy prices, reached 27.40 percent in June 2024 on a year-on-year basis, representing a 7.34 percentage point increase compared to June 2023's figure of 20.06 percent.

The highest increases were recorded in prices of rents (actual and imputed rentals for housing class), bus journey intercity, taxi journey per drop, etc (under passenger transport by road class), accommodation service, and X-ray photography, consultation fee of a medical doctor, laboratory service, etc (under medical services class), and pharmaceutical products.

In addition to the rising year-on-year core inflation rate, the NBS report also revealed an increase in the month-on-month rate, which rose to 2.06 percent in June 2024, a 0.05 percentage point increase from 2.01 percent recorded in May 2024.

LG supports creativity with N12m prize money in 2024 K-Pop fiesta

Joy Agwunobi

LG ELECTRONICS HAS REAFFIRMED its dedication to fostering young talent by awarding N12 million in prize money to the winners at its just concluded K-POP Fiesta contest, a platform for K-pop fans to showcase their talents, passion, and engagement with fellow enthusiasts from all over the country.

The grand finale of the 2024 LG K-Pop Fiesta in Lagos saw K-Pop enthusiasts from across Nigeria gather to celebrate their passion for Korean pop music and dance. The event, convened by the South Korean company, featured an array of electrifying performances and culminated in the award of prizes to winners.

The K-Pop Fiesta contest which began in April, attracted over 80 contestants from major cities including Lagos, Abuja, Ibadan, and Port Harcourt. The individuals competed in various regional rounds, showcasing their skills in dance, singing, and overall stage presence, leading up to the highly anticipated finale in Lagos. The journey culminated in the semi-finals held in these cities, where 18 exceptionally talented teams earned their place in the grand finale.

The grand finale, emceed by Nigerian video jockey and television presenter, V.J Adams, was graced by appearances from award-winning actress Ruth Kadiri, celebrated actress Susan Peters, and a panel of esteemed judges. Among the judges were renowned dancer Kaffy and award-winning singer Ric Hassani, who brought their expertise and enthusiasm to the event.

Contestants delivered captivating performances, blending traditional K-Pop elements with their unique styles. The audience was treated to a variety of acts, from powerful dance routines to soulful vocal performances, each one reflecting the performers' deep connection to K-Pop culture. The event also featured interactive segments, allowing fans to participate in K-Pop dance, songs, and raffle games, with prizes like gift packs, LG AirPods, LG microwaves, and LG XBOOM sound systems.

The highlight of the evening was the announcement of the winners. In the music category, Mamus from Port Harcourt emerged as the grand winner with a N3 million prize, followed by Kcee in second place with N2 million and Shammah securing third place with N1 million.

Adding to the excitement, the winners of the dance category were revealed with Limitless

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Global ambition seen...

Continued from page 1

signing ceremony for the rights issue spoke of the pivotal role it would play in fueling the group's ambitious expansion plans across Africa and beyond. Bolaji Agbede, the acting managing director and chief executive officer, Access Holdings Plc, said the rights issue is a significant step in delivering the company's 2023-2027 strategic plan, which many analysts say have been playing out in its African acquisitions even before 2023.

But those words reassuring shareholders and potential investors were raised up a notch by Roosevelt Ogbonna, who leads the banking arm of the HoldCo as group managing director, Access Bank Group, during a 'Facts-Behind-the-Rights-Issue' presentation at the Nigerian Exchange when he spoke of the lofty ambition for its United Kingdom subsidiary, Access Bank UK Limited.

In a response to shareholders' and analysts' questions, Ogbonna dropped this: "When Aig [referring to HoldCo chairman, Aig-Imoukhuede] is talking about a consolidation phase, the UK projection is that by 2027, Access Bank UK will be one of the top 20 banks in the UK, generating profit of about a billion dollars annually. That's a completely different story. So, the consolidation phase will begin to pay. Now, when we have that money, of course, we'll have to share back with our shareholders."

According to him, the plan that has been built around elevating the subsidiary to one of the top 20 banks in the United Kingdom country by 2027 is supported by not just the projection but also by a remarkable customer base goal of 125 million customers, as the bank also seeks to position itself to become one of the leading banks in the world.

"Our vision is to create a globally connected community and ecosystem inspired by Africa for the rest of the world. We are positioning ourselves to be one of the most respected banks globally. Our focus is on superior service across all the continents and countries we are operational in, and by 2027, we aim to be one of the top five African banks, powering trade across the continent and providing superior services to our customers," Ogbonna further said.

Analysts suggest that the UK plan is strategic, especially with London being one of the leading financial capitals of the world, and being at par with New York in the United States, and ahead of Paris in France or Frankfurt in Germany, suggesting the UK could be a target for that global operational push.

L-R: Morounke Olufemi, group chief financial officer, Access Holdings Plc; Temi Popoola, group chief executive officer, Nigerian Exchange Group (NGX Group); Bolaji Agbede, acting group managing director/CEO, Access Holdings Plc; Umaru Kwairanga, group chairman, NGX Group; Aigboje Aig-Imoukhuede, chairman, Access Holdings Plc; Ahonsi Unuigbe, chairman, Nigerian Exchange Limited; and Roosevelt Ogbonna, group managing director/CEO, Access Bank Plc, during the Facts Behind the Rights Issue presentation by Access Holdings Plc, at the NGX in Lagos, recently.

Gregory Kronsten, an investment banker, financial markets analyst and a consultant on Africa finance and economics, told Business a.m. in London that "a fully successful issue would raise N351 billion, which would more than cover the gap between its [Access Bank's] eligible capital of N252 billion per the CBN's narrow definition and the new minimum capital of N500 billion for a full international licence. Access talks a bullish long game.

"It [Access Holdings] has form, having expanded at a pace to transform the four heavy hitting banks in Nigeria into the Big Five," Kronsten added.

At the "Facts Behind the Rights Issue" at the Nigerian Exchange (NGX) office in Lagos, the financial services leaders had taken time to provide a detailed presentation on the rights issue, through which it is offering 17,772,612,811 ordinary shares at N19.75 per share as part of the capital raising programme that is expected to raise up to $1.5 billion, a figure analysts say is far beyond the CBN's new capital requirement for the international licence it currently operates with, hence the suggestion about a global play in mind.

Uche Joseph Uwaleke, a professor of capital market at Nasarawa State University and president, Association of Capital Market Academics of Nigeria (ACMAN), in response to Business a.m. questions, said, "The goal of becoming one of the top 20 banks in the UK is achievable. This will require heavy investments in technology with a serious attention to Sustainability and ESG issues. It must be recognised that the UK banking industry is highly competitive with over 300 national and international banks in operation. These include very big banks like HSBC, Lloyds Bank, NatWest, Royal Bank of Scotland, Santander UK and Barclays, many of them designated systemically important banks by the Financial Stability Board, an international body that monitors the financial system.

"So, for Access Bank to hit USD1 billion in annual profit, it will have to work out a feasible plan to beat competitors including, as most banks in the UK have done, having a strong capital base and integrating Artificial Intelligence in its services and functions

"For the bank, investing in innovation is a must," Uwaleke told Business a.m.

Ogbonna, banking arm group managing director of Access Holdings, explained the journey to the United Kingdom by Access Bank when he met with shareholders and analysts last week, again signposting the fullness of the intention to play global.

"Many years ago we went to the UK. We came in a year or two years after every other bank had gone in, every new generation bank; and in that market you compete based on value. The only reason you'll win is not who you know. Today we are the largest African bank in the

UK. We are the most profitable African bank in the UK," Ogbonna said.

"Now, the question is what does it have to do with shareholders, why is it an important conversation? All our earnings in the UK are dollarised. So it means every time there's a devaluation our UK business continues to grow; so we've created a natural hedge. We did it at a time when [the] naira-dollar [rate] was less than 200 [naira]. So, we've invested in all our African subsidiaries and international subsidiaries today 1.2 billion in dollar terms; which on the books is being carried at N364 billion. So, any bank that says today, this is the game we want to play, they will need to spend about N1.8 trillion to be able to do what we used N300 plus billion to do," he added.

According to him, Access Holdings' UK and its international business has had many firsts, including the first African bank going to Malta, as well as Access UK being the first African bank in Hong Kong. Ogbonna then added, "Access US is coming."

The journey to the $1.5 billion capital raising programme that has started with the rights issue appears to be drawing the confidence and comfort of analysts.

"Access talks a bullish long game. Surely not a huge problem to hit the N500 billion minimum capital," Gregory Kronsten told Business a.m. in London.

Uche Uwaleke, president of Association of Capital Market Academics of Nigeria (ACMAN) agreeing with this position said: "Access Bank is one of Nigeria's leading banks with strong fundamentals. So, I am confident the Rights offering of circa N351 billion will be successful. I think the bank chose this path rather than a public offer in order not to dilute existing members' control. The Rights offer route to raise capital also speaks to the level of confidence existing shareholders have in the bank."

Aigboje Aig-Imoukhuede, Access Holdings chairman, shared a similar optimistic outlook on the future of the rights issue during the event, highlighting its pivotal role in helping Access Holdings achieve its goal of becoming one of Africa's top five financial institutions by 2027.

Speaking confidently about the success of the rights issue, Aig-Imoukhuede stated that it would provide the necessary momentum for the company to reach its ambitious goals in the African financial sector.

Elaborating on the objectives of the rights issue, the chairman explained that the offering of 17,772,612,811 ordinary shares at N19.75 per share is the first phase of a capital raising programme designed to raise up to $1.5 billion. These funds, he explained, will be used to strengthen the company's financial position, meet its working capital requirements, and fuel organic growth across its banking and non-banking subsidiaries.

"Since Access Bank was recapitalised in 2002, we have consistently kept all promises made to the investing public and actualised all the cyclical milestones we set out to achieve. I have unwavering confidence in the management of the group, led by Bolaji Agbede and Roosevelt Ogbonna, to see through on targets we have for the current five-year strategic cycle. As we progress towards 2027, we are committed to delivering exceptional value to our shareholders and solidifying our position as a leading global financial institution,"Aig-Imoukhuede added.

This positive outlook for Access Holdings was further reinforced as shareholders expressed their unwavering faith in the company's growth strategy, praising the HoldCo and enthusiastically endorsing the ongoing N351 billion rights issue.

Shareholders highlighted Access Holdings' impressive history of success and consistent dividend payments, noting that these factors have strengthened their trust in the company's leadership and fueled their optimism for the future.

Bisi Bakare, speaking on behalf of the Pragmatic Shareholders Association of Nigeria, the national coordinator of the association stated: "Since Access Bank first started trading on the stock exchange at N0.65, we, shareholders have witnessed its incredible growth and accrued immense value, with the stock now trading at N19.35 as of June 9.

"Be confident that as the consolidation phase of the group's expansion fully takes shape and the brand's profitability continues to increase, those of us who have been on this journey from the beginning are not about to jump off now. We fully back the capitalisation plans, starting with the Rights Issue, and are excited for the future that lies ahead for Access Holdings."

The Access Holdings PLC rights issue, which is valued at N351 billion, was made available to shareholders and potential investors on July 8th, with a closing date of August 14th, 2024.

The company urged shareholders and potential investors to actively participate in the offer by taking up their rights, stressing the significant opportunities that the rights issue presents in terms of investment potential and company growth.

LG supports creativity...

Continued from page 5

Supreme 6 from Port Harcourt taking home the grand prize of N3 million for their electrifying dance moves, Femmeforce from Lagos securing the second position with N2 million, and Movematics from Lagos clinching the third spot with a cash prize of N1 million.

Expressing his delight at the grand success of the event, Hyoung Sub Ji, the managing director of LG Electronics West Africa, remarked that the LG K-POP Fiesta 2024 celebrated not only incredibly talented K-POP enthusiasts but also the richness of global culture. He emphasised that, building on LG's brand identity, which transcends generations, the company aims to develop deeper relations with Gen Z by enhancing their lives through innovative products like the LG XBOOM for immersive sound experiences and meaningful integrated marketing campaigns.

"We are immensely proud to have brought this exhilarating event to life. It was an incredible showcase of talent, passion, and the harmonious blending of innovation and entertainment. LG Electronics remains committed to supporting the K-POP culture and nurturing the talents of tomorrow, most especially our ability to bring to life the bond between Korea and Nigeria," Sub Ji added.

Hari Elluru, head of corporate marketing, LG, expressed deep gratitude to the youth and Gen Z for their enthusiastic participation, which contributed to the grand success of the event.

Elluru further conveyed his heartfelt appreciation for the tremendous interest and love shown by all participants in the K-POP contest, as well as the enthusiastic audience in attendance. He noted that K-POP has transcended boundaries, becoming a powerful means of cultural exchange not only within Korea but also globally.

Furthermore, Elluru reiterated that LG's slogan, "Life's Good," reflects the company's commitment to improving lives beyond just electronics. He stated that LG is dedicated to enhancing overall well-being by providing innovative products and experiences that make life better for its customers.

Manufacturing policy as roadmap to national economic recovery (2)

SUNNY CHUBA NWACHUKWU

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PRODUCTIVITY MEASURES economic performance when a known quantity of goods and services produced (known as output) is compared with the quantity of inputs used in producing it. In the Nigerian economy, productivity is regrettably practised in a reverse mode, which has led to an unproductive economy. This is because the system has accepted deep systemic corruption in official places, and the "system" has jettisoned the strong work ethics and values in the entire society, to freely chase undeserving "free lunch" driven by greed, crazy urge and an inordinate ambition to make ill-gotten wealth.

These unpatriotic people placed in positions of authority are not willing in any way to uphold the responsibilities committed to their charge, as tasks are recklessly abandoned or official jobs not even done satisfactorily, at the expense of the nation. The empirically observed un-productivity in the economy does not imply laziness and lack of intelligence, but it is a general weakness in moral values of most employees; which most likely could be greatly connected to poor remuneration with little or no encouraging motivational packages from employers. A classical example is the current industrial relations dispute and tussle over the minimum wage issue between labour unions and the government. Such situations are generally counterproductive in an economy.

In the days of Olusegun Olutoyin Aganga, as the minister of industry, trade and investment (between 2011 and 2015), under President Goodluck Jonathan, he initiated and introduced Nigeria Industrial Revolution Plan (NIRP) to create jobs, generate wealth, diversify the economy, substitute imports, boost exports, and widen tax base for the economy. However, this laudable economic vision for the country was short-lived after he left office. What a policy somersault by the subsequent regime, thereafter, which snowballed to de-industrialisation all through, such that its consequences and repercussions are still haunting the nation's economy. The disconnect clearly manifests in the impact of very weak political will to sustainably implement viable and valuable economically strategic visions or policies that ought to take the nation's economic growth to a higher level. That regime undoubtedly lacked the content and capacity to sustain the existing local manufacturing industries by foreign investors that eventually relocated to neighbouring West African countries due to the harsh operating economic environment. The scorecard of that regime indicated lack of ability to efficiently convert the available inputs into locally manufactured outputs; to make the nation a truly productive economy.

Manufacturing policy in Nigeria ought to be an economic promotional tool of the government, urgently needed to strategically incubate and protect local manufacturers (especially at their infant stages) from their foreign counterparts, by providing the necessary investment processes with encouraging established procedures that can lure more investors (both local and foreign) into this already battered economy. The essence of such a strategy is to turn the entire economic and commercial atmosphere into an attractive futuristic economy that is provided with infrastructure that generally reduces the cost of production and creates a level playing ground to aid progressive growth of all businesses. Such provisions from the government, most likely, can transform and position the economy as a viable market for investments (based on population and the needed security infrastructure); along with other privileges, enable manufacturers to embark on successful competitive markets outside the shores of the nation.

Industrialisation in the manufacturing sector should be the key programme of action of the ruling government, where a state of emergency should be declared under an operation to flood the economy in all the 774 local government areas with cottage industries and manufacturing outfits that cut across all the economic sectors, along their several and respective value chains of the economy.

Nigeria as a nation should not be further manipulated through poor performance in governance. With all that is happening in the economic sector presently, political manipulations ought to give way, and let the ailing economy be salvaged first because the country has the needed potential to survive economically if properly harnessed. It is therefore important that the current administration opens a listening ear to the cries of the general populace for economic survival. All the good economic initiatives by the government (made both now and in the past) should be sincerely implemented, to make this economy move forward and recover lost grounds for the expected economic development. History shall be merciful to the leaders who will turn around this potentially great economy from the current state of economic comatose to vibrancy, once again. Everyone is therefore urged to participate by making selfless sacrifices — (at whatever micro level), devoid of the wickedness meted against the suffering poor masses and civil society in general by those in authority — in rebuilding this economy because, if successfully realised, the legacy shall be sustainably bequeathed to future generations.

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The Coaching Psychologist

Kenya's path forward: Leadership and accountability

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A DECADE AGO, A KENYA Airways flight that was destined for Johannesburg had to turn back due to poor visibility and bad weather, returning to Jomo Kenyatta International Airport. This incident serves as a metaphor for Kenya's current political climate. President William Ruto, the pilot of the nation, recently reversed course on a controversial tax law amidst political turbulence.

Luxury cars, private helicopters, mounds of cash. The lavish lifestyles of Kenya's lawmakers, splashed across TikTok and X, added fuel to the anger simmering among a young, plugged-in population over proposed tax hikes. Weeks-long protests against these tax measures increasingly drew attention to the large salaries, perks, and ostentation of members of parliament (MPs) in a country where three-quarters of the population is young, and well-paid work is scarce. Fury boiled over on June 25, when protesters stormed parliament, setting it ablaze and pelting fleeing politicians' vehicles with stones. Since then, private residences and businesses of several MPs, mainly those associated with the ruling coalition, have been attacked.

Now, TikTok and X are being wielded as tools of protest. Politicians' videos edited and reposted with negative comments. The platforms are awash with allegations of mismanaged funds and discussions on next steps for the as-yet largely leaderless youth movement. Activists are sharing advice on how to use recall powers to topple representatives and have even built an AI-powered chatbot that spits out media reports of corruption allegations when a politician's name is entered.

> *Politicians think of the next election; true leaders think of the next generation." – Dr. Myles Munroe.*

Leadership lesson 1
Authenticity and transparency matter

In April and May, during the build-up to the protests, ruling party MP Zaheer Jhanda posted videos of himself on TikTok admiring his gleaming Range Rover, a Mercedes G Wagon, and a Lexus, triggering angry online commentary.

"Why would you show us your lavish lifestyle and still not do your job as a leader?" asked artist and activist Rachel Stephanie Akinyi. Authenticity and transparency are crucial in leadership. Leaders must not only be genuine but also openly share their intentions and actions with their followers.

Leadership lesson 2
Listening to constituents

In a sign of the pressure the protests are exerting on President William Ruto, he announced on Thursday that after listening to Kenyans and reflecting, he had dismissed his entire cabinet, apart from the foreign minister, aiming to set up a new "broad-based government." Ruto's decision underscores the importance of listening to the people you serve and being willing to make difficult changes in response to their concerns.

Leadership lesson 3
Demonstrating austerity

Last week, Ruto, 57, said some officials displayed "obnoxious opulence." He announced austerity measures including cuts to his own office's budget and ordered a review of pay rises MPs and other officials had been due to receive in July. This move highlights the importance of leading by example and demonstrating a commitment to austerity, especially during times of economic hardship.

Leadership lesson 4
Accountability and responsiveness

Didmus Barasa, the ruling party MP for Kimilili in Western Kenya, told Reuters the protesters had valid concerns about what he called the "insensitivities" of the government's handling of economic development. He did not give further details. Barasa denied MPs were overpaid. His personal wealth, including a private helicopter, was a reward for legitimate business activities, he said. Barasa, a former soldier not widely known as a businessman, claimed ownership of a hospital in Turkey. "Yes, I have a helicopter. I have a helicopter that I purchased," he said. "I am an inspiration to many young people in this country." Accountability and responsiveness are critical in leadership, ensuring that actions and decisions can be justified and that leaders are answerable to the people they serve.

Leadership lesson 5
Engaging and empowering youth

Caroline Gaita, executive director of Mzalendo, an organisation that monitors parliament, said young Kenyans, previously disinterested in politics, are re-engaging, aware of the impact legislation has on their daily lives and demanding lawmakers listen to them. Engaging and empowering youth is essential for any nation's progress. Leaders must create opportunities for young people to participate in governance and in the policy-making processes.

Leadership lesson 6
Embracing change and innovation

Calling the protests an "awakening of Gen Z," Tom Mboya, an expert on politics and corruption in Kenya, said there was a perception that politicians were rarely, if ever, held to account since Ruto took office in 2022. "They have become bolder in their flashy and opulent lifestyles at a time when Kenyans are being taxed to their limit," Mboya said of officials and MPs, some of whom have been filmed handing out wads of cash to people in their constituencies. Embracing change and innovation is crucial for leadership. Leaders must adapt to new circumstances and leverage technology and innovative solutions to address challenges and meet the needs of their constituents.

In 2023, Kenya ranked 126 out of 180 countries in the world by Transparency International's Corruption Perception Index, down three places from 2022.

Former Makueni Governor Kivutha Kibwana has expressed optimism for the future of Kenya after President William Ruto sacked the entire cabinet following pressure from Gen Z. In a statement on his X account, Kibwana praised the decision, reflecting the growing clamour for accountability and good gover-

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The threats, opportunities in multinationals leaving Nigeria

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IT IS NO LONGER NEWS that more than twenty multinational companies have exited Nigeria between 1999 and 2024. These companies include Michelin, Dunlop and Sanofi. Sanofi, a French pharmaceutical company with office at Japaul House, Alausa, Ikeja, Lagos State, has over 110,000 employees in over 90 countries worldwide where it operates, manufacturing anti-polio, anti-malaria and antibiotic drugs among others. The Punch newspaper of 10th January, 2024, under the headline "15 multinationals exit Nigeria in three years – NECA", reported that "The Nigeria Employers' Consultative Association (NECA), the umbrella body for employers in Nigeria, has disclosed that at least 15 multinationals have either divested or partially closed operations in the country in the last three years. The Director General of NECA warned that the consequences of the massive job losses across sectors would continue to create insecurity challenges and increase the occurrence of child labour, among others."

The staff strength of these over fifteen companies was claimed to be over 20,000. Governments of developed countries help companies, especially multinationals, to remain in their countries. McDonald's was able to grab 872 million pounds sterling (about 920 million USD) in UK government tax breaks and support during COVID-19 pandemic in 2020, including 229 million pounds sterling from the Coronavirus Job Retention Scheme, and 143 million pounds sterling from the "Eat Out to Help Out Scheme". Tom Krisher, Corey Williams and Mike Householder of Associated Press reported, in "Thousands of auto workers on strike across Detroit's 3 automakers", September 15, 2023, that "if the strikes last a long time, dealers could run short of vehicles and prices could rise, impacting a U.S. economy already under strain from elevated inflation. The walkout, they said, could even be a factor in next year's presidential election by testing Joe Biden's proud claim to be the most union-friendly president in American history." Companies close-down is not a good experience for political leaders.

Industries provide products, jobs, personal income tax and corporate tax. They are also the bedrock of service industries (tertiary sector) in any nation. It is disheartening, the way multinational companies are leaving Nigeria in droves. It shows that these companies are not resilient and have no alternative measures as solutions to the challenges facing them. The point is, though China is Mercedes-Benz cars largest market in terms of unit sales, surpassing Europe, it is unimaginable that the Mercedes-Benz Auto industry will exit Stuttgart, Germany and operate in Guangzhou, China. Mercedes-Benz, Volkswagen and Audi are three of the lasting and popular legacies of Germany as a nation. Thus there are more to manufacturing companies than making products, offering employment and providing incomes to stakeholders. Cadbury is a British multinational confectionery company owned by Mondelez International. It is the second largest confectionery brand in the world after Mars. Cadbury is headquartered in Uxbridge, London and operates in more than fifty countries worldwide. It is unimaginable that Cadbury will exit the United Kingdom.

Multinationals exit can create many challenges in any nation. Apart from the unemployment challenges that it can cause, it can also cause industrial and residential property vacancies, loss of income, loss of corporate and personal income taxes and scarcity of products being manufactured by the multinational companies. The ripple effects on the distributors, the consultants and the organisations that use the products of the multinationals as a raw materials or inputs in their process may be much. Products from an area also serve as advertisers of the area. For example, the blackish plantain products from Ikire, Osun State, are more popular than any other product from the area. The tie and dye (Adire) cloth materials are known for Abeokuta, Ogun State. Guinness has popularised Ireland more than any other product from Ireland. Any challenge that may be faced by the industry should be considered a "state challenge". This is why governments try as much as possible to retain and protect multinationals which are major employers in their territory. Gboko, a region in Benue State, Nigeria, has recently regained its status after the commencement of Dangote Benue Cement Company.

The good news is that, as these multinationals are leaving the shores of Nigeria, they are creating opportunities for the local companies which are producing similar alternatives to increase and improve their production. They are also creating avenues for other new international multinationals to invest in the markets that they have left. The exit of Bellview Airlines and Virgin Atlantic created an opportunity for Air Peace to thrive in the same sector. Diageo considered Nigeria's investment climate to be murky waters, but Tolaram Group thinks it is worthwhile to invest in the country! The local shareholders of Federal Palace Hotel, Tourist Company of Nigeria Plc, recently claimed the hotel lost all its equity and is in negative equity of N7.78 billion because of the loss of over N31.6 billion (about $20,276,007) in the last operation year but refused to fold up. This development where multinationals like Sun International of South Africa do not think of other ways of retaining their employees other than to relocate should be a cause for concern to the government of Nigeria. The government must look for ways of developing local investors to take up the management of the multinational companies through "buy-outs and safe jobs" schemes!

Incentives like tax holiday, subsidising importation of raw materials and ensuring the development of local raw materials are important in multinationals retention. No nation can survive by depending on importation for all the products required by its citizens. The country will become a dumping ground with the people not having jobs to engage them. In April 2024, McDonald's announced it will purchase the franchise rights to 225 outlets in Israel as a result of Palestinians' boycott. This is one of the effects of allowing multinationals to dominate the industrial sky of a nation. International politics may distort their operations. Government must therefore put in measures to develop the local industrialists by providing its wide shoulders for the local industrialists to rest their heads.

Women Policy & Society

Climate change hazards drench, drain families across the world

LILIAN CHUDEY PRIDE

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THE DEVASTATING RAINS AND flooding which swept across towns and cities in Nigeria in recent weeks compelled a critical look into the ruins, mishaps and hazards of climate change on families across the world.

We have seen on our streets, watched in shock on televisions, read in newspapers and on social media, accounts of the intensity of damage caused by downpours which on some occasions submerged homes and roads, washed away business premises, disrupted lives of hundreds of residents, in some cases thousands of people, displacing the most vulnerable members of society including children, sick people, elderly, and the economically disadvantaged, thereby exposing the country's vulnerability to extreme weather events and inadequate infrastructure. These accounts have thrown our cities and towns into overwhelming chaos, to say the least.

Vibrant streets have been transformed into waterlogged expanses with floodwaters reaching alarming heights in many areas and the impact has been felt far and wide, forcing businesses to shut down, schools closing their doors and transportation turning into nightmares.

Hazards of Climate Change on families, businesses and society are numerous and these can have multiple implications for many aspects of life. Many of these hazards seem, and in some cases are classified as natural events or phenomena but the reality of our world indicates that some of them are man-made outcomes of our modern life and survival endeavours.

The following hazards/events are associated with climate change.

Flooding: These are extreme weather events that have grievous, devastating effects on individuals, families and society in general. Recent incidents in some cities in Nigeria including Lagos, the business and economic hub of Nigeria, have left many people with jaw-dropping consternation. One begins to wonder how statistics of missing people, damaged properties and infrastructure can be accurately gathered. The economic implications on governments at various levels, Non-Governmental Organisations (NGOs), public and private sector organisations and communities are undoubtedly huge. Critical stakeholders are constantly challenged by the effects of this one factor out of many that are results of climate change.

LandSliding: Climate change impacts vegetation patterns. Deforestation, wildfires or changes in plant species can alter the stability of slopes as vegetation plays a crucial role in holding soil together, so changes in vegetation cover can increase the risk of landslides. Sea level rise due to climate change can lead to coastal erosion which can destabilise coastal slopes and cliffs, increasing the risk of landslides.

Hurricanes: Severe weather occurrences such as hurricanes, can cause significant damage to homes, businesses and infrastructure. Repairing and rebuilding impose untold costs leading to financial strain on individuals, families and communities. For some days now and counting, many cities in Texas, United States of America, have been reported facing the severity of Hurricane Beryle which has left many buildings damaged and many trees fallen, businesses shut down for days, power (electricity) failure and internet disruption, leaving many people incommunicado and in despair.

Crop failure and food price increase: Changes in temperature and precipitation patterns can negatively impact agricultural productivity leading to crop failure and food shortages, resulting in higher food prices and putting immense strain on families and individuals, particularly those already facing financial difficulties.

Financial drain: This can disrupt the smooth running of families, businesses and society in different ways, such as increased insurance costs as insurance companies may raise their premium to cover the higher risks associated with frequent and severe/extreme weather conditions.

Eventual business collapse: Physical damage, supply chain disruption, regulatory changes, increased operating costs, market shifts, reputation damage and legal liabilities are some of the many troubling effects of climate change that can bring eventual collapse of some businesses as climate change poses a significant risk to businesses across various industries, and those that fail to adapt and mitigate these risks may face serious consequences, including business collapse. It is crucial for businesses to assess their exposure to climate risks and take proactive measures to build resilience and sustainability into their operations. All these could cause anxiety and depression for business owners thereby, impacting their health in a dramatic manner. The complex and interconnected nature of climate change effects can create uncertainty, anxiety and depression for business owners as they navigate the challenges and opportunities presented by changing climate.

Health issues/Healthcare costs: Climate change, no doubt, has diverse effects on human health such as increase in heat-related illnesses, respiratory problems due to poor air quality and the spread of infectious diseases. These can lead to costlier health care services for both individuals and government.

Rains and flooding in Nigeria should not be seen as isolated

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The beatification of government palliatives as economic roadmap

Economics Commentary

MARCEL OKEKE

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WITTINGLY OR OTHERWISE, in the obvious absence of any overarching economic roadmap by the President Bola Ahmed Tinubu administration, it seems the vacuum is being 'filled' with palliatives being doled out by the government. Since the far-reaching and deepening hardship caused by the key policies of the administration, the federal government, especially, has been deploying an assortment of palliative packages to try and assuage the poverty and pains unleashed on the citizenry.

Without a doubt, the unintended outcomes of fuel subsidy removal and foreign exchange rates unification, two key economic policies of the Tinubu administration, have, in the past one year, unleashed poverty, pains, crash in standard of living, collapsed purchasing power, soaring inflation, etcetera. Apparently overwhelmed by the depth and scope of this ugly reality, the government has been practically running from pillar to post — trying to douse the hunger, anger and festering despair in the land.

In panic or desperation, the federal government has on a number of occasions, announced some bouquet of palliatives targeted at various strata of the citizenry. Specifically, on 31 July 2023, (barely one month after the inception of the administration) President Tinubu announced the government's first set of palliatives. This included N100 billion for the acquisition of 3000 units of 20-seater CNG-fueled buses; N200 billion to boost agricultural production; N75 billion for manufacturers; and N125 billion for micro, small, and medium-sized enterprises (MSMEs), as well as the informal sector.

According to the president, these measures were being put in place to ease the suffering caused by the removal of the fuel subsidy. Unfortunately, one year after, not much has resulted from the huge sums that were bandied in the Presidential speeches. President Tinubu has not, however, failed to flaunt more sets of palliative packages in every of his addresses in the past 12 months. In his latest of such gambit (in the last week of June 2024), Tinubu announced what he called a 'National Construction and Household Support Programme'. Under this initiative, the President approved an 'uplift grant' of N50,000 to 100,000 families in each state of the Federation for three months.

Under the same programme, a whopping N155 billion is to be utilized for the purchase and sale of assorted foodstuff "to be distributed across the nation." There is also the provision for a one-off allocation to states and the Federal Capital Territory (FCT) of N10 billion "for the procurement of buses and CNG uplift programme." Unveiling the latest palliative package during the National Economic Council (NEC) meeting at Abuja, President Tinubu urged state governors to meet the needs of citizens, stating that he "is willing to provide the needed support to ensure that Nigerians are relieved of hardship."

Sequel to the above, it was also reported that President Tinubu has approved the duty-free importation of major food items like rice, beans and wheat, to cushion the impact of the high food prices Nigerians have been grappling with since he assumed office. This "duty-free" window is to last for a period of six months, and is part of the Presidential Accelerated Stabilisation and Advancement Plan, according to Abubakar Kyari, the minister of agriculture and food security.

Kyari said: "To ameliorate food inflation in the country caused by affordability and exacerbated by availability, the government has taken a raft of measures to be implemented over the next 180 days." Under this arrangement, the imported food commodities, according to him, would be subjected to "a Recommended Retail Price." He said that in addition to the importation by the private sector, "the federal government will import 250,000 MT of wheat and 250,000 MT of maize."

Recall that in December 2023, there was also announced a Presidential Conditional Grant Scheme as part of the Presidential Palliative Programme aimed at supporting businesses to navigate the economic crunch caused by government policies. Under the grant scheme, N75 billion was to be dedicated to MSMEs and another N75 billion to the (formal) manufacturing sector to assist businesses in facing the harsh economic realities.

Truly, all these are mere snippets of the potpourri of palliative packages being dished out by the government at the centre in the past one year. In tandem, all sub-national governments have been towing the same line, coming up with motley palliative initiatives — ranging from the mundane to the ridiculous. The import of all these is that the palliatives seem to have diverted the attention of governments at all levels from crafting and deploying elaborate economic roadmaps for meaningful and sustainable development.

The adoption of 'short-termism'— 90 to 180 days duration — on which the palliatives are anchored is an 'economic myopia' in development planning. But for the mindset of the government in deploying the palliatives as mere 'tokens', effective planning for the economic progress of any country is for medium-to-long term duration. Unfortunately, the fast and wide spreading poverty and hunger in Nigeria, caused by recent economic policies, has reduced life to a day-by-day struggle.

Again, unfortunately, the more of these palliatives that are being announced by the government, the more and faster the level of deterioration of the economic condition of Nigeria and Nigerians. This is underlined by a recent report by the United Nations (UN) in which it warned that "82 million Nigerians may go hungry by 2030 as a result of the food crisis in the country." The UN, in its annual food security survey, said this will be about 64 percent of Nigeria's population, and urged the federal government to take urgent steps against climate change, pest infestation, and other threats to agricultural productivity.

Also, a recent study by the National Bureau of Statistics (NBS) revealed that Nigeria's food inflation rate had hit a record high of 40.66 percent in May 2024, surpassing the previous month's increase of 40-53 percent. "This surge represents the largest year-on-year increase in food prices since records began in 1996," the NBS stated.

Unfortunately, again, these dire situations are worsening at a time the country is faced with huge fiscal challenges — including burgeoning public debt and low revenue (into public coffers). Where then will the funding for all these billions (or even trillions) of naira for implementing the palliative packages come from? Already, the country's debt profile (at N121 trillion) is almost no longer sustainable, with debt servicing taking up practically all of government revenues.

It should also be noted that the dishing out of many forms and hues of palliatives has become part of the unwholesome policy somersaults of the Tinubu administration. For instance, the 180-days import "duty-free" window for importation of some agricultural products is bound to negatively affect many existing local producers of those items. This singular ad-hoc measure could end up leading to the collapse of many businesses in the agric value chain in the country. By the time buccaneers and money launderers cash in on the "duty-free" importation window, Nigeria would have experienced a lot of dumping of 'foodstuffs.'

By the time the ineluctable damage to be caused by these 'panic' measures called palliatives manifest, and the 'token' salary awards and other handouts vaporise, it will become obvious that the economy has been made worse-off. As it is today, the government and its MDAs seem to be working in silos; which is why the Central Bank of Nigeria (CBN) will be raising interest rates and businesses will be looking for concessionary facilities from agencies other than banks. In the end, businesses are asphyxiated and close shops while the government still claims to be 'business-friendly' with its policies. These are really contradictions; there is an urgent need for policy harmony. It is a clarion call for a holistic blueprint!

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Climate change hazards...

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cases, but rather, as a symptom of bigger issues plaguing the world as a result of Climate Change and its many baggage. Therefore, as our cities continue to grow, and many of them doubling their population in decades to come, the need for sustainable infrastructure and disaster preparedness should be top priority.

Global concerns over climate change and its implications have taken centre stage for quite some time now. According to the United Nations Development Programme (UNDP) "Peoples' Climate Vote 2024", the world's largest standalone public opinion survey on climate change, "people everywhere are experiencing climate change in increasingly disruptive ways". The survey indicates that 87 percent of people around the world are increasingly being bothered by climate change and 56 percent of people globally think about it frequently.

Similarly, the survey shows that 53 percent of people worldwide are more worried now about climate change than they were a year ago; a concern that is most likely linked to the growing number of climate change impacts that people hear about or have experienced themselves. The survey notes that: "More than two out five people (43%) think extreme weather events were worse this year than last. Nearly eight in ten people (78%) want more protection for people at risk from extreme weather".

Climate change impacts are becoming crucial considerations for individuals, families and organisations on decision-making about where to live or work and what to buy, as indicated by the UNDP Survey, as "a third of people (33%) said climate change is affecting their big life decisions a lot". According to the survey, "There is a consensus on the result of Peoples' Climate Change Vote 2024. That is to say, the vast majority of people agree the climate crisis is here and that the world needs to act now".

Our experiences with these hazards year in, year out should propel everyone to get familiar with climate change issues, causes, challenges, impacts and mitigation. Individuals understand their role in the factors and actions that contribute to climate change; and should be encouraged to use energy-efficient appliances, turn off lights when not in use, and consider using public transportation, biking, conserve water by fixing leakages and plant trees.

Families should endeavour to protect natural resources, preserve forests, wetlands and other natural ecosystems that help absorb carbon dioxide and regulate the climate.

Industries can play a significant role in mitigating their contribution to global warming which is a big factor in climate change, by transitioning to a more sustainable and low-carbon future; as well as engaging in sustained environment-friendly initiatives in their Corporate Social Responsibility (CSR) and responsible corporate citizenship.

Governments should ensure compliance with policies and initiatives that will ensure conservation of natural environments, avoid encroachment on natural habitats in the name of urbanisation, and take enduring measures at reconsidering some decisions and projects that impact negatively on the environment such as ocean reclaiming, felling of trees, mining and deforestation, among others.

It is important to initiate, implement and monitor overall programmes aimed at communication, sensitisation and compliance by all and sundry in the efforts to conserve our environment and save humanity.

Kenya's path forward

Continued from page 7

nance. "New Kenya, nothing less! A land where the citizens & the constitution are sovereign under God. Gen Zs, you sting like Bees. You worthy heirs of Dedan Kimathi whom you will bury in dignity," noted Kibwana.

In this period of political turbulence, Kenya's motto, Harambee – "Let us all pull together" – resonates more than ever. The nation stands at a crossroads, where the collective effort of its people, especially the younger generation, will determine its trajectory.

Actionable advice and call to action

1.Stay informed and engaged: Keep abreast of political developments and participate actively in dialogues and forums. An informed populace can hold leaders accountable and push for necessary changes.

2. Leverage social media wisely: Use platforms like TikTok, X, and others to voice concerns, share information, and organise peaceful protests. Social media can amplify voices and bring attention to critical issues.

3. Promote transparency and accountability: Demand transparency from leaders and institutions. Support initiatives and organisations that monitor government actions and promote accountability.

4. Encourage youth participation: Mentor and encourage young people to get involved in politics and governance. Their fresh perspectives and energy are crucial for driving change.

5. Support economic reforms: Advocate for and support economic reforms that aim to reduce inequality and create opportunities for all Kenyans. Economic liberation is key to sustainable development.

6. Foster a spirit of unity: Embrace the spirit of Harambee in all actions. Unity and collective effort are vital for overcoming challenges and building a prosperous nation.

Kenya's future depends on the active participation and collaboration of its citizens. Let us all pull together to ensure a transparent, accountable, and economically vibrant nation for generations to come.

Occasional Policy Interventions

Too little, too late: Unintended consequences of policymaking

VICTOR OGIEMWONYI

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FOLLOWING THE CURRENT Administration's two "must do" policies — fuel subsidy removal and naira currency realignment — a lot of unintended consequences have followed, not because they were the wrong policies, but because they were rushed. If the intention to carry out these policies was announced by the President to signal the direction of policy reforms ahead, and a time frame of "soon" given to it, to allow government put in place necessary support to ensure that the most vulnerable citizens were less affected, the chaotic situation we found ourselves could have been avoided.

For instance, the Foreign Exchange Support loans we are now seeking in bits and pieces could have come in a more solid form, with better terms, because we were in a better position to negotiate with the World Bank, International Monetary Fund (IMF) and other multilateral institutions by putting the burden on them, to provide the support we need, before implementing.

Our announcing this intention was enough to show our plans for reforms, we will then insist on getting their pledge for support, if we are to go ahead. We would have been able to "blackmail" them into giving us the FX support that would have given the naira depreciation a slower trajectory and avoid the speculative spike that pushed the naira to limits, which has caused the currency crisis we have now.

The pressure that followed the rushed policy, resulted in a rushed response of the disastrous palliative policies that harmed the economy, more than it has helped.

Our usual penchant of throwing money after every problem, without any attempt to do the serious thinking of the consequences, before trying to implement, was at play again. We rushed to budget billions of naira for palliatives, without a proper plan to implement, or even properly identify beneficiaries to target, to ensure those who need it, really get it. In the end the results have been dismal at best.

The first unintended consequence of this palliative policy was the government and its agencies going into the market to directly buy commodities, like rice, that was already in short supply and pushing up the prices, disrupting the natural supply chain, and stoking inflation that was already high, exasperating the situation and making these food commodities, also scares, for even the rest of the population.

So, instead of the government expanding supply sources, it created false demand for these food items and consequently created more problems. The government and its agencies buying from the little that was available, supposedly to go and distribute to the "venerable" population, actually created scarcity and pushed prices even further up. The Central Bank of Nigeria (CBN) saw this in its data, in the review of food inflation spike, in the first quarter of 2024. The proper thing to do was for the federal government to have looked for ways to increase supply sources and not become a competing buyer of food items in the market.

A good example of a palliative policy that worked, and was effective, was what the Lagos State government did. It created new special markets in several neighbourhoods, around Lagos, subsidised prices directly to suppliers, giving them the incentive to sell at lower prices.

By creating those special markets, where people can buy and sell, they also achieved a good objective of aggregating the buyers and sellers into those special markets, allowing for prices to be monitored, and giving sellers a large market and buyers, choices.

It was a good example of bringing good thinking to policy making.

They also did the meaningful thing, of flooding the public transport routes with buses and temporarily subsidising fares for the immediate effect of attacking the transport fare hikes, that resulted from the fuel subsidy removal.

The currently announced policy to import food, would have worked better at the beginning, if it was targeted at the last quarter of 2023 and the first quarter of 2024. And all such imports were targeted to end by March 31st 2024. The impact of the food imports would have been effective and quick. The first benefit would have been that the imports of food will cost less, because it would have come at the lower FX rate in the first six months of the currency alignment policy, as well as the inflation lowering effect of the food imports. Doing it later has priced in all the inflation that the policies have enabled. This is now a case of too little too late.

What we are doing now, with the new food import policy, is again causing another unintended consequence, pushing FX prices up and putting further pressure on the naira. We have seen increases in FX rates since the policy was announced. Asking importers to go and import food, when they will have to compete for the little FX liquidity available to the market, means that many will turn to the black market to quickly take advantage of this food import policy window that the government has now opened for six months.

This will continue to push up FX prices as we have observed, and will now upset the relative stability in the FX markets, achieved these last few months, and will also now trigger other economic implications, and upend the monetary policies put in place to ensure stability in the economy.

Our policymaking needs to be better evaluated before implementing, to avoid this chaotic situation that we always seem to create.

So far, our policy making has been one foot forward, and two steps backward.

On safeguards against rising costs and living standards

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THE IMPACT OF THE RISING cost of living is being felt globally, albeit in different ways, and it is evident that expenses and bills are continuing to rise sharply. The cost of food, household consumables, and other essentials has skyrocketed in recent times, affecting not only Lagos State, the economic nerve of the country, but also in all villages and cities from Bodija to Sapele, Sagamu, Asaba, Jos, Kano City, Calabar, Jalingo, Anambra, and Aba, to name a few. The high inflation, particularly the increase in food prices, is a result of economic complexities, a lack of confidence in currency valuation, and limited foreign exchange capacity, which is further reducing the disposable income of the majority.

Today, a loaf of bread that was N350 in 2020 is now about N1,500, an over 200 percent increase in four years. Similar percentage increases have occurred in the cost of flight tickets, health care, rents, diesel, cooking gas, bags of rice, crates of eggs, a kilo of chicken or turkey, and many other essentials due to inflation, while income has remained the same or even decreased. Nothing is easily affordable, and everything is out of reach for the masses. Given the country's current situation and the fact that many people have not seen a growth in their income, this has resulted in reduced or no savings, increased frustration, and dissatisfaction with fulfilling basic demands, amongst many. There is always the possibility and anxiety of losing jobs or businesses folding up regardless of the length of service put up, experience acquired, or available connection, and these consequences may even be more severe. Employers, in fact, are hesitant to implement any wage increases for economic reasons, despite the agitations. Inflation continues to have a severe negative impact on the mental, emotional, and physical well-being of Nigerians, as well as on their marriages, health, and livelihoods. Currently, even with a steady, regular salary, living has become more expensive with heightened uncertainty, high inflation, and weak purchasing power, especially for the masses, including civil servants, entrepreneurs, and small business owners. Therefore, diversifying sources of income and having multiple streams is one way to ensure protection during this challenging time. Given that you have multiple bills, why not consider diversifying your income streams to offset any inadequacy?

Therefore, in addition to salary or business income, it is important to source other income avenues to meet rising needs, poor business performance, and inflation. Weak financial capacity and rising daily expenses pose a threat to the sustainability of individuals, businesses, and even households. Therefore, it is imperative to take action, as having multiple streams of income has proven to be invaluable. According to my observations, the majority of people and households in the country rely solely on earned income, whether it's a salary or daily income from a business, and they constantly hope that nothing bad happens. Living paycheck-to-paycheck can severely affect mental health, increase anxiety, depression, and stress, and many are unaware of the implications for their health.

Consequently, having multiple sources of income is the best way to protect yourself, your company, and your family against drastic financial change. The tools for generating these multiple streams of income are readily available on the internet or by hiring a professional. We have greater access than ever before to information, people, ideas, and opportunities on social media, so tap into this. Active income demands your full attention and effort, requiring you to be available from 8 a.m. to 5 p.m. daily, whereas passive income generates with minimal effort and attention, allowing it to operate while you sleep. So, to complement active income, passive income, such as investing, can generate income through dividends, interest, and return on capital. Depending on the market and your financial circumstances, investing in real estate might provide you with high returns and rental income. However, if you are unable to build for rent, consider acquiring and protecting a piece of land; regardless of its distance, its value will increase. If you have years of experience in your field, you can start giving consultations or guest lectures as a means to earn another stream of income from your regular job or business. Another reliable method is to acquire assets that generate consistent and steady cash flow. Looking inward might just help as well; talents, abilities, and passion can be used to create income potential that can provide income streams. Clearly, research has shown that having multiple streams of income as a plan aids retirement and provides the necessary comfort in old age. The primary advantage of having multiple income streams is that they provide a backup for financial stability during challenging or volatile times. That can provide the necessary hedge against uncertainty in a business, as well as during illness or disability for the entrepreneur.

In conclusion, it is reasonable to live below your means to make room for savings and then investment, no matter how little it helps along with side hustles. At this time, relying solely on a salary or daily business income is a danger. In an environment where job loss and unemployment are chronic, the decision to create multiple streams of income and secure financial stability is expedient. However, do not let your side-income streams put your primary and full-time job or business at risk, unless you can survive without them. Good luck!

PROJECT SYNDICATE

Where Will the AI Super Cycle Lead?

DAMBISA MOYO

Dambisa Moyo, an international economist, is the author of four New York Times bestselling books, including Edge of Chaos: Why Democracy Is Failing to Deliver Economic Growth – and How to Fix It (Basic Books, 2018).

LONDON – The current pace of advances in generative artificial intelligence makes it difficult to forecast how the technology will affect the economy, business, and society. Nonetheless, it already seems clear that the new AI applications will produce a narrow cohort of winners and lead to a smaller workforce, confronting governments with big policy challenges.

Consider how AI will affect the three key components of growth: capital, labor, and productivity. In terms of capital, the massive volume of investment required to power AI innovations ensures that there will be a smaller, more concentrated set of winners. Big Tech firms with monopolies in their respective markets are the only ones that can afford the enormous costs associated with developing, training, and powering large language models (LLMs).

Most of these costs come from running high-end graphics processing units (GPUs), and from powering and cooling enormous data centers. Sam Mugel, the chief technology officer of Multiverse, estimates that training the next generation of LLMs will soon cost at least $1 billion. In 2023 alone, the Magnificent Seven – the top technology companies in the United States –allocated a combined $370 billion to research and development. That is roughly equal to the European Union's total R&D budget (counting both businesses and the public sector).

With respect to labor, it is too early to anticipate the winners and losers, or how the gains and losses associated with AI will be distributed across the economy. While a 2023 report from Goldman Sachs estimated that AI could "expose the equivalent of 300 million full-time jobs to automation," a World Economic Forum survey of 803 companies points to a much lower net loss, owing to job creation related to investment in the green transition and climate-change adaptation.

In any case, many fear that AI will contribute to long-term structural unemployment, creating a jobless class that will include both skilled and unskilled workers. But while the projections above provide a baseline of what might occur, there is ample scope to refine our thinking on the issue. After all, the scale of the problem will depend on which jobs are lost at different points of the AI value chain.

We have not yet seen what job losses at one link in the chain will mean elsewhere in the technology sector, let alone the broader economy. The impact on jobs could vary widely as we move from chip manufacturers, AI infrastructure, and AI applications to sectors such as health care, education, and telecommunications – all of which are poised to benefit from AI innovations. At the technology's base, there is already enormous growth and job creation as chip manufacturers (such as Nvidia) build fabrication facilities and invest in the production capacity that will drive the AI revolution.

It is less clear how many jobs will be created or lost elsewhere, because no one can predict all the ways a new technology will be used, or what knock-on effects it may have. Early indications of AI's impact on long-term efficiency and productivity gains are encouraging – at least for those workers who will still have jobs. For example, a 2023 study of 5,000 workers by Erik Brynjolfsson, Danielle Li, and Lindsey R. Raymond found that AI tools boosted worker productivity by 14%, on average, and by 34% for new and low-skilled workers.

Technological advances have a long track record of enhancing global connectivity in trade and telecommunications, expanding access to public goods like health care and education, driving innovation, improving living standards, and ultimately powering broad-based economic growth. There is no reason to think that AI will not do the same.

Moreover, AI will likely diffuse across the wider economy faster than previous technologies did, which means that AI-related productivity and efficiency gains could happen sooner rather than later. Earlier general-purpose technologies (such as the steam engine, electrification, and personal computers) required vast outlays to build the underlying infrastructure. It took more than 40 years for electricity to become widely accessible in the first half of the twentieth century, and it took roughly a decade for smartphones to surpass 90% adoption in the 2010s. AI, by contrast, can be deployed through existing digital platforms and devices.

The upshot is that the AI super cycle will likely drive productivity gains and stronger economic growth – to the tune of $16 trillion globally by 2030, in PwC's forecast. But these gains will accrue largely to the owners of capital, and less so to a potentially shrinking labor force. In an era of less labor-intensive growth, many companies and industries will adapt their business models – namely, by increasing the ratio of capital to employment – and governments will need to reassess tax and welfare policies.

If greater economic gains are flowing to the owners of capital, taxes will need to change accordingly. For example, a much higher corporate tax rate may be necessary to capture the excess profits generated by automation and a smaller workforce. With respect to welfare, the threat of rising structural unemployment from AI will reinvigorate debates about hitherto radical proposals such as a universal basic income.

We must reflect on AI's effect on inequality both within countries – between capital and labor – and among countries. A widening gap between technology leaders, such as the US and China, and the rest of the world – particularly the poorest economies – bodes ill for an already-fraught geopolitical environment.

VISIONARY VOICES

Rich Countries Must Meet Their Biodiversity Financing Pledges

MARY ROBINSON

Mary Robinson, a former president of Ireland and former UN high commissioner for human rights, is Chair of The Elders and a member of the Global Steering Committee at Campaign for Nature.

DUBLIN – This summer of record-breaking heat waves and contentious elections around the world offers a valuable opportunity to reflect on the role individuals can play in driving positive change. By building coalitions and amplifying the voices of those most affected by crises, we can muster the courage and political will needed to overcome seemingly insurmountable global challenges.

Climate change and biodiversity loss are prime examples. As a longtime environmental-justice advocate, I have seen firsthand the profound impact of both on frontline communities and indigenous peoples. These populations have been hit the hardest by these interlinked crises, which jeopardize their livelihoods, health, and cultural heritage.

The diverse land and marine environments that sustain indigenous communities also underpin life and society as we know it. We depend on healthy ecosystems for food, shelter, water, medical advances, and disease prevention. More than 50% of the world's GDP, estimated at $44 trillion, depends on nature. Crucially, thriving ecosystems act as natural carbon sinks, absorbing up to 50% of the greenhouse gases produced by human activities.

By threatening critical carbon sinks like rainforests and oceans, biodiversity loss exacerbates climate change, which in turn accelerates environmental degradation, leaving millions of people, as well as countless plant and animal species, increasingly vulnerable. The good news is that we can reverse this: by fostering resilient and diverse ecosystems, we can mitigate the effects of climate change and create a virtuous circle that protects frontline communities.

Amid the largest mass extinction in more than 65 million years, protecting biodiversity is more urgent than ever. Studies show that nearly half of the world's animal species are currently experiencing rapid population declines, with Latin America and Africa facing the most severe loss of biodiversity.

While these developments paint a bleak picture, there has been some progress in addressing the biodiversity crisis. In 2022, at the United Nations summit on biodiversity in Montreal (COP15), the parties to the UN Convention on Biological Diversity approved the Kunming-Montreal Global Biodiversity Framework (GBF). This landmark agreement, which required years of coalition building and advocacy campaigns, outlined a strategy to stop and reverse nature loss, including the ambitious target of preserving at least 30% of the world's land and seas by 2030.

Under the GBF, developed countries pledged to provide the Global South, where most of the world's remaining biodiversity is located, with at least $20 billion annually by 2025 and $30 billion annually by 2030. If fulfilled, these commitments would enable developing countries to implement ambitious national biodiversity action plans, thereby safeguarding the world's most climate-vulnerable populations.

Unfortunately, the world is currently far from achieving these goals. A new report by the London-based think tank ODI reveals that, of the 28 countries it assessed, 23 have failed to fulfill their biodiversity financing commitments as of 2021 (the latest year for which data are available). To meet their 2025 targets, these countries would need to double their contributions.

The gulf between climate pledges and action appears even more troubling when one considers that $20 billion per year represents only 1.1% of the $1.8 trillion that countries around the world spend annually on environmentally harmful subsidies. These resources, equivalent to 2% of global GDP, support sectors like fossil fuels and industrial agriculture, which account for most greenhouse-gas emissions and drive biodiversity loss.

To protect the planet's natural assets, governments must align their spending with their stated values. The European Union's new Nature Restoration Law, which aims to restore at least 20% of the EU's land and seas by 2030, and all degraded ecosystems by 2050, represents an important step in this direction.

To be sure, there is much more to be done. Ahead of October's UN biodiversity conference in Colombia (COP16), policymakers and climate advocates must continue to build global coalitions to close the biodiversity financing gap. They must also ensure that when it comes to conservation and restoration projects, the communities most affected by environmental degradation – especially indigenous peoples – are included in the decision-making process.

Protecting and restoring biodiversity is crucial to supporting the recovery of our planet's natural ecosystems and mitigating the worst effects of climate change. At COP16, global leaders will have the chance to create a virtuous circle of change. Ensuring a sustainable future requires that they seize this opportunity.

LASACO revamps business model with customer digital transformation

Business a.m.

LASACO ASSURANCE PLC has announced that it is embarking on a significant transformation, driven by a strategic initiative to reshape its business model and better cater to the needs of its customers and stakeholders.

This far-reaching evolution includes a renewed focus on deepening its market presence and strengthening its technological capabilities, which will allow the company to better cater to the evolving demands of the industry and its customers.

Razzaq Abiodun, managing director and chief executive officer of Lasaco Assurance Plc, who made the disclosure, noted that the company is intensifying its efforts by customising its products and services to meet the specific demands of individual customers.

This approach, he explained, not only widens its customer base but also fortifies its market presence, enhancing the inclusivity and comprehensiveness of its insurance solutions, having recognised the evolving needs of its diverse clientele.

Abiodun explained that in today's rapidly changing business landscape, technological advancements are crucial for organisational success, adding that investments in advanced data analytics and innovative digital platforms are aimed at streamlining operations, enhancing risk assessment, and ensuring swift service delivery.

In line with this, the managing director noted that the insurer is dedicated to leveraging advanced technology to optimise its operations, strengthen its risk management capabilities, and improve its service delivery.

In addition to focusing on technological advancements, Abiodun noted that Lasaco Assurance is also committed to enhancing the overall customer experience.

According to Abiodun, the company is actively expanding its digital touchpoints to create seamless, user-friendly interfaces for customers. These new digital channels, he explained, are designed to facilitate easy and intuitive interactions, making insurance services hassle-free and highly customer-centric.

The managing director also highlighted that new initiatives are being launched to further boost customer engagement, with the ultimate goal of elevating the customer experience across all touchpoints and cementing Lasaco Assurance Plc position as a customer-focused organisation.

GTCO's N400.5bn public offer targets sweeping expansion

Cynthia Ezekwe

GUARANTY TRUST HOLDING COMPANY (GTCO) Plc, one of Nigeria's top financial services institutions, has unveiled a groundbreaking initiative to raise N400.5 billion to support expansion plans across its various business groups, with a key focus on recapitalising its banking arm.

The move aligns with GTCO's long-term vision for growth and its commitment to solidifying its position as a leading financial services institution in Nigeria and beyond, setting the stage for continued success and development across its portfolio of businesses.

To achieve this objective, the holding company plans to offer nine billion ordinary shares of 50 kobo each at an offer price of N44.50 per share on the Nigerian Exchange Limited (NGX), resulting in a gross value of N400.5 billion.

Addressing the capital market community during the 'Facts Behind the Offer Presentation' on the floor of the Nigerian Exchange, Segun Agbaje, the group managing director of GTCO, disclosed that the group had been planning to raise capital even before the CBN's banking recapitalisation exercise. He noted that the naira devaluation has weakened the assets of banks operating in the country, reiterating the group's commitment to attain $1 billion in profit profile.

L-R: Femi Shobanjo, chief executive officer, NGX Regulation Limited (NGX RegCo); Tony Ibeziako, head, primary market, Nigerian Exchange Limited (NGX); Temi Popoola, group managing director/CEO, Nigerian Exchange Group (NGX Group); Umaru Kwairanga, group chairman, NGX Group; Olusegun Agbaje, group chief executive officer, Guaranty Trust Holding Company Plc (GTCO); Ahonsi Unuigbe, chairman, NGX; Jide Okuntola, deputy managing director, GTBank; and Rasheed Yussuff, doyen of the market, during the 'Facts Behind the Offer' presentation by Guaranty Trust Holding Company Plc in Lagos, recently.

Agbaje further elaborated on the need for the share offer, stating, "Banks need equity. We have just gone through about a 200 percent devaluation of the naira. The balance sheets of banks have shrunk and as the ability to do business have reduced.With the federal government proposing a $1 trillion economy; we are not going to achieve a $1 trillion economy at this size of banks if you do not raise capital."

Agbaje also dwelt on GTCO's plans to strengthen its operations in Nigeria, expanding its presence and increasing its investment in key sectors of the economy. He added that GTCO would also invest in Senegal and expand its presence in Cote d'Ivoire, Ghana, and Kenya, growing its footprint in the region. With the new capital, GTCO would pursue acquisitions and upgrade its core-banking software across its regional operations, strengthening its capabilities and offering a more comprehensive range of services, he stated.

In his remarks, Umaru Kwairanga, the group chairman, NGX Group Plc, commended GTCO for its remarkable resilience, innovation, and leadership in the financial sector, reiterating NGX commitment to supporting GTCO and other financial institutions in their recapitalisation efforts.

"Our recent initiatives, such as the launch of the NGX e-platform, underscore our dedication to enhancing market efficiency and accessibility. [This] presentation is a clear indication of GTCO's proactive approach to engaging with the market and ensuring transparency in their capital raising activities," Kwairanga added.

New cement pricing regulations brew storm in Ghana's construction sector

Isaac AIDOO, in Accra, Ghana

GHANA'S CONSTRUCTION INDUSTRY FACES a potential crisis as the Chamber of Cement Manufacturers, Ghana (COCMAG), voices strong objections to the newly proposed Ghana Standards Authority (Pricing of Cement) Regulations, 2024 (L.I.). Despite Alex Dodoo, a professor and director-general of Ghana Standards Authority (GSA), and certain parliament members advocating for the L.I. as a measure to ensure industry transparency, COCMAG argues it represents an overreach into price control.

The chamber raised concerns over what they describe as an unconstitutional LI related to the Ghana Standards Authority Act, 2022 (Act 1078, section 80). George Dawson-Ahmoah, chief executive officer of the chamber expressed disappointment at the mismatch between the LI and the parent Act.

Speaking at a consultative forum, Dawson-Ahmoah emphasised that any LI must be based on a parent Act or law. He pointed out that the recently laid LI in parliament was based on the Ghana Standards Authority Act, section 80, which pertains to sales and advertising, not pricing. This, he argued, makes the development unconstitutional, prompting the industry to seek legal advice.

Unilateral power and an unclear process

The contentious issue centres on regulations 3(4), 3(5), and 3(6) of the L.I., which grant a government committee at the Ghana Standards Authority the authority to reject a cement producer's reported price without explanation or opportunity for appeal. Moreover, cement producers cannot sell their product without the committee's price approval, and non-compliance can result in licence suspension. The regulations state:

"The Committee shall, where the Committee is not satisfied that the price of cement submitted by the cement manufacturing entity or any entity involved in the cement industry conforms to the factors stated in sub-regulation (1) of this Regulation, request that cement manufacturing entity or any entity involved in the cement industry to review the price submitted in order to conform to the factors stated in sub-regulation (1) of this Regulation."

Dr. George Dawson-Ahmoah speaking at one of the fora

Questionable expertise for price setting

While the goal of price transparency is commendable, there are concerns regarding the composition of the price control committee (PCC), which is primarily made up of six scientists led by Dodoo, a professor of pharmacy. While their expertise in quality standards is undeniable, the cement industry questions whether a committee dominated by scientists can effectively balance production costs, market dynamics, and the long-term health of Ghana's cement sector better than the free market.

Industry questions lack of consultation

COCMAG emphasises that these regulations were drafted without meaningful consultation. Although some claim a meeting was planned, the facts suggest otherwise. Cement companies received a last-minute WhatsApp message on a Sunday evening for a meeting the following morning, with no agenda provided. Chief executive officers were surprised to find media present, raising concerns about transparency and potential misrepresentation. Ultimately, the CEOs were informed that the minister was unavailable to meet them.

Fairness amidst challenges

Despite accusations of profiteering, the cement industry faces significant challenges. The cedi's depreciation by 104 percent since 2022 has drastically increased production costs, with 77 percent of cement inputs being dollar-denominated. Nevertheless, the industry has only raised prices by 48 percent during the same period, absorbing much of the increased costs. Without this absorption, the price of cement would be $2.30 (GHS 35) higher per bag.

A model of competition

Ghanaians should know that their cement industry is one of the most competitive in West Africa, boasting 14 individual producers compared to Nigeria's 12 and Togo's five. Additionally, Ghana's cement prices are among the lowest in the region, although 30 percent of the cost build-up is paid to the government in taxes, levies, and service charges.

Unfair targeting and unintended consequences

COCMAG argues that the minister's actions unfairly target the cement industry. While other sectors have seen far higher price increases, the cement industry faces price control measures that could lead to several negative outcomes:

- **Reduced production and shortages:** Government-imposed prices that do not cover production costs may force manufacturers to reduce output, hindering construction projects.
- **Job losses:** Reduced production could lead to job losses within the cement industry and related sectors.
- **Discouraged investment:** Investors may be less likely to expand production capacity if they cannot determine a fair market price, potentially leading to future shortages.

Industry solidarity against the regulations

COCMAG is not alone in opposing the L.I. Several professional bodies, including the Ghana Chamber of Construction Industry, GREDA, the Importers and Exporters Association of Ghana, and the consumer protection organisation CUTS International, have all expressed concerns about the proposed regulations' impact on the industry and Ghanaian consumers.

The way forward: Collaboration, not coercion

COCMAG urged the government to reconsider its approach and engage in constructive dialogue with the industry. Transparency in cost structure, a focus on long-term solutions like promoting local sourcing of raw materials, and open communication are essential for ensuring a sustainable and affordable cement supply for Ghana.

STOCKS MARKET

	NSE	NSE 30	FTSE 100	DOW JONES	S & P 500	FTSE/JSE	NASDAQ
	99.671.28	3,681.34	8,164.12	39,118.86	5,460.48	79,707.11	17,732.60
CURRENT	0.35	0.52	-0.19%	-0.12%	-0.41%	0.93%	0.71%
YEAR TO DATE	33.30	3193	5.57%	3.79%	14.48%	3.66%	11.16%

TOP TRADERS

Company	Volume	Value
ELLAHLAKES	271486716	814388901
UNIVINSURE	42054415	14894867.38
GTCO	40842945	1937526061
UBA	35983662	846917057.7
AIICO	28825373	32522621.31

TOP GAINERS

No	Equity	Opening	Closing	%Change
1	VERITASKAP	N 1.15	N 1.26	9.57%
2	DAARCOMM	N 0.48	N 0.52	8.33%
3	CONOIL	N 126.50	N 136.95	8.26%
4	NEIMETH	N 1.61	N 1.73	7.45%
5	IKEJAHOTEL	N 6.90	N 7.40	7.25%

TOP LOSSERS

No	Equity	Opening	Closing	%Change
1	PZ	N 22.00	N 19.80	-10.00%
2	CWG	N 7.65	N 6.90	-9.80%
3	CHAMS	N 2.38	N 2.15	-9.66%
4	INTENEGINS	N 1.57	N 1.42	-9.55%
5	CONHALLPLC	N 1.51	N 1.37	-9.27%

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

Nigeria's capital inflows seen reaching 5-year high on capital importation growth

Onome Amuge

DESPITE ONGOING economic challenges, international investors are showing renewed confidence in Nigeria's economic prospects, as evidenced by a recent report from Afrinvest (West Africa) Limited, which projects that the country's capital inflows will reach a five-year high. The report highlights a trend of increasing foreign investor interest in Nigeria's capital market, pointing to a possible shift in sentiment and signalling a possible upturn in the country's economic fortunes.

Citing data from the National Bureau of Statistics (NBS), the investment banking firm observed that total capital inflows experienced a significant spike, growing by 198.1 percent year-on-year to a five-year high of $3.4 billion in the first quarter of 2024.

This impressive surge in foreign investments represents the highest level of capital importation since the first quarter of 2020. Moreover, the report predicts that should this trend continue, total capital importation could reach as high as $13.5 billion by the end of 2024.

While the surge in capital inflows heralds a potentially significant boost for the Nigerian economy, Afrinvest's report warns that the country must be cautious in its reliance on expensive loans to attract foreign investment.

This notable trend of capital importation, which is expected to hit a five-year high, represents a double-edged sword for Nigeria as it demonstrates a growing interest from international investors but also exposes the country's dependence on external financing to sustain this growth.

Analysis of data provided by the NBS revealed that portfolio investments led the way in terms of capital inflows, accounting for a significant $2.08 billion, or 61.5 percent of the total.

The influx of portfolio investments was followed by other investments, which contributed $1.18 billion or 34.9 percent of the total capital importation, and foreign direct investment, which amounted to $119.2 million, making up just 3.53 percent of the total.

Breaking down the capital inflows by sector, Afrinvest's report reveals that the banking sector emerged as the leading recipient, accounting for a significant 61.2 percent of the total, followed by trading at 14.7 percent and production at 5.7 percent.

The surge in capital inflows into the banking sector is partially attributed to increased activity in the Open Market Operations (OMO), an operation conducted by the Central Bank of Nigeria (CBN) to regulate the flow of liquidity in the Nigerian economy.

Moreover, the rise in trading inflows is directly linked to the appeal of Nigeria's exports, due to the weaker naira, highlighting the potential for further economic growth in the country as its currency continues to depreciate.

Digging deeper into the report, it was also discovered that foreign currency loans experienced a significant increase, rising by 165.3 percent, representing 94 percent of total inflows in the other investments segment.

This influx of foreign currency loans, primarily secured by private businesses, serves as a testament to the reliance on costly foreign debt, which is a significant reflection of the complex business environment in Nigeria.

"This reality does not bode well for the nation's economy as it implies the lack of confidence by foreign investors to directly invest their assets in Nigeria," Afrinvest cautioned.

The report also observed that given the current pricey state of capital in the global market, especially for emerging economies with weak credit ratings like Nigeria, the foreign currency loans were likely secured at elevated rates.Even as the influx of foreign capital into Nigeria presents a positive outlook, Afrinvest stressed the need to reduce the country's dependence on expensive loans to sustain foreign investment.

The firm argues that while the current trajectory of capital inflows is indeed promising, a continued reliance on costly foreign debt poses a substantial risk to the nation's economic stability, highlighting the importance of fostering a more conducive business environment that can attract sustainable foreign investment.

L–R: Haruna Jalo-Wazir, managing director/CEO, Central Securities Clearing System (CSCS) Plc; Temi Popoola, group managing director/CEO, NGX Group; Balarabe Abbas Lawal, minister, Federal Ministry of Environment; Omawumi Kola-Lawal, environmental and social risk management, International Finance Corporation; Umaru Kwairanga, group chairman, NGX Group; Ahonsi Unuigbe, chairman, Nigerian Exchange Limited (NGX); Emomotimi Agama, director general, Securities and Exchange Commission (SEC); Joy Iganya Agene, team task leader, ACReSAL project, and senior environmental specialist, World Bank, during the Closing Gong ceremony in commemoration of the 8th Green Bond Advisory Group meeting co-chaired by the minister of environment and the launch of the NGX Impact Board at the Exchange, recently.

NGX Invest to revolutionise Nigeria's public offering, rights issue landscape

Platform goes live following SEC approval

Business a.m.

THE NIGERIAN EXCHANGE GROUP (NGX) has introduced its latest technological breakthrough, NGX Invest, an innovative e-offering platform designed to simplify and enhance the process of public offerings and rights issues within the capital market. Following regulatory approval from the Securities and Exchange Commission (SEC), NGX Invest has now commenced operations, offering investors and financial institutions an efficient and streamlined way to manage primary market transactions.

A statement from NGX, made available to Business a.m., revealed that the platform is now live, promising investors a streamlined, convenient, and efficient experience when managing primary market transactions, potentially transforming the way the Nigerian capital market operates.

According to the NGX, Invest was developed based on the resounding success of the country's first digital public offering in 2021, which reportedly drew over 150,000 new retail investors, with a significant proportion being female (75%) and under the age of 40 (85%).

The platform, it explained, aims to advance transparency and accessibility in primary market transactions, creating a more inclusive and democratic environment for investors while capitalising on the potential of digital technology.

With the Central Bank of Nigeria's banking recapitalisation directive prompting several Nigerian banks to issue subscription offers and rights announcements, the NGX believes the timing of the Invest launch is ideal.

The organisation revealed that Access Holdings, FCMB Group, and Fidelity Bank are already utilising the NGX Invest APIs to distribute their offerings to retail investors, with more banks in the process of onboarding.

Commending the innovation of the NGX Invest platform, Emomotimi Agama, the director-general of the Securities and Exchange Commission, declared that the e-offering platform is in perfect harmony with the SEC's vision of transforming Nigeria's capital market to ensure its long-term viability and sustainability.

"By digitalising and automating financial intermediation processes, we are fostering a more efficient, transparent, and inclusive capital market. Our focus is on creating an enabling regulatory environment that promotes innovation without compromising compliance or investor protection," Agama stated.

Umaru Kwairanga, the group chairman of NGX Group, lauded the Securities and Exchange Commission for its forward-thinking regulatory approach, which paved the way for the speedy development and deployment of the NGX Invest platform. "This reflects our mutual commitment to market development and will undoubtedly contribute to boosting the participation of retail investors in the capital market," he noted.

Kwairanga also underlined the vital role that the integration of cutting-edge technology, robust partnerships, and effective collaboration, in the presence of a favourable policy environment, will play in nurturing Nigeria's economic growth.

Temi Popoola, the group managing director/chief executive officer of NGX Group, conveyed his excitement about the launch of the NGX Invest platform, noting that it marks a significant milestone in the group's journey towards digital transformation.

Popoola noted that the new platform represents a crucial tool in NGX Group's quest to improve market access, facilitate the flow of capital, and drive economic growth.

"We sincerely appreciate [the] SEC and CBN for their strong support and leadership. Our intermediaries and partners, including the Central Securities Clearing System, have been instrumental in achieving this success. This platform demonstrates our commitment to innovation and strengthening Nigeria's capital markets, particularly as we support the banking sector's recapitalisation efforts," he said.

Jude Chiemeka, the chief executive officer of NGX, highlighted the transformative nature of NGX Invest, stressing that the platform has been developed to address the market's need for a more efficient and transparent process for managing public offers and rights issues.

According to Chiemeka, NGX Invest has the potential to revolutionise the public offering and rights issue landscape by streamlining reconciliation and allotment processes, decreasing instances of unclaimed dividends, and ultimately boosting investor confidence in the Nigerian capital market.

Quoted Insurers

Security	P/close	Open	High	Low	Close	%Change	Volume	Value
AIICO	1.08	1.08	1.18	1.06	1.1	1.85	30,838,928	34,294,767.49
CORNERST	2.29	2.29	2.25	2.11	2.11	-7.86	4,040,020	8,700,295.60
LASACO	2.37	2.37	2.3	2.3	2.3	-2.95	1,868,992	4,317,232.96
MANSARD	5.5	5.5	5.4	5.4	5.4	-1.82	4,278,674	23,119,584.08
MBENEFIT	0.6	0.6	0.62	0.61	0.61	1.67	5,822,308	3,561,182.90
NEM	8.4	8.4	-	-	8.4	0	99,997	909,711.40

Business a.m.

Real estate, REITs pull pension funds attention as N1trn signals opportunity

L-R: Hauwa Adeeyo, senior special assistance to the Lagos State governor, Ministry of Commerce, Cooperatives, Trades and Investment; Mohammed Malick Fall, United Nations resident and humanitarian coordinator in Nigeria; Olapeju Ibekwe, chief executive officer, Sterling One Foundation; and Abubakar Suleiman, managing director/CEO, Sterling Bank Limited, at a press conference on the Africa Social Impact Summit 2024 in Lagos, recently.

NIGERIAN PENSION FUNDS HAVE been steadily increasing their investments in real estate and Real Estate Investment Trusts (REITs) over the years, drawn by the sector's proven ability to provide stable returns and diversification benefits for their portfolios. This trend reached new heights in 2023, as the real estate and REITs sectors collectively attracted N1 trillion of pension investments, representing a significant uptick from previous years.

REITs are companies that facilitate the ownership, management, and financing of income-generating real estate properties. They follow a model similar to mutual funds by pooling capital from multiple investors, thereby allowing those investors to earn dividends from the income generated by the real estate assets held by the REITs.

Driven by their ability to offer dividend income from real estate assets, REITs have been a key driver in attracting a significant portion of Nigerian pension fund investments to the real estate sector as evidenced by data from the National Pension Commission (PenCom) and Pension Fund Operators Association of Nigeria (PenOp).

In 2023, N1 trillion, or approximately 5.5 percent of the total Assets Under Management (AuM) of N18.36 trillion, was channelled into real estate and REITs. The amount invested in real estate and REITs increased significantly in 2023 compared to N943.61 billion out of an AuM of N14.99 trillion in 2022, indicating a growth in confidence in the real estate sector as a vehicle for long-term investment.

Commenting on the development, Oguche Agudah, the chief executive officer, PenOp, stated that the recent increase in pension fund allocations to real estate is a strong indication of the sector's viability as a strategic investment choice for pension funds. Agudah noted that pension funds are constantly seeking stable, long-term investment opportunities that provide both income and capital appreciation. The growth in real estate investment allocations, he explained, suggests that the sector is meeting these criteria and attracting significant interest from pension funds as they seek to diversify their portfolios and secure their members' financial futures.

"Pension funds have consistently been investing in real estate and REITs over the past few years, and these investments provide a stable return and help diversify the pension fund portfolios," he stated.

Highlighting the renewed confidence of Nigerian pension funds in real estate investments, the PenOp CEO pointed out that the 2023 allocation to real estate and REITs had broken the declining trend observed over the past few years.

Agudah's review of the previous years' data revealed a downward trend in allocations to real estate and REITs between 2019 and 2022, with the peak recorded in 2019 at N972.83 billion out of a total AuM of N9.58 trillion.

Between 2020 and 2022, the Nigerian pension sector's allocation to real estate and REITs steadily declined despite the overall growth in the sector's Assets Under Management (AuM). In 2020, N958.35 billion of the N12.31 trillion AuM was invested in real estate and REITs. In 2021, the figure dropped slightly to N957.27 billion of the year's N13.42 trillion AuM, declining further to N943.61 billion out of the N14.99 trillion AuM recorded in 2022.

However, the increase in allocations to N1 trillion out of N18.36 trillion in 2023 reversed the downward trend and signalled a renewed confidence in real estate investments, as pensions recognised the potential for growth and stability within the sector.

Agudah noted that the N1 trillion allocation to real estate and REITs in 2023 marked a significant increase compared to the previous years, indicating a positive shift in the attitude of Nigerian pension funds towards the sector.

Dave Uduanu, managing director and chief executive officer of Access Pensions Limited, also recognised the increased attraction of real estate investments for pension funds. He also acknowledged that these investments provide competitive returns and help reduce Nigeria's infrastructure deficit.

According to Uduanu, pension managers are indeed interested in adding real estate to their investment portfolios due to the stability and potential returns the sector can offer.

However, he stressed that such investments must be well-structured and carefully considered to ensure that they align with the pension funds' objectives and risk tolerance.

"I am optimistic that the space is an emerging space with enormous prospects for PFAs and institutional investors," he said.

Recent regulatory developments have also played an important role in facilitating greater investments in real estate by Nigerian pension funds. Notably, the introduction of regulatory measures for equity contributions for residential mortgages in December 2023 has helped to promote more significant investments in the residential real estate market by reducing the equity required from borrowers and thereby increasing demand for residential mortgages.

It appears that the December 2023 regulatory changes are already showing positive results in the first quarter of 2024, with a significant number of RSA pension contributions opting to utilise equity contributions for their residential mortgages.

According to PenCom's first quarter 2024 data, there has been an uptake of the equity contribution option for residential mortgages, with 2,971 RSA pension contributions opting for this financing arrangement and N29.2 billion already allocated for this purpose.

In the first quarter of 2024, a total of 1,390 RSA holders requested access to 25 percent of their balances to fund equity contributions for residential mortgages. PenCom stated that it approved 1,234 of these requests, amounting to a total of N10,519.73 million. Of the approved requests, 379 came from private sector employees and 855 from public sector employees.

While the real estate sector has witnessed substantial investments from Nigerian pension funds, a chief investment officer at a PFA, who preferred to remain anonymous, said there remains untapped potential for greater investments in infrastructure, particularly real estate.

"One thing we can do better is to have a visible impact. One way people can truly feel the tangible impact of their pensions is in the area of infrastructure investments, and real estate is key here," the officer stated.

The rising investments in real estate by Nigerian pension funds are indicative of the promising prospects for growth and stability that this sector offers, as well as the strategic insight of pension fund managers.

By allocating substantial portions of their portfolios to real estate, fund managers are demonstrating their ability to identify attractive investment opportunities and diversify their holdings in a way that can provide long-term returns and capital preservation.

According to industry analysts, this shift in focus towards real estate reflects a wider industry trend of seeking more stable, resilient investments that can provide a solid foundation for the future growth of pension funds.

Business a.m.

Universal Insurance eyes N20bn premium income for 2024 financial year

DESPITE FACING challenging economic conditions in the country, Universal Insurance Plc has projected a bold and ambitious premium income target of N20 billion for the 2024 financial year.

This optimistic outlook was shared by Ben Ujoatuonu, the managing director of Universal Insurance, during the 2023/2024 annual general meeting of the Nigerian Association of Insurance and Pension Editors (NAIPE) hosted by Universal Insurance in Lagos.

Ujoatuonu pointed out that Universal Insurance Plc is on a positive trajectory, with all key metrics pointing towards sustained growth and success.

The Universal Insurance MD reported that the company's assets grew from N11 billion in 2022 to N17 billion in 2023, indicating the robustness of its financial position and the effectiveness of its growth strategies.

He also assured that Universal Insurance will continue to build on this momentum, reinforcing its commitment to delivering value and stability for its shareholders and customers.

Ujoatuonu highlighted Universal Insurance Plc numerous achievements and its upward trajectory, demonstrating the company's commitment to its growth and expansion plans.

He reminded the attendees of his presentation to NAIPE the previous year, during which he outlined the company's plans and projections for 2023. He was pleased to report that Universal Insurance successfully achieved 98 percent of those goals, including the opening of new branches and increased revenue.

Ujoatuonu acknowledged that while the company's premium income for 2023 fell slightly short of its target of N10 billion, with a final revenue of N9.3 billion and profit of over 530 million, this figure still represented a significant achievement in the face of the challenging economic conditions.

Highlighting the company's projections for 2024, he stated: "This year 2024, we started out with very high expectations. We are also looking forward to opening more branches in 2024.

"In 2024, we are projecting to end the year with a premium income of about N20 billion. It may interest you to know that as of today, we are doing about N9.3 billion in premium income. We are very optimistic that we are going to achieve it before the end of 2024.

"Our assets will also increase from N11 billion to about N17.5 billion and our shareholders fund will increase from about N9 billion to N12 billion. So all the indices for us are showing positive signs and we will continue to sustain it."

Ujoatuonu also spoke on the value that Universal Insurance Plc places on its partnership with NAIPE, acknowledging the significant impact this collaboration has had on the company's brand visibility and reputation in the market.

He explained that in the past, many people were unsure if Universal Insurance was still in operation, due to the company's low profile and limited public presence. However, since collaborating with NAIPE, Universal Insurance has been able to raise awareness of its activities and growth, leading to greater recognition and increased interest from potential customers and investors.

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LEADERSHIP & ORGANISATIONS

Can You Collaborate With Someone You Compete Against?

HENNING PIEZUNKA

Associate Professor of Entrepreneurship and Family Enterprise

When team members compete outside of the workplace, their relationship and willingness to cooperate take a hit.

In December 2022, the world watched in awe as Argentina's Lionel Messi and France's Kylian Mbappé lit up the World Cup final. Playing at a top international tournament for their national team is the pinnacle of any footballer's career. But what happens when they returned to their club, where their teammates are often their rivals on the international stage? Can team members who compete in another context resume their initial levels of collaboration?

Diminished collaboration

For Messi and Mbappé, their rivalry in the World Cup might well have caused them to struggle to connect on the pitch when they returned to their club, Paris Saint-German. This conclusion is based on our study (conditionally accepted by Strategic Management Journal) which analysed player performances in top European leagues and the 2018 World Cup. Specifically, we examined whether club-mates who compete against each other on the international stage collaborate with each other equally well when they return to their day job.

The results were clear: Players who faced off at the World Cup passed the ball to one another 11 percent less when playing for their club the following season.

Taking this idea further, we studied situations where team players knew in advance that they might play against each other in upcoming international matches. Interestingly, we found these players collaborated less with their 'future opponent' even before the tournament had started.

This effect varied with the strength of national identity held or expressed by the players. It was less pronounced among players with dual citizenship and more pronounced for those who actively promote their national team on social media.

Our analysis also showed that players who competed against club mates at the international level were more likely to leave their club in the season after a tournament. Interestingly these players also experienced a decline in their market value.

Unconscious friction

While it's challenging to pinpoint the exact reasons for this decrease in collaboration, we surmise the added sense of competition strains relationships among club teammates. If players know that they are going to compete head-on to win what is arguably the highest prize in their profession, it's bound to have an effect on their personal relationship with colleagues.

Football is a team sport and it's all about the understanding between players. If a player is less inclined to talk to a teammate in the dressing room because they will be playing against each other soon, this weakens that understanding. If a player's relationship in the dressing room is damaged due to the added sense of competition, then it makes sense that this will also impact their teamwork on the pitch.

Competition in the workplace

To better understand the phenomenon in the business world, we looked at S&P 500 companies and examined how often two members of the same executive team are also board members of other organisations that are in competition.

The result was a significant 20 percent. That might seem surprising but is less unlikely than it might first appear. Take for example high-ranking executives occupying C-suite positions at a major national retailer. Chances are that they would have knowledge and skills that are relevant to different logistics companies. There is therefore a good chance that one executive might be approached by FedEx and one by UPS.

Competing loyalties

When executives from the same company sit on different competing boards, it's likely that their loyalties will be divided. This might not be overt, but like the football example, the awareness of being on different sides in certain circumstances can make individuals less inclined to collaborate quite as fully or be quite as open with a potential rival.

Misaligned affiliation can happen in many areas, from politics to sport. Knowing that your colleague votes for an opposing political party or supports a rival sports team could impact your relationship with them. You may not flat out refuse to work with them, but you might subconsciously be less willing to ask for their advice or get their help with a work-related challenge.

These results are counterintuitive to the prevailing research on networking in the workplace. The common view is that such extra-organisational affiliations have a positive impact on the individual and the firm and should be encouraged by leaders. Our findings suggest that they have the potential to create conflict.

Tackling the problem

Ask any football club how to fix this issue and the answer is simple: Don't allow your players to play for their country – a desire many clubs already express. While this is not yet feasible in football, managers in the business setting have more agency on employees' external connections.

A CEO can try to avoid this potential issue by not giving executives free reign to establish new affiliations – not because of rivalry between companies, but because of the potential conflict between employees.

Of course, this can be difficult to implement in practice. Take the example of Basecamp, a seemingly liberal and progressive US-based software company. In 2021, co-founder and CEO Jason Fried surprised everyone by announcing a ban on discussing social and political issues on the company's internal platforms.

Fried argued that the political climate at the time was so fraught and polarising that such discussions would negatively impact the company's productivity and employees' ability to collaborate. Perhaps not surprisingly, there was a huge outcry both within and outside the firm against the ban. Many staff chose to quit but in the end, Basecamp stuck to its decision.

While the Basecamp approach is extreme, attempts at setting boundaries on workplace conversations is a valid solution. A more measured approach could be to address these issues more directly. A CEO, for example, could frame the situation of C-suite colleagues occupying similar roles on opposing boards as a shared experience that could foster greater collaboration.

At the very least, being aware of the potential issue, either in the boardroom or changing room, is an important first step. One that could be followed up by active measures to ensure that collaboration and teamwork don't suffer as a result.

Connecting Across Disconnections

KAISA SNELLMAN

Associate Professor of Organisational Behaviour

DAISY POLLENNE

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AMID RECENT PUSHBACK, MAINTAINING robust diversity, equity and inclusion initiatives will require a coordinated, comprehensive approach.

It's a tough time to be talking about diversity, equity and inclusion (DEI). Many companies in the United States – including tech heavy-hitters such as Google and Meta – have been scaling back on diversity initiatives and doing away with newly created DEI positions. Following the US Supreme Court's June 2023 decision to effectively end race-based affirmative action in the university admissions process, a flurry of new lawsuits is emerging, with DEI-friendly companies being sued for discriminatory and anti-meritocratic policies.

There is perhaps no better time to build stronger relations across these differences, and to keep striving for the type of business and society we believe in. This is what the coalition between Harvard Business School, INSEAD and the Wharton School aimed to achieve at the inaugural Relationships Across Differences (RAD) roundtable held in Philadelphia, US, in May 2024. By connecting academics and industry leaders, the RAD coalition aims to advance knowledge in three areas: identity and authenticity; allyship and inclusive behaviour; and organisational and macro interventions.

The benefits of authenticity in navigating dissensions

The roundtable began with a discussion on authenticity, and why being authentic does not mean blindly disclosing all elements of your identity. Instead, it is better understood as the tricky process of curating what you reveal and what you don't, in both work and non-work interactions.

As Patricia Faison Hewlin of McGill University highlighted, authenticity is first and foremost a personal endeavour – a journey of finding ways to align your own actions and core values. There is also growing consensus on the benefits of authenticity. Tracy L. Dumas of Fisher College of Business provided insight into the mechanisms of authenticity through her research on self-disclosure in the workplace. While we could think of workplace authenticity as disclosing only elements of your work self, feeling safe to share aspects of your non-work self can sometimes alleviate work-related dissensions. This, in turn, would help organisations truly reap the benefits of diverse perspectives.

Being on your best behaviour is not all that matters

Barnini Bhattacharyya of Ivey Business School introduced the second theme by offering a key shift in perspective on allyship. Bhattacharyya suggested that good allyship should not just be about taking an ally's intentions and motivations into account. Instead, it must "simultaneously consider the perspective of the marginalised group or group member that the ally is trying to support".

Even individuals with the best intentions may display counter-productive behaviours, which are often reflections of organisational norms. We spoke about our research with our INSEAD colleague Maria Guadalupe, which focuses on what occurs when workplace relationships break down and when individual differences are instrumentalised to define success and achievement. What ensues, we find, is generally lower workplace well-being and performance.

Companies get sued all the time, so what makes DEI different?

The final session on organisational and macro interventions was open to industry leaders from sectors such as banking, finance and entertainment. Many confirmed a shift in the DEI landscape, sharing that they were facing lawsuits left, right and centre on the legitimacy of their DEI policies.

However, there is no reason to be disillusioned about what companies can do in this environment. As one of the industry leaders put it: "Companies get sued all the time, for any and everything. What makes DEI any different? Just like how we plan for the risk of lawsuits in other areas of our business, we can plan for the risks [associated] with DEI as well and continue the [important] work as we do with other areas of our business."

Along this line, it is useful to deconstruct the very notion of "organisational interventions". Robin Ely of Harvard Business School emphasised the limitations of thinking about interventions as one-off changes in policies or practices, in total abstraction from the context in which they are implemented. In her words, the most pressing issue organisations currently face is to think in terms of "broader culture change, not simply policy change".

Being a good ally without the DEI

This leads to a point repeatedly made by Stephanie Creary of the Wharton School: context matters. Context provides critical insight into the nature of resistance to DEI. As such, it yields indispensable information on what is needed to dismantle resistance.

So, what does this mean in the context of academia? You could think of these roundtables as somewhat dissociated from the "real" world of DEI lawsuits and interventions. That said, they create the necessary context to be critical of concepts such as DEI, allyship and authenticity.

It's a context that reminds us that DEI is not as simple as adding these concepts to titles and interventions – or roundtable names, even – to ensure that sustainable steps are taken towards the type of business and society we believe in. It also reminds us that eliminating the "DEI" designation from a person's title does not remove their intention to be a good ally or to enact and inspire positive change.

Rather, implementing DEI initiatives and improving DEI as a whole requires constant reflection and evidence on what works, what doesn't, where and why. This is something that the industry leaders at the roundtable made abundantly clear, and that many academics strive to do through their work.

For New Ideas, Think Inside (This) Box

In this Nano Tool for Leaders, Penn's David Resnick offers guidance on using helpful constraints to unlock new solutions to old problems.

DAVID RESNICK

NANO TOOLS FOR Leaders® — a collaboration between Wharton Executive Education and Wharton's Center for Leadership and Change Management — are fast, effective tools that you can learn and start using in less than 15 minutes, with the potential to significantly impact your success and the engagement and productivity of the people you lead.

Goal

Harness constraints and analogies to unlock new solutions to old problems.

Nano Tool

Traditional brainstorming, as coined by Alex Osborne in the 1950s, asks participants to consider any and all ideas that might solve a problem. While blue-sky, no-limits thinking has several benefits, the drawback is that leaders often, paradoxically, get stuck. They encounter challenges like the "curse of the blank page," not knowing where to start because they can start anywhere. They may also face the "Einstellung effect," a phenomenon whereby the easy recollection of familiar solutions can block their ability to think of new ones.

This has led some to (erroneously) believe that generating solutions is best left to people who are naturally creative. The good news is that there are tools that can help one become much better at generating new ideas. The even better news is that using these tools does not involve extensive training or attending workshops. In fact, one tool developed at Penn Medicine's Center for Health Care Transformation and Innovation is a simple card game, and the "secret sauce" it teaches is how to leverage constraints and analogies. The Accelerators in Innovation game has teams of players use accelerator cards to create new kinds of solutions with questions such as "How would you solve postpartum depression if you operated like IKEA?" and "How might you tackle long emergency room wait times if you were Warren Buffet?" The solutions are then applied to problems presented on challenge cards while trying to avoid monkey wrenches from their opponents. After rapid-fire pitches, the judge determines each round's winner.

Action Steps

1. Make sure you are solving a problem.

Don't solve for how to implement a solution. A classic example involved a design team brought in to figure out how to increase access to incubators. The issue is that the solution was already baked in (increase access to incubators). The team spent some time reframing the problem to focus on the true issue: ensuring that newborns are kept at a safe temperature, especially when delivery occurs in places with little or no access to electricity. Reframing to focus on the actual problem opened the team to entirely different solutions.

2. Leverage analogies.

Having to pull ideas out of thin air can be difficult and stressful. Analogies force us to consider other options or perspectives we may never have thought of, or thought of and dismissed. They cause us to ask ourselves "What is good about this other solution and how might it be applied to solving the problem I'm facing?" Examples include:

Companies

Think about successful companies and how their strengths could be applied to your problem. For example, IKEA is phenomenal at clearly explaining to people with limited background knowledge and literacy how to do something. So how might IKEA go about explaining post-op care to knee replacement patients?

Personas

Similarly, try using personas. Mary Poppins is renowned for making an unpleasant experience a delightful one. Mr. Rogers is known for his commitment to leveraging the kindness of neighbors. Darth Vader's approach to getting things done is a ruthless level punishment for those who fail. Regardless of whom you choose, you can use the strengths or philosophies of these characters to inspire ideas. How might Mary Poppins improve adherence to physical therapy regimens? How might Darth Vader?

3. Leverage constraints.

Constraints are, unintuitively, another great way to force new thinking. Some options are:

Deletion

How might you solve a problem if you were forced to delete a crucial (but perhaps onerous or costly) step of the process? Great examples are "How might tollbooths collect fees without a human there to do it?" (FastPass) or "How might people get their rental car if there was no line to wait in?" (Hertz Gold).

Design for extremes

How might you solve the problem if you had to solve for extreme use cases or extreme targets? For example, what would it take to screen 100 percent of eligible patients for colon cancer? How might you reduce civilian traffic fatalities to zero?

Real-world issues

Apply real-world constraints that have thrown a monkey wrench in your plans for past ideas. For example, how might you create a new marketing campaign that must be successful for consumers who do not speak English? How might you build a new product to launch on time even if multiple team members take a sabbatical or parental leave?

Delight

Focus on solving for how to make your solution delightful to users. This isn't about making something silly or fun. It's about surprising your users in a manner that unexpectedly accomplishes something for them.

4. Push for volume.

An additional benefit to Penn Medicine's Accelerators card game is that it encourages multiple rounds to hear multiple ideas. When thinking of solutions, push for volume in your initial rounds. You'll soon "use up" the ideas that come to mind easily and be forced to consider more creative or audacious alternatives.

5. Don't take yourself too seriously.

Another key component of generating ideas while playing a game is that it allows for laughter and a sense of play. This mindset can foster creativity and an atmosphere of psychological safety for sharing ideas.

How One Leader Uses It

Rebecca Trotta, PhD, director of the Center for Nursing Excellence at Penn, leveraged this tool in developing a new program to support older adults after hospitalization. Her challenge was to build a service that could provide intensive at-home support. Despite an existing evidence-based protocol, there was concern that patient acceptance of this support would be low. Many folks are simply exhausted after being in the hospital and don't want someone in their home. Using the constraint of solving for "delight," Trotta and her team came up with the idea of delivering home meals to these patients and their caregivers.

While it might appear as a frivolous and seemingly useless expense, it turned out that after spending days (and sometimes weeks) in the hospital, patients came home to fridges that were empty or full of spoiled food. Providing them with a meal ensured they had adequate nutrition. More importantly, though, the meals showed a sense of caring and thoughtfulness that went well beyond patients' expectations. It built a strong sense of trust that paid dividends in drastically increasing the acceptance of home services compared to baseline.

Contributor to this Nano Tool

David Resnick, MPH, MSEd, Senior Innovation Manager at Penn Medicine's Center for Health Care Transformation and Innovation. Accelerators in Health Care card game co-created with Michael Begley, MA, Senior Experience Consultant at EPAM Systems, and Visiting Professor and Assistant Program Director of Masters of UX at Thomas Jefferson University.

Are Corporate Human Rights Practices Up to Par?

The Zicklin Bright Index evaluated 150 corporations and their human rights practices in 2023, revealing key challenges that are hindering progress.

WILLIAM LAUFER

Julian Aresty Endowed Professor, Professor of Legal Studies & Business Ethics, Sociology, and Criminology, Co-Director: The Carol and Lawrence Zicklin Center for Governance & Business Ethics

IN MAY, A U.S. SENATE COMMITTEE revealed that vehicles made by BMW, Jaguar Land Rover, and Volkswagen contained parts from suppliers banned in the U.S. for employing forced Uyghur labor in China. "Automakers' self-policing is clearly not doing the job," said Democratic Senator Ron Wyden.

This report underscores the increasing concern over corporate human rights practices — concern that is leading to heightened scrutiny of companies' societal impacts. It is in this context that the Zicklin Bright Index (ZBI) becomes a crucial tool for any organization wanting to become a better corporate citizen.

Established by Wharton's Zicklin Center for Governance and Business Ethics in 2023, ZBI ranks companies from Colombia, Ecuador, and Peru using publicly available information and self-disclosure, focusing on transparency rather than direct human rights performance.

The first edition of the ZBI — led by doctoral candidate in law Víctor Cabezas Albán in collaboration with Wharton professor William Laufer — sheds light on current corporate progress and best practices.

Current Progress on Corporate Social Responsibility

Cabezas Albán highlights several key insights from the ranking. First, companies across industries and the Andean Community (Colombia, Ecuador, Peru) have varying interpretations of human rights responsibilities. "There is a lack of uniformity in what corporations understand by human rights," he said. "A banking company and an oil company in Ecuador do not have the same understanding."

Second, the level of corporate responsibility correlates with the socio-political climate. "Firms in Colombia tend to have as much as three times the corporate social responsibility performance compared to those in Ecuador, which has a less extensive history of internal conflict," said Cabezas Albán. This suggests that the external environment significantly influences corporate priorities and practices related to human rights.

Third, companies in the financial sector are excelling in human rights practices, even though this sector isn't typically linked with significant human rights risks. Conversely, the more high-risk agricultural sector massively lags, with none of its companies reaching the three tiers of the ZBI based on their disclosure practices.

Challenges in Human Rights Transparency and Disclosure

Companies in all industries face several challenges in improving human rights transparency and disclosure.

One of the primary obstacles is the political and cultural sensitivity of incorporating language around human rights into corporate discourse. This is particularly difficult for industries like oil and gas, which often operate in regions with weak governance, political instability, or conflict; this makes human rights violations more prevalent and difficult to address.

"For a fossil-fuel company, merely talking about human rights can be uncomfortable, so many shy away from public discourse on the issue," explained Cabezas Albán. The hesitancy to engage can hinder meaningful progress and open dialogue.

Another major challenge, across sectors, is establishing robust grievance mechanisms. Companies must ensure that individuals suffering from human rights violations can file claims and receive reparations, Cabezas Albán stressed. "Having adequate grievance mechanisms is something corporations are still struggling with," he said. "What happens if a person is suffering from a human rights violation inside a labor camp? How can this person speak out?"

Moreover, many companies struggle with monitoring and controlling their sprawling global value chains. "Supply chains are where the most sensitive human rights issues are, but this area is largely overlooked," noted Cabezas Albán. Supply chains are often complex and span multiple countries, making it challenging to ensure that all suppliers adhere to human rights standards.

How to Improve Corporate Human Rights Practices

Based on the insights from the ZBI, companies can adopt several practices to improve their human rights performance.

Conducting thorough due diligence processes that address specific human rights challenges is essential, said Cabezas Albán; the best-performing companies in the index demonstrated a direct link between robust due diligence and high-quality disclosure.

This involves identifying potential human rights risks, implementing measures to mitigate these risks, and regularly reporting on progress and outcomes.

Additionally, Cabezas Albán added that companies must ensure their public statements on human rights practices are genuine. This means avoiding greenwashing, where companies falsely present themselves as environmentally friendly or socially responsible without substantive actions to back up these claims.

Good reporting practices not only enhance transparency but also reduce legal risks associated with false claims. "Companies that have good reporting practices face fewer legal challenges; when you say you do something publicly, that creates a legal risk if you're not actually doing it," Cabezas Albán explained.

He offered three additional takeaways for companies. First, view your sustainability reports as communication mechanisms with customers and shareholders. "Stop seeing it as just another bureaucratic document and focus on making it evidence of the company's fulfillment of public commitments," he said.

Second, display your risks and weaknesses. "The best practices for policy dissemination start with an assessment of the situation. Showing risks makes the mitigation measures and reported actions more credible and consistent." And third, he said to present your initiatives with simplicity and a pedagogical approach.

Ultimately, the Index underscores the importance of a systematic and transparent approach to human rights in business. Companies that prioritize human rights not only contribute to a more just and equitable society — they also build trust with their stakeholders and enhance their long-term sustainability.

Global acceptance of *O3 American Express* cards positive for FX demand — Pinheiro, CEO, O3 Capital

Credit cards, often issued by banks, are a versatile form of payment that has become a staple in the global economy. By allowing users to make purchases on credit, these cards offer a convenient and accessible way to pay for goods and services, as well as access cash advances.

O3 Capital, a Nigerian fintech company at the forefront of credit card penetration, has made waves in the financial landscape by becoming the country's first non-bank issuer of credit cards. In the opening month of its American Express (Amex) card portfolio, O3 Capital observed an overwhelming response from customers, both in Nigeria and beyond, who are eager to access the benefits of credit cards. Abimbola Pinheiro, the chief executive officer of O3 Capital, in an interview with Business a.m.'s Onome Amuge, discusses the rapid expansion of the company's credit card portfolio and its tangible benefits for consumers in the Nigerian market. From the initial rollout to the present day, Pinheiro shared unique insights into the company's growth, strategies, and impact on consumers. Excerpts:

Can you walk us through the decision to partner with American Express and launch a new credit card portfolio in Nigeria?

WE WANTED TO OFFER solutions for a diverse customer base, ranging from consumers seeking greater value from their payment products to businesses desiring the advantages of a locally issued card with international acceptance. To offer such solutions, we needed a partner with the global reach of American Express. We are proud to have successfully partnered with American Express. We are especially proud to be the first to issue an American Express Business card to the Nigerian business community, and we are excited about collaborating with American Express to realise our full potential.

O3 Capital forged this partnership to enhance its overall customer offering in Nigeria and contribute to improving financial wellbeing in the country. Our cards, in collaboration with American Express, provide a range of travel and lifestyle benefits for use in Nigeria and when travelling overseas. These cards offer access to discounts at select businesses across Nigeria, cinema and dining perks, hotel and car rental benefits, and various insurances and protections.

What do you think has contributed specifically to the strong demand for O3 Capital's Amex cards?

At its most simple – we're giving consumers and businesses exactly what they want and need – which they haven't been able to easily access before. Dual (Naira/dollar) currency denomination is a key factor. Users feel more comfortable and secure transacting in their own currency, which they understand and use daily. Our credit cards enhance convenience, reduce costs, and increase trust and acceptance among Nigerian consumers, thereby making credit card use more popular and widespread.

For these reasons, the entry-level Green card has become immensely popular. It offers a practical and functional solution for the middle class to make payments in Naira on credit, while also being convenient for families with members studying abroad.

How do you believe these cards will impact Nigeria's financial landscape and the credit market?

Our cards align with government initiatives aimed at promoting financial inclusion and reducing reliance on cash. The Central Bank of Nigeria's (CBN) Financial System Strategy 2020 outlines 'Cashless Nigeria' as one of its primary goals, with credit cards playing a crucial role in this initiative. We are particularly pleased that the government has already acknowledged our work, underscoring the importance of O3 Capital's contribution to the country's financial ecosystem.

Can you share some details about the types of customers that are using these cards and their use cases?

The appeal is widespread, and interest is growing daily. Millennials and GenZ use Green Cards for subscriptions and online transactions, which are valid for two years, instead of virtual cards that are per transaction. Middle-class families have appreciated our Green cards for their practicality and functionality in making payments in naira on credit. They have proven particularly convenient for families with members studying abroad, especially for accessing monthly upkeep stipends. Techprenuers and Instagram businesses can order goods online across numerous e-commerce channels.

Our users include various financial institutions, asset management companies, and SMEs with trade partners in India, China, and other African countries. These companies, especially those with headcounts between 100 and 1,000, have shown significant interest, particularly for managing day-to-day cash flow items such as staff expenses. The financial institutions would be issuing the cards to their customers as a value-add.

What challenges did you face in bringing American Express credit cards to Nigeria and how did you overcome them?

Obviously, it was a big

project involving numerous parties on different sides, and like any project of this scale, it was complex. However, we have the energy that pioneers require and were able to successfully navigate the journey. What matters now are our results – which are very exciting – and our future.

What led to the decision to create four different cards catering to different types of consumers and businesses?

Correct. We have issued four American Express® credit cards: the O3 American Express® Green Card, the O3 American Express® Gold Card, and the O3 American Express Platinum® Card for consumers, as well as the O3 American Express® Gold Business Card for small- and medium-sized enterprises (SMEs). Our aim was to accommodate various customer segments, ensuring broad appeal and assisting them in enhancing their financial well-being. There is something for all Nigerians!

Can you elaborate on the benefits and features of the Gold Card for consumers and the Platinum Card for high-spending individuals?

The O3 American Express Platinum® Card offers exclusive benefits including access to a travel and lifestyle concierge service, membership in a global hotel programme, and up to five complimentary visits per year to eligible local and international airport lounges. These cards are accepted at American Express merchants both in Nigeria and worldwide. The O3 American Express Platinum® Card has a $20,000 credit limit.

O3 American Express Gold® Card offers a lower credit limit of $10,000, yet it still provides travel and lifestyle benefits such as free travel insurance, discounts with specific car hire providers and accommodation / hotel discounts.

What specific needs of small and medium-sized enterprises did you consider when developing the Gold Business Card?

The O3 American Express® Gold Business Card is the first American Express card being launched in Nigeria to specifically support the spending needs of businesses. This card improves the day-to-day management of business transactions and cash flow with access to a credit facility, the ability to perform international transactions, and an extended repayment period of up to 45 days (the international standard is 28-30 days). The key offering is credit and convenient financial participation in the global markets. The card enables SMEs to pay foreign trades through payment links with suppliers/manufacturers from the convenience of their offices. Payments for goods and services at the premises of the supply/manufacturer are also simplified. It aims to support the running of a business, with benefits such as three complimentary visits per year to eligible local and international airport lounges, car rental perks, and travel insurance included.

Given the seemingly broad appeal of the Green Card and Platinum cards, what does this say about the appetite for premium financial products in the Nigerian market?

The Nigerian market is continually developing and evolving; hence there is undoubtedly a robust demand for such services. We are pleased to lead this development, contributing to the maturation of our economy.

How do you believe these cards can further develop Nigeria's financial sector and enhance its economic growth?

Using a local currency card encourages spending within the country, thereby supporting local businesses and the economy. We take pride in bolstering the Nigerian economy through this initiative. As people feel more financially secure, they are likely to increase their local spending, thereby further supporting their country. We believe the "just-in-time" availability of the card and its global acceptance will have a positive impact on the FX demand by individuals and SMEs. Trust in the card ensures that cardholders receive service at the point of need in the required currency. Additionally, we are particularly glad to support SMEs and corporates, making working expenses easy and even enjoyable. This demonstrates our commitment to supporting small businesses and entrepreneurs on their paths to success.

With the increased attention from other financial players in the market, how are you evaluating potential partnerships and collaborations?

We are always looking to expand our offerings, so we would consider partnerships with other interesting companies that can bring value to the people of Nigeria.

How do you envision these partnerships enhancing the value proposition of O3's credit cards for consumers and businesses?

We aim for our cards to serve as enablers of financial dreams for Nigerians and as helpful tools for businesses to grow their enterprises. The partnerships with other Financial Institutions would facilitate reaching more Nigerians.

Given your success with American Express, do you foresee expanding your partnerships with other global financial brands in the future?

It is premature to speculate about this, but we are ambitious about bringing positive changes to our country. If we have an opportunity to achieve this through partnerships, we will seize it.

Can you discuss the opportunities for O3 and its potential collaborators to drive innovation and disruption within Nigeria's financial sector?

We will continue to support our government with Cashless Nigeria initiatives through various projects. However, it is too early to disclose any specific information at this time.

MARKET COMMENTARY FOR THE WEEK ENDED 12TH JULY, 2024

Focus for the week: HY'24 Consumer Goods Outlook - Sailing against sustained headwinds

Food & Beverage subsector displays resilience

Despite persistent macroeconomic headwinds, the food, beverage, and tobacco (FBT) sub-sector defied the odds in Q1'24. The segment's GDP grew by 2.62% y/y (Q1'23: 3.90%), contributing to an overall increase in the manufacturing sector's GDP (+1.49% y/y). This is as mainstream/value products have become increasingly popular among consumers. Manufacturers have capitalized on this trend by adapting their offerings to cater to budget-conscious consumers.

Sustained macro headwinds hamper earnings growth

Our 2024 outlook, which anticipated the continuation of macroeconomic headwinds that plagued 2023, is proving prescient. Inflation continues its relentless climb, exacerbated by a further depreciation of the local currency. These combined pressures have significantly inflated manufacturers' cost structures. While producers have responded by streamlining product lines and making price adjustments to offset these rising costs, and sustain topline growth, the story on the bottom line takes a different turn.

Manufacturers have faced sourcing constraints and rising operational costs across the board. The situation is further complicated by persistent foreign exchange (FX) losses. These losses stem from both foreign currency-denominated inventory payables and outstanding foreign currency loans.

While we had anticipated some moderation in FX losses in H1, the c.40% devaluation of the Naira in January resulted in higher FX losses than initially projected. This significant devaluation exacerbated bottom-line losses in Q1, leading to declines in shareholder book value across our coverage companies. Comparatively, firms with more localized supply chains, like Flour Mills, have been less vulnerable to these exchange rate shocks.

Derisking balance sheet, amidst sustained headwinds

In our last note, we presciently identified the vulnerability of corporate balance sheets due to ongoing financial pressures. In light of this, we anticipated that major industry players would actively seek to raise fresh capital throughout the year to ensure long-term operational sustainability. Brewery leaders, including Nigerian Breweries and International Breweries, are currently in the market to raise ₦600 billion and ₦588 billion respectively, both as rights issues. Given the significant impact of FX losses on their equity balances, these firms have no other option than to recapitalize. It is also important to note that both firms are looking to convert existing loans foreign currency loans from their parent companies to equity.

Outlook: Managing profitability in a challenging environment

Price increases are expected to sustain revenue growth in the second half of 2024 (H2); however, profitability is likely to remain subdued. Underlying macroeconomic factors, including high inflation, will continue to exert pressure on bottom-line performance. On a positive note, these FMCG players are demonstrating a continued commitment to operational efficiency, mitigating some of the cost pressures from inflation. However, lean margins persist due to the impact of high input costs.

Indicators	WK CLS	WK OPEN	WTD (%)	YTD (%)
EQUITIES				
NGX 30	3,681.34	3,700.46	(0.52)	31.93
NGX All-Share Index	99,671.28	100,022.03	(0.35)	33.30
Market Cap (NGN bn)	56,440.93	56,448.66	(0.01)	37.93
FEDERAL GOVERNMENT SECURITIES (%)				
91-Day T-Bill	21.21	20.19	0.05	18.30
182-Day T-Bill	22.76	20.76	0.10	17.33
364-Day T-Bill	27.01	26.32	0.03	16.80
2-Year FGN Bonds	23.50	20.20	0.16	11.35
3-Year FGN Bonds	19.55	18.62	0.05	7.40
5-Year FGN Bonds	19.95	18.87	0.06	6.65
7-Year FGN Bonds	18.01	18.01	0.00	4.21
10-Year FGN Bonds	19.31	19.30	0.00	4.80
20-Year FGN Bonds	17.50	17.50	0.00	3.30
INTERBANK MARKET RATES (%)				
NIBOR OPR	31.61	32.06	(0.45)	16.55
NGN EXCHANGE RATES (₦)				
USD/NGN	1563.80	1509.67	(3.59)	(78.72)
GBP/NGN	2089.09	2001.66	(4.37)	(82.87)
EUR/NGN	1657.63	1657.63	0.00	(67.22)
CNY/NGN	221.50	218.93	(1.17)	(74.88)
ZAR/NGN	89.33	86.01	(3.86)	(82.12)
USD/NGN FORWARDS				
1M	1588.23	1535.26	(3.45)	(62.84)
3M	1640.70	1594.38	(2.91)	(65.02)
6M	1725.39	1677.57	(2.85)	(68.76)
1Y	1894.92	1847.48	(2.57)	(74.31)

Source: NGX, FMDQ OTC, Bloomberg, Vetiva Research

SECTOR	INDEX VALUE	WoW Δ	YTD Δ
BANKING	844.41	-2.08%	-5.88%
CONSUMER GOODS	1,569.27	-0.09%	39.95%
INDUSTRIAL GOODS	4,708.72	0.05%	73.61%
OIL & GAS	1,504.55	1.38%	44.24%
VETIVA 30 ETF	36.30	0.00%	34.44%
INSURANCE	397.97	-0.36%	23.72%

Weekly Top 5 Gainers

Stock	Closing Price (₦)	% Change
LIVESTOCK	2.35	27.03%
ABCTRANS	0.77	20.31%
ETERNA	18.00	18.42%
VITAFOAM	21.20	17.78%
CAVERTON	1.58	17.04%

Weekly Top 5 Losers

Stock	Closing Price (₦)	% Change
AFRIPRUD	7.40	-17.78%
PZ	19.80	-10.00%
THOMASWY	2.16	-10.00%
CWG	6.90	-9.80%
TANTALIZER	0.47	-9.62%

Source: Vetiva Research

What shaped the past week?

Equities: This week, the local market traded in a bearish manner, losing 0.35% w/w to settle at 99,671.28ppts. Leading sectoral losses was the Banking sector (-2.08% w/w), driven by sell-side action in WEMABANK (-5.67% w/w), UBA (-4.01% w/w), and GTCO (-3.91% w/w). Similarly, mild bearish sentiment dominated the consumer goods sector, as the sector lost (-0.09% w/w). On the flip side, renewed buy-interest in ETERNA (+18.42% w/w) and CONOIL (+8.26% w/w) lifted the Oil and Gas index (1.38% w/w). Also, gains in CUTIX (+10.00% w/w) and WAPCO (+0.83% w/w) drove the Industrial goods sector (+0.05% w/w) higher.

Fixed Income: This week, the CBN held an NTB auction where a total of ₦166.11 billion (previous auction: 228.71 billion) was offered, which attracted a total subscription of ₦308.66 billion. At the end of the auction, the stop rate for the 91-day, and the 182-day papers remained unchanged at 16.30% and 17.4% respectively. Meanwhile, the stop rate on the 364-day paper inched up to 21.24% from 20.68%.

Tepid trading sessions were recorded in the secondary market this week however, we saw the bulls dominate the OMO market. Meanwhile, in the NTB space, yields advanced by 11bps on average amid the auction that took place during the week. Finally, in the Bonds market, muted trading activity dominated the curve, as investors remained on the sidelines in anticipation of higher yields.

Currency: At the NAFEM, the Naira depreciated by ₦13.59 w/w to close at ₦1563.80 per dollar.

MONEY Nuggets

TUNDE OYEDOYIN

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How did you do in the first half?

TIME, LIKE WATER, WHICH THE late Afrobeats legend, Fela Anikulapo Kuti, said, "no get enemy" - doesn't have an enemy - has no enemy as well. As you can't but make use of water, so is time. You also need time to achieve whatever it is you want to.

As evidence that "e no get enemy"- it has no enemy- it waits for no man. That's also why you set financial goals at the beginning of each and every single year. The reason being that you want to be able to measure your performance.

As you might know, yours truly doesn't fancy being the bearer of bad news. But here's the thing. We're well into the second half of the year.

Like in football, where the manager and his coaching crew get the opportunity to sit down with the players and check out how they performed in the first half, now is the time for you and I to look back and evaluate how we fared with our personal finances. You may have listed ten or twelve financial goals as recommended in a January piece, now is the time to check if you're on track or just rooted to the same spot. Perhaps, you may even have ticked off some of those goals. It's time you check out how you fared.

Why is it important to check how your half year result was? Firstly, it's to give you the opportunity to know if you're becoming more intelligent with your money or not. It's never a bad idea to know whether the needle has moved or not.

Secondly, you may have performed well in the area of savings or perhaps, you didn't get to put ten thousand Naira away from January to June. By checking out your half-year performance, you'll probably know what to do to hit the savings target in the second half of this year of our Lord.

Let's even say you've taken out salary advance or beefing up your living costs with overdraft for part or all of the first six months, you should now be in a position to figure out what and what to do and not do.

Grab a piece of Fidelity Bank

When my son and I accompanied Mrs O to a branch of Fidelity Bank on Allen Avenue on the last Thursday of June, it was primarily for her to sort out a few things. Thankfully, it didn't take forever.

But prior to her being ushered to the front of one of their customer service staff members, I'd asked her to pick the form of their ongoing shares offer. The reason was that yours truly himself wanted a tiny slice of the bank. That's why I mentioned taking "tiny steps " in a previous piece.

Folks, if you, too, fancy a bite of the big cake, enter any branch of Fidelity Bank and ask for the form.

Buying the shares of the bank may not have been part of your financial goals for the year, but guess what? It won't hurt you. Rather, you'll have something to shout about when it's time to check things out at the end of the year.

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Share Price List as @ Friday 12 July, 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%	1,126	3,337.58
ABCTRANS	0.77	0.77	0.77	0.77	0.77	0.00	0.00%	621,553	472,426.17
ACADEMY	1.99	1.99	-	-	1.99	0.00	0.00%	11,103	21,983.94
ACCESSCORP	19.05	19.05	19.25	19.05	19.05	0.00	0.00%	26,164,378	501,281,922.15
AFRIPRUD	7.85	7.85	7.60	7.40	7.40	-0.45	-5.73%	1,404,918	10,632,934.75
AIICO	1.12	1.12	1.10	1.07	1.08	-0.04	-3.57%	14,613,990	15,901,380.74
AIRTELAFRI	2,100.00	2,100.00	-	-	2,100.00	0.00	0.00%	5,794	12,008,819.80
ALEX	7.15	7.15	-	-	7.15	0.00	0.00%	200	1,570.00
BERGER	15.00	15.00	-	-	15.00	0.00	0.00%	98,726	1,564,632.30
BETAGLAS	53.00	53.00	-	-	53.00	0.00	0.00%	268	13,979.00
BUACEMENT	143.20	143.20	-	-	143.20	0.00	0.00%	4,765	614,208.50
BUAFOODS	379.90	379.90	-	-	379.90	0.00	0.00%	4,783	1,681,725.60
CADBURY	18.25	18.25	-	-	18.25	0.00	0.00%	49,586	964,604.65
CAP	36.00	36.00	36.00	36.00	36.00	0.00	0.00%	339,392	12,165,666.80
CAVERTON	1.45	1.45	1.58	1.47	1.58	0.13	8.97%	1,430,912	2,186,446.19
CHAMPION	3.06	3.06	-	-	3.06	0.00	0.00%	34,704	106,606.62
CHAMS	2.21	2.21	2.26	2.17	2.17	-0.04	-1.81%	1,955,393	4,314,274.65
CHELLARAM	4.10	4.10	-	-	4.10	0.00	0.00%	10	36.90
CONOIL	136.95	136.95	-	-	136.95	0.00	0.00%	12,115	1,532,007.55
CORNERST	2.14	2.14	2.15	2.10	2.11	-0.03	-1.40%	1,762,096	3,733,252.22
CUSTODIAN	9.75	9.75	-	-	9.75	0.00	0.00%	236,284	2,257,224.35
CUTIX	4.20	4.62	4.62	4.62	4.62	0.42	10.00%	8,244,378	38,089,026.36
CWG	6.90	6.90	-	-	6.90	0.00	0.00%	752,068	4,720,881.35
DAARCOMM	0.57	0.57	0.57	0.52	0.52	-0.05	-8.77%	1,383,132	733,283.10
DANGCEM	656.70	656.70	-	-	656.70	0.00	0.00%	57,082	33,741,170.20
DANGSUGAR	41.60	41.60	41.60	41.60	41.60	0.00	0.00%	851,970	35,504,593.90
DEAPCAP	0.54	0.54	0.54	0.54	0.54	0.00	0.00%	767,273	413,838.69
ELLAHLAKES	2.97	2.97	3.17	3.00	3.17	0.20	6.73%	46,542,773	140,037,985.69
ETERNA	18.00	18.00	-	-	18.00	0.00	0.00%	315,488	5,647,762.80
ETI	21.50	21.50	-	-	21.50	0.00	0.00%	209,687	4,438,581.20
ETRANZACT	4.90	4.90	-	-	4.90	0.00	0.00%	32,240	169,984.00
FBNH	22.60	22.60	22.60	22.25	22.25	-0.35	-1.55%	6,245,394	139,479,930.30
FCMB	7.60	7.60	7.55	7.55	7.55	-0.05	-0.66%	2,636,085	19,886,525.30
FIDELITYBK	10.45	10.45	11.30	10.20	10.65	0.20	1.91%	96,623,947	1,017,991,602.60
FIDSON	14.75	14.75	-	-	14.75	0.00	0.00%	235,435	3,212,514.80
FLOURMILL	43.75	43.75	43.75	43.50	43.75	0.00	0.00%	2,121,690	92,647,398.80
FTNCOCOA	1.79	1.79	1.84	1.70	1.72	-0.07	-3.91%	2,225,163	3,934,481.88
GEREGU	1,000.00	1,000.00	-	-	1,000.00	0.00	0.00%	391,246	352,166,961.60
GOLDBREW	3.15	3.15	-	-	3.15	0.00	0.00%	7,529	21,382.36
GTCO	45.20	45.20	45.65	45.35	45.50	0.30	0.66%	42,686,336	1,942,063,753.15
GUINNESS	70.00	70.00	65.10	65.00	65.00	-5.00	-7.14%	1,492,047	97,267,577.45
HONYFLOUR	3.16	3.16	3.45	3.34	3.44	0.28	8.86%	2,139,464	7,305,083.87
IKEJAHOTEL	6.35	6.35	-	-	6.35	0.00	0.00%	624,797	4,257,275.70
IMG	13.00	13.00	-	-	13.00	0.00	0.00%	189,650	2,292,732.40
INTBREW	4.05	4.05	-	-	4.05	0.00	0.00%	77,838	310,002.46
INTENEGINS	1.57	1.57	1.57	1.57	1.57	0.00	0.00%	231,450	362,717.50
JAIZBANK	2.20	2.20	2.30	2.22	2.25	0.05	2.27%	7,932,420	17,711,307.01
JAPAULGOLD	1.96	1.96	1.99	1.97	1.99	0.03	1.53%	2,403,500	4,763,269.14
JBERGER	88.60	88.60	83.50	83.50	83.50	-5.10	-5.76%	1,087,207	91,000,614.90
JOHNHOLT	3.14	3.14	-	-	3.14	0.00	0.00%	9,250	28,786.00
LEARNAFRCA	3.20	3.20	3.52	3.52	3.52	0.32	10.00%	997,903	3,455,072.99
LINKASSURE	1.12	1.12	1.19	1.12	1.14	0.02	1.79%	7,947,654	9,274,055.54
LIVESTOCK	2.20	2.20	2.42	2.24	2.35	0.15	6.82%	15,434,384	36,221,093.96
MANSARD	5.35	5.35	5.35	5.35	5.35	0.00	0.00%	864,485	4,615,702.41
MAYBAKER	5.51	5.51	5.90	5.90	5.90	0.39	7.08%	625,505	3,624,012.32
MECURE	10.00	10.00	-	-	10.00	0.00	0.00%	115,313	1,211,572.25
MORISON	4.45	4.45	-	-	4.45	0.00	0.00%	59,541	267,367.10
MRS	132.65	132.65	-	-	132.65	0.00	0.00%	12,994	1,556,117.40
MTNN	200.00	200.00	200.00	200.00	200.00	0.00	0.00%	1,261,117	252,815,249.90
MULTIVERSE	11.20	11.20	-	-	11.20	0.00	0.00%	35	353.50
NAHCO	36.00	36.00	-	-	36.00	0.00	0.00%	312,014	11,228,453.75
NASCON	34.25	34.25	35.00	35.00	35.00	0.75	2.19%	480,853	16,816,492.55
NB	29.70	29.70	-	-	29.70	0.00	0.00%	427,361	12,657,915.30
NCR	4.32	4.32	-	-	4.32	0.00	0.00%	221	873.37
NEIMETH	1.70	1.70	1.70	1.70	1.70	0.00	0.00%	811,732	1,385,974.25
NEM	8.20	8.20	-	-	8.20	0.00	0.00%	25,710	216,776.50
NESTLE	920.00	920.00	-	-	920.00	0.00	0.00%	86,112	73,712,631.30
NGXGROUP	23.30	23.30	-	-	23.30	0.00	0.00%	26,566	621,510.20
NNFM	48.30	48.30	-	-	48.30	0.00	0.00%	2,524	110,669.00
NOTORE	62.50	62.50	-	-	62.50	0.00	0.00%	10	625.00
NSLTECH	0.57	0.57	-	-	0.57	0.00	0.00%	225	117.00
OANDO	16.50	16.50	16.50	15.95	16.40	-0.10	-0.61%	4,828,715	77,915,800.55
OKOMUOIL	292.00	292.00	-	-	292.00	0.00	0.00%	28,711	8,535,986.70
OMATEK	0.70	0.71	0.71	0.71	0.71	0.01	1.43%	968,775	684,690.32
PRESCO	354.20	354.20	369.00	369.00	369.00	14.80	4.18%	381,316	138,131,324.90
PRESTIGE	0.53	0.53	0.53	0.53	0.53	0.00	0.00%	12,062,886	6,162,472.93
PZ	19.80	19.80	-	-	19.80	0.00	0.00%	23,502	447,802.70
REDSTAREX	4.49	4.49	4.15	4.05	4.05	-0.44	-9.80%	572,743	2,335,668.77
ROYALEX	0.70	0.70	0.69	0.67	0.67	-0.03	-4.29%	1,741,520	1,188,745.42
RTBRISCOE	0.70	0.70	-	-	0.70	0.00	0.00%	147,252	102,171.87
SCOA	2.15	2.15	-	-	2.15	0.00	0.00%	86,488	167,805.72
SEPLAT	3,480.00	3,480.00	3,730.00	3,730.00	3,730.00	250.00	7.18%	114,732	424,497,926.50
SKYAVN	20.40	20.40	-	-	20.40	0.00	0.00%	20,120	380,254.20
SOVRENINS	0.49	0.49	0.49	0.47	0.47	-0.02	-4.08%	1,064,516	505,891.24
STANBIC	54.30	54.30	-	-	54.30	0.00	0.00%	163,445	8,746,078.20
STERLINGNG	4.00	4.00	4.00	3.60	3.85	-0.15	-3.75%	11,286,327	43,201,006.47
SUNUASSUR	1.24	1.24	1.24	1.24	1.24	0.00	0.00%	254,437	316,182.08
TANTALIZER	0.47	0.47	0.47	0.47	0.47	0.00	0.00%	318,700	151,936.15
THOMASWY	2.16	2.16	-	-	2.16	0.00	0.00%	55,150	117,553.50
TOTAL	388.90	388.90	-	-	388.90	0.00	0.00%	6,386	2,723,225.60
TRANSCOHOT	98.40	98.40	-	-	98.40	0.00	0.00%	6,747	598,388.00
TRANSCORP	11.95	11.95	11.95	11.70	11.70	-0.25	-2.09%	5,098,681	60,522,596.20
TRANSPOWER	373.90	373.90	-	-	373.90	0.00	0.00%	77,898	26,220,478.80
TRIPPLEG	4.13	4.13	-	-	4.13	0.00	0.00%	1,510	5,617.20
UACN	14.50	14.50	14.15	14.15	14.15	-0.35	-2.41%	19,779,349	279,948,581.00
UBA	23.00	23.00	23.00	22.75	22.75	-0.25	-1.09%	5,390,945	123,559,032.80
UCAP	28.20	28.20	28.40	28.35	28.40	0.20	0.71%	5,700,894	161,530,029.05
UNILEVER	17.10	17.10	17.20	17.20	17.20	0.10	0.58%	263,352	4,565,998.70
UNIONDICON	8.10	8.10	-	-	8.10	0.00	0.00%	3	26.70
UNIVINSURE	0.36	0.36	0.36	0.35	0.36	0.00	0.00%	12,618,095	4,427,156.75
UPDC	1.39	1.39	1.39	1.33	1.33	-0.06	-4.32%	705,678	957,022.68
UPDCREIT	4.55	4.55	4.85	4.70	4.80	0.25	5.49%	1,675,999	8,039,550.40
UPL	2.30	2.30	2.31	2.28	2.31	0.01	0.43%	2,228,617	5,087,221.76
VERITASKAP	1.20	1.20	1.24	1.18	1.20	0.00	0.00%	5,811,664	6,995,227.89
VFDGROUP	44.60	44.60	-	-	44.60	0.00	0.00%	195,322	7,853,124.00
VITAFOAM	21.20	21.20	-	-	21.20	0.00	0.00%	268,879	5,314,625.90
WAPCO	36.90	36.90	36.50	36.00	36.30	-0.60	-1.63%	2,713,552	97,910,450.95
WAPIC	0.80	0.80	-	-	0.80	0.00	0.00%	120,892	99,993.10
WEMABANK	6.70	6.70	6.75	6.50	6.65	-0.05	-0.75%	6,619,796	43,768,019.60
ZENITHBANK	37.10	36.55	37.05	36.55	37.05	-0.05	-0.13%	4,966,661	183,475,003.95

Tinubu's livestock ministry sparks controversy among stakeholders

Stories by Onome Amuge

PRESIDENT BOLA TINUBU recently declared the establishment of the Federal Ministry of Livestock Development with the main objective of defusing the prolonged conflict between farmers and pastoralists in Nigeria. However, the success of this implementation remains uncertain, owing to a diverse set of reactions trailing the announcement,especially from stakeholders in the agricultural sector.

The president, who approved the establishment of the ministry during the inauguration of the Presidential Committee on Livestock Reforms on July 7 at the Council Chamber of the State House in Abuja, stated that the ministry is an essential step in resolving the longstanding conflict between herders and farmers, and in enhancing the livestock and dairy industries in Nigeria. He also raised optimism that the impasse between pastoralists and farmers can be finally resolved, paving the way for peace, harmony, and progress in Nigeria's agricultural sector.

Speaking on the move, the president stated: "Who says the solution is far? I say, 'No, the solution is here.' Majority of you have great experience and you want Nigeria to prosper.

"To enable Nigeria to finally take advantage of livestock farming, we have seen the solution and opportunity for this adversity that has plagued us over the years and I believe the prosperity is here in our hands."

According to the president, the creation of the new ministry will open new opportunities for Nigeria, as the country can now anticipate a future where perishable goods are transported from farms to markets with the utmost care, reducing food waste and ensuring a reliable supply. With this vision in mind,the president disclosed that the federal government will bear the costs associated with acquiring lands to facilitate peaceful co-existence between pastoralists and farmers.

In a nation where blood has long been shed over the fertile soil between farmers and pastoralists, the Miyetti Allah Cattle Breeders Association of Nigeria (MACBAN), applauded the formation of the livestock ministry as a positive step to quell the seemingly never-ending conflict .

Baba Othman-Ngelzarma, president of the association, stated that the establishment of the livestock ministry would unlock the potential of the trillion-naira livestock industry. According to Othman-Ngelzarma, the ministry aims to generate high-quality and efficient job opportunities across the livestock value chain with the goal of boosting the Nigerian economy.

He stated further, "With this development, MACBAN believes, the hope of the Nigerian pastoralists is now achieved under the Renewed Hope Agenda.

"The promise made by President Tinubu to raise the productive capacity of Nigerian agriculture to ensure food security is being fulfilled.

"We as an association had for years been agitating tooth and nail to actualise the creation of a stand-alone ministry to modernise livestock production system in line with global best practices."

However, the establishment of the Ministry of Livestock Development, although intended to provide a fresh solution, has been met with skepticism by many who have borne witness to the failures of previous initiatives, such as the controversial Rural Grazing Area (RUGA) programme. While some have expressed hope that the creation of this ministry could finally pave the way for peace, others fear that this is merely a repeat of history, doomed to failure and leaving both sides no better off than before.

As such, the creation of the new ministry, presented as a solution to the longstanding conflicts between farmers and herders, has been met with widespread debate by Nigerians. The discussion has centered around the perceived misplaced priorities of the government, with many arguing that the cost of expanding the government outweighs the potential benefits of the new ministry.

Amidst calls to reduce the cost of governance, critics argue that the establishment of this ministry creates redundancy within the government structure, duplicating the functions of an existing department under the Ministry of Agriculture. They assert that the creation of a separate ministry, which brings the total of ministries in the country to a total of 50, is both unnecessary and wasteful, increasing the financial burden on the country's already strained resources.

As public debate over the Ministry of Livestock Development continues, critics remain firm in their belief that the new ministry may be counterintuitive to efforts to reduce the cost of governance, due to its perceived duplication of existing responsibilities within the Ministry of Agriculture.

While the initiative is intended to resolve the serious issues faced by herders and farmers, the question of whether the potential benefits outweigh the increased cost of governance remains a significant point of contention.

Daniel Okafor, the national president of the Potato Farmers Association of Nigeria (POFAN), strongly opposed the establishment of the new ministry, arguing that it is not the right solution to address the complex and deep-rooted issues between herders and farmers.

Okafor stressed the need for a comprehensive and collaborative approach, with the Federal and State Governments working together to address the root causes of the conflict. He suggested that a national conference should be convened, bringing together crop and livestock farmers, to develop a lasting solution rather than relying on the creation of a new ministry.

"One thing is to create a Ministry of Livestock, and not monitoring what they do is a waste of time. Also it is to allow the farmers and herders to discuss and solve their problems.

"How many times has the government called on herders and farmers to solve this crisis? They should have looked into the issues and solved their problems, and there is a way to go about this crisis," he said.

The POFAN president lamented that even the existing ministries have failed to fulfill their mandates, with insufficient monitoring and a lack of budgetary allocation to the agricultural sector. He cautioned that the creation of a Ministry of Livestock Development could be more of a political maneuver to provide jobs for politicians, rather than a genuine effort to improve the livelihoods of Nigerians.

However, not everyone is dismissive of the government's latest initiative. Daniel Ijeh, CEO of EA Daniel Farms, commended President Tinubu's decision to establish the Ministry of Livestock Development as a means to tackle the longstanding feud between farmers and herders. Ijeh views this move as a positive and bold step forward, given that previous presidents have not made similar strides in resolving the conflict.

According to Ijeh, the crucial factor in determining the success of President Tinubu's initiative lies in the commitment of the government to fully implement its plan.

In Ijeh's view, the Ministry of Livestock Development is only the first step. He noted that for this policy to truly bear fruit, state and local governments must be dedicated to monitoring and controlling herders' movement to prevent them from trespassing and destroying cultivated crops. This, he believes, is a fundamental issue that must be tackled at a local level to address the core problem.

Ijeh noted further that while the newly established Ministry of Livestock Development is unlikely to put an end to the clashes between farmers and herders in the short term, it does hold potential for significant economic growth and prosperity in the long run.

He noted that the ministry has the potential to attract investors in a range of agricultural sectors, including dairy, poultry, and other related industries, thereby driving economic development and job creation.

Ijeh also pointed out that it is too early to draw definitive conclusions about the effectiveness of the ministry, stressing the importance of patience and objectivity in evaluating the policy's impact.

Kola Masha, CEO of Babban Gona, acknowledged the government's focus on the issue of farmer-herder clashes, but shared some concerns in a CNBC Africa interview.

Masha's primary worry was the possibility that the creation of a separate ministry for livestock development could impede coordination and synergy between the agriculture and livestock sectors. He believes that this fragmentation might hinder the progress of policy implementation, as a holistic approach, with all sectors working in harmony, may be more effective in resolving the long-standing conflict and fostering sustainable growth in the agricultural sector.

Despite his reservations about the new ministry, Kola Masha recognized the significance of the government's awareness and acknowledgment of the pressing need for targeted efforts to address the farmer-herder clashes.

In considering possible solutions to the conflict, Masha and other stakeholders in the agricultural sector have highlighted ranching as a viable and preferred approach to address the root causes of the problem. This method involves confining livestock to enclosed areas, rather than allowing them to roam freely, reducing the risk of encroachment on farmland and the potential for conflict.

Masha identified the importance of proper infrastructure and support services to incentivise herders to adopt ranching as a solution to the farmer-herder clashes. Drawing from his expertise, the CEO of Babban Gona, suggested that investing in access to water and other essential services for livestock would be crucial in encouraging herders to embrace the ranching model.

This, he explained, is because, without adequate infrastructure, herders may find the ranching approach too costly or impractical, thus inhibiting its effectiveness as a solution to the problem.

Corn futures jump as USDA shocks market with bullish report

CHICAGO BOARD OF TRADE corn futures prices bounced off multi-year lows and soybean futures reversed their downward trend, propelled by a government report that forecast tighter stocks than market participants had anticipated. The US Department of Agriculture (USDA) surprised traders by projecting old-crop corn stocks to dip below the 2-billion-bushel mark due to higher-than-expected feed and residual use, sparking a wave of short-covering in the market, analysts explained.

While corn prices reacted positively to the USDA's tighter-than-anticipated stocks projection, the rally was tempered by the agency's forecast of a massive US wheat crop, analysts observed.

Agricultural commodity broker Craig Turner of StoneX explained the potential implications of the USDA's bullish wheat production forecast for corn demand, stating that "the abundant US wheat crop could lead to a reduction in the demand for corn, as it is likely to become a more economical feed substitute for some market participants."

This, in turn, could impact the export market for corn, as buyers may opt to purchase more wheat from the US as a cheaper alternative to corn for feed purposes, Turner added.

The recent USDA forecast also predicted that the 2024/25 corn crop is poised to be the third-largest in US history, with corn end stocks being the largest in six years as of September 2025. Still, USDA estimated old-crop corn ending stocks would be 1.877 billion bushels, when traders had been expecting USDA to set the number at 2.049 billion bushels.

Grain and soybean futures received a welcome lift from the US dollar's retreat, traders reported. With the dollar losing ground against a basket of currencies, the most-active CBOT corn contract managed to claw back some of its losses, rallying 0.73 percent to reach $413-3/4 a bushel. In contrast, soybeans gave up some of their earlier gains, edging down a fractional 0.02 percent to settle at $10.67-1/2 a bushel. Meanwhile, wheat prices at the CBOT endured a sharp drop, sliding 3.28 percent to settle at $5.52-1/2 a bushel during the session.

Gold extends bullish streak to third week as inflation weakness fuels demand

Stories by Onome Amuge

GOLD WITNESSED A THIRD consecutive weekly rally in the international markets, buoyed by a dip in the US inflation rate. This reduction in inflation was accompanied by a drop in the US dollar rate and bond yield, leading to a surge in demand for gold from investors seeking safe-haven assets.

spot gold price climbed to $2,411 per ounce, while COMEX gold price ended the week at $2,416 per troy ounce. The upward trajectory was driven by the three percent inflation rate in the US, which was a decline from the previous 3.30 percent. This drop in inflation led to a decline in currency and US bond market values, as investors sought refuge in gold. It was further reinforced by the encouraging US job data released over the weekend, which pushed the US dollar rates and US treasury yields down, creating a favourable environment for gold to flourish.

Underpinned by a cocktail of positive market dynamics, gold prices soared to a one-month peak, notching a 0.80 percent gain over the week, a clear indication of renewed investor confidence in the safe-haven asset. According to market data, this renewed optimism was driven by a mix of factors, including a drop in US inflation, a pullback in the US dollar and treasury yields, and robust US job data, all of which contributed to a surge in demand for the precious metal, driving prices to their highest level in a month.

L-R: Marc Semaan, project manager, Hitech Construction Company Limited; Governor Dapo Abiodun of Ogun State; and Ade Akinsanya, commissioner for works, Ogun State, during an inspection tour of Atan-Lusada-Agbara Road currently undergoing reconstruction, recently

Analysts are confident that the positive momentum in gold prices will persist, fueled by the optimism generated by promising US data. The prospects of a potential US Fed rate cut at the upcoming September meeting have ignited market buzz, given the recent cooling of inflation and the overall positive economic outlook. This expectation of a more dovish monetary policy from the Fed has provided an additional boost to gold's allure as a safe-haven asset, with analysts predicting that prices may continue their upward trajectory in the near term.

Even as domestic factors drive fluctuations in gold prices, global economic uncertainties continue to serve as a tailwind for the precious metal's safe-haven status. The pervasive geopolitical tensions, unresolved trade disputes, and lingering concerns over global growth patterns have bolstered demand for gold as a haven asset. This is further bolstered by central banks worldwide that continue to add gold to their reserves, providing a strong bedrock of support for the metal's value.

As the market sets course for a lower interest rate climate, analysts predict that the stage is set for gold to potentially breach its historic all-time highs. However, traders are cautioned to remain vigilant, as any unforeseen hawkish shifts from the Fed or unexpectedly robust economic data could trigger abrupt reversals in the momentum-driven gold market.

Copper prices sink as China demand fears mount

A TROUBLING CONFLUENCE of weak Chinese demand for metals and swelling exchange stockpiles sent copper prices spiraling downward, dragging prices to a weekly loss. London Metal Exchange's three-month copper contract bore the brunt of the pessimism, surrendering 1.5% of its value for the week, with Friday's closing price of $9,798 per metric tonne reflecting the deepening gloom among market participants.

The Chinese economy was dealt a double blow as total imports fell below expectations to their lowest level in four months, while exports posted a 8.6 percent increase. Adding to the economic uncertainty, bank lending figures fell short of estimates, while annual growth in outstanding total social financing (TSF), a widely used barometer of credit and liquidity conditions, sank to 8.1 percent, signaling a deepening of the nation's economic challenges.

The outlook for copper demand is beset with considerable near-term uncertainties, particularly with regards to the Chinese market,observed Ewa Manthey, an analyst at ING commodities. Manthey cautioned that the prolonged crisis in China's real estate sector, showing no indication of a turnaround anytime soon, would continue to burden copper demand, given the delayed impact of housing starts on metals consumption. With little prospect of improvement in the immediate future, the downward pressure on copper prices looks set to persist.

According to ING, copper prices may slide further before recovering in the fourth quarter, due to the sustained weakness in demand and stubbornly elevated global prices. The metal, which plays a crucial role in both the power and construction industries, has lost 12 percent from its record high of $11,104.50 on May 20, but still boasts a solid year-to-date gain of 14 percent. Nonetheless, the persistently high global prices have acted as a deterrent to purchasing in China, where unwrought copper imports slumped to a 14-month low in June.

Adding to the bearish sentiment, stockpiles of copper in warehouses monitored by the London Metal Exchange are continuing to hover close to the highest levels seen since February of 2022. This development has only added to the downward pressure on prices, despite the small drop of 1.7 percent in copper inventories registered on the Shanghai Futures Exchange (SHFE) in the week, which had previously hit a four-year high in June.

Prices across the LME complex continued their downward trajectory, as the aluminium contract dipped 0.2 percent to $2,472 a tonne, after plumbing a three-month low at $2,465. Nickel, however, managed to claw back some ground, rising 0.2 percent to $16,825 after touching the lowest level since March 28 at $16,770.

Moving to other metals, zinc dropped 1.4 percent to $2,917, tin lost 2.4 percent to $33,810, and lead slipped 0.6 percent to settle at $2,185.

U.S. consumer sentiment slide dents oil prices

OIL FUTURES PRICES PLUNGED as market participants balanced the blow of weaker U.S. consumer sentiment against growing hopes for an impending Federal Reserve rate cut in September. The confluence of these factors made for a volatile trading session, with crude oil prices ultimately registering a slight decline as investors attempted to strike a delicate balance between signs of economic softness and optimism surrounding potential monetary policy easing.

Brent crude futures, the global benchmark, relinquished 37 cents to close at $85.03 a barrel, while U.S. West Texas Intermediate crude futures dipped 41 cents, or 0.5%, to settle at $82.21 a barrel.

These slight losses followed a week of volatility that saw Brent futures shedding more than 1.7% after four consecutive weeks of gains, while WTI futures also recorded a 1.1% decline for the week, snapping a winning streak.

Oil prices have been buoyed by strong U.S. demand, with government data revealing that the country consumed a robust 9.4 million barrels per day (bpd) during the week ended July 5, the highest level for that week since 2019.

The data also showed that jet fuel demand on a four-week average basis reached its highest point since January 2020, providing a significant boost to oil prices.

As U.S. fuel demand strengthened, refiners on the Gulf Coast reacted by ramping up their activity and drawing heavily from crude oil stockpiles. The latest government data revealed that net input of crude into Gulf Coast refiners reached more than 9.4 million bpd for the first time since January 2019, an impressive uptick that underscores the growing need for refined products across the country.

While the U.S. demand outlook remains promising, signs of weakening demand from China, the world's leading oil importer, could dampen oil prices and counterbalance the positive signals from the U.S, according to analysts.

Tamas Varga of oil brokerage PVM noted that the recent correction in oil prices has apparently concluded, but that the pace of further increases might be impeded by a significant decline in Chinese crude oil imports, which plummeted 11 percent in June compared to the previous year.

Dangote Refinery imports additional 11 million barrels of U.S. crude to counter local feedstock deficit

Onome Amuge

DANGOTE PETROLEUM REFINERY and Petrochemicals is set to import 11 million barrels of American crude oil over the next six months, a move that reflects the company's struggle to procure sufficient quantities of domestic crude oil due to the inability of Nigerian producers to meet its feedstock requirements.

Even prior to the recent tender for American crude oil, Dangote Refinery had already received nine million barrels of West Texas Intermediate (WTI) crude from the U.S since the beginning of 2024. This was in response to unreliable domestic crude oil supplies, a problem that has plagued the Nigerian energy sector for some time.

The company, recently released a tender for two million barrels of WTI Midland crude oil per month, as it seeks to ensure a stable supply of feedstock for its world-leading 650,000 barrels per day refinery located in Ibeju Lekki, Lagos. The tender is open for submissions until July 21, highlighting the company's proactive steps to maintain its refining operations and meet the country's energy needs.

According to reports, Dangote Refinery has secured a contract for the purchase of five million barrels of WTI Midland crude for delivery in August and September. In addition to this purchase, the company has also initiated a tender process to acquire an additional six million barrels of American crude for September.

Industry analysts have highlighted Dangote Refinery's decision to rely on American crude oil as a clear indication of the ongoing challenges faced by Nigeria's energy sector in meeting its domestic refining needs.

Attributed to factors such as crude theft, aging infrastructure, and underinvestment, Nigeria's crude oil production has been on a steady decline, with April's output reaching only 1.45 million barrels per day, a significant drop from the country's capacity of 2.6 million barrels per day.

The decline in Nigeria's oil production has not only resulted in revenue losses for the country but has also cast serious doubt on its ability to meet its Organization of the Petroleum Exporting Countries (OPEC) quota and maintain economic stability.

With domestic crude oil supply falling short of the requirements for Dangote Refinery's operations, the refinery has been forced to import crude oil from the U.S in order to maintain its production levels and ensure the country's aspiration of becoming a net exporter of petroleum products.

Speaking at the Africa CEO Forum 2024, Aliko Dangote, the Dangote Group president, acknowledged the necessity of importing crude oil for Dangote Refinery to maintain its operations while domestic production catches up with the company's needs.

Dangote pointed out that while sourcing 100 percent Nigerian crude would be ideal, the company cannot afford to wait for the country's domestic production to stabilise, especially as the refinery is scaling up its operations.

The Dangote Group president, while discussing the difficulties faced in sourcing crude oil locally, highlighted the complexity of the issue, stating that Nigeria currently lacks the diversity in crude oil types and mixes required for Dangote Refinery's operations.

In light of the country's low crude oil production, Dangote explained that the company has no option but to look beyond the country's borders for the required crude, despite their desire to source crude oil locally.

As Dangote Refinery gradually increased its processing rates and completed test runs in the first half of the year, the tanker-tracking data reveals that the facility received a total of 41 million barrels of feedstock.

L-R: Hassan Imam, managing director/CEO, Keystone Bank Limited, and Adedotun Olaoluwa, president, Dotmount Communications, at the Africa Industrial and Development conference and awards 2024 ceremony, at Transcorp Hilton, Abuja, where Keystone Bank Limited received the award of the 'retail bank of the year recently

Jupiter Lithium, Bevex ink deal to boost Nigeria's lithium production

Business a.m.

JUPITER LITHIUM LIMITED, A NIGERIAN mining firm, has signed a Memorandum of Understanding (MoU)with South African mining giant Bevex Mining Services, marking a crucial step in the mining sector's mission to drive value-added growth.

The move, Business a.m. learnt, is driven by a shared commitment towards the development and operation of a modular lithium concentrator plant in Kafanchan, Kaduna State.

The joint venture, named the Jupiter Project,promises to tap into Nigeria's vast spodumene reserves, unlocking the potential for premium Spodumene Concentrate (SC6) production. With an eye on meeting the global demand for lithium-ion batteries, Jupiter Lithium Limited and Bevex Mining Services have set in motion a three-month scoping study, encompassing drilling and metallurgical test work, to pave the way for the design and construction of the processing plant.

Hassan Tukur, representing the local investors, voiced his excitement at the signing of the MOU, heralding the partnership between Nigeria and South Africa as a significant step towards harnessing the potential of lithium processing technology. The MOU, he said, perfectly aligns with the local investors' vision of transforming Nigeria's mining sector into a powerhouse that not only generates wealth but also provides meaningful employment opportunities for the nation's citizens.

Tukur also highlighted Bevex Mining Services' significant experience in lithium processing across Africa, praising the firm's expertise as a vital addition to the Jupiter Project.

He noted further that in partnership with the local investors, the company will harness the potential of Dense Media Separation (DMS) technology, a technique successfully utilised in South Africa's mining sector to build modular process plants in close proximity to spodumene outcrops.

This approach, he explained, not only minimizes transport costs but also reduces the environmental impact associated with traditional mining practices, showcasing their commitment to sustainable development.

Assuring stakeholders of their unwavering commitment to the success of the Jupiter Project, Dave Griffiths, CEO,Bevex Mining Services, reaffirmed the firm's adherence to local development and environmental sustainability as cornerstones of their operations.

Outlining the benefits of DMS technology in modular plants, Griffiths highlighted the innovative approach's ability to significantly reduce transport costs, minimise disruption to local communities

"The modular concentrator plants will process spodumene ore, averaging 1.5% to 2% grade, to produce high-quality Spodumene Concentrate (SC6) with a 6% Lithium Oxide (Li2O) content. The SC6 will be sold domestically for further processing, enhancing Nigeria's value chain in lithium production," he explained.

With a clear vision of transforming Nigeria's mining landscape, Stephen Davis, director of Jupiter Lithium Ltd., expressed his confidence in the partnership with Bevex Mining Services, citing the move as a catalyst for expediting the development of the Jupiter Project and setting a benchmark for lithium processing in Nigeria. This initiative, Davis explained, will not only help meet the rapidly rising global demand for lithium but also serve as a launching pad for local industry growth and development.

The Kaduna State government gave its seal of approval to the partnership, with Abubakar Buba, commissioner for environment and natural resources, pledging the government's support to the development of the modular plants.

Afreximbank unveils training Programme to empower African businesses in AfCFTA era

Joy Agwunobi

THE AFREXIMBANK ACADEMY (AFRACAD), the educational arm of the African Export-Import Bank (Afreximbank), is set to host a forthcoming training programme designed to strengthen the capacity of African businesses in the evolving intra-African trade landscape. Targeting African businesses, the initiative seeks to help businesses effectively leverage the opportunities presented by the African Continental Free Trade Area (AfCFTA).

Aiming to bridge the knowledge gap for businesses in the AfCFTA landscape, Afreximbank Academy is poised to deliver a comprehensive training programme in Cairo, Egypt, from September 9 to 13, 2024, in collaboration with the AfCFTA Secretariat and the American University in Cairo.

According to the institution, the training is designed to demystify the various treaty instruments of the AfCFTA, presenting them in a way that businesses can easily understand and apply. Moreover, it will detail the requirements businesses need to meet to seize opportunities within the expanding AfCFTA market.

While the AfCFTA holds immense potential for economic development, many enterprises struggle to understand its technical nuances, hindering full benefits and competition with new entrants. The programme aims to address these challenges by enhancing business capacities, shifting from local production for local consumption to a model that supports both continental and international export markets.

Participants expected to attend include African corporates, particularly importers and exporters, trade support institutions such as trade promotion organisations, chambers of commerce, and investment promotion agencies. Export trading companies, members of the foreign trade community including investors, and bank executives are also among participants expected in the programme.

Yemi Kale, the group chief economist and managing director of research at Afreximbank, emphasised the need to develop the necessary skills and capacity for local industrial activities to ensure that all African countries can benefit from the AfCFTA's single market arrangements. He noted that Afreximbank is a strong proponent of the AfCFTA, aiming to transform Africa from a fragmented, commodity-dependent group of economies into a vibrant, integrated single market comprising about two billion people with a combined GDP of approximately US$3.4 trillion.

Kale further highlighted the importance of well-informed and prepared businesses in driving both intra- and extra-African trade and investment. He mentioned that the training programme is one of many capacity-building initiatives the bank has implemented to promote trade and investments within and beyond Africa.

The Afreximbank MD further noted that through the programme, Afreximbank aims to empower African businesses to fully exploit the vast opportunities created by the AfCFTA, thereby enhancing their competitiveness and contributing to sustainable economic growth across the continent.

Tsotetsi Makong, head of capacity building and technical assistance at the AfCFTA secretariat, highlighted the critical role of capacity building for the AfCFTA's successful implementation. He emphasised the need for a value chain approach to capacity building, starting with prioritising human resource competencies, establishing fit-for-purpose administrative procedures and processes, and translating the AfCFTA into national and regional regulatory frameworks.

ASR AFRICA commences N500m 30-bed hospital project for Nigeria Customs Service

Business a.m.

THE ABDUL SAMAD RABIU AFRICA INITIATIVE (ASR Africa) has commenced construction of a 30-bed hospital worth N500 million for the Nigerian Customs Service (NCS), symbolised by a groundbreaking ceremony recently held at the Customs Service Command in Bauchi State.

The groundbreaking of the state-of-the-art medical edifice in Bauchi State is coming after the presentation of letters of award to Nigeria's security agencies in December 2022 by Ubon Udoh, the MD/CEO of ASR Africa.

Adewale Adeniyi ,the comptroller general of the Nigerian Customs Service, expressed his appreciation to the chairman of ASR Africa for the grant awarded to the agency. He mentioned that this gesture is worthy of mention as it is the first of such a huge donation to the Nigeria Customs Service from any organisation.

Adeniyi added that upon assumption of Office as the CG, he deemed it fit to continue the project as the welfare of the agency's personnel is his utmost priority. He promised that the Nigerian Customs Service is committed to ensuring adequate deployment of medical personnel for the effective use of the facility when completed.

L-R: Uthman Dan jikan Bauchi, Hakimin Miri; Dayo Kolurejo, project contractor; Ubon Udoh, managing director/CEO, ASR Africa; Bashir Adewale Adeniyi, comptroller general, Nigeria Customs Service; ACG A. Abdulazeez, zonal coordinator, Bauchi/Gombe Command; and DCG MJ Nwafor, at the ground breaking ceremony of the Abdul Samad Rabiu 30-Bed Modern Reference Hospital for Nigeria Customs Service, Bauchi.

Speaking at the groundbreaking ceremony, Ubon Udoh (MD, ASR Africa) reiterated the commitment of Abdul Samad Rabiu, the chairman of ASR Africa and the BUA Group, in fulfilling the pledges made to the security agencies across Nigeria. He further stated that ASR Africa has engaged with all the beneficiaries of the security grant and is on track to ensure the implementation of all projects selected by the armed forces and security agencies. He thanked the leadership of the Nigerian Customs Service for partnering with ASR Africa on this project.

It will be recalled that Rabiu, on his visit to the immediate past President of Nigeria in December 2022, announced a grant of N10 billion to the Nigerian armed forces and security agencies. This grant, part of the Security Sector Support grant, is aimed at providing support for security agencies in the country and the armed forces to effectively and efficiently fulfill their mandate to the Nigerian people. Other beneficiaries include the Nigerian Navy, Nigerian Air Force, Nigerian Army, Nigeria Security and Civil Defence Corps (NSCDC), Nigeria Immigration Service, Department of Secret Services (DSS), Nigeria Police, National Drug Law Enforcement Agency (NDLEA) and the Nigerian Correctional Service.

GTCO offers Spectrum of Possibilities to foster autism empowerment, inclusivity

Onome Amuge

GUARANTY TRUST HOLDING COMPANY PLC (GTCO) is setting the stage for a game-changing conversation about inclusivity and self-advocacy with its upcoming 2024 Autism Conference, themed"A Spectrum of Possibilities". As part of this event, the financial services group has planned a series of thought-provoking events aimed at celebrating the unique potential of individuals living with Autism Spectrum Disorder (ASD) and breaking down barriers to a more equitable, accepting society.

Building on its 14-year commitment to raising awareness and understanding about autism, GTCO is set to host its 2024 Autism Conference on July 15 and 16 at the Muson Centre in Lagos. The two-day event, themed "A Spectrum of Possibilities," promises to be a landmark moment in the history of autism advocacy in Nigeria, offering not only a comprehensive main conference but also follow-up consultations and a free one-on-one clinic running from July 16 to 20 at the Chapel of Light in Alausa, Ikeja.

The autism conference will also extend to Ghana, with a workshop scheduled for July 23rd at the University of Professional Studies in Accra. Following the workshop, consultations will be offered from July 23rd to 27th at the same venue.

The financial services group highlighted the significant impact of its annual autism conference, which has now become a leading platform for autism advocacy and intervention in Africa. With a strong focus on supporting individuals with neurodevelopmental disorders, the conference has enabled the provision of support and empowerment to thousands of people with ASD.

GTCO disclosed that this year's autism conference is a collaborative effort with local and international specialists and organisations, aimed at providing an informative and interactive platform for individuals with ASD, their families, and professionals.

The conference will feature various activities, including lectures, panel discussions, and performances, designed to showcase the incredible talents of individuals on the autism spectrum while also facilitating connections and the exchange of ideas regarding autism spectrum disorder , including its causes, management, and support for those affected.

Speaking at a press conference to announce the 2024 edition of the annual autism awareness and support, Charles Eremi, the GTCO team lead for corporate communication, explained that the theme of the 2024 autism conference, "A Spectrum of Possibilities", is closely aligned with the company's core values of diversity, equity, and inclusion, which aim to create a society where everyone is respected and treated equally, regardless of their background or abilities.

Eremi stated: "GTCO autism programme has established itself as a beacon of hope and a reference point for autism advocacy and intervention in Africa.

"Over the years, the programme has made significant impacts, providing support and empowerment to thousands of individuals with neurodevelopmental disorders.

"In collaboration with specialists and partner-organisation from Nigeria and outside, the programme will feature lectures, panel discussions carefully prepared to showcase diverse talents."

Okezusi Bolodeoku, an autism care specialist, expressed concern over the widespread lack of awareness, acceptance, and accommodation for individuals with autism spectrum disorder.

According to Bolodeoku, ASD is not a disease but a unique neurological difference in a child's brain, which can be managed effectively.

Bolodeoku underscored the vital need for society to embrace acceptance and understanding for every child living with autism, debunking misconceptions and promoting awareness to foster a more compassionate and inclusive environment.

Also speaking at the press conference, Benedict Sama, a clinical psychologist, urged parents, professionals, teachers, and caregivers to attend the upcoming autism conference, stressing the critical importance of gaining knowledge, practical strategies, and awareness about managing autism.

Milken Institute welcomes Flutterwave,Dangote Group into Africa Leadership Business Council

Joy Agwunobi

THE NEWLY FORMED AFRICA LEADERS Business Council, established by the Milken Institute, has welcomed payments fintech powerhouse Flutterwave, as well as the Dangote Group, into its fold.

This recognition comes on the heels of the council's recent launch, which seeks to deepen the Institute's engagement and partnerships across Africa.

The council, according to the Milken Institute, is a platform that brings together a wide range of visionaries, industry experts, investors, and thought leaders in various sectors including business, technology, finance, sustainability, and innovation.

The Milken Institute, known for its non-profit, nonpartisan approach, is focused on driving measurable progress towards meaningful lives. It has been actively involved in Africa through several initiatives. These include the Global Financial Scholars Programme, which aims to nurture future leaders in financial policy and public asset management, and the Milken–Motsepe Innovation Prize Programme, which invites global innovators to develop technological solutions supporting the United Nations' Sustainable Development Goals (SDGs).

In addition to Flutterwave and the Dangote Group, the council's inaugural members include the Africa Investment Forum, BES, Cross-Boundary Group, Lateral Frontiers VC, Lions Head Global Partners, Prosper Africa, Proxima Legal, RisCura, Sabi, Symbion Power, Tofino Capital, Ubuntu Group, Unified State Group, Women's World Banking, and YAATRA Ventures.

Following their inclusion, Flutterwave and the Dangote Group, alongside other council members, are set to play critical roles in advancing the Institute's initiatives. They will leverage their extensive reach and influence to foster sustainable economic growth and drive innovation within Africa and beyond.

The Milken Institute emphasised that the creation of the Africa Leaders Business Council underscores its commitment to Africa and aligns with its strategic expansion across multiple regions, including Europe, Asia, the Middle East, and Latin America.

Commenting on the development, Olugbenga Agboola, founder and CEO of Flutterwave, highlighted the company's role in facilitating seamless market entry for global enterprises into Africa and empowering local businesses. He noted that Flutterwave's mission complements the Milken Institute's goal of leveraging technology and expertise to drive sustainable economic growth across the continent. Agboola further expressed enthusiasm about collaborating with the Institute to promote innovation and inclusive development in Africa.

Laura Deal Lacey, executive vice president leading the international programme at the Milken Institute, remarked on Africa's demographic potential and its increasing importance in the global economy amid a rapidly changing geopolitical landscape.

Lacey pointed out that Africa's innovation and ingenuity are unmatched, positioning the continent to play a crucial role in addressing global challenges such as climate change, health, and energy transition. She also disclosed that the council will offer vital guidance on navigating regional challenges and contributing to global solutions.

Radisson RED Abuja in as hotel group's Africa expansion continues

Business a.m. Reporter

RADISSON HOTEL GROUP'S expansion across Africa continues apace with the recent signing of seven new hotels to its African network, including Radisson RED Hotel Abuja, Nigeria.

The addition of the Abuja property consolidates the group's hold on a leading position with a portfolio of 13 hotels in operation and under development, including five new hotels signed in 2023.

According to a statement, the signing of the *Radisson RED Hotel Abuja* has further bolstered the Group's presence in the city, bringing the total number of hotels under development in Abuja to four.

Africa-wide, the seven new hotels will see the group add 1,200 hotel rooms to its African portfolio, as well as its debut in Tanzania within the first half of 2024. Accordingly, with the additions, the hotel group said its footprint in Africa has grown to nearly 100 hotels in operation and development, placing the group well on track to reach its goal of 150 hotels within the next five years.

According to a statement issued on this development, Tanzania has been identified as a key market in the Radisson Hotel Group's proactive expansion strategy, making its debut in the country with two hotel signings, noting that this addition enhances the Group's diverse African portfolio, spanning across 30 countries, further establishing it as the hotel company with the largest market presence in Africa.

In Morocco, Radisson said it has pursued the same efforts with a clear transformation plan, growing its presence from one hotel in 2020 to over nine hotels in operation and four hotels in development today. "Casablanca represents a strategic hub among multiple continents and the new signing of *Radisson Blu Hotel & Apartments Casablanca Finance City and Radisson RED Hotel Casablanca Finance City* solidifies the Group's ambitions to reach over 25 hotels by 2030 across the country," the statement read.

Ramsay Rankoussi, vice president, development, Africa and Turkey, at Radisson Hotel Group, said, "The seven new hotels align with our expansion strategy, demonstrating significant growth in key African markets such as Morocco, Nigeria, Tunisia and Ethiopia as well as our highly anticipated debut in Tanzania. These hotels also highlight our conversion strategy and our commitment to diversifying our portfolio by introducing new brands and cementing our presence in these important markets."

The six hotel signings include:

Radisson Blu Hotel & Apartments, Dar es Salaam (Tanzania)

Marking Radisson Hotel Group's debut in Tanzania, this 138-room hotel, featuring 94 guestrooms and 44 three-bedroom apartments, is set to open in 2025 as part of a mixed-use development in Dar es Salaam's CBD. The hotel will occupy the top 14 floors of a 33-floor tower, one of the tallest buildings in the area, and is within walking distance of the ferry terminal to Zanzibar Island.

The hotel will offer a diverse array of dining facilities, including a lobby café, business class lounge, all-day dining restaurant, specialty restaurant, outdoor pool, and pool restaurant. Additional amenities include retail stores, a ladies' salon, indoor parking, a gym, steam room and sauna, kids' playroom, and eight meeting rooms.

Radisson Hotel Casablanca Gauthier La Citadelle

Radisson Hotel Mwanza (Tanzania)

Supporting a strong market entry, this 196-room hotel, currently under construction, will debut the Radisson brand in Tanzania in 2025. Mwanza, Tanzania's second-largest city, is renowned for corporate meetings and events and is the ideal starting point for tours to the Serengeti National Park. As the only branded hotel in Mwanza, it will feature a lobby café and bar, all-day dining restaurant, sports bar, outdoor pool bar, executive lounge, and two specialty restaurants, Balaustine, a 'casual-fine dining' experience inspired by the Barbary coast and the Levant and Filini, offering a delectable dining experience of fresh, simple, and delicious Italian-style cuisine.

The meetings and events space includes a triple-height ballroom, business centre, boardrooms, and a conference room. The extensive wellness facilities will include a gym, spa, outdoor pool, and kids' playground.

Radisson Blu Anchorage Hotel, Lagos, V.I.

Radisson Blu Hotel & Apartments, Casablanca; Radisson RED Casablanca Finance City (Morocco)

Enhancing the Group's Moroccan portfolio, which currently includes 11 hotels in operation and under development, is the addition of two dual-branded hotels and a serviced apartment. These new builds, including the first Radisson RED hotel in North Africa will feature a total of 381 rooms, and are set to open in late 2027. They will be located in Casa Anfa, at the heart of Casablanca Finance City, the city's new financial hub, recognised as Africa's leading financial centre, on par with London and La Défense in Paris.

Providing guests with an array of dining and wellness facilities for an ideal stay, the Radisson Blu will offer guests an all-day dining restaurant, a specialty rooftop restaurant, and a rooftop bar. Meanwhile, the Radisson RED hotel will feature a restaurant and a pool bar. The Radisson Blu's wellness facilities will include a spa, a fitness centre, and an outdoor rooftop swimming pool. The Radisson RED will also provide a fitness centre, an outdoor pool, and an outdoor rooftop swimming pool.

For meetings and events, in addition to the five meeting rooms at the Radisson Blu, there will be a 1,100-square-metre conference centre comprising an auditorium, large ballroom and three meeting rooms, making the complex the future meeting destination.

Radisson Blu Hotel & Conference Center, Tunis (Tunisia)

This 305-room hotel, a conversion of an existing property, will soon debut the Radisson Blu brand in Tunis, complementing the Group's footprint in Tunisia as its seventh hotel in the country and fourth in Tunis. Located just 10 minutes from the airport, the hotel will feature dining outlets such as a lobby bar, shisha bar, all-day dining restaurant, and three specialty restaurants.

The expansive convention centre will include multiple meeting rooms, boardrooms, a VIP room, an executive lounge, a business centre, and a 1,400 sqm ballroom, making it the largest conference centre in the city.

Radisson RED Abuja (Nigeria)

The new-build 105-room hotel, set to open in 2028, will be Radisson Hotel Group's 13th property in Nigeria and the second Radisson RED in the country, introducing the upper upscale brand to Abuja. Located in Wuse, Abuja's main commercial and social district, the hotel will be surrounded by corporate offices, popular estates, shopping malls, and nightlife venues. The hotel will feature a bar and terrace, an all-day dining restaurant, and a pool bar and grill. It will also offer 238 square metres of meeting space, including three meeting rooms and a pre-function area, as well as a fitness facility.

Park Inn by Radisson Addis Ababa (Ethiopia)

Scheduled to open in 2025, this 120-room hotel will be the Group's third hotel in Ethiopia, all located in Addis Ababa and introduce the Park Inn by Radisson brand to the country. Dining options will include a breakfast hall, restaurant hall, coffee shop, and four soft drink bars. The meeting and events space will consist of a large and medium conference room and four meeting rooms. Guests can also enjoy two gyms, a spa, business centre, sport facilities, kids' entertainment area, retail space, and co-working space.

Since 2022, the Group has opened 14 hotels, including the debut of the Radisson brand in Morocco and Tunis with Radisson Hotel Casablanca Gauthier La Citadelle and Radisson Hotel Tunis City Center, solidifying its position as the largest hotel operator in Tunisia. The openings have diversified the Group's portfolio with the first safari hotel in Africa, Radisson Safari Hotel Hoedspruit, the first resort in Livingstone, Radisson Blu Resort Mosi-oa-Tunya, and the debut in Reunion Island with Radisson Hotel Saint Denis. This achievement has set a record for the Group in terms of realising its pipeline into openings, translating into a commendable 15 percent annual net operating growth in its African portfolio.

"With a strong first half of the year, we plan to continue the momentum in the second half by focusing on expanding our presence in key markets such as Morocco and South Africa, where we've recently announced our ambition to reach 25 hotels by 2030, doubling the portfolio in both countries. We thank each of our partners for their valued trust in us and our brands," concluded Rankoussi.

Aura by Transcorp Hotels makes summer picks of hotels

Business a.m. Reporter

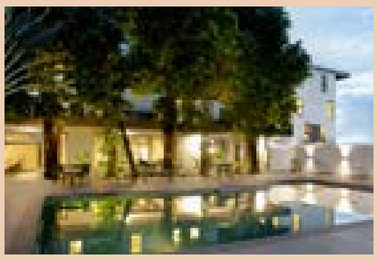
AURA BY TRANSCORP HOTELS, a digital platform for booking unique accommodation, including homes and hotels, as well as memorable experiences, has given some attention to summer and made a pick of hotels for those looking for some of the best places to enjoy summer across Nigeria.

"In case you don't know what time it is, it's Summer Time!" Aura screamed, and then went on to say: "This summer we're going to be out and about the country, but in a different way. This year, the aura is 'Living life and exploring new territories.' We're talking staycations, games nights, exhibitions, picnics, beach getaways, road trips and waterfalls. We're ready for summer, are you?"

HERE ARE AURA'S TOP PICKS FOR SUMMER

Oasis, Ikate, Lekki

Discover your urban oasis in the heart of Salem, Ikate, Lagos. This stunning one-bedroom home is the perfect blend of comfort and tranquillity.



Nordic Hotels, Victoria Island

The suite life is indeed the sweet life and when you have this earthy view in the evenings and amazing pool, it's the summer life. Experience Nordic Hotels this summer, trust us!

Avenue Montagne, Ikoyi

Nothing says slumber parties like a 3-bedroom apartment in the heart of Ikoyi with the view of the city. Binge watch the late shows and have that much needed catch up with your crew. Experience intense laughter, tears and goosebumps this summer.

Periwinkle Living

Discover the perfect blend of luxury and comfort in this stylish 5-bedroom home in Chevron, Lagos. Nestled in the quiet heart of the city, this fully furnished apartment offers modern amenities, spacious living areas, and a serene ambiance, making it an ideal choice for both short and extended stays. Whether you're in town for business or leisure, experience the best of Lagos with a stay that feels like home.

O2 Apartment

Treat yourself to a relaxing and heartfelt stay in our luxurious 1-bedroom short let apartment in Lagos. This place promises an unforgettable experience, combining comfort and elegance to create lasting memories.

LBS, CityBlue Hotels to drive Africa's hospitality industry's growth

Business a.m. Reporter

LAGOS BUSINESS SCHOOL (LBS), Africa's leading business school, has appointed Jameel Verjee, founder and chief executive officer of CityBlue Hotels, to the advisory board of LBS Hospitality Initiative alongside industry heavyweights Trevor Ward and Mossadeck Bally.

Belinda Nwosu, academic director, LBS Hospitality Initiative, explained that the Initiative is a platform for developing and growing the hospitality industry in Nigeria and Africa, anchored on four main pillars – Advisory, Engagement, Research, and Capacity Building.

CityBlue Hotels is a hospitality and technology business built from the ground up over the last decade across sub-Saharan Africa with operations in five countries and has significant expansion plans.

CityBlue says by partnering with LBS Hospitality Initiative, it hopes to accelerate its expansion into West Africa to complement its plan to open in Accra, Ghana, later this year.

A statement made available to Business a.m. said the partnership will strengthen the company's focus on executive leadership development and critically, expand CityBlue's ESG and governance strategy across sub-Saharan Africa.

Speaking about the partnership at the recently held Africa Hotel Investment Forum (AHIF), Nwosu remarked, "We are happy that Jameel accepted to join our advisory board as his skill set, demonstrable resilience, and range of experiences in Africa will benefit our goal to co-create solutions for regional players

and proactively build a pipeline of local talents for executive leadership in the hospitality industry."

Jameel, also at AHIF, expressed his excitement at the opportunity to collaborate with Lagos Business School: "We are excited to take the next step for our group, both in partnership with LBS Hospitality Initiative and to learn from Belinda and her team. Nigeria has the largest population in Africa and the most potential for knowledge-based, tech-driven growth. This is both an honour and an opportunity for us".

According to an explanatory statement, the partnership between LBS Hospitality Initiative and CityBlue Hotels will, among other things, revolutionise executive development in the hospitality industry in Africa, which aligns with the vision of Lagos Business School to develop responsible leaders to inspire Africa's growth.

ANALYST INSIGHT

The Airport Customer Experience

How smart security screening improves passenger experience

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).

A NEW SMART SECURITY screening technology being put to use at Hong Kong International Airport is set to improve the passenger experience. So the challenge of having to take off shoes and some clothing at the airport while opening and closing one's luggage and at the same time struggling with the tray, the beep of metal detectors and sometimes having to wait on the queue while a boarding announcement is being called for your flight, which raise travel anxiety, will be better managed.

While some airports, since 2015, have been replacing outdated scanning systems with advanced computerised tomography (CT) X-ray machines, Hong Kong International Airport is, however, the first in the world to introduce such across the whole airport. It is expected to further improve operational performance and passenger experience as it is implemented from July, 2024.

So passengers who use the new smart security screening channels can now keep laptops, mobile phones and other electronics, as well as aerosols, gels and liquids in their carry-on luggage. They will no longer have to remove them for screening, as is required by present security protocol. Travellers will be able to keep liquids and electronics in their hand luggage when they pass through security at Hong Kong airport from July, due to an HK$800 million (US$102 million) upgrade of the system that includes smart screening. Though the new process will no longer require passengers to remove electronic devices and liquids from their hand luggage, liquids exceeding 100ml will still be prohibited.

These CT scanners generate three-dimensional views, allowing security personnel to rotate images and inspect the contents of hand luggage from different angles. By screening more individuals within a shorter timespan, this technology allows lines to move more quickly, helping airports avoid delays and passengers experience less stressful journeys. Also, the new system is equipped with other passenger-focused functions; these include auto-tray rejection, in-built tray sterilisation and an automatic alert to passengers for uncollected items on the tray. It is the latest 3D and 360-degree CT-based X-ray scanning technology that is enabling this improvement to passenger experience at the airport.

Another feature where passengers fail to clear the archway metal detector, is that further screening will be conducted in a new full-body scanner. This is replacing the existing manual search that uses a hand-held detector. From the way it works, the advanced imaging technology deployed in the full-body scanner can accurately locate any concealed items while reducing physical contact between passengers and security staff. To protect passengers' privacy, only a simple outline of the body will be shown on the screen of this new body scanner.

The method of implementation presents useful learning points for other airports. The new passenger security screening system is composed of fifty channels and thirty-two full-body scanners. This is being installed and put into operation in Terminal 1 in phases. The first batch at South and North Departures Immigration Halls in Terminal 1 was put into service on 2 July 2024. Performance measurement in this regard is based on data. It is expected that apart from enhancing passenger experience, operational efficiency can also be achieved by introducing the new smart security screening system, increasing the average throughput by about 20 percent.

A useful justification for introducing this technology at any airport, considering the enormous capital investment in this period where airports are having to navigate through tough times is to have data on throughput time at the airport without the new smart technology. Then followed by the expected savings in time by passengers when this scanner is acquired. The devices are expected to scan passengers' carry-on luggage and generate a three-dimensional image for analysis, reducing scanning times from 15 to 10 seconds. The airport's departure halls currently boast 35 security lanes, with each handling 240 passengers per hour. The smart revamp will reduce the number of lanes to 28, with each able to process 360 people every hour, and, it is expected that 98 percent of passengers will complete the security screening process within four-and-a-half minutes.

It is important to recall that passengers removing laptops, mobile phones and other electronics, as well as aerosols, gels and liquids in their carry-on luggage has been the norm since 2006. Liquids have been under strict scrutiny since a terrorist plot involving chemical explosives was thwarted that year. Because most scanners couldn't detect liquids with passenger electronics in the way, those laptops, tablets, and e-readers also had to be removed and that is now changing. So in addition to the economic argument, there is the improved safety and security of passengers due to this new smart screening technology. Also, pointing out the connection between improved passenger experience and the bottom line will go a long way in convincing decision makers on the need for this asset at an airport.

Airports in Africa will now need to bring forward future plans for the introduction of this technology enabled airport security processing to ensure that they keep the passenger experience at levels not too far away, if not match and exceed that of their peers across the globe. It will involve significant capital investment as well as training and retraining of employees at the airport. It will require customer sensitisation on the improved security protocol when put to use. And with increased mobility across African countries, especially for those in the same region, will become a differentiator of one airport from the other that may determine who gets a better share of the growing air transport market across the continent.

Six trends shaping new business models in tourism and hospitality

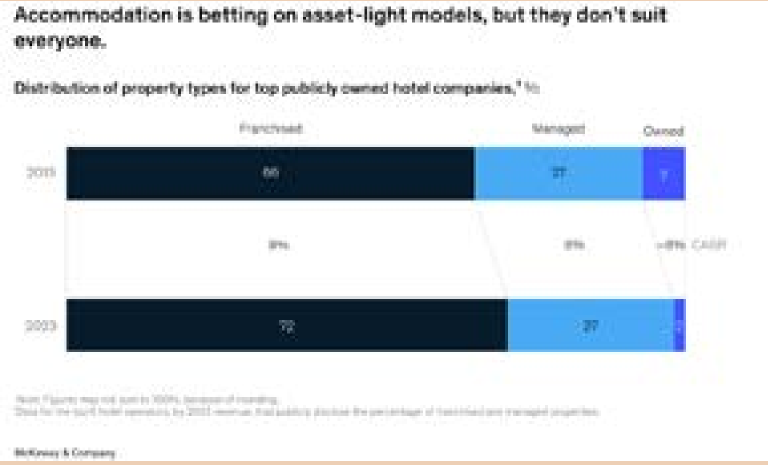
Tourism and hospitality companies have transformed over the past decade. Here's a look at trends related to accommodations and experiences.

As destinations and source markets have changed, tourism and hospitality companies have evolved too. Six key trends have shaped business models in this sector over the past decade.

In accommodation, asset-light models like franchising and management have proliferated, though luxury and small-scale brands are opting out. Consolidation has driven economies of scale. Hotels are looking to reclaim their relationship with guests, and almost two decades in, home sharing is charting its own course.

In the experience space, reinvention is the name of the game. Cruises and theme parks have both focused on attracting new demographics while fine-tuning their revenue management strategies. Experiences remains a highly fragmented, legacy sector, creating massive opportunities for those able to crack the code on aggregation.

By considering the six trends, tourism and hospitality companies can gain insights on business



practices for today — and on areas of future opportunity.

Accommodation: New models and value propositions

Large hotel brands have increasingly turned away from hotel ownership, scaling their business through franchising and management instead. The move is paying off. We find there is a 0.84 correlation between a hotel company's share of franchised properties and its net profit margin.

Not all of hospitality is embracing asset-light model, however. Luxury hotel chains have resisted the trend, largely retaining in-house ownership to control standards. And smaller brands may find that they cannot reach the economies of scale that make the maths of a franchise business work—focusing instead on creating distinctive experiences on a smaller scale.

Consolidation set the stage for the past decade. Several hotel brands quickly grew their foothold in key geographies and customer segments through strategic acquisitions, achieving economies of scale along the way.

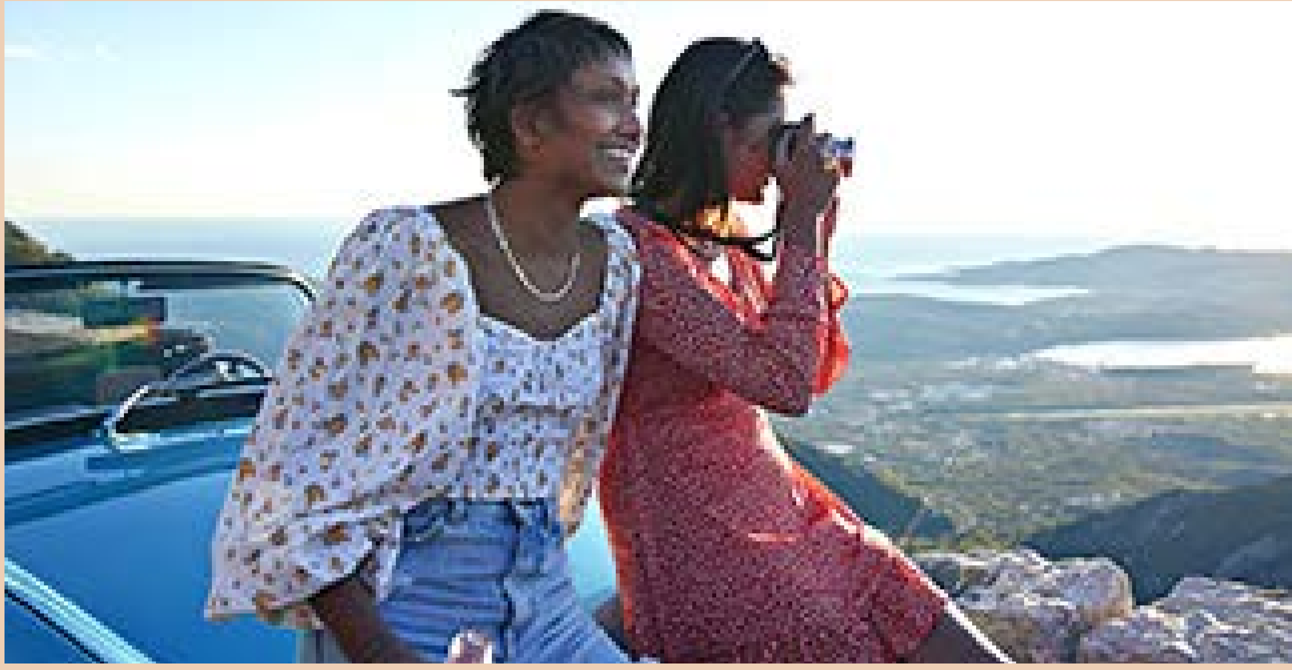
As major hotels take a breather from a series of substantial acquisitions, further mergers between large hotel brands seem unlikely.

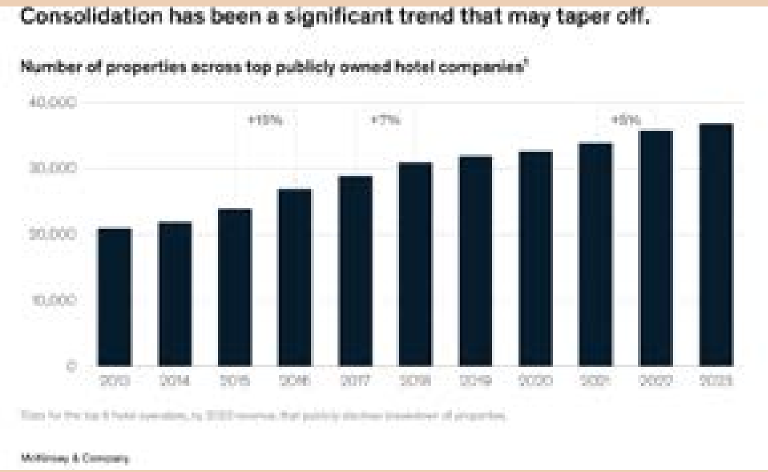
However, tuck in acquisitions to target key growth demographics, like the luxury and youth categories, are likely to continue.

Another trend on the horizon is direct booking. Long reliant on online travel agencies, hotels are looking to reclaim their relationships with customers—both to cut down on intermediary booking fees and to learn more about their guests. Hotels are encouraging direct bookings through a variety of levers, ranging from best-rate guarantees to higher reward-earnings rates and improved mobile applications

Home sharing is here to stay. The segment has grown from 10 to 14 percent of booking value between 2017 and 2023, experiencing ups and downs in profitability along the way.

Recently, home sharing has positioned itself as more than a stand-in for traditional hotels.





Airbnb's recent advertising campaign "Get an Airbnb" leaned into the differences of home sharing from other hospitality offerings, emphasising the space and privacy that renting a house can offer.

Home-sharing companies have also become a key distribution channel for smaller hotels, as they can offer more control over inventory and lower fees than other channels. In 2019, Airbnb reported a 152 percent increase in the number of rooms available for booking through its platform in boutique hotels, bed and breakfasts, and resorts.

Experience providers: New segments and revenue streams

Cruises may only account for 2 percent of the overall travel and tourism market, but they have achieved 6 percent yearly revenue growth in the past decade. Attracting new travellers and providing new experiences have been key growth strategies.

Luxury hotels are capturing the new-to-cruising segment with the launch of yacht brands, purposefully positioned as a distinct experience from traditional cruises. Meanwhile, millennials are challenging stereotypes about cruising: of all cruise passengers, they are the demographic most likely to say they plan to cruise again (88 percent).

In parallel, cruises have fine-tuned their profitability through economies of scale and new revenue streams. Megaships have become the new normal, as ships with over 3,000 berths have grown from 27 to 47 percent of the global cruise fleet since 2015. Ancillary purchases such as onshore excursions and onboard casinos have also become a major source of growth, now accounting for 30 percent of revenue on average.

Theme park attendance has grown 3 percent a year over the past decade, as theme park providers capitalise on new demographics and refine their revenue management strategies.

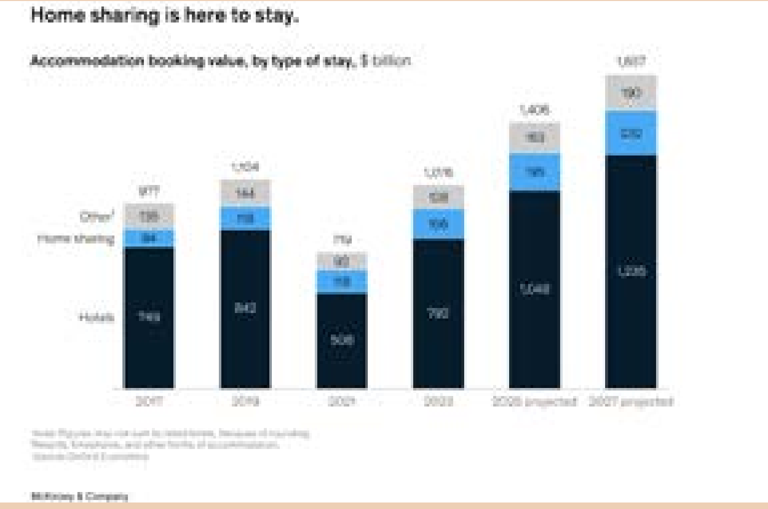
Two new groups of visitors in particular are powering growth. First, the Asia–Pacific region accounted for much of the growth in theme park attendance in the past decade: of the total number of new visitors between 2013 and 2018, 57 percent were from Asia. Second, millennials are heading to parks in greater numbers, and not just for their children. A similar proportion of millennial parents (78%) and millennial nonparents (75%) say they are interested in going to a theme park.

To increase value from growing attendance, theme parks have become increasingly sophisticated in the field of revenue management. Demand-based pricing, tiered annual passes, and skip-the-line fees are all poised to go from pioneering to widespread practices.

Experiences are increasingly important to travellers, but the segment remains a highly fragmented space. Operators of activities ranging from walking tours to snorkelling outings tend to be small businesses with a limited digital presence.

This has created an opportunity for tech-forward companies to help travellers discover and book experiences. Destination marketing organisations have long played a role in this. For instance, VisitScotland helps visitors discover interesting activities like attending Harry Potter filming locations and whiskey tastings.

Several private companies that offer online discovery and booking platforms for travel activities, like Viator, GetYourGuide, and Klook, have achieved considerable growth in the US, European, and Asian markets.



usiness
spitality

GetYourGuide grew its revenue fourfold between 2022 and 2023, Viator revenue was up 49 percent for the same time period, and Klook reported twice as many new customers in 2023 as in 2019.

Looking forward: Strategies to stay ahead of the curve

Where does this leave tourism and hospitality companies? Companies in any given sector tend to follow a power law curve: a small share of companies account for an outsize portion of both profits and losses. The tourism and hospitality sector is no different.

Over the past decade, publicly listed accommodation and experience providers grew revenue at 3 percent and 4 percent, respectively, roughly in line with global GDP growth. Accommodation providers increased their profits by five percentage points, while experience providers remained at an 18 percent average profit margin.

As stakeholders gear up for the next decade, there are things that businesses across the sector can do to sustain their hard-won growth—and profits. Moving forward, three strategies in particular can help tourism and hospitality companies stay on the leading edge of innovation.

Unbundle offerings

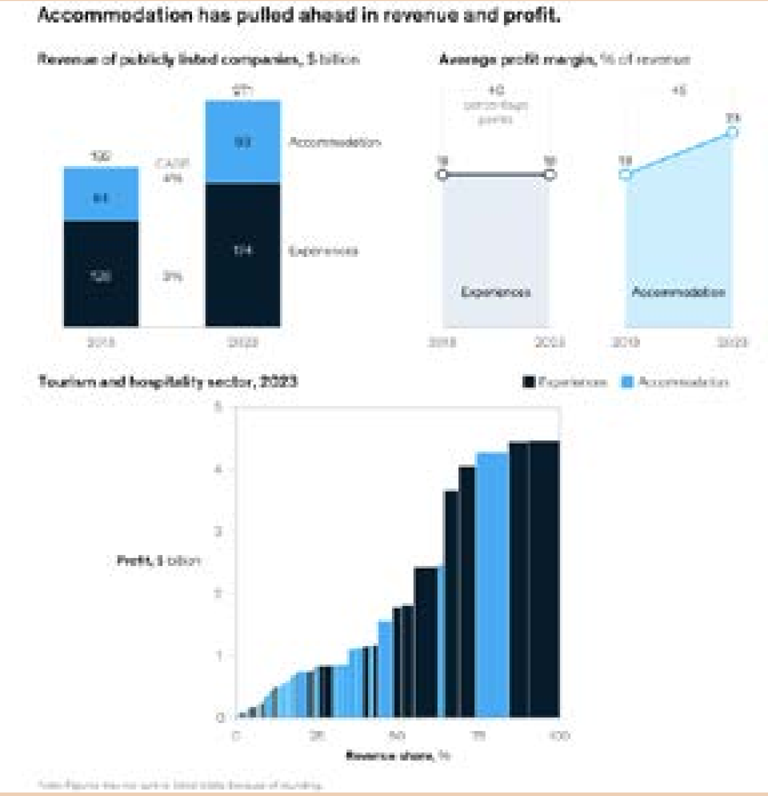
Hotel and experience providers can take a page from the airline playbook by unbundling rates and letting consumers pay for the exact experience they want. For example, at the time of booking, hotels can present guests with an individually priced bundle for a room on a higher floor, including breakfast and free parking—features that the guest's past behaviour suggests they would particularly value. Ensuring that guests can find their ideal room can lead both to increased revenue and increased satisfaction. A major hotel brand reported that guests chose to spend an additional $22 per night, on average, to customise their hotel room to their liking.

Cross-sell exclusive experiences

For accommodation and transportation companies, partnering with experience providers to cross-sell a full journey provides an opportunity to tap into a growing area of traveller spending—and a chance to deepen the relationship with customers as a vacation creator. For example, airlines can partner with museums to offer discounted rates if booked at the time of the flight, or hotels can partner with a historical site nearby to offer early-hours admission. For uptake rates to become significant, the partnership needs to add value beyond mere cross-selling. Offering features like insurance or an option to buy now and pay later is one way to add value; creating a distinctive experience like a combined train and historic hotel journey is another.

Embrace a data-powered strategy

Tourism and hospitality entities individually hold a treasure trove of untapped data. Take Paris: hotels may see a surge in bookings for the "shoulder season." Experience aggregator platforms might see that street food tours have attracted rising interest. Social media might reveal that a particular neighbourhood is exploding in popularity. What special guest experiences could be created by combining these insights? Stakeholders can unlock new revenue streams by thinking through what data they hold that can be of value to others. More broadly speaking, combining multiple sources of data can help guide a strategy of unbundling and cross-selling to create more gratifying and pertinent experiences for travellers around the world. Embracing data isn't just smart—it's the future of travel.



Dream, CityBlue hotels team up to promote pan-African hospitality

Business a.m. Reporter

INTENDING TO GROW THEIR FOOTPRINTS in Africa, Dream Hotels & Resorts and CityBlue Hotels have come together in a strategic sales and representation partnership that will fortify their market presence across the continent.

The partnership, already christened 'Collaborating for a Brighter African Hospitality Future,' marks a significant milestone in bringing together two renowned African hospitality companies with a shared vision of sustainable growth, according to a statement the hotels issued recently.

Dream Hotels, which is regarded as a prominent player in South Africa's hospitality industry, has a portfolio comprising 23 mixed-used properties. On the other hand, CityBlue, which prides itself as Africa's fastest-growing local hotel chain with properties across Accra, Dar es Salaam, Juba, Kampala, Kigali, Lamu, Mombasa and Nairobi, has plans to reach 50 operating hotels by 2028.

"Collaboration is a powerful force that brings together diverse perspectives," says Nick Dickson, director of Dream Hotels & Resorts. "By combining our resources, expertise, and extensive networks, we're establishing a unified approach to market expansion, while delivering even greater value to our guests," Dickson added.

Jameel Verjee, founder and chief executive officer of CityBlue Hotels, said their East and West-meets- South partnership will include joint marketing campaigns, co-branded promotions, combined trade show representation, and the exchange of contracted agents, wholesalers, and clients to ensure a diversified market reach.

"A rising tide lifts all boats," he adds. "By working together in complementary markets, we are endorsing the opportunities of pan-African collaborations, which ultimately leads to a more resilient, robust and unified industry," said Verjee.

Dream Hotels & Resorts

CityBlue Hotels

Both hotels signed an official Memorandum of Understanding (MOU) to this effect at the recently held Africa Hotel Investment Forum (AHIF) in Windhoek, Namibia.

Dream Hotels and Resorts was founded in 1988 with a mission to deliver dynamic and exceptional hospitality solutions in Africa that connect local and global travellers to our communities in a sustainable and relevant manner. Its management said with a growing portfolio of over 23 properties, including exclusive membership and ownership opportunities, it has adopted a more purposeful approach to the guest experience, leading with greater compassion and intent, while creating a healthy balance between its actions, communities, and the environment.

As for CityBlue Hotels, Africa's fastest-growing local hotel chain, which operates properties across some of East and West Africa's major cities, and is renowned for its modern, comfortable accommodations and strong focus on business travellers, it says its mission is to open African doors and extend care to everyone through the celebration of diversity. CityBlue noted that it aims to build the future of African hospitality by harnessing the power of technology to democratise travel.

Africa's data centres ignite innovation, investment with massive opportunities in $517.2bn global market expansion

Stories by Joy Agwunobi

AFRICA STANDS AT the threshold of a remarkable digital revolution, with the continent's growing data center market poised to propel it to the forefront of global tech and economic advancement, reports show.

A recent analysis of the sector by Africa Data Centres Association (ADCA) and the Oxford Business Group (OBG), titled "The Data Centres in Africa 2024", found that the world's data center provision market is set to skyrocket from $187.4 billion in 2020 to $517.2 billion by 2030. With this prediction and Africa's flourishing digital ecosystem in mind, the continent is seen to be on track to play a pivotal role in this remarkable growth trajectory, as it transforms into a key player in the global data centre landscape.

As highlighted in the report, the increasing prevalence of internet connectivity, mobile technology, and digital services in Africa is fueling unprecedented demand for robust data infrastructure. Given this trajectory, Africa stands ready to leverage its strengths and seize its opportunity to shape the global data centre landscape, building on its unique advantages and establishing itself as a major player in the digital world.

According to the report, key markets such as Nigeria, South Africa, Kenya, Egypt, and Morocco are attracting substantial investment, positioning themselves as hubs for digital infrastructure development.

L-R: Abdul Oganla, former MTN Football scholar and co-founder, VCL Africa; Ugonwa Nwoye, chief customer relations officer, MTN Nigeria; Tobe Okigbo, chief corporate services & sustainability officer, MTN Nigeria; and Fola Folowosele, co-founder, VCL Africa, during a courtesy visit by former MTN Football scholars to the MTN Nigeria head office, Ikoyi, Lagos recently.

Nigeria, in particular, is emerging as a crucial player due to its large population, rapid urbanisation, and growing tech ecosystem. By 2025, it is expected that over 70 percent of African organisations will transition to cloud services, necessitating enhanced data infrastructure to support this digital shift.

Despite accounting for less than two percent of the global colocation data centre supply as of mid-2023, Africa's data center market is seen to be rapidly accelerating, riding a wave of digital transformation. With South Africa leading the charge, boasting more than half of the continent's data centers, the region is projected to see a compound annual growth rate (CAGR) of 12 percent from 2019 to 2025, catapulting its revenue to $3 billion by 2025.

To sustain the blazing trajectory of Africa's data centre market and harness its full potential, the report underscores the importance of sustained investment in infrastructure development, broadband expansion, and supportive regulatory frameworks. It noted that by tackling these fundamental issues, the region can not only meet the ever-growing demand for digital services, but also lay the groundwork for a prosperous and digitally empowered future.

In addition to infrastructure, the ADCA and OBG report highlighted the role of strategic partnerships and collaborations in driving the data centre industry forward.

Across the African continent, governments are recognising the immense potential of digital transformation, crafting ambitious policies and launching digital-first initiatives that promise economic growth and spur job creation. As data centres continue to pop up and expand, hubs like Silicon Savannah in Kenya and Lagos' Yabacon Valley are emerging as hotbeds of digital innovation, drawing investors and entrepreneurs to these centres of digital excellence and laying the groundwork for a tech-driven future that positions Africa as a rising global powerhouse.

Nigeria also stands out as a key player in Africa's data centre market, driven by increasing internet penetration and numerous tiered data centres, predominantly in Lagos and Abuja. Major players like Mainone (Equinix) MDXi, OADC, Galaxy Backbone, MTN, and RackCentre have significantly contributed to this growth.

According to a Mordor Intelligence report, the Nigerian data centre market size is estimated at 116.7 MW in 2024 and is expected to reach 226.7 MW by 2029, growing at a CAGR of 14.20 percent. The market is also expected to generate colocation revenue of $251.1 million in 2024 and projected to reach $578.1 million by 2029, growing at a CAGR of 18.15 per cent during the forecast period.

This growth is fuelled by various factors, including the rapid expansion of the country's digital economy, the proliferation of cloud services, and the increasing need for secure data storage. Moreso, Nigerian businesses, both large and small, are recognising the importance of data centres in ensuring the reliability, security, and efficiency of their operations. As a result, local and international investors are pouring in, establishing world-class data centre facilities across the country.

With their ability to create jobs, boost local economies, and contribute to Nigeria's GDP, these data center beacons are not just transforming the country's technology sector but also enabling the adoption of groundbreaking innovations like artificial intelligence, the Internet of Things, and 5G, paving the way for a brighter, more digitised future for citizens and industries alike.

Airtel Nigeria redefines home entertainment with smart router device

AIRTEL NIGERIA HAS reinforced its commitment to providing high-quality internet services with the recent introduction of Smart Router, a 4G device capable of connecting up to 10 devices. This new product aims to enhance home entertainment by delivering a seamless smart TV experience directly through users' television screens via both wireless and Ethernet connections.

The Airtel Smart Router, which is SIM-based and 4G capable, offers robust connectivity that supports a variety of devices, including smart cams, smart doorbells, tablets, smartphones, laptops, and TVs, all on a single internet subscription. It also allows users to access popular streaming platforms such as Netflix, Hulu, and Showmax, offering personalised and up-to-date content.

The Airtel smart router is currently available for purchase online at N25,000, providing an all-in-one solution for customers' home needs, from entertainment to security.

The new product comes with a 30-day free unlimited data plan, as well as a 100 percent bonus on data recharges of N10,000 to N15,000 for the first six months. This combina-

tion of cutting-edge technology, affordability, and attractive data plans makes the smart router a valuable investment for customers looking to enhance their home entertainment and productivity.

According to Femi Oshinlaja, Airtel Nigeria's chief commercial officer, the recently introduced smart router represents a significant advancement in home entertainment.

The smart router, Oshinlaja stated, enables Airtel to offer affordable, high-quality digital content from various streaming services to many households, including those without smart TVs. He added that with the combination of innovative connectivity and a user-friendly interface, customers can now seamlessly access a variety of entertainment options directly from their televisions, enjoying a more comfortable and engaging home entertainment experience.

Android security concerns spike in Nigeria as 70,000 devices fall victim to Anatsa malware

IN A WORRYING DEVELOPMENT highlighting the growing threat of cybercrime in Nigeria, the Nigerian Computer Emergency Response Team (ngCERT) has raised concerns about a rise in malware infections linked to the Anatsa banking trojan. This advanced malware has compromised over 70,000 Android devices nationwide, exposing users to potential financial fraud and data theft.

The Anatsa banking trojan is a sophisticated piece of malware specifically designed to infiltrate Android devices and steal sensitive information such as login credentials, credit card details, and other financial data.

Its ability to disguise itself as legitimate apps, often mimicking financial institution mobile apps, makes it particularly dangerous. Once installed, it gains access to a device's sensitive information, enabling cybercriminals to execute fraudulent transactions and steal data undetected.

The warning from ngCERT comes at a time when Nigeria is ramping up efforts to combat cybercrime, a growing concern exacerbated by the rise of online banking and e-commerce. These developments have created fertile ground for cybercriminals, with the Anatsa banking trojan being one of the many malware strains currently plaguing Nigeria's digital landscape.

According to ngCERT, the Anatsa banking trojan's modus operandi involves disguising itself as a legitimate app, often masquerading as a financial institution's mobile app. Once installed, it gains access to the device's sensitive information, allowing cybercriminals to carry out fraudulent transactions and steal sensitive data.

The implications of this malware attack are far-reaching, with potential losses estimated to run into millions of naira. The ngCERT has urged Android users to be vigilant and take immediate action to protect their devices.

In a statement, the ngCERT warned, "The Anatsa banking trojan is a significant threat to Nigeria's cyber security, and we urge all Android users to take necessary precautions to protect their devices and data."

The Anatsa trojan is particularly due to its sophisticated delivery and execution methods. Initially, it is distributed through apps that appear harmless and even useful. Once installed, these apps behave normally until they secretly download, decrypt, and execute the trojan's payload.

NgCERT explained that the trojan connects to a command and control (C2) server, awaiting instructions from the attacker. It can overlay fake login screens on top of legitimate banking apps, record keystrokes, and prevent the user from interacting with certain applications.

Additionally, the malware can download, upload, delete, install, and locate files on the device, giving attackers significant control over the compromised system.

In light of this threat, ngCERT urged Android users to exercise caution when downloading apps. Users are advised to avoid installing apps from unknown or untrusted sources and to scrutinise reviews and ratings before downloading from the Google Play Store.

If an app suspected of containing the Anatsa trojan is discovered, ngCERT recommends immediate uninstallation and a thorough device scan using reputable antivirus software. Users are also advised to change their banking passwords and monitor their accounts for any suspicious activity, reporting any irregularities to their banks promptly.

Telecom stakeholders flag state govt. intrusion as threat to FG's 90,000km fibre project

Onome Amuge

THE TELECOMMUNICATIONS INDUSTRY in Nigeria is skeptical about the federal government's plan to deploy 90,000 kilometres of fiber optic cables across the country due to various factors, chief among which is the potential interference of state governments. This is centred on the fact that without addressing the current issues of Right of Way charges, multiple taxation, and levies (all within the jurisdiction of state governments), the project, which is to be implemented through a Special Purpose Vehicle, may become a fruitless exercise fraught with bureaucratic hurdles.

The sixth edition of the Policy Implementation Assisted Forum (PIAFo), held recently in Lagos, with the theme "Accelerating Collective Prosperity through Technical Efficiency" provided a crucial platform for telecommunications stakeholders to raise their concerns over Nigeria's digital economy, amidst the country's ongoing digitalisation efforts.

The forum, with its emphasis on Nigeria's renewed strategic agenda, fostered an engaging discussion, driving home the need for concerted action to address the industry's most pressing issues, including the successful implementation of the federal government's fiber optic cable project.

The stakeholders in their discussions and presentations, viewed the project as an essential component of the government's strategy to drive the digital economy forward. By ensuring universal internet access and providing a robust backbone for the economy, they argued, the fiber optic cable project would not only complement existing connectivity efforts but also pave the way for a more connected, digital Nigeria.

Chidi Ibisi, executive director of Broadbased Communications, who delivered a paper at the event, titled 'Harmonizing Nigeria's Fibre Deployment Strategies for Effective Implementation", offered a balanced perspective on the federal government's SPV initiative's potential and shortcomings. While he recognised the importance of the project in bridging Nigeria's digital infrastructure gap, Ibisi stressed the need for the government to confront existing challenges that impede the deployment of fiber optic cables across the country.

Ibisi, with his industry expertise, pinpointed specific challenges that could hinder the implementation of the SPV initiative, emphasising the urgent need to address these issues. The high cost of Right of Way (RoW) permissions, the destruction of fiber by construction companies and vandals, and other factors,Ibisi argued, would undermine the project's effectiveness if not tackled head-on.

Chidi Ajuzie, the group chief operating officer of WTES Projects Limited, identified the devastating impact of informal RoW excavations by hoodlums as the biggest challenge for telecom operators in laying fiber cables across the country.

"For states, a formal right of way is set and some states are adopting it but the informal side of the right of way is where the complexity has come today.

"If I'm trying to lay fibre in some communities here in Lagos, the first thing that happens is the so-called land owners (omo onile) come out and a different set of people will keep coming from one street to another and they charge you. How do we achieve adequate broadband infrastructure in this kind of situation?" he queried.

Gbenga Adebayo, chairman of the Association of Licensed Telecommunications Operators of Nigeria (ALTON), shared his vision for the success of the 90,000 km fibre project, emphasising the critical role of governments at sub-national levels in taking ownership of the project.

Adebayo took a stance against the monetisation of Right of Way by state governments, decrying this practice as a relic of the past that must be relegated to the annals of history. According to him, telecommunications operators, who provide the backbone for digital services, should not be treated as mere revenue sources for state governments.

In his words: "The government has always come up with good policies, but the implantation, particularly when they are tested far afield, is the biggest problem. Governors will go to Abuja and say 'in my state, I will give the right of way free of charge.'

"When you go to such a state, they may give you the right of way for zero or one Naira, but they will give you developmental levy, education levy, state impact levy, ecosystem levy. When you add all of these together, it is more than the right of way charges. So, who is playing who?"

Also speaking at the forum, Ayotunde Coker, the CEO of Open Access Data Centre (OADC), highlighted the pivotal role of the private sector in the successful implementation of the $3 billion fiber optic cable project.

An advocate of public-private partnerships, he suggested that the World Bank's financial contribution, while crucial, required the dynamism and agility of the private sector to truly drive transformative change in Nigeria's digital infrastructure.

Coker also implored the World Bank to embrace a more inclusive and open approach to the fiber optic cable project, underscoring the crucial role of private sector engagement, and the need for clear policies that allow for effective execution and innovation.

"Meaningful broadband is what we need, rather than just a huge set of megabits per second implementation.

We need superhighway fibres. We need the distribution of these backbone that allows us then to fan out," he stated.

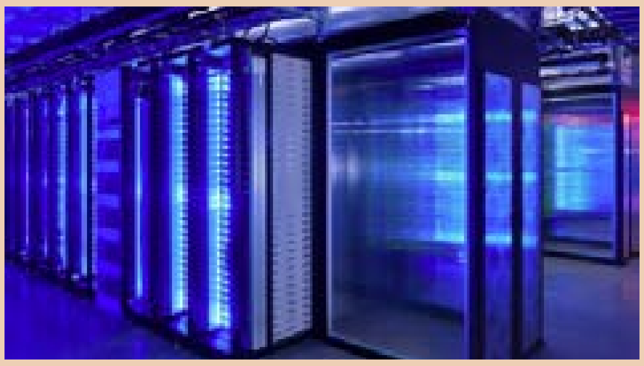
Coker also called on state governors to recognise the transformative power of their involvement in the fibre optic cable project.

He noted that their decision to engage with the project—or choose to remain on the sidelines—would have a profound impact on the growth and prosperity of their respective states.

Data & Information Governance Insight

The Privacy Paradox

Facebook's data colonialism and personalised Ads



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IMAGINE YOU'RE SCROLLING THROUGH Facebook, catching up on friends' posts and news updates. As you pause on a friend's photo from their recent holiday, you notice an ad pop up for discounted flights to that exact location. It feels almost magical, as if Facebook can read your mind. But this seemingly serendipitous moment is a result of a sophisticated web of data tracking and personalised advertising — an intricate process that delves deep into your personal preferences and behaviours.

Facebook, like many social media platforms, thrives on the currency of data. Every click, like, share, and comment contributes to an ever-growing profile of who you are. This data is then leveraged to tailor advertisements specifically to you, creating a highly personalised experience that feels relevant and engaging. On the surface, it's a win-win: users receive ads that match their interests, and advertisers reach their target audiences with precision.

However, this convenience comes at a cost. The practice of harvesting and monetising personal data is often referred to as data colonialism — a term that highlights the invasive and exploitative nature of data extraction. Just as colonial powers once claimed and exploited new territories, tech giants like Facebook claim and exploit user data. They map out the contours of our digital lives, gathering insights that are used not just for ads, but to influence our behaviour in subtle yet significant ways.

The process is deceptively simple. Facebook collects data on its users through a variety of means: posts, messages, interactions, and even off-platform activities via integrated apps and websites. This data is then analysed to identify patterns and preferences, which are used to build comprehensive profiles. Advertisers pay a premium to access these profiles, enabling them to deliver highly targeted ads that are more likely to resonate with users.

This model raises significant privacy concerns. Users often have little understanding of the extent to which their data is being collected and used. While Facebook provides privacy settings and options for users to control their data, the default settings are typically permissive, allowing for extensive data collection. This lack of transparency and control contributes to what is known as the privacy paradox: users express concerns about their privacy, yet continue to engage with platforms that compromise it.

The privacy paradox is particularly evident in the case of personalised advertising. Surveys consistently show that users are uncomfortable with the idea of their data being used to create targeted ads. Yet, the convenience and relevance of these ads keep them engaged. This discrepancy between users' privacy concerns and their actual behaviour is a reflection of the complex dynamics at play. On one hand, personalised ads offer real benefits, making the online experience more enjoyable and efficient. On the other hand, they represent a profound intrusion into personal privacy.

Critics argue that more should be done to protect user privacy. This includes stricter regulations on data collection practices, greater transparency from companies like Facebook, and more robust tools for users to control their data. In recent years, there have been moves in this direction, with laws such as the General Data Protection Regulation (GDPR) in Europe and the California Consumer Privacy Act (CCPA) in the United States. These regulations aim to give users more control over their data and hold companies accountable for their data practices.

However, regulation alone is not enough. There needs to be a cultural shift in how we view and value our personal data. Users must become more informed about the trade-offs they are making and demand greater accountability from the platforms they use. Only then can the balance of power shift away from the tech giants and towards the individuals whose data is being exploited.

As we continue to navigate the digital age, the tension between convenience and privacy will only intensify. The case of Facebook's data colonialism underscores the need for a more nuanced understanding of the implications of personalised advertising. It is a call to action for users to reclaim their privacy and for companies to prioritise ethical data practices. In the end, the true cost of those personalised ads might be higher than we think.

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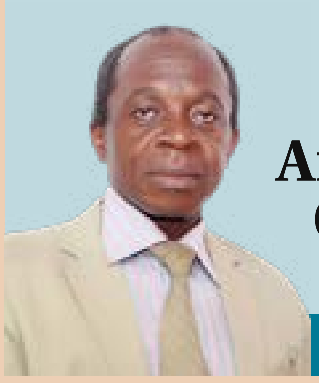

Africa & Global Observatory

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Kenya's Ruto as Africa's showcase in spat of town and crown

President William Ruto announcing the dismissal of his entire cabinet after protests rocked Kenya

KENYA BOILED OVER recently. It was a test of resolve and strength between the common men and those in the corridors of power in a democracy. It was also a platform for Africa to determine where power truly lies in a system of government popularly described as democracy. The first salvo was the enactment of a government policy that did not go down well with the people of Kenya. The people protested. But the government of President William Ruto chose the path of indiscretion and highhandedness in response to the protests as he deployed the military to end what was described as "treasonous" nationwide anti-government protests by purportedly "dangerous people" after an apparent failure of the police to quell the riots. Arrests were made. People were killed, the figure of which may vary depending on the source of information. However, no fewer than five protesters were reportedly killed.

The trigger for the street protests was what appeared like a spontaneous reaction to the tax hike through a legislative bill called the "Finance Bill." President Ruto, sensing the senselessness in continued defiance, announced that he would no longer sign the controversial bill. "I concede and therefore I will not sign the 2024 finance bill," said Ruto. According to him, "the people have spoken." Exactly at what point in the faceoff did Ruto realise or recognise the importance and relevance of the voice of the people? If he did much earlier, or if he reckoned with it early enough, the protests in Kenya would have been avoided in its entirety. He could simply have chosen the path of initial defiance, thinking the Kenyan public would be cowed into submission. And when the show of strength did not seem to work, he might have switched, belatedly choosing rather to capitulate after scores of people had been wounded and dozens reportedly killed. It became clear, in retrospect, that the abortive finance bill should not have been conceived at all in the first instance.

The grit, determination and resilience of the mostly youthful protesters were obviously beyond the expectations of President Ruto who must also have seen the futility of continuing to fight against his country's men and women. Passage of the bill by the parliament despite the initial protests was a usual way of communicating to the people that "this is the government; don't dare us." The protests which began online were taken to the street where the authorities took the protesters head on. In the end, the street won, the town prevailed and the crown bowed. Blame Ruto as much as you can; the fact is, he ended up recognising the people's power and the need to let it be. He must also have realised that the power he wielded against the people during the protests was derived from the same people as many of the protesters were reportedly among those who gave him the mandate as voters during the election that made him president.

He needed to calm the frayed nerves and douse the doubts of the people in the concession speech he made on the finance bill. The determination of the protesters to go on with protests despite Ruto's assurance must have surprised – if not angered – Ruto initially. Realising the futility of trying to preside over a country in turmoil, he chose to concede to the people's desires and demands. If democracy, as often defined, is government of the people, by the people and for the people, then Ruto could be said to have met his people half-way through the journey and has responded fairly well after the initial bravado. A far-reaching decision had to be taken. He sacked almost all his cabinet members and went on air to announce some measures he will soon embark upon. "I will immediately engage in extensive consultations across different sectors and political formations and other Kenyans, both in public and private, with the aim of setting up a broad-based government," he said on Thursday. He had a choice to make between listening to his people and pandering to the demands of foreign lenders such as the International Monetary Fund (IMF). He thus walks a tightrope in his effort to restrict the rising cost of living and cut the $2.7 billion (£2.1 billion) budget deficit caused by the withdrawal of the tax hikes bill.

After weeks of deadly protests over government corruption and tax hikes an errant President Ruto had to commit himself, not just to withdrawal of the bill that was to have become a law in the circumstance of rising costs of living, but also to starting a dialogue with the Kenyan young people as well as starting to cut the budgets of the presidency as part of measures to reduce deficits in government financing. If the protests in Kenya succeed in stemming the tide of corruption within the political class, the young Kenyans must have succeeded in shaping a better and brighter future for themselves while also setting an example for other African countries to emulate.

But, unlike Ruto's Kenya, most contemporary African countries' leaders remain stuck with their own decision to subjugate their countries' citizens. Although peaceful protests are allowed in the constitution of countries in the modern era, too many political leaders try to brutally crush such protests. In African countries where street protests have failed to yield positive results for the people, the reactions of the leaders have been mostly crude, oppressive and brutal. Such leaders have acted more out of fear, disdain or sheer insensitivity to the people's legitimate plights. In such circumstances, street protests have been treated more as an affront from the people towards the government. They have therefore often been met with brutal force as a deterrent. It is rather counterintuitive that some power seekers rally people to protest and riot against the governments they seek to unseat but refuse to allow protests against them after they have taken over government. Despite such tendencies, the power of the street will continue to receive people's sympathy and approval in many more countries of Africa where unpopular governments or policies are in operation.

Sudanese soldiers that toppled Omar al-Bashir's unpopular government in April 2019 rode on people's popular sentiment and yearnings for a change of government to establish and entrench themselves in power, including when they brought in Abdallah Hamdok as a civilian Prime Minister to legitimise their regime while working to strengthen their grip on power. In 2021, the soldiers sacked Hamdok, but had to reinstate him after a month in response to popular protests. But because they were not keen on democratic rule, it did not take long for them to unravel as Hamdok resigned in January 2022, barely three months after his reinstatement. People's power was denied; chaos set in, eventually resulting in the protracted civil war that still ravages the country now. At the time the Sudanese people tried again to affirm the power of protests, the guns began to roar in a contest between the head of the army and the head of the paramilitary forces. The street lost in Sudan.

The events that culminated in #ENDSARS protests in Nigeria in 2020 were a response to police brutality, which has been going on for years without let or hindrance. Rather than treating the protests as a wake-up call for government to address the lingering crisis associated with the high-handedness exhibited by the Special Anti-Crime Response Squad, a unit of the police force that was fast becoming a terror to the populace, the government of Muhammadu Buhari chose the oppressive approach of quelling the protests. In addition to the controversial killings of protesters at Lekki toll gate on October 20, 2020, by the military, Buhari's government exploited ethnic and religious differences to create division among the protesters and thus weakened the protests. In the end, the idea behind the #ENDSARS protests fizzled out while many of the leading figures and champions of the protests had to seek cover, either by going on exile or simply dropping the idea of continuing with the protests. Rattled about their coordination and finances, Buhari's government went after their sources of funding. #ENDSARS fell short of achieving its aim. In #ENDSARS, the street lost.

While street protests in Kenya succeeded in rattling the government and forcing its hand to change policy direction, the same may not be said about Nigeria's. Although another set of protesters have been gathering online in the past couple of weeks, saying they would go on the street later this July in protests against the hardships under the current Tinubu's regime, a lot more needs to be seen to prove their likely efficacy. With accusations flying around on social media that the Islamic clerics in northern Nigeria have been bribed by the government to dissuade and silence their followers, it remains to be seen how effective that gimmick will be and how the protest will take off, proceed or even spread. This is of interest, particularly as the hitherto reticent northern Nigerian populace is now agitating and calling for the protest. Curiously, the leaders of the two serial regimes against which the idea of protests has been mooted in recent times were at the forefront of protests against the government of President Goodluck Jonathan in January 2012, when they cited corruption and insecurity as their reasons why Jonathan should not be re-elected into office. The one-week shutdown across Nigeria was physically led by Buhari and Tinubu who were unrestrained and unmolested by Jonathan's government then.

It appears like street protests will gain more popularity and relevance in governance in Africa as more and more countries boldly and fervently take to the streets to press home their demands, forcing dysfunctional governments to do the right thing. Whether or not Nigeria's current government will succeed in staving off the impending protests is debatable as the conditions that led Kenyans to the streets for weeks were less severe in magnitude than those in Nigeria. With the hitherto docile population rising up and threatening to go to the streets, the message for the current government of Nigeria is very clear: it is time to mend its ways. One of the major issues the Kenyans protested against was the profligacy and excessive spending of government, which is more mind-boggling in Nigeria with outsize wages and emoluments for government functionaries while the payment of fair minimum wage remains difficult to implement. Added to these are the noxious decisions to keep a large cabinet of ministerial appointees, creation of more ministries, departments and agencies and failure to reduce the enormous payments to members of the Nigerian parliament.

Now that more and more people are becoming emboldened to go on the street in protests, African governments and leaders need to have a rethink and be aware that things are no longer going to remain the same. They thus need to govern well if they want to avoid disruptive activities from the people they govern. It is now clear that the people are recognising the enormity of power they have in any polity and are willing, ready and determined to use that power. One of the ways they have found is to embark on the street if need be. The next place they will choose to use this street power, Kenya's case may be a child's play in comparison.

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